

## BUDGET MESSAGE

April 16, 2018

To: Village Board of Trustees

Please find attached a copy of the **2018 – 2019 PRELIMINARY BUDGET**. This budget has been compiled from appropriation requests submitted by Departments, Contract Agencies of the Village of Canton and budget work sessions.

This proposed budget represents a \$0.15/\$1,000 increase in the tax rate which is an increase of 1.51% from last year. The increase in the tax levy is 1.98% or \$32,872. This places the Village just under the 2% tax cap which is a true 2.0% this fiscal year.

This budget utilizes \$44,500 of the fund balance. We need to use caution in the use of our fund balance to balance budgets because this practice simply creates structural budgetary deficits that could compound on an annual basis. Our fund balance will be quickly depleted if we continue to use it as a tool to balance our budgets. It is better to utilize fund balance to offset capital costs and one-time unexpected costs such as large, unanticipated expenses rather than to use it to balance budgets.

This Preliminary Budget proposal includes a 2% increase in the Village water and sewer rates and a 1% increase in the rural water and sewer rates. However, we will need to continue to monitor expense vs revenue due to several large projects in the planning stages for the very near future.

Taxable assessments increased by \$761,553 or .47% over last year. Of the total assessed value of property, \$482,883,411, in the Village, \$320,136,341 or 66.3% is exempt. This is a slight increase in the percentage of tax exempt properties over last year.

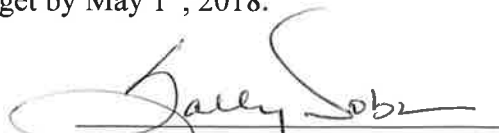
Costs associated with payroll are 33% and benefits 22%, for a total of 55% of the total budget. With payroll and benefits consuming this large portion of the budget, controlling labor costs is a priority. All employees that are eligible for health insurance coverage are contributing (at varied levels) towards their premiums, which offsets this cost slightly.

The Capital Equipment requests are outlined in Section 9 of the budget in the amount of \$643,830. This budget includes funding of \$583,897 for those requests. The funding for last year's items was \$391,026. This is an increase of \$192,871. Paving projects scheduled for this year total \$108,290 down \$9,710 from last year's total of \$118,000. This will be covered by CHIPS funding.

The Preliminary Budget will be presented for a Public Hearing on Monday, April 16, 2018. The Village Board is required to adopt a Budget by May 1<sup>st</sup>, 2018.



Michael E. Dalton, Mayor

  
Sally Noble, Budget Officer