

MINUTES OF MIDWAY TOWN COUNCIL SPECIAL MEETING HELD ON MAY 23, 2016 AT 6:00 P.M. IN THE COUNCIL CHAMBER AT MIDWAY TOWN HALL, 426 GUMTREE ROAD, MIDWAY, NORTH CAROLINA

CALL TO ORDER

Mayor Pro Tem Mike McAlpine called the meeting to order. .

Councilors present were: Mike McAlpine, Jackie Edwards, Keith Leonard, Robin Moon, and Todd Nifong. Absent: Mayor John Byrum. Interim Town Manager Gary Looper and Town Clerk Linda Hunt were present. Absent: Town Attorney Jim Lanik.

Each Councilor had been furnished an agenda prior to the meeting.

No members of press were in attendance.

ADOPT AGENDA

On motion by Councilor Robin Moon, seconded by Councilor Jackie Edwards, Council voted unanimously to adopt the agenda as presented.

REGULAR BUSINESS

PRESENTATION OF PROPOSED BUDGET FOR FISCAL YEAR 2016-2017

In accordance with North Carolina General Statutes, Interim Town Manager Gary Looper presented the budget message and the proposed Fiscal Year 2016-2017 General Fund Budget for \$1,564,050 to Town Council.

The proposed budget represents provision of quality, conservative public services that balance such provisions between residential and business communities without burdening either. Our goals represent a sense of balance between resident quality of life, business opportunity, future recreational amenities, and sound financial management that emphasizes limited debt.

The Town is ahead of the original amortization schedule for payoff of the sewer line. Previous additional principal payments, combined with an additional \$25,000 principal-only payment during this fiscal year, will leave an unpaid balance of approximately \$65,800. The original debt of \$933,500 is now scheduled for payment in full by January, 2018.

The purchase of 38 acres of land off Gumtree Road in 2013 has resulted in completion of the new Midway Town Hall. The majority of the remaining land is intended for future recreational use. This budget allocates funds to continue development of three to six acres of improved open space for resident use. The Town Council is committed to future development of the entire acreage, and this year focuses on continued evaluation of plans and infrastructure improvements that enhance quality of life and economic opportunity within the community.

The proposed tax rate remained unchanged at five cents (.05) per \$100 valuation.

The following municipal services are offered:

- Solid waste and recycling collection
- Street lights
- Land use planning and zoning
- Augmented public safety

The proposed budget is balanced and prepared in accordance with the North Carolina Budget and Fiscal Control Act.

Budget Summary and Comparisons
Fiscal Year 2015-2016 and Fiscal Year 2016-2017

General Fund Revenues	FY 2015-2016	FY 2016-2017
Total Ad Valorem Taxes	\$ 168,000	\$ 177,500
Other Taxes and Licenses (Sales Tax)	\$ 760,000	\$ 800,000
Total Intergovernmental (Utility/Franchise and Solid Waste Taxes)	\$ 192,000	\$ 177,200
Total Other Revenue	\$ 10,000	\$ 9,300
Fund Balance Appropriated	\$ 1,070,900	\$ 400,050
Total General Fund Revenues	\$ 2,200,900	\$ 1,564,050

General Fund Expenditures	FY 2015-2016	FY 2016-2017
Governing Board	\$ 41,100	\$ 42,800
Administration	\$ 682,850	\$ 384,800
Public Safety	\$ 74,500	\$ 75,000
Public Works	\$ 867,150	\$ 606,300
Planning & Zoning	\$ 48,300	\$ 50,150
Economic Development	\$ 10,000	\$ 0
Debt Service	\$ 177,000	\$ 155,000
Sewer Extension	\$ 50,000	\$ 250,000
Total General Fund Expenditures	\$ 1,950,900	\$ 1,564,050

Other highlights of the proposed budget include:

- Total budget of 29% less than last year's budget
- Expenditures are down 20% and include funding for Town Park Recreation Development in the amount of \$100,000.
- Fund Balance appropriation of \$400,050
- Fund Balance remaining after appropriation - \$2.82 million

Under discussion, Interim Manager Looper noted that the amount of estimated sales tax revenue of \$800,000 in the proposed budget is very conservative and that amount could be increased based on the projected sales tax for year ending June 30, 2016 being \$879,667. The effect of raising the estimated sales tax revenue would be to reduce the Fund Balance appropriation. It was the consensus of Council to raise the estimated sales tax revenue to \$840,000.

Mayor Pro Tem Mike McAlpine asked Interim Manager Looper if he had talked with Mark Everhart of North Davidson Garbage Service about the projected overage in the cost for the solid waste and recycling services. Mr. Looper confirmed that he had spoken with Mr. Everhart and it appears that the increase in cost may be due to the tipping fees at the landfill. Per the contract, North Davidson Garbage agrees to provide all labor and equipment to collect and dispose of garbage and recyclables for the Town and provides a monthly statement itemizing the number of pickups and charges for each pick up. Original receipts from the landfill charges will be attached to the monthly statement and all landfill receipts will be paid by the Town to North Davidson Garbage. Mr. Everhart said the per tonnage price has not changed. Mayor Pro Tem McAlpine commented he thought recycling would reduce the costs.

Interim Manager Looper advised Council that the current contract with North Davidson Garbage Service was a five-year contract and expires this year. In talking with Mr. Everhart regarding renewal the contract, Mr. Everhart said he is willing to renew the contract as is. Mr. Looper noted that the North Davidson

Garbage charges \$9.00 per residence for once a week residential solid waste collection and recycling services and that cost has remained the same even though there is a provision in the contract for the cost to be adjusted annually to reflect changes in the cost of doing business as measured by the Consumer Price Index (CPI). Mr. Looper noted that there are some changes he would make to the new contract such as decreasing the fuel price adjustment amount. The new contract will be drafted and forwarded to the Town Attorney for review.

Mayor Pro Tem Mike McAlpine noted that at some point, the Town may want to increase the tap fees for sewer.

Under Planning and Zoning, Mayor Pro Tem McAlpine commented that the contract with Benchmark ends in June and will have to be renegotiated. He advised that he has been checking into some options and he will provide Council with more information on that at a later date.

Following discussion, it was the consensus of Council to make the following changes under Administration:

- Add costs for structural engineer and construction of load bearing wall for additional fireproof filing cabinets - \$2,500
- Increase in legal and professional services (potential YMCA) by \$10,000
- Increase in salaries to \$138,000

Council having no other changes as proposed, Interim Manager Looper recommended Town Council call for a public hearing on the proposed budget for Fiscal Year 2016-2017.

CALL FOR PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2016-2017

In accordance with N. C. General Statutes, Chapter 159, a public hearing must be advertised and held to receive citizen input prior to the adoption of the budget.

On motion by Councilor Todd Nifong, seconded by Councilor Keith Leonard, Council voted unanimously to call for a public hearing to be held on Monday, June 6, 2016, at 7:00 p.m. at Midway Town Hall in Midway, North Carolina to receive citizen input on the proposed budget for Fiscal Year 2016-2017.

ADJOURNMENT

On motion by Councilor Jackie Edwards, seconded by Councilor Todd Nifong, Council voted unanimously to adjourn the meeting at 7:30 p.m.

Mike McAlpine, Mayor Pro Tem

Linda A. Hunt, Town Clerk