

MINUTES OF MIDWAY TOWN COUNCIL BUDGET WORK SESSION HELD ON THURSDAY, APRIL 23, 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, Mayor Pro Tem Mike McAlpine, Robin Moon, Keith Leonard, Jackie Edwards and Berkley Alcorn. Absent: None. Town Manager Brock Hall, 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

Items that were amended include:

- Revenue adjustments based on data from the NCLM
- Increase in Administration Maintenance and Repairs from \$10,000 to \$25,000
- Increase in Administration Payroll Tax Expense from \$16,000 to \$22,000
- Increase in Administration Supplemental Retirement from \$0.00 to \$4,000
- Decrease in Administration Compensation from \$240,000 to \$225,000
- Decrease in Administration Group Health Insurance from \$40,000 to \$30,000
- Decrease in Public Works Contracted Services from \$425,000 to \$417,000
- Increase in Public Works Christmas Decorations from \$3000 to \$5000
- Increase in Parks Compensation from \$115,000 to \$120,000
- Decrease in Parks Contracted Services-Restrooms from \$80,000 to \$70,000
- Inclusion of a 3% Cost of Living Adjustment for Parks Staff and Town Clerk
- Inclusion of 2% Supplemental Retirement Contribution for full-time staff
- Proposed budget totals \$2,384,600. A decrease of \$11,000 from previous proposal.

Staff Compensation Discussion

Town Manager Brock Hall presented detailed calculations for the proposed 3% cost of living adjustment. For the Town Clerk, this would cost \$1,697, while for part-time Park staff, it equated to approximately fifty cents per hour increase, with a maximum cost of \$6,500 annually if all staff worked their full allocation of hours.

Retirement Contribution Debate

Mr. Hall presented information on supplemental retirement contributions, proposing a 2% 401(k) contribution totaling \$3,731 for eligible staff. League of Municipalities data showed that 82% of responding Towns provide some form of 401(k) contribution, typically averaging 5%.

Councilor Jackie Edwards strongly opposed the Town contributing to 401(k) plans, clarifying that when the 457 plan was established, the understanding was solely to provide employees a place to park money from previous employment, not for Town contributions. Councilor Edwards said the Town already contributes approximately 14% to state retirement, with employees contributing 6%, totaling \$32,946 annually for retirement benefits alone.

Mayor John Byrum acknowledged that while decisions should not be made by a single Council member's voice, he supported the retirement contribution as an inexpensive way to show appreciation for valuable staff, especially given the Town's strong investment returns of over \$150,000.

Mayor Pro Tem Mike McAlpine supported the 3% cost of living adjustment but opposed the 401(k) contribution, stating that current compensation and benefits were adequate. Councilor Keith Leonard agreed with not supporting the 401k plan.

Councilor Robin Moon expressed willingness to consider a 2% contribution but ultimately the consensus of Council was against the Town's contributions to the 401(k), with the understanding that employees could still contribute voluntarily.

Investment and Banking Review

Town Manager Brock Hall presented an analysis of the Town's seven bank accounts totaling the fund balance, identifying opportunities to maximize investment income. The review showed \$2.3 million in checking accounts earning minimal interest, with recommendations to move at least \$1 million to higher-yield money market accounts.

Key findings included a Home Trust money market account with only 0.25% interest on \$1.3 million, and suggestions to explore better rates with existing banks or establish new relationships. Mr. Hall stated that simple moves could potentially generate an additional \$50,000 annually in investment income, with proper rate negotiations potentially adding another \$100,000.

Council unanimously supported Mr. Hall and Finance Officer Linda Hunt to take action to optimize banking relationships and move funds to higher-yield accounts, with authorization to establish new banking relationships if necessary to secure better rates.

Budget Line-Item Reviews

Mr. Hall reviewed various departmental appropriations, stating increases for Christmas decorations as requested by Council, adjustments to Parks compensation for the COLA increase, and reduction in restroom cleaning contract based on actual usage patterns. An unusually high \$31,000 expenditure in Planning and Zoning contract services was discussed, as it significantly exceeded typical spending patterns of around \$17,000-\$18,000. Staff to check into the reason for the overage.

Property Tax Discussion

Town Manager Brock Hall stated the ability to levy ad valorem property taxes has long been a right and duty of each individual unit of local government. It is also the primary source of tax revenue over which each individual unit of local government has direct control. In many cases property tax revenue is used to fund one of the most expensive services, public safety.

Mr. Hall stated many towns use this money for police and fire protection and rely on sales tax revenue for other government expenses. While the Town of Midway does not rely on property tax revenue in large part, which is not to say it will always be that way.

Mr. Hall said it is also important to note that the Town Charter already limits the Town's ability to propose a tax increase greater than \$0.10 without the vote and consent of the majority of qualified voters within the Town.

Mr. Hall informed Council that there is pending state legislation regarding a constitutional amendment that would limit local governments' property tax levy authority. This referendum, scheduled for November's ballot, would instruct the General Assembly to enact legislation limiting property tax increases by counties and cities, though specific parameters remain undefined.

Mr. Hall expressed concern that this represents legislative overreach, removing what has traditionally been the only revenue source under direct local control. Unlike sales tax, utility taxes, or other revenue streams, property tax has always fallen squarely within municipal authority.

Mr. Hall said while the Town of Midway does not heavily rely on property tax currently, future needs such as establishing a police department could require this revenue source.

Several Council members requested a draft resolution opposing the amendment, similar to actions taken by other municipalities. Mr. Hall said he would prepare a draft resolution for Council consideration, noting that such resolutions serve as formal declarations of opposition to state representatives, though they carry no binding power.

Council expressed interest in reviewing the resolution while wanting more research on all aspects of the issue. It was consensus of the Council to review a draft resolution without commitment to adoption.

The Council confirmed maintaining the current 5-cent property tax rate for the upcoming budget year.

Other Discussion Items

Building Project Funding Discussion

Town Manager Brock Hall said the Capital Projects would be handled through Project Ordinances, which encumber funds and remove them from available fund balance while still allowing the money to earn interest in bank accounts. This accounting method ensures funds are committed to specific projects while maintaining investment income potential.

20th Year Anniversary Celebration Planning

Town Manager Brock Hall provided an extensive update on the 20th Year Anniversary Celebration planning, addressing several key decisions needed from council.

- **Food Service Decision**

- Hiring a Caterer or Food Trucks. After considerable discussion of the planning, costs, and commitments already made, the committee had secured three food trucks: Drift Along Pizza (offering 14-inch flatbread-style pizzas for \$12), Old Richmond Grill (hamburgers and hot dogs), and a lemonade/slushie vendor.

Mayor John Byrum had concerns about the price of a \$12 pizza versus individual hamburgers or hot dogs, prompting clarification that the pizzas were flatbread-style designed for individual portions. Council discussed implementing a ticket system where residents would receive tickets for food items and drinks, with the Town paying vendors based on tickets collected.

Councilor Berkley Alcorn favored catering for efficiency and cleanliness, noting faster service and simpler planning. Council had concerns about potential mess in the Pavilion from greasy food and the permanent impact on the facility's appearance.

After discussions from the Council, Council reached consensus to proceed with the food truck option, with the committee handling coordination details and ensuring clear communication about ticket limitations.

- **Entertainment and Activities**

- Town Manager Brock Hall said the celebration will include various attractions: DARE program car displays, fire truck, garbage truck for children to explore, yard games including giant checkers, Connect4, Jenga Games and cornhole. All Park

staff will be working on the day of the event, Council members and Park staff will wear matching T-shirts for identification.

Mayor John Byrum suggested additional entertainment options including face painters, caricature artists, balloon artists, jugglers, and photographer to document the event for historical purposes. The Council showed interest in exploring these options while maintaining focus on the core activities already planned.

ADJOURNMENT

On motion by Mayor Pro Tem Mike McAlpine seconded by Councilor Berkley Alcorn, Council voted unanimously to adjourn the meeting at 8:00p.m.

John Byrum, Mayor

Ree Goodson, Town Clerk