

TOWN OF MIDWAY

PROPOSED BUDGET

AND

BUDGET MESSAGE

FOR THE FISCAL YEAR ENDING JUNE 30, 2019

Prepared by

Linda Hunt, Interim Town Manager

BUDGET MESSAGE FOR FY 2018-2019

Honorable Mayor John Byrum and
Town of Midway Council Members:

The General Fund Budget for fiscal year ending June 30, 2019 is hereby presented for the amount of \$2,188,300.00. It embodies results of the Budget Work Shops held by Council on March 26 and April 16, 2018. The 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 \$873,200.00 is used to balance the budget.

The recreational use of 38 acres of undeveloped land off Gumtree Road purchased in 2013 continues to be an 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 recreational facility, the Council will proceed with design and improvements dedicated for passive enjoyment of the community. This budget allocates up to \$1,200,000.00 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 4, 2018, the Town Council will hold a public hearing on the budget for fiscal year ending June 30, 2019. Any person who wishes to be heard on the budget may appear at that time. The budget may be reviewed at Town Hall or online at townofmidway-nc.gov.

This budget is respectfully submitted this the 7th day of May, 2018.

Linda Hunt
Interim Town Manager

Town of Midway
Budget for FYE June 30, 2019
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Town of Midway
Budget for FYE June 30, 2019

General Fund Revenues

GENERAL FUND REVENUES	Actual FYE 6/30/17	Budget FYE 6/30/18	Actual 4/19/2018	Projected FYE 6/30/18	Budget 6/30/2019
<u>Ad Valorem Taxes</u>					
Taxes - Ad Valorem - Current	\$ 157,735.64	\$ 155,000.00	\$ 157,326.47	\$ 158,000.00	\$ 155,000.00
Taxes - Ad Valorem - Prior	3,439.74	3,700.00	2,258.72	3,500.00	3,700.00
Motor Vehicle Tax	24,685.10	17,000.00	11,829.61	15,600.00	17,000.00
Penalties & Interest	1,147.64	1,000.00	769.83	1,000.00	1,000.00
Discounts	-1,538.69	-900.00	-1,563.78	-1,600.00	-1,000
Refunds	0.00	0.00	0.00	0.00	0.00
Total Ad Valorem Taxes	\$ 185,469.43	\$ 175,800.00	\$ 170,620.85	\$ 176,500.00	175,700.00
<u>Other Taxes and Licenses</u>					
Sales Tax	1,050,078.37	925,000.00	902,535.06	910,000.00	925,000.00
Solid Waste Tax	3,958.16	2,400.00	1,700.75	2,400.00	2,400.00
ABC Revenue	0.00	0.00	0.00	8,500.00	8,500.00
Other	0.00	0.00	\$ -	0.00	0.00
Total Other Taxes and Licenses	\$ 1,054,036.53	\$ 927,400.00	\$ 904,235.81	\$ 920,900.00	\$ 935,900.00
<u>Intergovernmental</u>					
Utility/Franchise Taxes	183,635.04	175,000.00	125,960.44	175,000.00	175,000.00
Total Intergovernmental	\$ 183,635.04	\$ 175,000.00	\$ 125,960.44	\$ 175,000.00	\$ 175,000.00
<u>Other Revenue</u>					
Investment Earnings	4,747.28	1,700.00	15,159.73	16,000.00	18,000.00
Other	16,563.19	10,000.00	75,000.00	75,000.00	10,000.00
Permits and Fees	4,525.00	500.00	0.00	0.00	500.00
Tap Fee and Capital Recovery	0.00	0.00	0.00	\$ -	0.00
Total Other Revenues	\$ 25,835.47	\$ 12,200.00	\$ 90,159.73	\$ 91,000.00	\$ 28,500.00
Total Recurring Revenue	\$ 1,448,976.47	\$ 1,290,400.00	\$ 1,290,976.83	\$ 1,363,400.00	\$ 1,315,100.00
Fund Balance Appropriated		\$ 191,909.00			\$ 873,200.00
Total General Fund Revenues		\$ 1,482,309.00			\$ 2,188,300.00

Ad Valorem Taxes:

The estimated tax levy for the 2018-2019 is \$ 176,000. The tax rate is five cents (.05) per one hundred dollars, using a 95% collection rate.

Sales Tax:

Sales tax is based on estimated actual for the 2017-2018 year and an anticipated 4.5% increase for FY 2018-2019.

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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 Municipalities' estimates of uncertain mixed receipts.

Solid Waste Tax:

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

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 minimized as service provision transitioned to Davidson County.

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 2018-2019.

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General Fund Appropriations

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

	Actual FYE 6/30/17	Budget FYE 6/30/18	Actual 4/19/18	Projected FYE 6/30/18	Budget FYE 6/30/19
Governing Board	39,782.69	43,450.00	31,420.37	41,900.00	42,900.00
Administration	330,304.42	399,288.00	227,554.48	266,800.39	395,100.00
Public Safety	74,499.00	80,000.00	250.00	75,000.00	80,000.00
Public Works	378,257.29	755,800.00	345,914.08	450,100.00	1,618,800.00
Planning & Zoning	37,098.18	36,172.00	18,759.88	25,975.00	37,900.00
Cultural & Economic Development	0.00	0.00	0.00	0.00	13,600.00
Sewer Extension	4,943.52	100,000.00	0.00	0.00	0.00
Debt Service	129,760.06	67,599.00	66,381.30	66,381.30	0.00
Total Appropriations	\$ 994,645.16	\$ 1,482,309.00	\$ 690,280.11	\$ 926,156.69	\$ 2,188,300.00
Fund Balance Appropriation		191,909.00			\$ 873,200.00

Town of Midway
 Budget for FYE June 30, 2019

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 6/30/17	Budget FYE 6/30/18	Actual 4/19/18	Projected FYE 6/30/18	Budget 6/30/2019
Compensation	27,000.00	28,550.00	20,250.00	27,000.00	28,000.00
Payroll Tax Expense	2,065.00	2,400.00	1,548.90	2,400.00	2,400.00
Accounting Fees (Audit)	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00
Travel/Meetings & Events	5,217.49	7,000.00	4,121.47	7,000.00	7,000.00
Total Governing Board Appropriations	\$39,782.69	\$43,450.00	\$31,420.37	\$41,900.00	\$ 42,900.00

Compensation:

Council pay for all meetings, including regular scheduled meetings and special meetings. Regular scheduled meetings are monthly; special meetings on an 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 Midway
 Budget for FYE June 30, 2019

Administration Appropriations

	Actual FYE 6/30/17	Budget FYE 6/30/18	Actual 4/19/2018	Projected FYE 6/30/18	Budget 6/30/2019
Administration Appropriations					
Compensation	\$ 140,856.83	\$ 143,380.00	\$ 74,338.33	\$ 88,000.00	\$ 140,000.00
Payroll Tax Expense	10,775.57	10,920.00	5,686.88	8,000.00	10,900.00
Retirement	9,194.14	11,945.00	4,935.78	6,000.00	10,500.00
Group Insurance	9,971.26	10,073.00	8,333.00	10,073.00	10,800.00
Unemployment	333.75	2,000.00	4,414.84	4,414.84	2,000.00
Supplies	5,701.06	8,000.00	2,598.39	3,000.00	8,000.00
Travel/Meetings/Education	4,083.68	5,000.00	2,591.41	4,500.00	5,000.00
Bank Charges	61.72	150.00	389.54	450.00	600.00
Grants	500.00	10,000.00	5,000.00	5,000.00	10,000.00
Mileage Reimbursement	1,884.25	2,000.00	472.34	650.00	2,000.00
Telephone	386.04	1,000.00	0.00	0.00	0.00
Postage	515.98	800.00	399.59	600.00	800.00
Utilities - Town Hall	3,994.81	6,000.00	3,142.45	4,500.00	6,000.00
Water/Sewer	706.47	3,500.00	260.68	750.00	3,500.00
Printing	497.76	1,000.00	0.00	1,000.00	1,000.00
Midway Economic Development	19,914.50	25,000.00	45,000.00	45,000.00	25,000.00
Advertising	734.44	1,500.00	1,259.63	1,500.00	2,000.00
Contracted Services	17,231.32	40,000.00	17,238.87	22,000.00	40,000.00
Codify Ordinances	0.00	15,000.00	0.00	0.00	15,000.00
Maintenance and Repairs	8,316.22	3,000.00	795.50	800.00	3,000.00
Insurance and Bonding	5,402.56	6,500.00	4,769.62	6,000.00	6,500.00
Dues and Subscriptions	8,842.41	8,320.00	7,896.40	8,000.00	8,500.00
Capital and Non-Capital Outlay	3,301.43	20,000.00	0.00	0.00	20,000.00
Town Hall Supplies/Equipment	21,022.56	0.00	0.00	0.00	0.00
Town Hall Furnishings	0.00	5,000.00	0.00	1,000.00	5,000.00
Town Hall Audio/Visual	6,519.72	0.00	0.00	0.00	0.00
License/Permits	0.00	500.00	0.00	0.00	500.00
Legal and Professional	34,459.59	40,000.00	22,706.37	30,000.00	40,000.00
Tax Collection Fees	15,047.55	18,200.00	15,312.55	15,312.55	18,000.00
Other Expenses	48.80	500.00	12.31	250.00	500.00
Total Administration Appropriations	\$ 330,304.42	\$ 399,288.00	\$ 227,554.48	\$ 266,800.39	\$ 395,100.00

The Administrative staff maintains the Town's records, ensures compliance with North Carolina General Statutes 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, Town Clerk, and Administrative Assistant (Deputy Clerk)
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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 2018-2019 increase from 9.79% to 10.04%. 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.

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

Contracted Services: Any contracts that the Town might need during the year. The Town has used these funds for webpage administration, rights-of-way maintenance, equipment or facility maintenance. Vendors include (but not limited to): Clines Floats, Warren Hill, Zeb Designs, Pest Control, Coeco copier contract, Time-Warner.

Insurance: Workers Compensation, Property, Liability and Bonding
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Legal and Professional Services: Attorney, Engineering, Accounting, etc.

Capital and Non-Capital Outlay: Additional needs to be determined for 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 6/30/17	Budget FYE 6/30/18	Actual 4/19/18	Projected FYE 6/30/18	Budget 6/30/2019
Contract Services – Davidson County	74,499.00	80,000.00	250.00	75,000.00	80,000.00
Total Public Safety Appropriations	74,499.00	80,000.00	250.00	75,000.00	80,000.00

The contract portion for \$74,499 is supplemented in 2019 with \$5,000 to be used on an “as needed” basis to enhance safety response due to man-made and natural disasters and to provide off-duty public safety services for public events.

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Public Works Appropriations

Public Works Appropriations	Actual FYE 6/30/17	Budget FYE 6/30/18	Actual 4/19/18	Projected FYE 6/30/18	Budget FYE 6/30/19
Utilities - Street Lights	35,048.72	35,000.00	25,917.15	32,500.00	35,000.00
Utilities - Poles	548.70	600.00	597.87	600.00	600.00
Utilities - Pump Station	1,675.50	2,200.00	1,546.45	2,000.00	2,200.00
Contract Service - Solid Waste/Recycling	287,452.12	300,000.00	236,769.96	284,500.00	300,000.00
Contract Other - Mowing	34,887.00	36,000.00	21,853.65	29,500.00	36,000.00
Beautification Project	0.00	25,000.00	0.00	0.00	0.00
Transportation -Break-In-Access	1,200.00	2,000.00	0.00	0.00	0.00
Transportation - Roundabout	0.00	2,000.00	0.00	0.00	0.00
Special Projects	0.00	0.00	0.00	0.00	40,000.00
Landscaping	0.00	3,000.00	0.00	1,000.00	5,000.00
Town Park Recreation Development	9,250.00	350,000.00	59,229.00	100,000.00	1,200,000.00
Capital Outlay	8,195.25	0.00	0.00	0.00	0.00
Total Public Works Appropriations	\$ 378,257.29	\$ 755,800.00	\$ 345,914.08	\$450,100.00	\$ 1,618,800.00

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

Street Lights: Utility costs for current lights, including high-mast lighting at Highway 52 interchange.

Utilities Pump Station: Electricity and telephone located at 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.

Contracted Services Other/Mowing: Rights-of-way, recreational tract and decorative signs maintenance.

Special Projects: Includes Beautification Projects to enhance the visual aspects of the Town; Transportation Projects for 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.

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Planning and Zoning Appropriations

	Actual FYE 6/30/17	Budget FYE 6/30/18	Actual 4/19/2018	Projected FYE 6/30/18	Budget 6/30/2019
<u>Planning & Zoning Appropriations</u>					
Salaries	6,600.00	7,800.00	4,950.00	6,600.00	7,800.00
Payroll Expense	504.85	597.00	378.63	500.00	600.00
Travel/Meetings	232.00	4,000.00	0.00	0.00	4,000.00
Contract Services - Planning & Zoning	29,261.33	17,775.00	13,431.25	17,875.00	18,000.00
Travel/Meetings (Davidson Co)	0.00	6,000.00	0.00	1,000.00	6,000.00
Other - Code Enforcement	500.00	0.00	0.00	0.00	1,500.00
Total Planning & Zoning	\$ 37,098.18	\$ 36,172.00	\$ 18,759.88	\$ 25,975.00	\$ 37,900.00

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

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

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Cultural, Recreation, Economic Development

	Actual FYE 6/30/17	Budget FYE 6/30/18	Actual 4/19/18	Projected FYE 6/30/18	Budget 6/30/19
Arts Council	0.00	0.00	0.00	0.00	3,600.00
Economic Development	0.00	0.00	0.00	0.00	10,000.00
Total Cultural, Rec., Econ. Dev.	0.00	0.00	0.00	0.00	\$ 13,600.00

Arts: Funds to be contributed equally to the six public schools specifically serving the Midway area to be used to promote art programs in the local schools. Schools serving the area: Midway Elementary, Friedberg Elementary, Oak Grove Middle School, Oak Grove High School, North Davidson Middle School and North Davidson High School.

Economic Development: Davidson County Economic Development Commission.

Debt Service

	Actual FYE 6/30/17	Budget FYE 6/30/18	Actual 4/19/18	Projected FYE 6/30/18	Budget 6/30/2019
Principal Payment	125,000.00	65,800.00	65,800.73	0.00	0.00
Interest Payment	4,760.06	1,799.00	580.57	0.00	0.00
Total Debt Service	129,760.06	67,599.00	66,381.30	66,381.30	0.0

Debt service paid in full approximately three and one-half years ahead of schedule. No new debt service anticipated for budget for FYE June 30, 2019.

Sewer Extension

	Actual FYE 6/30/17	Budget FYE 6/30/18	Actual 4/19/18	Projected FYE 6/30/18	Budget 6/30/19
Sewer Extension	4,943.52	100,000.00	0.00	0.00	0.00
Total Sewer Extension	\$ 4,943.52	\$ 100,000.00	0.00	0.00	0.00

No sewer extensions planned for budget year ending June 30, 2019.