



**TOWN OF MIDWAY**

**PROPOSED BUDGET**

**AND**

**BUDGET MESSAGE**

**FOR THE FISCAL YEAR ENDING JUNE 30, 2023**

Prepared by

Tammy Michael, Town Manager

## BUDGET MESSAGE FOR FY 2022-2023

Honorable Mayor John Byrum and  
Town of Midway Council Members:

The General Fund Budget for fiscal year ending June 30, 2023 is hereby presented for the amount of \$4,392,174.00. It embodies results of the Budget Work Shops held by Council on March 24 and April 25, 2022. The budget represents fundamentally conservative governmental service provision and revenue projections. The elected body aims to balance residential quality of life with business opportunity and improve recreational amenities through sound fiscal 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 \$2,803,960.00 is used to balance the budget.

The recreational use of thirty-eight (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 the construction of the Town Park Shelter and Gazebo project dedicated for passive enjoyment of the community. This budget allocates up to \$3,125,000.00 toward this endeavor during the next fiscal 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
- Streetlights
- 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 6, 2022, the Town Council will hold a public hearing on the budget for fiscal year ending June 30, 2023. 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](http://townofmidway-nc.gov).

This budget is respectfully submitted this the 2<sup>nd</sup> day of May 2022.

Tammy Michael  
Town Manager

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**General Fund Revenues**

<b>GENERAL FUND REVENUES</b>	<b>Actual FYE 6/30/21</b>	<b>Budget FYE 6/30/22</b>	<b>Actual 4/14/2022</b>	<b>Projected FYE 6/30/22</b>	<b>Budget 6/30/2023</b>
<b><u>Ad Valorem Taxes</u></b>					
Taxes - Ad Valorem - Current	\$ 164,323.69	\$ 160,000.00	\$ 180,763.22	\$ 180,763.22	\$ 180,000.00
Taxes - Ad Valorem - Prior	4358.26	5,400.00	3,666.55	3,666.55	3,500.00
Motor Vehicle Tax	24,241.84	17,000.00	14,823.98	14,823.98	17,000.00
Penalties & Interest	1,418.21	1,200.00	1477.52	1477.52	1,200.00
Discounts	-1,775.53	-1,800.00	-1,985.59	-1,985.59	-1986.00
Refunds	0.00	0.00	0.00	0.00	0.00
<b>Total Ad Valorem Taxes</b>	<b>\$ 192,566.47</b>	<b>\$ 181,800.00</b>	<b>\$ 198,745.68</b>	<b>\$ 198,745.68</b>	<b>\$ 199,714.00</b>
<b><u>Other Taxes and Licenses</u></b>					
Sales Tax	\$ 1,449,044.31	\$ 1,100,000.00	\$ 1,191,728.82	\$ 1,200,000.00	\$ 1,200,000.00
Solid Waste Tax	3,659.29	3,000.00	2,769.22	3,000.00	3,000.00
ABC Revenue	20,573.67	20,000.00	0.00	20,000.00	20,000.00
Other	0.00	0.00	0.00	0.00	0.00
<b>Total Other Taxes and Licenses</b>	<b>\$ 1,473,277.27</b>	<b>\$ 1,123,000.00</b>	<b>\$ 1,194,498.04</b>	<b>\$ 1,223,000.00</b>	<b>\$ 1,223,000.00</b>
<b><u>Intergovernmental</u></b>					
Utility/Franchise Taxes	\$ 165,011.89	\$ 150,000.00	\$ 112,226.20	\$ 140,000.00	\$ 140,000.00
<b>Total Intergovernmental</b>	<b>\$ 165,011.89</b>	<b>\$ 150,000.00</b>	<b>\$ 112,226.20</b>	<b>\$ 140,000.00</b>	<b>\$ 140,000.00</b>
<b><u>Other Revenue</u></b>					
Investment Earnings	\$ 42,837.83	\$ 40,000.00	\$ 21,775.41	\$ 25,000.00	\$ 25,000.00
Other (Right of Way-NCDOT)	0.00	0.00	2,625.00	0.00	0.00
Other (SCIF Grants)	0.00	350,000.00	0.00	0.00	0.00
Permits and Fees	0.00	500.00	0.00	0.00	500.00
Tap Fee and Capital Recovery	0.00	0.00	0.00	0.00	0.00
Total Other Revenues	\$ 42,837.83	\$ 390,500.00	\$ 374,400.41	\$ 25,000.00	\$ 25,500.00
<b>Total Recurring Revenue</b>	<b>\$ 1,873,693.46</b>	<b>\$ 1,845,300.00</b>	<b>\$ 1,878,870.33</b>	<b>\$ 1,586,745.68</b>	<b>\$ 1,588,214.00</b>
<b>Fund Balance Appropriated</b>	<b>0.00</b>	<b>2,860,525.00</b>	<b>0.00</b>	<b>117,849.95</b>	<b>\$ 2,803,960.00</b>
<b>Total General Fund Revenues</b>	<b>\$ 1,873,693.46</b>	<b>\$ 4,705,825.00</b>	<b>\$ 1,878,870.33</b>	<b>\$ 1,704,595.63</b>	<b>\$ 4,392,174.00</b>

**Ad Valorem Taxes:**

The estimated tax levy for FY 2022-2023 is \$199,000.00. The tax rate is five cents (.05) per one hundred dollars, using a 96% collection rate.

**Sales Tax:** Sales tax is based on projected actual for the FY 2021-2022. The NCLM anticipates a 3.75% increase for FY 2022-2023.

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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 estimated revenues are based on North Carolina League of Municipalities' estimates of uncertain mixed receipts with projected 5% decrease in combined revenues.

**Solid Waste Tax:**

The Town percentage of the State's Solid Waste Tax. This revenue is anticipated to increase 2.5% and is to be used to offer recycling services and offset recycling disposal costs.

**Alcohol Beverages Tax:**

The Town percentage of the State's Alcohol Beverage Tax is anticipated to increase 1.75%.

**Other Revenues:**

Investment earnings. The Town of Midway conservatively projects investment earnings based on current market rates.

**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 2022-2023.

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**General Fund Appropriations**

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

	<b>Actual FYE 6/30/21</b>	<b>Budget FYE 6/30/22</b>	<b>Actual 4/14/2022</b>	<b>Projected FYE 6/30/22</b>	<b>Budget 6/30/2023</b>
Governing Board	34,903.62	45,900.00	29,255.35	39,800.00	45,900.00
Administration	276,486.95	398,150.00	197,180.55	347,795.63	404,274.00
Public Safety	74,499.00	80,000.00	120.00	80,000.00	80,000.00
Public Works	630,346.49	4,107,600.00	578,200.45	1,182,600.00	3,807,600.00
Planning & Zoning	70,265.45	58,175.00	25,861.43	38,400.00	38,400.00
Cultural & Economic Development	15,000.00	16,000.00	16,000.00	16,000.00	16,000.00
<b>Total Appropriations</b>	<b>\$ 1,101,501.51</b>	<b>\$ 4,705,825.00</b>	<b>\$ 846,617.78</b>	<b>\$ 1,704,595.63</b>	<b>\$ 4,392,174.00</b>

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**Governing Board Appropriations**

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

	<b>Actual FYE 6/30/21</b>	<b>Budget FYE 6/30/22</b>	<b>Actual 4/14/2022</b>	<b>Projected FYE 6/30/22</b>	<b>Budget 6/30/2023</b>
Compensation	27,000.00	28,000.00	20,250.00	27,000.00	28,000.00
Payroll Tax Expense	2,065.20	2,400.00	1,548.90	2,300.00	2,400.00
Accounting Fees (Audit)	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00
Travel/Meetings & Events	338.42	10,000.00	1,956.45	5,000.00	10,000.00
<b>Total Governing Board Appropriations</b>	<b>\$34,903.62</b>	<b>\$ 45,900.00</b>	<b>\$ 29,255.35</b>	<b>\$39,800.00</b>	<b>\$45,900.00</b>

**Compensation:**

Council compensation 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 current with legislative statutory updates, regulations, and best management practices.

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**Administration Appropriations**

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

	<b>Actual FYE 6/30/21</b>	<b>Budget FYE 6/30/22</b>	<b>Actual 4/14/2022</b>	<b>Projected FYE 6/30/22</b>	<b>Budget 6/30/2023</b>
<b>Administration Appropriations</b>					
Compensation	105,460.40	113,400.00	79,906.02	113,400.00	113,400.00
Payroll Tax Expense	8,067.75	10,000.00	6,112.79	10,000.00	10,000.00
Retirement	4,679.37	6,000.00	3,815.65	6,000.00	6,800.00
Group Insurance	12,213.60	12,650.00	10,446.00	12,250.00	11,724.00
Unemployment	117.38	2,000.00	32.12	2,000.00	2,000.00
Supplies	3315.11	10,000.00	3,626.26	7,500.00	7,500.00
Bank Charges	537.96	600.00	413.07	600.00	600.00
Travel/Meetings/Education	443.71	5,000.00	251.55	5,000.00	5,000.00
Grants	8,500.00	12,000.00	5,210.90	7,500.00	10,000.00
Mileage Reimbursement	261.16	1,500.00	108.09	1,000.00	1,000.00
Postage	289.15	500.00	116.00	500.00	500.00
Utilities - Town Hall	4,806.36	5,000.00	5,112.89	6,000.00	6,000.00
Water/Sewer	285.20	1,000.00	311.20	500.00	600.00
Printing	0.00	1,000.00	0.00	1,000.00	1,000.00
Midway Economic Development	0.00	0.00	472.50	0.00	0.00
Advertising	1,799.44	3,500.00	1,137.01	2,000.00	2,500.00
Contracted Services	31,788.75	75,000.00	17,253.34	50,000.00	50,000.00
Codify Ordinances	0.00	15,000.00	0.00	0.00	25,000.00
Maintenance and Repairs	3,533.50	3,000.00	1,224.00	3,000.00	3,000.00
Insurance and Bonding	6,137.67	7,500.00	6,705.13	6,705.13	8,500.00
Dues and Subscriptions	9,999.05	10,000.00	7,716.00	9,000.00	10,000.00
Capital and Non-Capital Outlay	3,455.99	25,000.00	0.00	25,000.00	25,000.00
Town Hall Supplies/Equip./HVAC	0.00	0.00	0.00	0.00	15,000.00
Town Hall Furnishings	2,846.30	10,000.00	0.00	10,000.00	10,000.00
License/Permits	0.00	500.00	0.00	500.00	500.00
Legal and Professional	50,886.98	50,000.00	28,869.53	50,000.00	60,000.00
Tax Collection Fees	16,962.12	18,000.00	18,190.50	18,190.50	18,500.00
Other Expenses	100.00	500.00	150.00	150.00	150.00
<b>Total Administration Appropriations</b>	<b>\$ 276,486.95</b>	<b>\$ 398,150.00</b>	<b>\$ 197,180.55</b>	<b>\$ 347,795.63</b>	<b>\$ 404,274.00</b>

**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 2022-2023 increases from 11.35% to 14.39%. 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, Pinwilz, LLC, One-Step Computer, LLC, Pest Control, Coeco copier contract, and Spectrum.

**Insurance:** Workers Compensation, Property, Liability and Bonding.

**Legal and Professional Services:** Attorney, Engineering, Accounting, etc.

**Capital and Non-Capital Outlay:** Additional needs to be determined for Town Hall.

**Public Safety Appropriations**

The Town of Midway contracts for service with the Davidson County Sheriff’s Department 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.

	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Projected</b>	<b>Budget</b>
	<b>FYE 6/30/21</b>	<b>FYE 6/30/22</b>	<b>4/14/2022</b>	<b>FYE 6/30/22</b>	<b>6/30/2023</b>
Contract Services – Davidson County	74,499.00	80,000.00	120.00	80,000.00	80,000.00
<b>Total Public Safety Appropriations</b>	<b>\$ 74,499.00</b>	<b>\$ 80,000.00</b>	<b>\$ 120.00</b>	<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>

The contract portion for \$74,499 is supplemented in 2022-2023 with \$5,501 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**

The Public Works appropriations encompasses maintenance of public buildings and grounds, maintenance of equipment, compliance with Federal and State mandates, rights-of-way maintenance, grounds maintenance, and landscaping.

<b>Public Works Appropriations</b>	<b>Actual FYE 6/30/21</b>	<b>Budget FYE 6/30/22</b>	<b>Actual 4/14/2022</b>	<b>Projected FYE 6/30/22</b>	<b>Budget 6/30/2023</b>
Utilities - Street Lights	30,533.42	45,000.00	22,328.05	35,000.00	45,000.00
Utilities - Poles	0.00	1,600.00	0.00	1,600.00	1,600.00
Contract Service - Solid Waste/Recycling	312,369.98	350,000.00	261,729.37	350,000.00	350,000.00
Contract Other - Mowing	32,538.70	36,000.00	16,030.90	36,000.00	36,000.00
Special Projects	1,332.25	20,000.00	0.00	20,000.00	20,000.00
Landscaping	0.00	5,000.00	0.00	5,000.00	5,000.00
Town Park Rec Dev & SCIF Grants	144,598.20	3,450,000.00	187,658.11	600,000.00	3,125,000.00
Town Park Operating Costs	108,973.94	200,000.00	90,454.02	135,000.00	225,000.00
<b>Total Public Works Appropriations</b>	<b>\$ 630,346.49</b>	<b>\$ 4,107,600.00</b>	<b>\$ 578,200.45</b>	<b>\$ 1,182,600.00</b>	<b>\$ 3,807,600.00</b>

**Streetlights:** Utility costs for current lights, including high-mast lighting at U.S. Highway 52/I-285 interchange.

**Contracted Residential Garbage Service and Recycling:** Once weekly service. No changes to service level with the additional costs for the Town now responsible for recycling disposal tipping fees.

**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,

**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.

**Town Park Operating Costs:** Includes the position of Town Park Attendant(s), Walking Trail Maintenance, Mowing, Seeding, etc., Town Park Lights, Trash Service, and other costs associated with Town Park Operations.

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**Planning and Zoning Appropriations**

The Planning and Zoning appropriations ensures compliance with the Town of Midway’s adopted residential and Commercial Business District Zoning Ordinances along with the Subdivision Ordinance. The Town contracts with Davidson County for planning, zoning, and enforcement services.

	<b>Actual FYE 6/30/21</b>	<b>Budget FYE 6/30/22</b>	<b>Actual 4/14/2022</b>	<b>Projected FYE 6/30/22</b>	<b>Budget 6/30/2023</b>
<b><u>Planning &amp; Zoning Appropriations</u></b>					
Salaries	7,150.00	7,800.00	5,850.00	7,800.00	7,800.00
Payroll Expense	546.92	600.00	447.48	600.00	600.00
Travel/Meetings	458.77	4,000.00	232.70	4,000.00	4,000.00
Contract Services - Planning &Zoning	17,775.00	18,275.00	19,331.25	20,000.00	20,000.00
Benchmark – Land Use Plan Update	43,200.00	20,000.00	0.00	0.00	0.00
Travel/Meetings (Davidson Co)	0.00	6,000.00	0.00	6,000.00	6,000.00
Other – (Land Use Plan Update Mailer)	1,134.76	1,500.00	0.00	0.00	0.00
<b>Total Planning &amp; Zoning</b>	<b>\$ 70,265.45</b>	<b>\$ 58,175.00</b>	<b>\$ 25,861.43</b>	<b>\$ 38,400.00</b>	<b>\$ 38,400.00</b>

**Planning Board Salaries:** Twelve (12) regular monthly meetings and special meetings as needed.

**Contract Services:** Contract with Davidson County Planning and Zoning to administer Zoning Ordinances.

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**Cultural, Recreation, Economic Development**

	<b>Actual FYE 6/30/21</b>	<b>Budget FYE 6/30/22</b>	<b>Actual 4/14/2022</b>	<b>Projected FYE 6/30/22</b>	<b>Budget 6/30/2023</b>
Educational Grants	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Economic Development	9,000.00	10,000.00	10,000.00	10,000.00	10,000.00
<b>Total Cultural, Rec., Econ. Dev.</b>	<b>\$ 15,000.00</b>	<b>\$ 16,000.00</b>	<b>\$ 16,000.00</b>	<b>\$ 16,000.00</b>	<b>\$ 16,000.00</b>

**Educational Grants:** Funds to be contributed equally to the six public schools specifically serving the Midway area and to be used to promote educational programs in the local schools. Schools serving the area: Midway Elementary School, Friedberg Elementary School, 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**

	<b>Actual FYE 6/30/21</b>	<b>Budget FYE 6/30/22</b>	<b>Actual 4/14/2022</b>	<b>Projected FYE 6/30/22</b>	<b>Budget 6/30/2023</b>
Principal Payment	0.00	0.00	0.00	0.00	0.00
Interest Payment	0.00	0.00	0.00	0.00	0.00
<b>Total Debt Service</b>	<b>\$ 0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

No new debt service anticipated for budget for FYE June 30, 2023.