



CANTON
NORTH CAROLINA

**ANNUAL
OPERATING
BUDGET**

**FISCAL YEAR
2021-2022**

**May 13th, 2021
Nick Scheuer
Interim Manager**



To: The Honorable Mayor & Board of Aldermen/women

From: Nick Scheuer, Interim Town Manager

May 13th, 2021

Mayor and Board of Aldermen/women:

In accordance with the Local Government Budget and Fiscal Control Act, the following budget for the fiscal year beginning July 1st, 2021 is presented for adoption.

A budget hearing will be held on May 27th, 2021 at 6:30pm at Town Hall. The date of Public Hearing was published as required by law.

On behalf of the Town of Canton I am pleased to submit to you the Proposed Annual Operating Budget for Fiscal Year 2021-2022. This document represents the careful planning, dedication, and thorough deliberation by staff on how to best meet immediate operational needs, improve service delivery and plan for the future, while keeping an eye on the ongoing COVID-19 pandemic crisis. We are confident of the vision brought forth by staff and this Board to build upon past successes, while charting a new course forward. This budget allows for fiscally responsible investments in our infrastructure, services and amenities while tackling important issues like economic development, quality of life and sustainability.

Last year's budget was rightfully conservative in nature, while still allowing for important projects and initiatives and this budget builds on those values. In our estimation of revenues for the FY-2021-2022, we utilized conservative numbers in our forecasting with the understanding that we must prepare for all circumstances. This budget continues to be scalable like last year's, which allows us to monitor expenditures to ensure efficient stewardship of Town funds.

This budget holds true to the commitment of this Board to improve the community in which we live, work and play. The FY 2021-2022 Budget once again promotes economic development through its incentive programs by including funding for Interior Building Improvement and Façade Grants to assist in the redevelopment and revitalization of Canton's downtown. This has been a feature offered by the Town which has had great success over the last five years and serves as a driver of new investment in our community. In addition to this program, we have partnered with the Cruso Endowment to make aesthetic improvements to the downtown through decorative street signs, murals, and the development of Sorrell's Street Park.

With regard to personnel, this budget highlights the commitment to providing employees acceptable and competitive wages by adding a 3% COLA increase for all full-time employee positions with an additional 4% increase to law enforcement. Our people are our most valuable asset and it is paramount that we do everything in our power to encourage employee retention. We are also proud to continue the 3% 401K match for all employees who elect to contribute.

One of the areas to highlight in the FY-2021-2022 budget is our commitment to maintaining and improving Town infrastructure. Last year we partnered with Haywood County to complete a Water Resiliency Study, looking at the viability and sustainability of our existing systems. Based on those recommendations, we included significant

improvements to our water treatment plant, water intake and general utility security. As we grow, there will continue to be important infrastructure needs and we feel this budget continues to address those needs. Another important infrastructure need being met by the FY-2021-2022 budget is the improvement of Town-maintained roads. We have committed a substantial amount of funding towards paving and will work to establish an improvement plan that addresses the ongoing need through efficient utilization of both Powell Bill and Town funds.

Another important area to emphasize is the reduction in the property tax rate for The FY 2021-2022 Budget. With the recent County-wide reevaluation, we have determined that by reducing the tax rate from \$.58 to \$.54 (Revenue Neutral would be \$.50) we will decrease the tax liability of our citizens, while ensuring that we have the necessary resources to execute the Board's vision for Canton in the future.

Regarding water and sewer rates, maintaining the level of service while investing in future infrastructure dictates necessary increases to inside and outside rates. Even with conservative increases, we still have some of the lowest minimums of all municipalities within the County.

With all the investments in infrastructure, it is easy to overlook the incredible impact our upcoming recreation projects will have on quality of life, economic development as well as improved health and wellness. Chestnut Mountain Park and Sorrell's Street Park development are priorities emphasized within the FY-2021-2022 budget. Both parks represent legacy projects that will forever leave their mark on the Town. They allow for economic diversification regarding tourism and continue to be some of the most exciting projects we have been able to take on. We have partnered with various groups and organizations to bring these projects to fruition and we will continue to explore creative and fiscally responsible opportunities in these areas as well as maximizing the existing amenities this Town already has to offer.

As planning informs and guides the course of the Town, we will be undertaking a comprehensive planning process this year. The development of this document will help us shape and mold the future of Canton regarding infrastructure, development, zoning, transportation, economic development and beyond. This will be an extremely important tool to assist us in managing and leveraging current and future growth.

This is an incredible time for Canton. There is a palpable sense of excitement and expectation as we continue to move Canton forward. I consider the opportunity to serve the Town as one of the greatest achievements of my life and am thankful for the opportunity to come along for the ride. We would not be on this path without your guidance and vision. We also would not be where we are without the incredible dedication, determination, and commitment from our Town employees.

As we move forward in 2021 and beyond, I would encourage us all to consider this quote from JFK "'As we express our gratitude, we must never forget that the highest form of appreciation is not to utter words, but to live by them.'" Let us live by our words and bring this vision to reality!

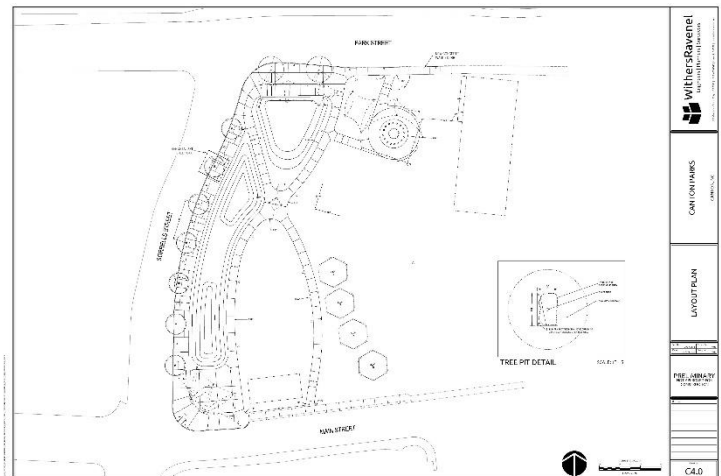
It is with great honor and appreciation to the Town of Canton's Mayor, Board and staff that I present the following FY 2021-2022 Budget.

Sincerely,

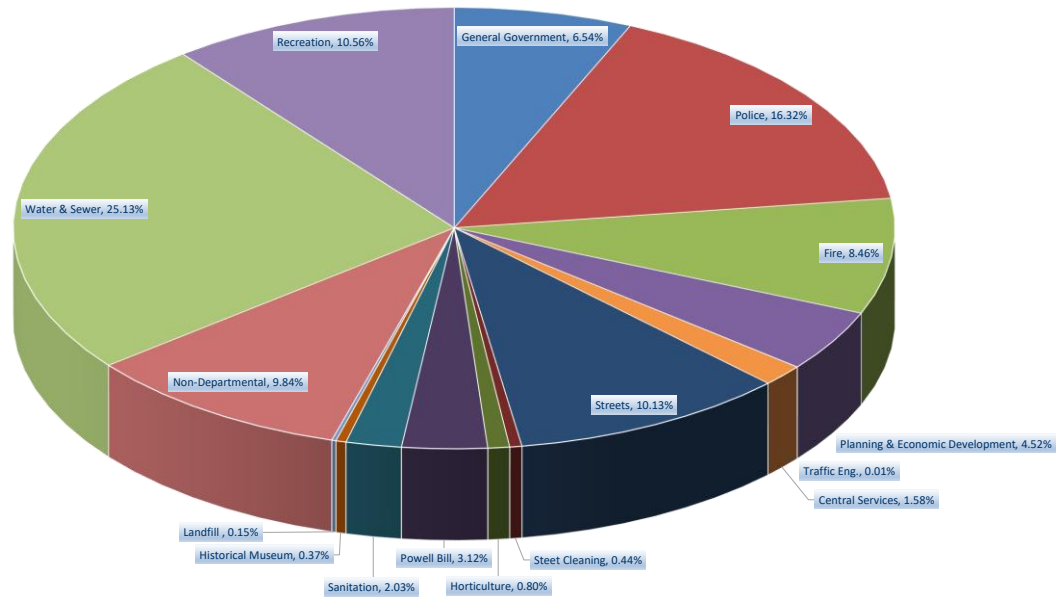
Nick Scheuer
Interim Town Manager

FY22 Board Strategic Goals

- Sorrell's Park development
- Chestnut Mountain Park
- Employee retention
- Infrastructure
- Rec Park improvements
- Green Initiatives
- Aesthetic improvements
- Marketing for Recreation
- Holiday Decorations



TOWN OF CANTON 2021-2022



2021-2022 BUDGET
SUMMARY OF REVENUES
ALL FUNDS

10	General Fund	\$7,114,361.00
30	Water & Sewer Fund	\$2,780,371.00
40	Recreation Fund	\$1,167,973.00
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	TOTAL REVENUES	\$11,062,705.00

2021-2022 BUDGET
SCHEDULE OF REVENUES
GENERAL FUND

<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>ESTIMATE FOR 2021-2022</u>
10-301-2021	Current Taxes	3,175,000
10-301-0000	Delinquent Taxes	30,000
10-310-0000	Motor Vehicle Tax	165,000
10-315-0000	Rental Vehicle Tax	300
10-317-0000	Tax Penalties and Interest	9,000
10-325-0100	Business Registration Fees	3,000
10-329-0000	Interest Earned on Investments	5,000
10-329-0200	Interest Earned on Checking	100
10-331-0000	Rents	17,000
10-335-0000	Miscellaneous Revenue	2,500
10-336-1100	Governor's Crime Commission Grant	24,500
10-337-0000	Utilities Franchise Tax	725,000
10-338-0000	Piped Natural Gas Excise Tax	3,000
10-340-0000	Sales Tax on Telecommunications	45,000
10-340-0100	Sales Tax on Video Programming	38,000
10-341-0000	Wine and Beer Tax	18,000
10-343-0000	Powell Bill Street Allocation	128,000
10-344-0100	State Hold Harmless Distribution-Local Sales Tax	160,000
10-345-0000	Local Option Sales Tax - 1%	550,000
10-345-0100	Local Option Sales Tax - 1/2%	550,000
10-346-0200	Special Events Revenue	12,000
10-347-0000	ABC Revenues (Restricted)	2,400
10-347-0200	ABC Revenues (Disbursement)	40,000
10-350-0200	Misc. Revenue - Police Dept. Haywood County SRO	100,000
10-350-0300	Court Forfeitures	1,000
10-351-0000	Court Costs, Fees, and Charges	500
10-353-0000	Fire Protection Charges	75,000
10-355-0000	Planning & Zoning Permits	3,000
10-358-0000	Solid Waste Disposal Tax	1,000
10-359-0000	Refuse Collection Fees	225,000
10-359-0100	Other Refuse Collected	300
10-361-0000	Donations - Historical Museum	250
10-335-0106	Labor Day Town Contribution	25,000
10-335-0100	Labor Day Gate Fees	15,000
10-335-0101	Labor Day Vendor Fees	10,000
10-335-0103	Labor Day Raffle	4,000
10-335-0104	Labor Day Sponsorships	40,000

GENERAL FUND (Continued)

<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>ESTIMATE FOR 2021-2022</u>
10-335-0105	TDA Grant - Labor Day	25,000
10-336-1600	ARP Funding	630,000
10-362-0000	Proceeds from Infrastructure Improvements	0
	TOTAL ESTIMATED REVENUES	6,857,850
10-398-0000	Fund Balance Appropriated - General Fund	39,511
10-398-0100	Fund Balance Appropriated - Powell Bill Fund	<u>217,000</u>
	TOTAL	<u><u>7,114,361</u></u>

2021-2022 BUDGET
SCHEDULE OF REVENUES
WATER & SEWER FUND

<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>ESTIMATE FOR 2021-2022</u>
30-329-0000	Interest Earned on Investments	10,000
30-371-0000	Water Charges	2,134,000
30-371-0200	Sewer Charges	475,000
30-373-0000	Taps and Connection Fees	40,000
30-375-0000	Reconnection Fees	10,000
30-381-0000	Sale of Labor and Materials	2,500
	TOTAL ESTIMATED REVENUES	2,671,500
	Fund Balance Appropriated	108,871
	 TOTAL	 <hr/> <u>\$2,780,371.00</u>

2021-2022 BUDGET
SCHEDULE OF REVENUES
RECREATION FUND

<u>ACCOUNT NUMBER</u>	<u>TITLE</u>	<u>ESTIMATE FOR 2021-2022</u>
40-329-0000	Interest Earned on Investments	5
40-335-0200	Donations - Haywood County Allocation	25,000
40-335-0600	Shed Rentals	3,000
40-335-0700	Cruso Endowment Contribution	30,000
40-346-0000	Camp Hope Revenue	12,000
40-363-0000	International Sport's Complex Fees	1,000
40-363-0100	Batting Cage Fees - IP Complex	500
40-364-0000	Armory Revenue	8,000
40-365-0000	Pool Admissions	30,000
40-365-0100	Pool Party Rentals	2,000
40-382-0000	Colonial Theater Revenue	10,000
40-397-0000	Transfer from General Fund	1,046,468
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	TOTAL ESTIMATED REVENUES	1,167,973
	Fund Balance Appropriated	0
		<hr/>
	TOTAL	<u><u>1,167,973</u></u>

2021-2022 BUDGET
SUMMARY OF EXPENDITURES
GENERAL FUND

GENERAL GOVERNMENT

10-410-0000	Governing Body	43,250
10-420-0000	Administration	146,815
10-440-0000	Finance	344,227
10-470-0000	Legal	25,000
10-490-0000	Planning & Economic Development	500,251
10-500-0000	Municipal Buildings	164,250
		<hr/> 1,223,793

PUBLIC SAFETY

10-510-0000	Police	1,804,905
10-530-0000	Fire	935,733
		<hr/> 2,740,638

PUBLIC WORKS

10-550-0000	Traffic Engineering	1,059
10-555-0000	Central Services	174,405
10-560-0000	Streets	1,120,381
10-561-0000	Street Cleaning and Sweeping	49,191
10-565-0000	Horticulture	88,000
10-570-0000	Powell Bill	345,000
10-580-0000	Sanitation	225,000
10-581-0000	Landfill	17,000
		<hr/> 2,020,036

OTHER OPERATIONS

10-625-0000	Canton Historical Museum	41,396
		<hr/> 41,396

NON-DEPARTMENTAL

10-660-0000	Non-Departmental	16,830
10-660-8100	Debt Service Payment	25,200
10-660-9200	Transfer to Recreation Department	1,046,468
		<hr/> 1,088,498

TOTAL	<hr/> <hr/> 7,114,361
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2021-2022 BUDGET
SUMMARY OF EXPENDITURES
WATER & SEWER FUND

WATER & SEWER FUND

30-660-0000	Non-Departmental	25,000
30-660-8100	Debt Service Payment	185,530
30-720-0000	Administration, Engineering & Billing	269,820
30-810-0000	Water Supply, Pumping & Filtering	1,182,630
30-811-0000	Water Distribution & Wastewater Collection Systems	838,891
30-812-0000	Sewage Treatment	278,500
TOTAL		<hr/> 2,780,371 <hr/>

2021-2022 BUDGET
SUMMARY OF EXPENDITURES
RECREATION FUND

RECREATION FUND

40-660-0000	Non-Departmental	46,054
40-660-8100	Debt Service Payment	51,667
40-813-0000	Recreation Areas & Facilities	263,883
40-814-0000	Colonial Pathway Center	182,708
40-815-0000	Recreation Concessions	300
40-816-0000	Armory	81,212
40-817-0000	International Sport's Complex	47,330
40-818-0000	Recreation Planning and Administration	494,819
	TOTAL	<u>494,819</u>
		<u>\$1,167,973.00</u>