

**MINUTES OF MIDWAY TOWN COUNCIL BUDGET WORK SESSION HELD ON MARCH 25, 2021 AT 6:00 P.M. IN THE CONFERENCE ROOM AT MIDWAY TOWN HALL, 426 GUMTREE ROAD, MIDWAY, NORTH CAROLINA**

**CALL TO ORDER**

Mayor John Byrum called the meeting to order and welcomed everyone present.

Councilors present were: John Byrum, Mike McAlpine, Jackie Edwards, Keith Leonard, and Berkley Alcorn. Absent: Robin Moon. Town Clerk Linda Hunt, Town Manager Tammy Michael and Deputy Clerk Tammy Robertson were present.

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

No members of the press were in attendance.

**BUDGET WORK SESSION**

Town Manager Tammy Michael and Town Clerk Linda Hunt attended a Zoom Workshop with the North Carolina League of Municipalities (NCLM) regarding the American Rescue Plan Act (ARP) which is a \$1.9 trillion recovery package provided by the Federal Government for Towns, Cities, and Counties. The American Rescue Plan Act became law on March 11, 2021 (P.L.117-2).

It is estimated that the Town of Midway will receive \$1,440,000 from the ARP divided into two equal payments of \$720,000 over a one-year period with the first allotment to be received by June 15, 2021. Actual distributions received could differ from these numbers based on several factors, including the fact that the ARP contains a provision that no municipality may receive a distribution that represents more than seventy-five percent of its budget in any given year. Caveats included with the Congressional estimates are included below.

Cities are divided into two groups based on the formula outlined in statute to distribute funds. The first group is entitlement cities under the Community Development Block Grant program. The second group is all other non-entitlement cities. The U.S Treasury has sixty days to distribute the first portion of the funds to entitlement cities. After receiving the funds, states have an additional thirty days to distribute funds to non-entitlement cities. The second half of the estimated distribution will be received twelve months after the first distribution. We expect further guidance and clarification on expenditures these funds are eligible to be used for to be forthcoming from the U.S Treasury and others in the coming weeks and months.

Mrs. Michael stated that the NCLM could not clarify what the money could be used for. It is considered a grant from the government that comes with unknown restrictions attached. Part of the money can be used for revenue replacement, however, the guidelines for using the money for the revenue replacement have not been established by the Federal Government. Eligible expenditures have not been finalized, however, the National League of Cities is awaiting legal guidelines from the U.S. Treasury. The Town will have to spend all of the money by 2024 or return the money. All grantees shall provide the Treasury Department with periodic reports providing a detailed accounting of the uses of funds. If federal purchasing guidelines are not followed exactly, money may have to be repaid. Any projects that meet the guidelines will have to go through federal procurement. The Town will have to contract with whomever the Federal Government mandates for a particular project. This may not guarantee the best price for that particular job. It is recommended by the League of Cities, for the Town to hire an outside agency to administer the use of the funds.

It was the consensus of Council to open a Money Market Checking account to hold the money until definite guidelines for how to use the money are established.

**PROPOSED DRAFT BUDGET FOR FISCAL YEAR 2021-2022**

Town Manager Tammy Michael presented the proposed draft budget for fiscal year 2021-2022.

As proposed, the tax rate will remain the same at five cents per one-hundred-dollar valuation.

The proposed budget includes the following adjustments.

**Administration** – Total Decrease from \$402,250 to \$397,150

- Increase amount in Group Insurance from \$12,250 to \$12,650
- Increase in employer contribution to Retirement System – 1.10%
- Increase Advertising (Legal Notices) from \$2,500 to \$3,000
- Decrease Total Contracted Services from \$76,000 to \$75,000
  - Add \$2,800 annual cost for Microsoft Office 365 email
  - Kimley-Horne – Traffic Study for Midway School Road – NCDOT - \$25,000 estimated
- Increase Dues and Subscriptions from \$9,000 to \$10,000
  - Discontinue Kiplinger Letter \$58/year
  - Identify Triad Business Journal
- Decrease Legal and Professional from \$55,000 to \$50,000

**Public Works Appropriations** – Total Increase from \$2,089,200 to \$2,133,380

- Town Park Operating Costs – Increase from \$131,600 to \$175,780
  - Increase Walking Trail Maintenance to \$30,000
  - Increase Maintenance of Town Park Grounds (Mowing/Seeding etc) to \$40,000
  - Add Part-time Park Attendant Position \$21,000 per year
  - Add Willow's Wishing Wells Landscaping (Weekly Walking Trail Maintenance) \$1,500 a month for a total of \$18,000 a year

Mayor Pro Tem Mike McAlpine shared with Council the need to expand the playground, adding equipment for children ages 2-5. Jon Dumont with Creative Playscapes, will submit designs for the additional equipment keeping the same theme with the current playground equipment. Due to the heat in the summer and lack of shade on the playground, Mr. McAlpine recommends adding shade structures which provide decorative and stimulating protection from the sun to children and playground equipment. Mr. Dumont can provide this as well. It was the consensus of Council to move forward in providing the needed shade for the playground using funds from the current 2020-2021 budget.

A second Budget Workshop is scheduled for Thursday, April 22, 2021 at 6:00 p.m. at Town Hall.

**ADJOURNMENT**

On motion by Councilor Jackie Edwards, seconded by Councilor Berkley Alcorn, Council voted unanimously to adjourn the meeting at 8:00 p.m.

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John E. Byrum, Mayor

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Tammy H. Robertson, Deputy Clerk