

Town of Midway

Proposed Budget and

Budget Message

For the Fiscal Year Ending June 30, 2018

Prepared

By

Gary Looper, Town Manager

BUDGET MESSAGE for FY 2017-2018

Honorable Mayor Byrum and
Town of Midway Council Members:

The General Fund Budget for fiscal year ending June 30, 2018 is hereby presented for the amount of \$ 1,482,309. It embodies results of the budget workshop held by council in April 2017. This budget represents fundamentally conservative governmental service provision and revenue projections. The elected body aims to balance resident quality of life with business opportunity, and improve recreational amenities through sound financial management. It also continues to maintain a historically strong fund balance, minimal debt, and use of cash for nearly all recurring expenses and capital. An appropriation from fund balance for \$191,909 is used to balance the budget.

The Town is prepared to pay off the remaining debt on the sewer line. Previous additional principal payments allow for early payoff of this original \$933,500 loan. Council has stated their intention of retiring the loan's balance of \$65,800 in July 2018, approximately three and a half years ahead of the ten-year amortization.

The recreational use 38 acres of undeveloped land off Gumtree Road purchased in 2013 continues to be a important project for council and substantial funding is included for this purpose. While use of a portion of the property may still be dedicated for a future active recreational facility, the council will proceed with design and improvements dedicated for passive enjoyment of the community. This budget allocates up to \$350,000 toward this endeavor during the next year.

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

The following municipal services are offered for town residents and businesses:

- Solid Waste and Recycling Collection
- Street Lights
- Land Use Planning, Zoning, and Code Enforcement
- Augmented Public Safety

This budget is balanced and prepared in accordance with the North Carolina Budget and Fiscal Control Act. On June 5, 2017, the Town Council will hold a public hearing on the fiscal year ending June 30, 2018 budget. Any person who wishes to be heard on the budget may appear at that time. This budget may be reviewed at the Town Hall or on-line at TownofMidway.com.

This budget respectfully submitted, this 1st day of May 2017.

Gary Looper
Manager

Town of Midway
Budget for FYE June 30, 2018
Table of Contents

	Page
<u>General Fund</u>	
General Fund Revenues	4
General Fund Appropriations	6
Governing Board Appropriations	7
Administration Appropriations	8
Public Safety Appropriations	9
Public Works Appropriations	10
Planning & Zoning Appropriations	10
Debt Service	11
Sewer Extension	11

Town of Midway
Budget for FYE June 30, 2018

General Fund Revenues

	Actual FYE 6/30/16	Budget FYE 6/30/17	Actual 4/23/2017	Projected FYE 6/30/17	Budget 6/30/2018
Ad Valorem Taxes					
Taxes-Ad Valorem-Current	157,921	159,000	156,464	158,000	155,000
Taxes-Ad Valorem- Prior	4,987	3,400	3,110	3,600	3,700
DMV	19,861	15,000	13,984	16,700	17,000
Penalties & Interest	1,581	1,000	971	1,060	1,000
Refunds/Discounts	(126)	(900)	(1,538)	(1,539)	(900)
Total Ad Valorem Taxes	\$ 184,224	\$ 177,500	\$ 172,991	\$ 177,821	\$ 175,800
Other Taxes and Licenses					
Sales Tax	905,274	840,000	854,829	976,000	925,000
Total Other Taxes and Licenses	905,274	\$ 840,000	\$ 854,829	\$ 976,000	\$ 925,000
Intergovernmental					
Utility/Franchise Taxes	184,873	175,000	129,743	175,000	175,000
Solid Waste Tax	3,005	2,200	2,433	2,800	2,400
Total Intergovernmental	187,878	177,200	132,176	177,800	177,400
Other Revenue					
Other Revenue	25,202	5000	6686	12000	10000
Investment Earnings	3,337	3,300	1,468	1,700	1,700
Planning Permits	1,265	1,000	300	450	500
Tap Fee & Capital Recovery	-	-	4,050	-	-
Total Other Revenues	29,804	9,300	12,504	14,150	12,200
Total Recurring Revenue	1,307,180	1,204,000	1,172,500	1,345,771	1,290,400
Fund Balance Appropriated	1,275,900	\$ 400,100	\$ -	\$ -	\$ 191,909
Total General Fund Revenues	\$ 2,583,080	\$ 1,604,100	\$ 1,172,500	\$ 1,345,771	\$ 1,482,309

Ad Valorem Taxes:

The estimated tax levy for the 2017-2018 budget is \$ 175,800. The tax rate is five (.05) cents per hundred dollars, using a 96.93% collection rate

Sales Tax:

Sales tax is based on estimated actual for the 2015-2016 year, an anticipated 16% increase for FY 2017 and a slight decrease for FY 2018.

Intergovernmental Revenues:

Utility Franchise taxes include piped natural gas excise tax, electricity franchise tax, telecommunications sales tax and video franchise tax. The estimate revenues are based on North Carolina League of municipality's estimates of uncertain mixed receipts. Some increase is expected with electric use, but may be offset with decreased receipts for the other utilities for both FY 2017 and 2018.

Solid Waste Tax:

The Town percentage of the State's Solid Waste Tax. This revenue is to be used to offer recycling services.

Town of Midway
Budget for FYE June 30, 2017

Other Revenues

Investment earnings.

Based on current year's receipts. Historically low rates are expected to continue for the near future.

Planning Fees:

Permit fees may be minimized as service provision transitions from Benchmark to Davidson County on July 1.

Capital Recovery and Tap Fees:

Capital recovery and tap fees continue to provide minimal revenue. These fees result from connections to sewer. Fees are anticipated to increase due to council review of, and amendments to, fee structure in 2017-2018.

Town of Midway
 Budget for FYE June 30, 2018

General Fund Appropriations

Summary of Expenses by Department. Department detailed line items are located on the following pages.

FY 2018	Actual	Budget	Actual	Projected	Budget
	FYE 6/30/16	FYE 6/30/17	4/23/2017	FYE 6/30/17	6/30/2018
Governing Board	33,528	42,800	32,127	39,940	43,450
Administration	503,760	418,650	259,497	344,817	399,288
Public Safety	74,499	75,000	-	74,499	80,000
Public Works	842,330	612,500	304,575	408,984	755,800
Planning & Zoning	33,640	50,150	27,995	41,285	36,172
Economic Development	10,000	-	-	-	-
Debt Service	248,254	155,000	129,760	129,760	67,599
Sewer Extension	3,500	250,000	-	-	100,000
Total Appropriations	1,749,511	\$ 1,604,100	\$ 753,954	\$ 1,039,285	\$ 1,482,309

Governing Board Appropriations

The Governing Board provides legislative and policy leadership for the Town and directs the administration of all departments and boards.

	Actual FYE 6/30/16	Budget FYE 6/30/17	Actual 4/23/2017	Projected FYE 6/30/17	Budget 6/30/2018
Compensation	25,950	27,000	20,250	27,000	28,550
Payroll Tax Expense	1,985	2,300	1,549	2,240	2,400
Accounting Fees	5,500	5,500	5,500	5,500	5,500
Travel/Meetings & Events	93	8,000	4,828	5,200	7,000
Total Governing Board Appropriations	33,528	\$ 42,800	\$ 32,127	\$ 39,940	\$ 43,450

Compensation: Council pay for all meetings, including regular scheduled meeting and special meetings. Regular scheduled meetings are monthly; special meetings on as-needed basis.

Accounting Fees: Annual audit as required by N.C General Statutes.

Travel / Meetings: to support ongoing training throughout the year as needed to maintain currency with legislative statutory updates, regulations, and best management practices.

Town of Town of Midway
Budget for FYE June 30, 2018

**Administration
Appropriations**

	Actual FYE 6/30/16	Budget FYE 6/30/17	Actual 4/23/2017	Projected FYE 6/30/17	Budget 6/30/2018
Salaries	134,726	138,000	104,602	138,500	143,380
Payroll Tax Expense	10,364	9,500	8,002	10,595	10,920
Retirement	7,197	7,400	6,316	11,175	11,945
Unemployment	65	1,000	333	500	2,000
Group Insurance	12,979	9,800	8,364	10,023	10,073
Supplies	16,327	9,600	4,288	7,000	8,000
Travel/Meetings/Education	2,856	5,000	3,704	4,500	5,000
Bank Charges	263	150	29	100	150
Grants	11,209	10,000	500	1,000	10,000
Mileage Reimbursement	305	1,500	1,137	1,700	2,000
Telephone	2,121	4,200	241	400	1,000
Postage	345	1,000	396	500	800
Utilities-Tow n Hall	16,558	15,000	3,291	4,500	6,000
Water-Sew er	2,723	5,000	628	2,400	3,500
Printing	-	1,000	498	800	1,000
Maintenance and Repairs	1,879	2,500	8,316	9,000	3,000
Advertising	198	1,500	-	500	1,500
Midw ay Economic Development	-	25,000	10,415	15,414	25,000
Contracted Services	36,401	45,000	15,080	30,000	40,000
Codify Ordinances	-	15,000	-	-	15,000
Rent	6,655	-	-	-	-
Insurance and Bonding	6,142	6,500	5,403	6,142	6,500
Dues & Subscriptions	7,349	7,500	8,445	8,500	8,320
License / Permits	160	500	-	-	500
Capital and Non capital outlay	18,539	31,000	22,398	24,500	20,000
Remodeling	155,824	-	-	-	-
Tow n Hall Supplies / Equipment	-	-	35	-	-
Tow n Hall Furnishings	-	2,500	197	-	5,000
Tow n Hall Security / A-V	24,942	-	6,520	6,520	-
Landscaping Tow n Hall	-	-	-	-	-
Legal & Professional	27,143	45,000	25,312	35,000	40,000
Tax Collection Fees	-	18,000	15,047	15,048	18,200
Other	490	500	-	500	500
Total Administration Appropriations	\$ 503,760	\$ 418,650	↕\$ 259,497	\$ 344,817	↕\$ 399,288

The Administrative Staff maintains the Town records, ensures compliance with North Carolina State Statues and local ordinances, prepares financial information, acts as intermediary between the governing board and citizens, and administers daily operations for all other departments.

Salaries: Town Manager, Clerk, and Administrative Assistant.

Retirement and Group Insurance: Personnel benefits for full time or half-time employees as regulated by the North Carolina Local Government Employees Retirement System. Employer's contribution rate for FY 2018 includes 7.5 % Pension Adjustment and 2.29% Liability portion. The pension adjustment is dictated by the General Assembly annually. The Liability Portion is established upon entry into the system, and exists for a 20-year period, designed as the jurisdiction's equity portion to equalize fair shares with other jurisdictions who entered the system earlier.

Grant: Grants for recreation or development activities as approved by council on an individual basis.

Town of Midway
 Budget for FYE June 30, 2018

Contract Services: Any contracts that the Town might need during the year. The Town has used these funds for web page administration, rights-of-way maintenance, equipment or facility maintenance. Vendors include (but not limited to): Cline Floats, Warren Hill, Zebra Designs, Pest Control, Coeco Copier Contract, Time-Warner.

Insurance: Workers Compensation, Property, Liability & Bonding

Legal and Professional Services: Attorney, Engineering, etc.

Capital and non-capital outlay: additional needs to be determined for New Town Hall.

Public Safety Appropriations

To enforce the law in an impartial manner, recognizing the statutory and judicial limitation of law enforcement authority and the constitutional rights of all people. The Town of Midway contracts for service with the Davidson County Sheriff's Department.

	Actual FYE 6/30/16	Budget FYE 6/30/17	Actual 4/23/2017	Projected FYE 6/30/17	Budget 6/30/2018
Contract Services	74,499	75,000	-	74,499	75,000
Total Public Safety Appropriations	74,499	\$ 75,000	-	\$ 74,499	\$ 80,000

The contract portion for \$74,499 is supplemented in 2018 with \$5,000 to be used on 'as needed' basis to enhance safety response due to man-made and natural disasters only.

Public Works Appropriations

	Actual FYE 6/30/16	Budget FYE 6/30/17	Actual 4/23/2017	Projected FYE 6/30/17	Budget 6/30/2018
Utilities/Street Lights	22,694	26,000	27,137	35,100	35,000
Utilities-Poles	526	600	384	550	600
Utilities- Pump Station	1,632	2,200	1,531	2,150	2,200
Contract Service-solid waste & recycling	285,837	320,000	239,565	291,280	300,000
Contract Other / Mowing	31,662	28,000	22,820	33,960	36,000
Signs	-	500	-	-	-
Beautification Project	42,550	125,000	-	-	25,000
Debris	-	-	-	-	-
Transportation / Roundabout	-	2,000	-	500	2,000
Transportation / Brake Access	-	2,000	-	500	2,000
Exterior Town Hall (flag, sign)	66,688	-	-	5,000	-
Town Hall - Site Prep / Parking	359,693	5,000	4,943	4,944	-
Landscaping	31,048	1,200	-	35,000	3,000
Town Park Recreational Development	-	100,000	8,195	-	350,000
Total Public Works Appropriations	842,330	612,500	304,575	408,984	755,800

The Public Works Department is responsible for maintenance of public buildings and grounds, maintenance of equipment, compliance with Federal and State mandates, right of way maintenance and landscaping.

Streets lights: Utility costs for current lights, including high-mast lighting at Highway 52 interchange. Council will consider additional street lighting requests during FY 2018.

Utilities Pump Station: Electricity and telephone located at the pump station. Cost may reduce significantly when wastewater system is transferred to Davidson County.

Contracted residential garbage service and recycling; once weekly service. No changes to service level or costs.

Contract Services Other / Mowing: Rights-of-way and recreational tract maintenance, and Town Hall landscaping.

Beautification Project: Potential projects to enhance the visual aspects of the Town.

Transportation Projects: Engineering or advisory assistance to progress with projects identified in the Town's Transportation Plan.

Town Park Recreational Development: capital project to continue design and development of passive recreational area on 38-acre tract between Gumtree Road and Country Lane.

Planning & Zoning Appropriations

	Actual FYE 6/30/16	Budget FYE 6/30/17	Actual 4/23/2017	Projected FYE 6/30/17	Budget 6/30/2018
Salaries	7,400	8,500	4,950	6,600	7,800
Payroll Expense	566	650	378	505	597
Travel/Meetings		4,000	233	350	4,000
Code Enforcement		5,000	500	500	8,775
Travel / Meetings					6,000
Contract Services: Zoning	25,674	32,000	21,934	33,330	9,000
Total Planning & Zoning	33,640	\$ 50,150	\$ 27,995	\$ 41,285	\$ 36,172

Planning Board Salaries: 12 regular monthly meetings and special meetings as needed.

Contract Service: Contract with Davidson County for planning, zoning, and enforcement services.

Town of Midway
 Budget for FYE June 30, 2018

Debt Service

	Actual FYE 6/30/16	Budget FYE 6/30/17	Actual 4/23/2017	Projected FYE 6/30/17	Budget 6/30/2018
Principal Payment	225,000	125,000	125,000	125,000	65,800
Interest Payment	23,254	30,000	4,760	4,760	1,799
Total Debt Service	248,254	155,000	129,760	129,760	67,599

Pays the debt service on sewer project originally incurred in 2010. Loan balance as of April 2017 is approximately \$65,800. Council to retire debt in July, 2017 with full payoff, which is approximately three and one-half years ahead of schedule.

Sewer Extension

	Actual FYE 6/30/16	Budget FYE 6/30/17	Actual 4/23/2017	Projected FYE 6/30/17	Budget 6/30/2018
Sewer Extension	3,500	250,000	-	-	100,000

To assist with sewer extensions as needed to service future commercial needs in Commercial Corridor District.