

**MINUTES OF MIDWAY TOWN COUNCIL BUDGET WORK SESSION HELD ON APRIL 20, 2020, AT 6:00 P.M. VIA ZOOM WEBINAR AND LIVE STREAMED TO THE TOWN'S FACEBOOK PAGE VIA FACEBOOK LIVE**

**CALL TO ORDER**

Mayor John Byrum called the meeting to order and welcomed everyone present through the Town's Facebook page via Facebook Live.

Councilors present by remote participation were: John Byrum, Mike McAlpine, Jackie Edwards, Keith Leonard, Robin Moon and Berkley Alcorn (joined meeting at 6:15). Absent: None. "Pursuant to North Carolina Electronic Meeting Laws, each Councilor was verbally polled for attendance."

Town Manager Tammy Michael, Town Clerk Linda Hunt, and Deputy Clerk Tammy Robertson were present at Town Hall. Town Attorney Jim Lanik participated remotely.

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

No members of press were in attendance.

**PROPOSED DRAFT BUDGET FOR FISCAL YEAR 2020-2021**

Town Council held a Budget Workshop on March 24, 2020 to discuss and plan for the fiscal year 2020-2021 budget. From that meeting, there were items and adjustments that needed additional discussion. Town Manager Tammy Michael presented the proposed draft budget for fiscal year 2020-2021.

As proposed, the estimated recurring revenue totals \$1,416,100 with expenses totaling \$2,708,925 leaving a variance of \$1,292,825 expenses over revenues. Tax rate will remain the same at 5 cents per \$100 valuation.

Discussion on the proposed budget for FY 2020-2021 was as follows.

**General Fund Revenues**

Town Manager Tammy Michael stated that projections for revenues from the North Carolina League of Municipalities anticipates an overall reduction in revenues of 10-20% for the months of April-June 2020. Based on those numbers, the following adjustments were made to general fund revenues for the Town's budget for fiscal year 2020-2021.

- Utility/Franchise Tax Revenue decrease of 9% from \$175,000 to \$160,000
- ABC Revenue from \$18,000 to \$20,000. Revenues received annually in the spring. Amount projected with an estimated 1/2 % reduction for the months of April -June 2020.
- Sales Tax Revenue \$1,000,000. Same as current fiscal year. This includes an anticipated a 10% reduction in Sales Tax Revenue for the months of April-June 2020.
- Total Revenue projected for fiscal year 2020-2021 is \$1,416,100

Mayor John Byrum asked for an update on the Town's investments. Mrs. Michael responded by saying the Town's certificate of deposits will renew in December of 2020 and January 2021. The Town's certificate of deposits and two money market accounts have had an increase in investment earnings for fiscal year 2019-2020.

Governing Board Appropriations

- Travel/Meetings and Events decrease from \$15,000 to \$10,000

Administrative Appropriations

- Group Insurance Rates increase from \$11,580 to \$12,250 based on an anticipated 3% rate increase
- Supplies decrease from \$25,000 to 10,000
- Travel/Meetings/Education/Professional Development (Staff) decrease from \$12,500 to \$5,000
- Mileage Reimbursement decrease from \$2,000 to \$1,500
- Postage decrease from \$800 to \$500
- Utilities Town Hall decrease from \$6,000 to \$5,000
- Midway Economic Development (Transferred to Planning and Zoning – Benchmark – Land Use) \$40,000.

Mayor Pro Tem Mike McAlpine asked Town Manager Tammy Michael how the money would be used that was transferred from Midway Economic Development.

The money budgeted for Midway Economic Development in the current year's budget was originally budgeted for Retail Strategies, a marketing firm from Alabama, that the Town contracted with for developing retail growth for the Town. That contract was not renewed in 2020. Those funds were transferred to Planning and Zoning to be used to update the Town's Land Use Plan with Benchmark CMR, Inc. and will work in conjunction with the new North Carolina General Statute 160D, a New Land Use Law for North Carolina, that will need to be adopted by North Carolina counties and cities by January 1, 2021.

Mrs. Michael informed Council that they could allocate money for Midway Economic Development in the 2020-2021 budget or just do a budget amendment from the fund balance if money is needed to be allocated for an economic development project for fiscal year 2020-2021.

It was the consensus of Council to do a budget amendment if an economic development project became available during the 2020-2021 fiscal year.

Contracted Services

- Blossman Gas – Propane rental for generator \$2,500 per year (new line item)
- Pinwilz – Website maintenance \$175/month-\$2,000/year (new line item)
- Spectrum Cable/Phone/Internet - \$202/month-\$2424/year

Town Manager Tammy Michael has spoken with representatives at Spectrum and AT&T regarding upgrades to the Town's cable/phone/internet services. For an additional \$27.16 per month, Spectrum will upgrade the Town's internet from 10M x 1M to 200M x 10M. AT&T can only provide up to 100M x 10M for approximately the same price.

It was the consensus of Council to upgrade the Town's internet services with Spectrum from 10M x 1M to 200M x 10M with a \$27.16 increase per month for a total monthly charge of \$226.96.

- Town Hall Generator will be completed in fiscal year 2020-2021. Line item will be deleted next fiscal year
- Dues and Subscriptions increase from \$8,500 to \$9,000
- Legal and Professional fees increase from \$45,000 to \$55,000

Public Works Appropriations

- Utilities – Streetlights remain the same as fiscal year 2019-2020 at \$35,000
- Contracted Services – NDGS/Waste Industries/GFL. Town’s contract with GFL renews in April 2021. There are no cost projections available at this time. Mayor John Byrum requested that Staff research what other Towns the size of Midway are paying for their solid waste and recycling services. Town Manager Tammy Michael stated that she would work with Town Attorney Jim Lanik and GFL to make sure there would not be an interruption in the Town’s Garbage service during that time.
- Town Park Recreation Development increase from \$1,200,000 to \$1,500,000
- Town Park Operating Costs – New Budget Item
  - Walking Trail Maintenance \$20,000
  - Mowing/Seeding, etc. \$20,000
  - Dumpster Service \$1,200 per year
  - Duke Energy (Town Park Lights \$1,265.45/month \$15,600/year)
  - Park Attendant (\$12/hour 30 hours per week + payroll taxes \$21,000/year no benefits)
  - Port-a-John Rental \$2,000 per year
  - Seeding/Fertilizing \$5,000
  - Town Park Maintenance (E-Z Go cart, supplies, storage building, etc. \$25,000)
  - Other Unknown Essentials \$25,000

Planning and Zoning Appropriations

- Benchmark-Land Use Plan Update decrease from \$60,000 to \$45,000 - (\$15,000 is projected to be used for the Land Use Plan update in fiscal year 2019-2020. The remaining \$45,000 will be used to complete the Land Use update that was transferred from Midway Economic Development in fiscal year 2020-2021).

Cultural, Recreation Development (DCEDC)

- Economic Development-Davidson County Economic Development Commission (DCEDC) – Remains the same as fiscal year 2019-2020 at \$10,000. Craig Goodson, President and CEO of DCEDC is allowing for a one-time reduction in dues of \$1,000 due to the hardships caused by COVID-19.

Town Manager Tammy Michael will incorporate these changes into the proposed budget and present the budget and budget message at their next regular meeting on Monday, May 4, 2020 at 7:00 p.m. at Town Hall.

**ADJOURNMENT**

On motion by Councilor Jackie Edwards, seconded by Mayor Pro Tem Mike McAlpine, Council voted unanimously to adjourn the meeting at 6:36 p.m.

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John E. Byrum, Mayor

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Tammy H. Robertson, Deputy Clerk