

MINUTES OF MIDWAY TOWN COUNCIL BUDGET WORK SESSION HELD ON THURSDAY, MARCH 19, 2026, AT 6:00 P.M. AT MIDWAY TOWN HALL, 426 GUMTREE ROAD, MIDWAY, NORTH CAROLINA

CALL TO ORDER

Mayor John Byrum called the meeting to order.

Councilors present were: Mayor John Byrum, Robin Moon, Keith Leonard and Jackie Edwards. Absent: Mayor Pro Tem Mike McAlpine and Councilor Berkley Alcorn. Town Manager Brock Hall joined the meeting by phone call, Town Clerk Ree Goodson and Finance Officer Linda Hunt were present.

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

ADOPT AGENDA

On motion by Councilor Jackie Edwards, seconded by Councilor Keith Leonard, Council voted unanimously to adopt the agenda as presented.

BUDGET WORK SESSION

General Budget Overview

Budget Summary

- Proposed budget totals \$2,395,000
- Balances through recurring revenues and appropriations

Revaluation

- Will not have huge impact
- Ad valorem taxes have never been a primary source of the Town's revenue
- Town went from \$397,000,000 tax base to \$657,000,000 next year
- Would increase the ad valorem revenue between \$125,000 to \$130,000
 - Rounded down to \$100,000 in proposed budget to be conservative and accounting for 96% collection rate.

Appropriations Summary Overview (Page 1)

- Governing Board – slight increase to \$63,000
- Administration – increase to \$595,000
- Public Safety – remains the same
- Public Works – slight decrease to \$551,000
- Parks and Recreation - \$1,000,000
- Planning and Zoning – slight increase
- Cultural and Economic Development – Total of \$67,000
 - S.T.E.A.M. Grants to schools - \$24,000 (Grant money not spent in the current budget due to several changes going on.)
Mayor Byrum expressed support for being generous with grants to support schools, noting the increase did not give him concern if there is justification for it.
 - Midway 20th Anniversary Celebration \$20,000. Current year's budget includes \$20,000 for the celebration.

Compensation

Town Manager Brock Hall asked Council if they had any questions regarding compensation for Town Council, Planning Board/Board of Adjustment, or staff. He asked if Council thought current rates are sufficient or if they should be changed.

- Town Council compensation – It was the consensus of Council to keep Board compensation the same as it is currently.
- Staff compensation – Park staff – Most of the Park staff are making \$15.50 an hour. These are calculated at 1,000 hours per year, which is the maximum each of the park staff can be working.
 - Does Council want to increase the compensation and if so, do they want a flat increase or a percentage?
 - Council members expressed support for some kind of increase for park and office staff, feeling it would be a big mistake not to offer an increase given the work they do.
 - Cost of Living Increase (COLA)
Town Manager Brock Hall said he has seen cost-of-living increases as high as 5% and as low as 1%. Council could also make a cost-of-living increase that would not go into effect until January, paying on half the year. Mr. Hall emphasized that if you do not stay on top of the cost-of-living adjustment incrementally year to year, it would be easy to suffer compression issues. He said he felt staff would appreciate some acknowledgement every year, even if conservative.
 - Current cost of living increase is 2.8% for 2026 so 3% would not be a bad estimate.
 - Consensus of Council to include a 3% COLA for staff. (Town Manager to work up numbers and present them to Council at the April budget workshop.)
- 401(k) Retirement Plan
Town Manager Brock Hall discussed other benefits, noting that as the Town grew in stature and professionalism, Council would need to consider certain things like 401(k) contributions. Even part-time employees would be eligible. Usually this is done on a percentage of 1% or 2% of salary.
- Health Savings Account (HSA)
Mr. Hall said HSA contributions for staff on health plan as a trade-off for being on higher deductible plans that cost the Town less but made it more beneficial to staff by giving them contributions to their HSA. These range from \$500 to \$1,000 just to make the option more appealing.

Mr. Hall said these were just suggestions for Council to consider, not requirements. He noted they were not unheard of in other jurisdictions and would add to the Town's benefit package for those under the Personnel Policy.

Council members expressed interest in seeing what it would cost the Town. Mayor Byrum asked if the North Carolina League of Municipalities had data on how many cities and towns in the state offered what Midway does not offer and whether the Town is in the minority or majority for their benefit package.

Mr. Hall said he had some data from the League already and could try to find more. He said he did not think their package was bad, but these two things were pretty common in other jurisdictions.

Council discussed the 401(k), and the conversations with former Interim Town Manager Hank Perkins about establishing a 457 plan as a place to "park money" rather than the Town participating financially.

they had cushions on most accounts, so if something comes up at the last minute, they could easily make it happen within reason.

Mr. Hall stated he would be getting a quote from Jon Dumont for redoing the rubber mats (presumably playground surfacing), which would be around \$15,000. Mr. Hall said he planned to include this in his manager's report and noted the Town had the money to do it. Mr. Hall stated the maintenance was supposed to be done every 3 to 5 years, involving painting a rubber coating to freshen up the mats and keep them looking good.

Mr. Hall reminded all Council members to continue thinking about budget items and bring them forward before the next budget work session in case someone thinks of something between now and then.

Council discussed the investment earnings, with Mayor Byrum noting they budgeted \$125,000 in column C but \$150,000 in column J. Mr. Byrum requested a refresher for the Council at the next budget meeting on where the Town has money, how much at each bank, and when it would mature requiring decisions on reinvestment.

Mr. Hall said Sandra Mock has all that information and that he has not dug too deeply into investment earnings. Looking at actuals, their budget for 2025 was \$130,000 and they made \$159,000. Budget for 2026 was \$140,000 and they were at \$75,000 currently.

Town Manager Brock discussed talking to Sandra Mock about investment options and stated there were other options available depending on how active they wanted to be in following markets and interest rates. He mentioned this information was provided in monthly finance reports given to Council at Council meetings and he could get more data for the next budget meeting.

Mayor John Byrum expressed concern about municipalities being restricted from putting reserves in variable investments like the stock market, believing they had to use money markets or CDs. Mayor Byrum strongly opposed investing taxpayer money where market crashes could result in significant losses, preferring guaranteed investments even if allowed to do otherwise.

Mr. Hall stated that firms like Capital Management Trust, where they had some money invested, specialized in investing money on behalf of local governments. These firms understood the rules and guidelines and dealt with investments in a way that was lower risk but higher reward.

Mayor John Byrum stated he had a conversation with Ron Sink at Davidson Water about similar investment restrictions for quasi-municipal entities, noting they could not just invest in individual companies on the market but had to keep investments conservative.

Mayor Byrum supported diversifying investments as long as they were guaranteed and safe, referencing how the Town had moved from standard savings accounts to CDs years ago in 2008 or 2009 as better way to secure taxpayer money.

Mr. Hall agreed the Town could be more active with investments and that it could be a significant source of revenue. Mr. Hall stated smart investments would allow them to keep tax rates low while paying for what they needed through sales tax and investment revenue, which looked good to citizens as proper stewardship.

Action Items Assigned:

- Increase Town Hall maintenance repairs line item from \$10,000 to \$25,000
- Increase Christmas decorations budget from \$3,000 to \$5,000
- Apply 3 percent cost of living increase to all staff compensation
- Prepare proposal for 401(k)/457 plan contributions and HSA contributions
- Provide investment portfolio overview including bank locations, amounts, and maturity dates
- Correct formula error line 11 on page 5 Column D "1905" in actual column

ADJOURNMENT

On motion by Councilor Keith Leonard seconded by Councilor Robin Moon, Council voted unanimously to adjourn the meeting at 6:50p.m.

John Byrum, Mayor

Ree Goodson, Town Clerk