



TOWN OF MIDWAY

PROPOSED BUDGET

AND

BUDGET MESSAGE

FOR THE FISCAL YEAR ENDING JUNE 30, 2024

Prepared by

Tammy Michael, Town Manager

BUDGET MESSAGE FOR FY 2023-2024

Honorable Mayor John Byrum and
Town of Midway Council Members:

The General Fund Budget for the fiscal year ending June 30, 2024 is hereby presented for the amount of \$3,142,642.00. It embodies results of the Budget Work Shops held by Council on March 23 and April 17, 2023. 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 \$1,250,071.00 is used to balance the budget.

The recreational use of thirty-eight (38) acres of land off Gumtree Road purchased in 2013 remains a priority for Council and funding is included in the proposed budget for FY 2023-2024 for this purpose.

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 5, 2023, the Town Council will hold a public hearing on the budget for fiscal year ending June 30, 2024. 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 1st day of May 2023.

Tammy Michael
Town Manager

Town of Midway
Budget for FYE June 30, 2024

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General Fund Revenues

GENERAL FUND REVENUES	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
<u>Ad Valorem Taxes</u>					
Taxes - Ad Valorem - Current	\$ 183,303.61	\$ 180,000.00	\$ 183,918.59	\$ 183,918.59	\$ 180,000.00
Taxes - Ad Valorem - Prior	5,448.70	3,500.00	3,043.95	3,043.95	3,000.00
Motor Vehicle Tax	27,330.62	17,000.00	17,197.57	17,197.57	17,197.00
Penalties & Interest	1,996.61	1,200.00	839.59	839.59	840.00
Discounts	-1,985.59	-1986.00	-1,965.17	-1,965.17	-1966.00
Refunds	-7.44	0.00	0.00	0.00	0.00
Total Ad Valorem Taxes	\$ 216,086.51	\$ 199,714.00	\$ 203,034.53	\$ 203,034.53	\$ 199,071.00
<u>Other Taxes and Licenses</u>					
Sales Tax	\$ 1,588,349.62	\$ 1,200,000.00	\$ 1,320,825.02	\$ 1,500,000.00	\$ 1,500,000.00
Solid Waste Tax	3,666.17	3,000.00	2,814.17	3,000.00	3,000.00
ABC Revenue	18,847.83	20,000.00	0.00	18,000.00	20,000.00
Other	0.00	0.00	0.00	0.00	0.00
Total Other Taxes and Licenses	\$ 1,610,863.62	\$ 1,223,000.00	\$ 1,323,639.19	\$ 1,521,000.00	\$ 1,523,000.00
<u>Intergovernmental</u>					
Utility/Franchise Taxes	\$ 159,182.11	\$ 140,000.00	\$ 110,572.33	\$ 140,000.00	\$ 140,000.00
Total Intergovernmental	\$ 159,182.11	\$ 140,000.00	\$ 110,572.33	\$ 140,000.00	\$ 140,000.00
<u>Other Revenue</u>					
Investment Earnings	\$ 42,451.31	\$ 25,000.00	\$ 30,116.56	\$ 25,000.00	\$ 30,000.00
Other (Right of Way-NCDOT)	2,775.00	0.00	0.00	0.00	0.00
Other (SCIF Grants)	350,000.00	125,000.00	125,000.00	125,000.00	0.00
Permits and Fees	0.00	500.00	3,150.00	3,150.00	500.00
Tap Fee and Capital Recovery	0.00	0.00	0.00	0.00	0.00
Total Other Revenues	\$ 395,226.31	\$ 150,500.00	\$ 158,266.56	\$ 158,266.00	\$ 30,500.00
Total Recurring Revenue	\$ 2,381,358.55	\$ 1,713,214.00	\$ 1,795,512.61	\$ 2,022,300.53	\$ 1,892,571.00
Fund Balance Appropriated	\$ 648,000.73	\$ 2,803,960.00	0.00	1,303,221.47	\$ 1,250,071.00
Total General Fund Revenues	\$ 3,029,359.28	\$ 4,517,174.00	\$ 1,795,512.61	\$ 3,325,522.00	\$ 3,142,642.00

Ad Valorem Taxes:

The estimated tax levy for FY 2023-2024 is \$359,806,070.00. 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 2023-2024. The NCLM has not released revenue projections for FY 2023-2024.

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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 by 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 2023-2024.

General Fund Appropriations

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

	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
Governing Board	36,822.78	45,900.00	28,080.75	40,900.00	49,400.00
Administration	266,171.04	404,274.00	164,292.04	356,622.00	471,242.00
Public Safety	74,619.00	80,000.00	270.00	80,000.00	80,000.00
Public Works – Utilities & Services	405,527.38	457,600.00	294,485.06	468,600.00	502,600.00
Public Works – Town Park	901,813.28	3,475,000.00	1,892,727.56	2,325,000.00	1,985,000.00
Planning & Zoning	32,404.34	38,400.00	15,184.98	38,400.00	38,400.00
Cultural & Economic Development	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00
Total Appropriations	\$ 1,733,357.82	4,517,174.00	\$2,411,040.39	\$ 3,325,522.00	\$ 3,142,642.00

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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.

	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
Compensation	27,000.00	28,000.00	20,250.00	28,000.00	28,000.00
Payroll Tax Expense	2,065.20	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	9,000.00
Travel/Meetings & Events	2,257.58	10,000.00	781.85	5,000.00	10,000.00
Total Governing Board Appropriations	\$36,822.78	\$ 45,900.00	\$ 28,080.75	\$40,900.00	\$49,400.00

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 and American Rescue Plan Funds audit.

Travel/Meetings:

To support ongoing training throughout the year as needed to maintain current with legislative statutory updates, regulations, and best management practices.

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.

	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
Administration Appropriations					
Compensation	106,850.63	113,400.00	64,738.50	113,400.00	113,400.00
Payroll Tax Expense	8,174.06	10,000.00	4,952.49	10,000.00	10,000.00
Retirement	5,086.85	6,800.00	1,507.28	2,500.00	6,800.00
Group Insurance	12,593.10	11,724.00	3,032.30	7,000.00	11,724.00
Unemployment	32.12	2,000.00	8.13	1,000.00	2,000.00
Supplies	4,887.02	7,500.00	6,319.36	7,500.00	7,500.00
Bank Charges	558.45	600.00	604.65	700.00	700.00
Travel/Meetings/Education	514.84	5,000.00	471.30	2,000.00	5,000.00
Grants	5,210.90	10,000.00	0.00	12,000.00	12,000.00
Mileage Reimbursement	150.47	1,000.00	116.90	500.00	1,000.00
Postage	174.00	500.00	244.48	500.00	500.00
Utilities - Town Hall	6,681.16	6,000.00	5,440.48	6,500.00	6,500.00
Water/Sewer	383.00	600.00	296.43	500.00	600.00
Printing	0.00	1,000.00	0.00	1,000.00	1,000.00
Midway Economic Development	472.50	0.00	10.00	10.00	0.00
Advertising	1,258.28	2,500.00	769.70	2,500.00	2,500.00
Contracted Services	20,489.20	50,000.00	23,276.51	35,000.00	75,000.00
Codify Ordinances	0.00	25,000.00	0.00	25,000.00	25,000.00
Maintenance and Repairs	1,224.00	3,000.00	8,749.29	6,000.00	3,000.00
Insurance and Bonding	6,705.13	8,500.00	7,655.93	8,500.00	30,000.00
Dues and Subscriptions	8,026.00	10,000.00	7,659.92	9,000.00	10,000.00
Capital and Non-Capital Outlay	8,806.54	25,000.00	349.36	25,000.00	25,000.00
Town Hall Supplies/Equip./HVAC	630.50	15,000.00	7316.00	0.00	15,000.00
Town Hall Furnishings	0.00	10,000.00	932.09	10,000.00	10,000.00
License/Permits	0.00	500.00	0.00	500.00	500.00
Legal and Professional	48,821.79	60,000.00	19,840.94	50,000.00	75,000.00
Tax Collection Fees	18,190.50	18,500.00	0.00	19,862.00	18,500.00
Other Expenses	250.00	150.00	0.00	150.00	150.00
Total Administration Appropriations	\$ 266,171.04	\$ 404,274.00	\$ 164,292.04	\$ 356,622.00	\$ 471,242.00

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 2023-2024 increases from 14.39% to 15.14%. The General Assembly dictates the pension adjustment 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.

	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
Contract Services – Davidson County	74,619.00	80,000.00	270.00	80,000.00	80,000.00
Total Public Safety Appropriations	\$ 74,619.00	\$ 80,000.00	\$ 270.00	\$ 80,000.00	\$ 80,000.00

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/or natural disasters and to provide off-duty public safety services for public events.

Public Works Appropriations

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

Public Works Appropriations	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
Utilities - Street Lights	29,571.75	45,000.00	23,623.27	45,000.00	45,000.00
Utilities - Poles	0.00	1,600.00	0.00	2,600.00	6,600.00
Contract Service - Solid Waste/Recycling	349,163.23	350,000.00	238,873.09	360,000.00	386,000.00
Contract Other - Mowing	26,792.40	36,000.00	31,988.70	36,000.00	40,000.00
Special Projects	0.00	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	777,673.61	3,250,000.00	1,748,797.91	2,100,000.00	1,600,000.00
Town Park Operating Costs	124,139.67	225,000.00	143,929.65	225,000.00	385,000.00
Total Public Works Appropriations	\$ 1,307,340.66	\$ 3,932,600.00	\$ 2,187,212.62	\$ 2,793,600.00	\$ 2,487,600.00

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.

Planning and Zoning Appropriations

The Planning and Zoning appropriations ensure 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.

	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
<u>Planning & Zoning Appropriations</u>					
Salaries	7,800.00	7,800.00	5,850.00	7,800.00	7,800.00
Payroll Expense	596.64	600.00	447.48	600.00	600.00
Travel/Meetings	232.70	4,000.00	0.00	4,000.00	4,000.00
Contract Services - Planning & Zoning	23,775.00	20,000.00	8,887.50	20,000.00	20,000.00
Subdivision Ordinance Update					
PTRCOG	0.00	0.00	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)	0.00	0.00	0.00	0.00	0.00
Total Planning & Zoning	\$ 32,404.34	\$ 38,400.00	\$ 15,184.98	\$ 38,400.00	\$ 38,400.00

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.

Cultural, Recreation, Economic Development

	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
Educational Grants	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Economic Development	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Total Cultural, Rec., Econ. Dev.	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00	\$ 16,000.00

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

	Actual FYE 6/30/22	Budget FYE 6/30/23	Actual 3/31/2023	Projected FYE 6/30/23	Budget 6/30/2024
Principal Payment	0.00	0.00	0.00	0.00	0.00
Interest Payment	0.00	0.00	0.00	0.00	0.00
Total Debt Service	\$ 0.00	0.00	0.00	0.00	0.00

No new debt service anticipated for budget for FYE June 30, 2024.

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