



Town of Cape Charles Council Retreat

Town Hall
2 Plum Street
Cape Charles, Virginia 23310

February 8, 2014
9:00 a.m. – 1:00 p.m.

Agenda

Mayor Opening Remarks

9:00 a.m. – 9:30 a.m.	Breakfast Review Strategic Goals and Policies set forth in the Comprehensive Plan
9:30 a.m. – 11:00 a.m.	Economic Development Initiatives <ul style="list-style-type: none">➤ Tourism➤ Transient Occupancy Tax – Town Code Section Town Business Initiatives <ul style="list-style-type: none">➤ Update re: comparisons for commercial water & wastewater facility fees➤ Update on Public Service Authority
11:00 a.m. – 11:15 a.m.	Break
11:15 a.m. – 11:45 a.m.	Long Term Capital Projects <ul style="list-style-type: none">➤ Review Town Council priority list➤ Establish project schedule
11:45 a.m. – 12:00 p.m.	FY 13-14 Capital Projects <ul style="list-style-type: none">➤ Review schedule for completion
12:00 p.m. – 12:45 p.m.	Wage Compensation Study <ul style="list-style-type: none">➤ Discuss funding options in current budget
12:45 p.m. – 1:00 p.m.	Recap

MEMORANDUM

TO: Mayor and Town Council
FROM: Heather Arcos, Town Manager
DATE: February 8, 2014
SUBJECT: Council Work Session – February 8, 2014

We will begin our work session by taking time to reflect on the Town's vision set forth in the Comprehensive Plan. The Strategic Goals PowerPoint will be the discussion for this topic.

Please keep in mind as you are reading the presentation, we want to work towards establishing priorities that will continue to increase economic development with a focus on tourism initiatives and business incentives.

We will discuss the Tourism presentation attached in an effort to increase revenue to more robustly support tourism related initiatives.

We will discuss the status of the Public Service Authority (PSA) and what our next step will be to continue to work towards a potential regional service agreement with the PSA.

1. Does the Council want to continue to explore the options to partner with the PSA?
2. If the answer is yes, my recommendation is to request a working committee be formed with representation from the Town, PSA and BOS, which will report back to all entities. We really don't have enough information at this time based on the actions of the BOS and direction in which they may chose to go; however, we should remain a part of those discussions. In that regard, the BOS and PSA are scheduled for a joint meeting on February 18. The potential utilization of our infrastructure in place as a regional service is the direction of all future services in the Commonwealth.
3. If the answer is no, we will no longer participate in the PSA or on this project.

We will have additional information on the water and wastewater connection charges at the work session. We have included a comparison sheet and an example of the existing formula which is used to calculate commercial charges.

Capital Projects to be funded with the Long Term Financing - the priorities are attached and will be discussed with a recommendation and an update on the current capital projects including the schedule of the Trail.

Wage Compensation Study proposal and cost estimate is attached. We are waiting on other proposals for a cost comparison basis. Recommendation is to move forward by allocation out of the Town Managers budget. Consent to move forward, we need to get this done.

Town Council Retreat

Strategic Goals

Point of Inflection

- Comprehensive Plan adopted in 2009.
 - Embarking on update.
- Much accomplished.
- Recovering from great recession.
- What future should we strive for?

PART ONE

Where we have been.

Comprehensive Plan

- Vision:

“...a future that gives all citizens the opportunity for prosperity, cultural enrichment, access to environmental treasures, and secure, sustainable homes...”

Comprehensive Plan

- Goals:
 1. Quality & diverse neighborhoods.
 2. Plentiful & quality jobs – **economic vitality.**
 3. Great amenities.
 4. Active & engaged partnerships.
- Economic vitality is key enabler.

Comprehensive Plan

- Objectives to attain economic vitality:
 1. Attract tourists, vacation and second homeowners.
 2. Attract full time residents, including retirees.
 3. Attract small businesses.
 4. Attract & expand industrial/commercial base.

Comprehensive Plan

- Goals for economic vitality.
 1. Designate land for future growth.
 2. Preserve & enhance retail sales base.
 3. Facilitate business starts, expansion, relocation.
 4. Attract tourists, vacation & second homes.
 5. Attract retirees.
 6. Create a web portal to attract those groups & to disseminate information.

Comprehensive Plan

- Recommendations:
 - Town Manager and Council decisions should be made with economic vibrancy as the main goal.
 - Hire an Economic Development Management Coordinator.
 - Create Economic Development Committee.

Accomplishments

- Land use planning.
- Infrastructure.
- Business incentives.
- Partnerships.

Land Use Planning

- Zoning balances commercial development & public access; e.g. harbor district.
- Accawmacke Plantation PUD.
- Input to County for TE and overlay districts.

Infrastructure

- Beach protection & nourishment.
- Fun Pier.
- Harbor redevelopment & protection.
- Water & wastewater system improvements.
- Multi-use trail, phase 1.
- Central Park.
- Library & computer lab expansion.
- Tourism website – capecharlesbythebay.com

Business Incentives

- Commercial rehabilitation tax exemption.
- Technology zone grants.
- Leasing Town property with favorable terms.

Partnerships

- Cultural – Arts Enter, CCHS, NRYG.
- Green space – CCP.
- Economic – CCBA, ESVTC.
- Safety, health, sustainability – CCVFC, PSA, emergency medical committee.

PART TWO

Where are we going?

Land Use Planning

- Current zoning and use provisions adequate?
- Adequate green space?
- Goals for input to County for overlay districts?
- Expansion of boundary to US 13?

Infrastructure

- Continue trail, arts walk, performance plaza?
- Additional harbor development & protection?
- Additional recreation facilities?
- Sustainment of tourism website?

Business Incentives

- Existing incentives adequate?
- Create Tourism Zone, similar to Tech. Zone?
- Enrich mix of grants?
- Reduce water & wastewater facility fee?
- Further reduce usage rates?

Partnerships

- Additional support of NGOs to increase tourism & resident QOL?
- Regional wastewater services with PSA?
- Emergency medical services with County?
- Other opportunities for regional cooperation?

Structural Initiatives

- Some Comprehensive Plan recommendations & goals not fulfilled:
 - No economic development coordinator or committee.
 - No organized effort to market CC to retirees & second homeowners.
 - Ad hoc development of tourism web portal.
- Further pursue these recommendations?

Structural Initiatives

- Could form Commission to leverage resources & efforts of Town Departments, NGOs, tourism website, ESVTC, County E.D. Director.
- Develop a program & budget for Council approval; execute it.
- Funding from taxes (TOT, meals), grants, fees & events.

Structural Initiatives

- Initial focus of commission should be tourism.
- Expand to include retirees & second homes.
- Should scope include marketing to new businesses?

Town of Cape Charles Tourism

Council Work Session

Sharpening Focus on Tourism

- Town has invested in projects to promote tourism.
- Increasingly important part of local economy.
- Business revenue improving.
- Town revenue improving – taxes and harbor.
- Need to sustain momentum.

Investments

- Fun Pier.
- Beach breakwaters and replenishment.
- Community Trail and Central Park.
- Harbor breakwaters, floating slips and bath house.
- Arts and recreation programs.
- Numerous special events.
- Marketing – welcome center, website, print and social media.

Financial Data/Pro Forma

Town of Cape Charles Tourism Budget - Pro Forma							
General Fund Revenue	FY 2011	FY 2012	FY 2013	FY 2014	Pro Forma	Revised	
Transient Occupancy Tax 3%	28,750	36,607	48,730	52,474	52,500	69,983	Plus 1%
Meals Tax	167,676	173,453	195,669	220,000	220,000	220,000	
Admissions Tax	21,598	21,368	19,163	23,000	23,000	23,000	
Short Term Rentals Tax	4,358	3,821	2,719	4,500	4,500	4,500	
Tourism Marketing Grants	0	0	0	0	4,000	4,000	
Website Subscriptions	0	0	0	0	4,500	4,500	
	222,382	235,249	266,281	299,974	308,500	325,983	
Allocated to Town Operating Costs	<u>196,049</u>	196,583	206,538	257,500	257,500	257,500	
Net Available for Tourism	26,333	38,666	59,743	42,474	51,000	68,483	
General Fund Expense							
Arts Enter Challenge Grant Match	2,500	5,000	5,000	2,500	5,000	5,000	
Business Association	2,500	2,500	2,500	0	2,500	2,500	
Historical Society Welcome Center	2,500	2,500	5,000	0	6,600	6,600	
Birding & Wildlife Festival	1,000	100	1,000	0	1,000	1,000	
Tall Ships Festival	0	114	1,000	0	2,500	2,500	
Our Town Grant Match	0	0	12,500	12,500	5,000	5,000	
Fireworks	3,250	11,250	11,500	10,000	10,000	10,000	
ESTC Welcome Center	5,000	5,000	5,000	0	0	0	
ESTC One Third T.O.T.	9,583	12,202	16,243	17,491	17,500	17,500	
Website Maintenance	0	0	0	0	3,900	3,900	
Print Marketing	0	0	0	0	12,000	12,000	
Social Media Marketing	0	0	0	0	2,500	2,500	
	26,333	38,666	59,743	42,491	68,500	68,500	
Surplus/Deficit	0	0	0	-17	-17,500	-18	
Harbor Operating Revenues							
	539,770	836,089	915,174	1,481,869			

Increase in Town Revenue

FY 2011- FY 2014

- Harbor operating revenue up 174%.
- Transient Occupancy Tax up 83%.
- Meals Tax up 31%.
- Contribution to Town general fund operating costs up 31%.
- Contribution to Eastern Shore Tourism Commission up 83%.
- Contribution to Town tourism related programs up 50%.
- However, support of Town tourism related organizations severely constrained in FY 2014 (\$2.5K).

Sustaining Momentum

- Restore support of Town tourism related organizations.
 - ✓ Arts Enter
 - ✓ Cape Charles Business Association
 - ✓ Cape Charles Historical Society
- Strengthen Town tourism programs.
 - ✓ Birding & Wildlife Festival
 - ✓ Tall Ships Festival
 - ✓ Welcome Center at Museum
- Many events and programs have been able to fund major costs with grants, but nearly all grants require matching funds from public, private and NGO partners. The Town is often required to be one of the principal partners.

Sustaining Momentum

- Transition marketing program from Our Town project.
 - ✓ Maintenance of www.capecharlesbythebay.com
 - ✓ Print and social media
 - ✓ Improved signage
- Available well in advance of next tourist season.
- Fund via combination of subscriptions, sponsorships, grants and tax revenues.

Sustaining Momentum

- Maintain contribution to Eastern Shore Tourism Commission at FY 2014 budgeted level of \$17.5K
- Equates to one third of projected T.O.T.
- Eliminate 1% statutory floor.
- Balance with more locally focused tourism support during budget development process.

Sustaining Momentum

- Can be done for less than \$20K.
- Can fund by increasing Transient Occupancy Tax from 3% to 4%.
- Create Town Tourism Board to manage resources.
 - ✓ Balance needs among organizations and programs
 - ✓ Foster cooperative marketing and partnerships
 - ✓ Attract private and business sponsorships for events
 - ✓ Seek supporting grants
 - ✓ Propose budget to Council and manage funds
- Demonstrates commitment to economic development via tourism.

Table 16.1
Meals, Transient Occupancy, Cigarette, and Admissions Excise Taxes, 2013

Locality	Meals (Restaurant) Tax (%)	Transient Occupancy (Hotel and Motel) Tax (%)	Cigarette Tax (Per Pack)	Admissions Tax (%)
Cities (Note: All cities responded to the survey.)				
Alexandria	4.0	6.5 + \$1 per night	80¢	10.0 ^a
Bedford	5.0	5.0	30¢	N/A
Bristol	6.0	6.0	N/A	N/A
Buena Vista	6.0	6.0	N/A	N/A
Charlottesville	4.0	6.0	35¢	N/A
Chesapeake	5.5	8.0	50¢ (20 cig.) 62.5¢ (25 cig.) 75¢ (30 cig.)	10.0
Colonial Heights	6.0	8.0	N/A	N/A
Covington	7.5	2.0	30¢	N/A
Danville	6.0	6.0	N/A	N/A
Emporia	6.5	10.0	N/A	N/A
Fairfax	4.0	4.0	85¢	N/A
Falls Church	4.0	7.0	75¢ (20 cig.) 93.8¢ (25 cig.) \$1.125 (30 cig.)	N/A
Franklin	6.5	8.0	60¢	N/A
Fredericksburg	6.0	6.0	31¢	6.0
Galax	7.0	6.0	N/A	N/A
Hampton	7.5	8.0	80¢	10.0
Harrisonburg	6.5	6.5	30¢	5.0
Hopewell	5.5	8.0	N/A	N/A
Lexington	5.0	6.0	N/A	N/A
Lynchburg	6.5	5.5 + \$1 per night	35¢ (20 cig.) 43.8¢ (25 cig.)	7.0
Manassas	4.0	5.0	65¢ (20 cig.) 81.5¢ (25 cig.) 97.5¢ (30 cig.)	N/A
Manassas Park	4.0	4.0	50¢	N/A
Martinsville	6.5	2.0	20¢	N/A
Newport News	7.5	7.5	85¢ (20 cig.) 110¢ (25 cig.) 130¢ (30 cig.)	7.5
Norfolk	6.5	8.0 + \$1 per night	75¢ (20 cig.) 93.5¢ (25 cig.)	10.0
Norton	7.0	4.0	15¢	N/A
Petersburg	6.0	6.0	10¢	5.0
Poquoson	6.0	N/A	20¢	N/A
Portsmouth	6.5	8.0	60¢ (20 cig.) 73¢ (25 cig.)	10.0
Radford	5.5	6.0	15¢	N/A
Richmond	6.0	8.0	N/A	7.0
Roanoke	5.0	7.0	54¢	5.5
Salem	6.0	7.0	15¢ (20 cig.) 18.75¢ (25 cig.) 22.5¢ (30 cig.)	5.0
Staunton	6.0	5.0	20¢	N/A
Suffolk	6.5	8.0	50¢ (20 cig.)	10.0
Virginia Beach	5.5	8.0	65¢ (20 cig.)	10.0 ^b
Waynesboro	6.0	10.5 ^c	81¢ (25 cig.)	5.0 ^d
Williamsburg	5.0	6.0	20¢	N/A
Winchester	5.0	5.0	30¢	N/A
		5.0	25¢	5.0

N/A Not applicable.

^a Not to exceed \$0.50 per person.

^b For concert events.

^c Imposed in a special district (Sandbridge).

^d For participatory sporting events.

Table 16.1 Meals, Transient Occupancy, Cigarette, and Admissions Excise Taxes, 2013 (continued)

Locality	Meals (Restaurant) Tax (%)	Transient Occupancy (Hotel and Motel) Tax (%)	Cigarette Tax (Per Pack)	Admissions Tax (%)
Counties (Note: All counties responded to the survey. Those that answered "not applicable" for all items are excluded.)				
Accomack	N/A	5.0	N/A	N/A
Albemarle	4.0	5.0	N/A	N/A
Alleghany	4.0	5.0	N/A	N/A
Amherst	4.0	5.0	N/A	N/A
Appomattox	N/A	2.0	N/A	N/A
Arlington	4.0	5.0	30¢ (20 cig.) 37.5¢ (25 cig.)	N/A
Augusta	4.0	4.0	N/A	N/A
Bath	4.0	4.0	N/A	N/A
Bedford	4.0	5.0	N/A	N/A
Bland	4.0	2.0	N/A	N/A
Botetourt	4.0	5.0	N/A	N/A
Brunswick	N/A	5.0	N/A	N/A
Buchanan	N/A	2.0	N/A	N/A
Buckingham	N/A	2.0	N/A	N/A
Campbell	N/A	2.0	N/A	N/A
Caroline	4.0	5.0	N/A	N/A
Carroll	4.0	5.0	N/A	N/A
Chesterfield	N/A	8.0	N/A	N/A
Clarke	N/A	2.0	N/A	N/A
Craig	4.0	5.0	N/A	N/A
Culpeper	N/A	2.0	N/A	N/A
Dickenson	2.0	2.0	N/A	N/A
Dinwiddie	4.0	5.0	N/A	4.0
Fairfax	N/A	6.0	30¢	N/A
Fauquier	N/A	2.0	N/A	N/A
Floyd	N/A	5.0	N/A	N/A
Franklin	4.0	5.0	N/A	N/A
Frederick	4.0	2.0	N/A	N/A
Giles	N/A	2.0	N/A	N/A
Gloucester	4.0	4.0	N/A	N/A
Goochland	N/A	2.0	N/A	N/A
Grayson	N/A	5.0	N/A	N/A
Greene	4.0	5.0	N/A	N/A
Greensville	4.0	2.0	N/A	N/A
Halifax	4.0	5.0	N/A	N/A
Hanover	N/A	8.0	N/A	N/A
Henrico	4.0	8.0	N/A	N/A
Henry	4.0	2.0	N/A	N/A
Isle of Wight	4.0	2.0	N/A	N/A
James City	4.0	5.0	N/A	N/A
		+ \$2 per night		
King George	4.0	5.0	N/A	N/A
King William	4.0	N/A	N/A	N/A
Lee	N/A	2.0	N/A	N/A
Loudoun	N/A	5.0	N/A	N/A
Louisa	4.0	2.0	N/A	N/A
Madison	4.0	5.0	N/A	N/A
Mecklenburg	N/A	5.0	N/A	N/A
Montgomery	4.0	3.0	N/A	N/A
Nelson	4.0	5.0	N/A	N/A
New Kent	4.0	2.0	N/A	4.0
Northampton	4.0	5.0	N/A	N/A
Nottoway	N/A	2.0	N/A	N/A
Orange	4.0	2.0	N/A	N/A
Page	4.0	5.0	N/A	N/A
Patrick	N/A	5.0	N/A	N/A

N/A Not applicable.

Table 16.1 Meals, Transient Occupancy, Cigarette, and Admissions Excise Taxes, 2013 (continued)

Locality	Meals (Restaurant) Tax (%)	Transient Occupancy (Hotel and Motel) Tax (%)	Cigarette Tax (Per Pack)	Admissions Tax (%)
Counties (continued)				
Pittsylvania	4.0	N/A	N/A	N/A
Prince George	4.0	5.0	N/A	N/A
Prince William	N/A	5.0	N/A	N/A
Pulaski	4.0	5.0	N/A	N/A
Rappahannock	4.0	2.0	N/A	N/A
Roanoke	4.0	7.0	N/A	5.0
Rockbridge	4.0	6.0	N/A	N/A
Rockingham	4.0	2.0	N/A	N/A
Russell	N/A	2.0	N/A	N/A
Scott	N/A	2.0	N/A	N/A
Shenandoah	N/A	2.0	N/A	N/A
Smyth	N/A	5.0	N/A	N/A
Southampton	4.0	2.0	N/A	N/A
Spotsylvania	4.0	5.0	N/A	N/A
Stafford	4.0	5.0	N/A	N/A
Sussex	N/A	2.0	N/A	N/A
Tazewell	N/A	5.0	N/A	N/A
Warren	4.0	2.0	N/A	N/A
Washington	N/A	2.0	N/A	N/A
Wise	N/A	5.0	N/A	N/A
Wythe	4.0	5.0	N/A	N/A
York	4.0	5.0	N/A	N/A
+ \$2 per night				

* Towns (Note: Towns that answered "not applicable" for all items in this table are excluded. For a listing of town respondents and non-respondents, see Appendix B.)

Abingdon	7.0	7.0	10¢	N/A
Altavista	5.5	5.5	N/A	N/A
Amherst	4.0	5.0	N/A	N/A
Appalachia	3.0	N/A	20¢	N/A
Appomattox	8.0	5.0	N/A	N/A
Ashland	5.0	5.0	19¢	N/A
Big Stone Gap	6.0	5.0	N/A	N/A
Blacksburg	6.0	7.0	30¢ (20 cig.) 37.5¢ (25 cig.) 45¢ (30 cig.)	N/A
Blackstone	6.5	6.0	22¢ (20 cig.)	N/A
Bluefield	5.0	5.0	10¢	N/A
Boones Mill	5.0	N/A	N/A	N/A
Boydton	4.0	N/A	N/A	N/A
Bridgewater	6.0	N/A	10¢ (20 cig.) 13¢ (25 cig.) 15¢ (30 cig.)	N/A
Broadway	4.0	N/A	10¢	N/A
Brookneal	5.0	N/A	N/A	N/A
Buchanan	4.0	N/A	N/A	N/A
Cape Charles	5.0	3.0	N/A	3.0
Cedar Bluff	6.0	N/A	N/A	N/A
Charlotte Court House	5.0	N/A	N/A	N/A
Chase City	5.0	N/A	N/A	N/A
Chatham	5.0	N/A	N/A	N/A
Chilhowie	5.0	5.0	6¢	N/A
Christiansburg	7.5	9.0	40¢ (20 cig.) 50¢ (25 cig.) 60¢ (30 cig.)	N/A
Clarksville	5.0	5.5	N/A	N/A
Clifton Forge	4.5	N/A	4¢ (20 cig.) 5¢ (25 cig.) 6¢ (30 cig.)	N/A

N/A Not applicable.

Table 16.1 Meals, Transient Occupancy, Cigarette, and Admissions Excise Taxes, 2013 (continued)

Locality	Meals (Restaurant) Tax (%)	Transient Occupancy (Hotel and Motel) Tax (%)	Cigarette Tax (Per Pack)	Admissions Tax (%)
Towns (continued)				
Clintwood	6.0	5.0	10¢	N/A
Colonial Beach	5.0	5.0	30¢	N/A
Crewe	5.0	N/A	N/A	N/A
Culpeper	6.0	5.0	10¢	1.0
Damascus	5.0	5.0	10¢	N/A
Dayton	5.0	N/A	N/A	N/A
Dublin	4.0	N/A	N/A	N/A
Duffield	3.5	N/A	N/A	N/A
Dumfries	4.0	5.5 + \$1 per night	60¢	N/A
Edinburg	5.0	N/A	N/A	N/A
Farmville	7.0	7.0	N/A	N/A
Fincastle	4.0	N/A	N/A	N/A
Floyd	5.0	5.0	N/A	N/A
Front Royal	4.0	6.0	N/A	N/A
Gate City	3.5	2.0	N/A	N/A
Glade Spring	5.0	N/A	N/A	N/A
Glen Lyn	N/A	5.0	N/A	N/A
Gretna	5.0	2.5	N/A	N/A
Grundy	5.0	5.0	5¢	N/A
Halifax	3.0	3.5	N/A	N/A
Hamilton	4.0	2.0	N/A	N/A
Haymarket	4.0	N/A	45¢	N/A
Haysi	5.0	N/A	20¢	N/A
Herndon	2.5	6.0	75¢	N/A
Hillsville	8.0	8.0	N/A	N/A
Honaker	7.0	N/A	10¢	N/A
Hurt	4.0	N/A	N/A	N/A
Independence	5.0	5.0	N/A	N/A
Iron Gate	4.0	N/A	20¢	N/A
Irvington	N/A	2.0	N/A	N/A
Kenbridge	5.0	N/A	N/A	N/A
Keysville	5.0	N/A	N/A	N/A
Kilmarnock	5.0	8.0	30¢	N/A
Lacrosse	4.0	4.0	N/A	N/A
Lawrenceville	5.0	5.0	N/A	N/A
Lebanon	5.0	5.0	N/A	N/A
Leesburg	3.5	8.0	75¢	N/A
Louisa	5.5	1.0	N/A	N/A
Lovettsville	3.0	5.0	40¢	N/A
Luray	4.0	5.0	15¢	N/A
Madison	4.0	N/A	N/A	N/A
Marion	7.0	6.0	12¢	N/A
Middletown	5.0	5.0	20¢	N/A
Mineral	5.0	5.0	N/A	N/A
Narrows	4.0	4.0	N/A	N/A
Nassawadox	4.0	N/A	N/A	N/A
New Market	5.0	4.0	15¢	N/A
Occoquan	2.0	2.0	N/A	N/A
Onancock	4.0	4.0	N/A	N/A
Pearisburg	4.0	5.0	N/A	N/A
Pembroke	4.0	N/A	N/A	N/A
Pound	4.0	4.0	10¢	N/A
Pulaski	6.0	6.0	20¢	N/A
Purcellville	5.0	3.0	65¢	N/A
Rocky Mount	5.0	5.0	10¢	N/A

N/A Not applicable.

Table 16.1 Meals, Transient Occupancy, Cigarette, and Admissions Excise Taxes, 2013 (continued)

Locality	Meals (Restaurant) Tax (%)	Transient Occupancy (Hotel and Motel) Tax (%)	Cigarette Tax (Per Pack)	Admissions Tax (%)
Towns (continued)				
Rural Retreat	5.0	5.0	N/A	N/A
Saint Paul	5.0	5.0	5¢	N/A
Saltville	6.0	N/A	5¢	N/A
Scottsville	4.0	5.0	35¢	N/A
Smithfield	6.0	5.0	20¢	N/A
South Boston	4.0	5.5	N/A	N/A
South Hill	5.5	5.5	N/A	N/A
Stanley	4.0	4.0	15¢	N/A
Stephens City	5.0	4.0	25¢	N/A
Strasburg	5.0	5.0	25¢	N/A
Surry	3.0	3.0	N/A	N/A
Tappahannock	4.0	2.0	15¢	N/A
Tazewell	6.0	N/A	10¢	N/A
Timberville	5.0	4.0	10¢	N/A
Troutville	4.0	N/A	N/A	N/A
Urbanna	5.0	5.0	N/A	N/A
Victoria	4.0	N/A	N/A	N/A
Vienna	3.0	3.0	75¢ (20 cig.) 93.75¢ (25 cig.) 112.5¢ (30 cig.)	N/A
Vinton	5.0	2.0	35¢	5.0
Wakefield	5.0	N/A	N/A	N/A
Warrenton	4.0	4.0	15¢	N/A
Warsaw	4.0	2.0	25¢	N/A
Waverly	5.0	N/A	N/A	N/A
Windsor	5.0	N/A	25¢ (20 cig.) 31¢ (25 cig.) 38¢ (30 cig.)	N/A
Wise	6.0	5.0	10¢	N/A
Woodstock	5.0	5.0	10¢	N/A
Wytheville	6.0	6.0	15¢	N/A
N/A Not applicable.				

Locality	Population	Single Family Residential 3/4" Meter	Shanty (99 Persons Restuarnt) 1 "	Beach Club (Fitness Center / Assembly Area) 2"	Store and 58 Seat Restaurant (Estimated 1 1/2 Inch Meter)
Town of Cape Charles	1,200	\$12,350	\$61,456	\$153,005	\$43,968
Town of Berryville	2,963	\$39,375	\$70,000	\$224,000	\$122,505
Town of Purcellville	7,727	\$71,031	\$118,385	\$378,832	\$236,770
Town of Kilmarnock	1,487	\$10,095	\$39,135 *	\$84,880 *	\$45,303
Town of Bridgewater	5644	\$9,000	\$16,001	\$64,001	\$36,000

* Includes Additional Fees for Commercial other than size of the meter.

January 29, 2014

MEMORANDUM FOR ESVA PUBLIC SERVICE AUTHORITY BOARD MEMBERS:

I would like to thank those Board Members who came to the county offices last evening for the scheduled meeting, as well as those who had intended to come but could not due to road conditions. Also, thank you to Katie and Janice who stayed for the meeting. I thought it important to not cancel the meeting, despite the incoming weather, given the action taken by the BoS on Monday, January 27. Unfortunately, we did not have a quorum to convene the meeting but I have had a chance to talk with most of you. I am writing to you now because travel plans prevent me from attending both the February and March meetings.

I am resigning as Chairman effective today. As Vice Chairman, Mr. Holland will assume these responsibilities until a new Chairman is elected. I believe our mission is important and encourage all of you to consider a leadership position, with the following caution.

I discussed the BoS action with Chairman LeMond yesterday. He indicated that the "perceived conflict of interest" was due to my close association (part time employee) with the Town of Cape Charles. I find this curious in that the PSA charter, specified in the ordinances adopted by all the participating localities, contains no prohibition of elected officials, appointed officials or employees serving as a Board Member. This is also true of our bylaws in relation to serving as an officer or on a committee. Any resident of Northampton County serving on the Board in any capacity (whether elected, appointed, an employee of a locality, or otherwise), and the localities they represent, may be affected either positively or negatively by actions taken by the Board. Conflict of interest for all?

The second thing I find curious is the way the BoS chose to effect a change of leadership. A simple phone call would have achieved the same thing. No matter who is Chairman, the facts and figures associated with the project now under consideration will not appreciably change. All available information has been provided to the BoS in presentations, briefings and correspondence for more than a year. So, despite public statements, are they really sending a message that they do not support it?

The PSA Board needs to have complete clarity on this. Otherwise, we will be wasting our time and tax money in a futile attempt to support two of the four goals in the BoS Five Year Strategic Plan – Economic Development and Infrastructure. The BoS has agreed to hold a joint session with the PSA Board. I look forward to a frank and forthright discussion.

Attached are some additional thoughts on these matters.


Bob Panek

Cc: Executive Director, BoS, Mayor Sullivan, Town Council

January 29, 2014

Proposed Southern Node, Commercial Phase 1 Wastewater Project

1. Some have proposed a more limited project to serve only those existing businesses that want service with a stand-alone treatment system.

Comment. This is certainly possible but there are several drawbacks:

- A. It would do little to support Goals #2 and 3 of the BoS Five Year Strategic Plan. No infrastructure would be in place to support a significant amount of future economic development in the area.
 - B. It would not utilize existing capacity available from recent capital investment; i.e. the new Cape Charles WWTP. This plant was funded with an \$8 million State grant, a \$6 million Federal grant, and a \$5 million State subsidized (zero interest) loan. Every Northampton County tax payer has contributed to these grants and the loan subsidy. Why make an additional capital investment when paying for service from Cape Charles would take advantage of funds already invested?
 - C. Implementation of a stand-alone system would make it more difficult to attract grant funding for future service area expansion, e.g. Cheriton (maybe that is the objective of some). Both Federal and State funding agencies have made it very clear that their preference is for regional systems that create economies of scale from the capital investment being made.
 - D. A stand-alone system would employ underground dispersal of the effluent (mass drain field) in the prime recharge area for our aquifer.
2. Some have proposed utilizing the Bayview waste water treatment system instead of the Cape Charles WWTP.

Comment. Again, this is possible and has an advantage over No. 1, above, in that it would at least minimally take advantage of an existing capital investment. Additionally, it could allow for future service area expansion if designed properly. However, it does have the following drawbacks:

- A. The Bayview system utilizes septic tanks, minimally treats the liquid component of the waste water, and disperses the effluent underground. The treatment process would require extensive upgrade and expansion to handle the proposed service district. No engineering study and cost estimate has been prepared for this option.
- B. It is unlikely that Federal and State funding agencies would be amenable to investing in future upgrades to this system for expansion beyond the proposed service area when existing capacity already exists at Cape Charles.
- C. An upgraded and expanded Bayview system would still employ underground dispersal of the effluent above the aquifer.

While this option has disadvantages, it may need to be investigated if Cape Charles is unwilling to provide treatment services. There would certainly be savings in building a force main to Bayview instead of Cape Charles. It remains to be seen whether these savings would offset the cost of upgrading and expanding the Bayview treatment process. Additional operation and maintenance

costs would also be incurred, duplicating to a great extent those of the Cape Charles WWTP. It is useful to note that the analysis of alternatives in the original Southern Node Preliminary Engineering Report indicated that the life cycle cost of building a stand-alone system, which essentially would result by upgrading and expanding Bayview, was more than utilizing the Cape Charles WWTP.

3. Why hasn't Cape Charles committed to providing treatment services?

Comment: The Town Council is considering three issues:

A. How will business growth along US 13 affect in-Town businesses?

I have a personal view on this, but don't think it is appropriate to convey it as a PSA Board Member. However, I have two observations related to this issue. First, business growth will likely occur along US 13 in any case (about 80 parcels currently zoned for commercial), albeit providing waste water service would likely accelerate it. It makes no difference whether Cape Charles provides the service or the PSA invests in a dedicated treatment system. Second, the Town and County Planning Commissions have been meeting to attempt to form a common view concerning the type of commercial development that would be appropriate in that area.

B. How will providing service to the new area impact the capacity of the WWTP?

The plant has a capacity of 250,000 average gallons per day (gpd). The currently utilized average is 150,000 gpd, leaving 100,000 gpd available. An Equivalent Residential Connection (ERC) for Cape Charles is 125 gpd. This is the common denominator for calculating the effect of new connections on capacity. Thus, the remaining plant capacity equates to about 800 ERCs. The estimated flow from the proposed service area is between 15,000 and 20,000 gpd. Using the higher number, this would equate to 160 ERCs leaving 640 available for other growth. The average number of new connections in Cape Charles over the last ten years is 30 per year, with far fewer in recent years. If that average is regained, it would take over 20 years to utilize all the capacity of the plant.

C. How would we pay for expansion of the WWTP when capacity is reached, and shouldn't we charge the PSA to connect to the plant to compensate for the capacity utilized?

I think it is reasonable for the PSA to pay a wholesale connection charge, but not a retail charge calculated on the basis of each business to be connected. This ought to be negotiated between the PSA and the Town. A few things to put this in perspective:

- i. A rough estimate to double the capacity (500,000 gpd) is \$5 million. An incremental expansion to around 350,000 gpd would cost far less.
- ii. The 640 remaining ERCs would generate about \$4.2 million in connection charges to be reserved for plant expansion.
- iii. When existing plant capacity is reached the cost sharing requirement for expansion associated with annexed property is triggered under the Annexation Agreement. The amount would need to be negotiated.
- iv. Cape Charles would earn about \$100,000 per year providing services to the PSA for existing businesses (160 ERCs). About 70% of this (\$70,000) would contribute to covering the fixed costs of operating and maintaining the WWTP. That is a \$1.4 million improvement to the bottom line over the 20 year horizon. Some of this could be dedicated to plant expansion.

- v. The additional 640 ERCs, about 50% more than now, would generate a significant amount of additional usage fees. Much of this would also contribute to covering fixed costs, and some amount could be used for plant expansion.
- vi. An additional 640 ERCs also means that the tax base has expanded. Assuming a conservative estimate of \$300,000 per building, at the current tax rate about \$500,000 more per year in real property tax would be generated. Some of this could be used for expansion.

In summary, volume and economy of scale are critical aspects of the equation. I recommend that the Town Council negotiate an agreement to provide services to the PSA. If Council is unwilling to do so, there is no benefit in remaining a member of the Authority and the Town should withdraw.

4. Why should Cape Charles benefit by making \$100,000 per year and reducing rates to their customers?

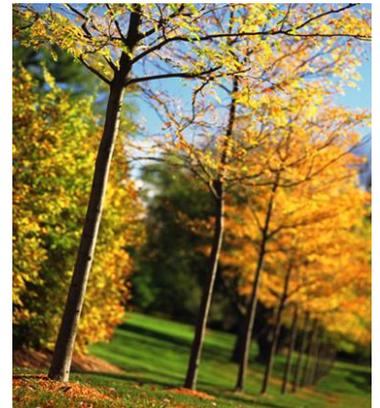
Comment: If the proposed project is implemented, the PSA will need to provide treatment services either by building and operating a dedicated plant or purchasing services from the Town. As discussed above there are advantages in utilizing the Cape Charles WWTP, a facility which Northampton County taxpayers have already contributed to building. Yes, lower rates for Cape Charles residents and businesses will be the result. What is wrong with that? Achieving economies of scale has always been an objective of regionalization and is recognized in the earliest project team deliberations.

It is time to dispense with the "us versus them" attitude. Regionalization has been done with success all over the country. The BoS and Town Council need to decide how they would like to shape the future. Does the BoS support their strategic plan? Do they want economic development (can't wave a magic wand) that will benefit all citizens in Northampton County, including the Towns? Does the Town Council want to ameliorate the relatively high waste water rates? Do they want to benefit from the potential increased tax base in the County? Where are we going to get the money for the other two BoS strategic goals – Education and Health Care? It is time to decide.

December 5, 2013

**Town of Cape Charles
Potential Financing of Capital Projects
Priorities as of December 3, 2013 Meeting**

PRIORITY #	CAPITAL PROJECT DESCRIPTION	ESTIMATED COST
1	<u>Sewage Collection System Manholes</u> Repair 100 manholes in effort to reduce I&I and lessen amount of water treated at Wastewater Treatment Plant (\$1000 x 100).	\$ 100,000.00
2	<u>Comminutor (Grinder)</u> Grinds rags, handy wipes and other debris before entering the wet well. (If trail is removed from FY14 budget and included in this new money project, we could fund this as a General Fund contribution toward the Public Utilities Fund.)	\$ 50,000.00
3	<u>Improvements to Plum and Pine Pump Stations</u> Original constructed in 1985. Repairs to wet well and valve vault outside of existing pumping station building, two pumps and upgrade electric control panel (\$175k x 2).	\$ 350,000.00
4	<u>Cape Charles Multi-Use Trail Phase 2</u> Improve means of non-motorized transit for residents and visitors. Total Phase 2 estimate \$1,500,000, Federal share \$1,200,000 with town match \$300,000 over FY14 (\$150k) and FY15 (\$150k).	\$ 300,000.00
5	<u>Connection of 2 Keck Wells</u> Establish the connection of the existing wells to the Water Plant. Connection of these wells will increase our production capacity from 360,000 to 500,000 GPD, the design limit for the plant.	\$ 300,000.00
SUBTOTAL		\$ 1,100,000.00
ADDITIONAL CAPITAL PROJECT POSSIBILITIES		
6	<u>Offshore Breakwater</u> Construct the third segment out of five offshore breakwaters at the entrance of the Harbor to afford better protection from wave action caused by prevailing westerly winds.	\$ 369,000.00
7	<u>Existing A Dock Attenuator</u> Replace and relocate existing A dock to enhance protection of floating slips and the inner basin stakeholders.	\$ 165,000.00
TOTAL - CAPITAL PROJECT POSSIBILITIES		\$ 1,634,000.00



Proposal

Town of Cape Charles, Virginia

Proposal to Provide a Compensation and Position Classification Plan

March 25, 2013

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Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.

LETTER OF TRANSMITTAL

March 25, 2013

Ms. Heather Arcos
Town Manager
Town of Cape Charles
2 Plum Street
Cape Charles, Virginia 23310

Re: Request for Proposal to Provide a Compensation and Position Classification Plan

Dear Ms.Arcos:

It was a pleasure speaking to you and discussing the status of the Town's classification and compensation system. At your request, Springsted Incorporated is pleased to submit our qualifications to review and develop a position classification and compensation plan for designated full and part-time positions for the Town of Cape Charles, Virginia.

Our firm has assisted numerous jurisdictions throughout Virginia and the United States, in addressing human resources and compensation issues and performing specialized management studies. We have created an extensive management consulting services practice that provides in-depth study and analysis on a variety of topics. Springsted has been in business for over fifty years and employs over sixty professionals who work only with local governments and non-profit organizations. We have the staff, facilities and competence to furnish the services required for this study and can complete the effort in accordance with the Town's needs.

Over the years Springsted has developed significant and specialized expertise in performing classification and compensation studies for a wide variety of local governments. Our clients range from those who have over 1,100 classified employees to those who have only 10 employees. An added advantage to the Town of Cape Charles is that we have familiarity with the area, having recently completed similar studies in Accomack County. In addition, we are currently working with the City of Harrisonburg on a similar study and have done considerable work with Northampton County in the areas of human resources and organizational management. We also have considerable experience with Towns in Virginia and have completed similar studies for the Towns of Chase City, Dumfries, Purcellville, South Boston, Warrenton and Culpeper. Our current work with the County provides us with some familiarity with and insight into the Town's issues relative to employee compensation, recruitment and retention.

Town of Cape Charles, Virginia

March 25, 2013

Page 2

Because of our familiarity with the area, our team's experience in and with Virginia local government we feel that our technical and human resources specialties will bring to your study unparalleled expertise in the areas of human resources administration.

It is our understanding that the Town desires a complete review and update of its compensation and classification system. An updated plan with attendant implementation mechanisms and clearly defined policies will significantly improve morale among employees and enable the most effective use of available Town funds. The primary purposes of the study will be to:

- Evaluate competitiveness of the salary and benefit package compared to external market value
- Develop a compensation strategy and salary structures that are fair internally and externally
- Evaluate the internal ranking of current positions, based on job responsibilities and salaries

The qualifications of our firm are discussed in the proposal which follows and a detailed scope of services, study methodology and list of client references are included. The project's proposed time line and cost is also provided, along with the resumes of the consulting team and our client list.

We look forward to working with the Town of Cape Charles and the Town's employees on this important project and welcome further discussion concerning how we may best assist the Town.

Respectfully submitted,

John A. Anzivino

John A. Anzivino, Senior Vice President
Client Representative

jsm

1. Approach and Methodology

Summary

It is our understanding that the Town has identified three primary areas of concern relative to compensation, recruitment and retention of the Town's 37 employees. These include: recruitment of employees at all levels; retention of employees at all levels; and, the competitiveness of the Town's compensation plan as it relates to other public and private sector employees on the Eastern Shore.

The study process outlined in the following pages will involve an initial meeting with the Town Manager, department heads and other designated officials to secure a clear and complete understanding of the management philosophy of the Town, to review organizational arrangements, staffing, mission, goals and objectives as well as to establish working relationships, secure information, identify problems with the current system and desired policies for the new system. Subsequent meetings will be held with the Town's officials to present and discuss our strategy for completing the analysis of jobs within the Town, review our methodology for completing the study, review our scope of work and completion schedule for the project.

Additionally, because we believe deeply in employees being well informed and a part of the process a series of employee briefing sessions will be held to discuss and explain the project's objectives and procedures and to answer any questions they may have relating to the project. Each employee will complete a comprehensive position analysis questionnaire to provide the information necessary to determine specific duties, responsibilities and job requirements, to prepare updated class descriptions and ensure proper classification. This written data will be augmented by personal interviews with at least 20% of study participants and, where necessary, with department directors or supervisors.

Springsted will use our *Systematic Analysis and Factor Evaluation* (SAFE[®]) system to evaluate each job in the workforce to determine its relative worth within the organization. Use of the SAFE[®] system ensures compensation and classification of the Town's employees will be conducted in a fashion which is blind to gender, color, religion, national origin, age, disability or any other status protected by state or federal law or regulation. The SAFE[®] system, as discussed later in this proposal, was developed to ensure that internal equity is maintained and only bona fide job factors are considered in making decisions relative to classification of jobs in relation to compensation. We will also develop and distribute a comprehensive salary and fringe benefits survey so that a reasonable and accurate comparison and analysis of salary and wages for like or similar jobs can be developed. Fair Labor Standards Act status for each position will also be determined.

Methods of transition and costs of implementation will be developed and study data will be presented to Town officials orally, in written report form and electronically, where appropriate. The implementation programs proposed will take into consideration phasing of the recommendations should the economic impact upon the Town be significant. Phasing options will consider the need for wage adjustments, with the most critical positions being addressed first and the fiscal impacts of each step of the plan being clearly identified for staff and Council consideration.

The cost of the study will be \$8,000 plus direct out-of-pocket expenses, properly documented, not to exceed \$2,300.

Details of these processes and Springsted's qualifications to conduct this study are presented in the following pages.

A. Project Initiation – Data Collection

The Springsted Project Director will meet with the Town Manager, and designated Town contact person(s) for this project and other appropriate Town officials to establish working relationships and to finalize a comprehensive work plan and timetable. All current classification and compensation data will be assembled and evaluated to determine the status of existing human resource management programs and to identify apparent issues and opportunities. The purposes of the meeting are to:

1. Introduce the Project Director
2. Discuss the background and experience of Springsted and the consulting team
3. Discuss, in detail, the methodology to be used in conducting the study, the role of the consultant and the employees, and the amount and type of employee participation
4. Ascertain the major issues the Town wants the study to address
5. Review the project schedule and determine significant milestones
6. Determine the frequency and content of status reports
7. Discuss methods of communicating the status of the study to employees

After meeting with the Town Manager and designated staff a staff meeting will be held with department and division directors to discuss the project objectives and procedures and to distribute and explain the use of the Position Analysis Questionnaire and to schedule their distribution, collection, review and verification.

Springsted is sensitive to the human relations aspects of studies of this type. In accordance with this sensitivity, the consulting team proposes that they conduct a series of orientation and information sessions for all employees. The sessions would be scheduled at various times to allow employees to attend without requiring too many to be absent from the workplace at any one time. During

these sessions, project objectives and procedures will be discussed, questions answered and comments and suggestions solicited.

B. Development of Classification System

A Position Analysis Questionnaire (PAQ) will be distributed to each employee (after approval by the Town) to allow him/her to describe his/her job duties, responsibilities and essential functions in detail. The questionnaire will also provide an opportunity for each employee's supervisor to review and comment on the data supplied by the employee and provide specific comments concerning various job factors that affect the position.

Upon receipt of the completed PAQ, the consulting team will review and conduct a task analysis of the content of all questionnaires and make preliminary classification decisions. Any questionnaires that require clarification and/or verification will be noted and the consulting team will conduct individual job audits and interviews with a minimum of twenty percent (20%) of the Town's employees.

Based on the information collected through the PAQ and on-site audits/interviews, a consistent program of job classification will be developed. This will include well-defined class descriptions for each position. It will also include the assignment of each employee to the appropriate class with respect to duties and responsibilities, skills and abilities, and minimum education and experience requirements.

The new class descriptions will include a position title, general definition of work, essential functions, examples of typical tasks, necessary minimum knowledge, skills and abilities, education and experience requirements and special qualifications, if any. Special attention will be given to ensuring that bona fide occupational qualifications, licensing, certification and special training, if dictated by standards of practice and/or job requirements, are included as minimum qualifications of classes. Each class description will include a clear designation of FLSA status and ADA related criteria.

C. Review of Preliminary Classifications and Class Descriptions

The consulting team will prepare a preliminary list of employee classifications, develop preliminary class descriptions and submit them to the appropriate staff for review and comment. The consulting team will review the comments and make adjustments based upon the comments received. After all suggested changes have been evaluated, final classification decisions will be made and the class descriptions finalized.

D. Job Evaluation and Development of Pay Plan

In order to determine appropriate salary levels of positions in the workforce and to begin to address the issue of total comparable compensation, Springsted will conduct an extensive salary and benefits survey to compare Town positions with analogous positions in other comparable public agencies in the area labor market, other governmental units of similar size and private sector employers in

the area. The study team will consult with Town staff in identifying the appropriate sources of survey data.

It is recommended that potential survey data pertain to organizations comparable to the Town of Cape Charles, relate to those organizations with which the Town is competing for employees and represent the appropriate labor market.

There are different labor markets for positions. Some positions are recruited from the local area, while others are recruited regionally and/or nationally. The consulting team will work closely with the staff in determining the appropriate labor market for positions.

A salary survey instrument will be prepared that encompasses a cross-section of clerical, labor and trades, technical and professional positions.

Based on the wage data analysis and the classification system developed, the linear least squares method will be used to develop an appropriate salary curve and salary schedule. The salary schedule will contain sufficient pay grades to properly compensate employees for the development of their abilities over time.

Springsted has developed and copyrighted a job evaluation system known as *Systematic Analysis and Factor Evaluation* (SAFE®). This system has been successfully used for several years and has been reviewed by the United States District Court, in conjunction with an Equal Employment Opportunity (EEO) suit, and found acceptable to the Court.

It is important to note that the Systematic Analysis and Factor Evaluation system is a unique method of job evaluation. The SAFE® system was designed to measure job factors which apply specifically to local government.

The system rates and ranks jobs based on skill levels and work factors. The result is an equitable and consistent method of evaluating jobs and relating classes to the compensation plan. The system facilitates proper and equitable cross comparisons between and among classes, and minimizes the appearance of favoritism in evaluating, rating and ranking jobs. A general description of the system philosophy and implementation is included in the Appendix.

Each position, or group of positions, will be evaluated and assigned to an appropriate salary grade based on the classification system and prevailing rates paid by survey participants. The elements considered in determining the relative value of classifications are:

- Training and Ability
- Level of Work
- Physical Demands
- Independence of Actions
- Supervision Exercised
- Experience Required
- Human Relations Skills
- Working Conditions/Hazards
- Impact on End Results

- E. Implementation Strategy** Springsted will suggest a plan to implement the study recommendations that coincide, with the needs of employees and the financial and budgetary requirements of the Town. An estimate of the cost of the plan of implementation will be provided.
- F. Staff Training** At the conclusion of the study, Springsted will train members of the staff in the methodology used to develop, maintain and update all aspects of the compensation and classification plan. The training program will include the development and/or revision of class descriptions along with rating, ranking and salary grade assignments of positions. Instruction manuals pertaining to the job evaluation system will be prepared and presented. The Springsted team will remain available to the staff for additional consultation after the study has been completed.

G. Classification and Compensation Plan Final Report

The final report will be a document which contains the following:

- Detailed study methodology
- Discussion of the consulting team's findings, conclusions and recommendations regarding employee classification, salary structure, compensation philosophy, pay and compensation mechanisms, pay for performance plan review, estimated cost and implementation plan
- Schematic list of classes and the assignment of each class to a salary grade
- Schematic list of classes which includes the designation for the position under the FLSA
- List of detailed class descriptions
- The results of the Salary and Fringe Benefits Survey
- List of employees and their recommended classifications
- Job evaluation factor analysis for each position

A Manual on the use of the SAFE[®] job evaluation system will be provided. The SAFE[®] job evaluation system shall be protected under Section 11-52 of the Virginia Procurement Act.

Springsted staff will meet with designated Town officials to present and explain the findings outlined above at a time designated by the Town.

Copies of study documents will be provided in both in written (in a number to be identified by the Town) and electronic form.

Springsted takes pride in meeting its time commitments. The schedule to commence this project coincides with Springsted's completion of other studies. This will ensure that the proposed staff members will be available to concentrate on this study for the Town of Cape Charles. Springsted is prepared to initiate the study within fifteen (15) days after receiving the official notice to proceed.

There are factors which impact upon meeting the schedule which are beyond the consulting team's control. The proposed time frame is contingent upon a timely decision, the receipt of the data from the participants when requested and the timely receipt of feedback and comments on the submitted preliminary data. As such, the schedule is subject to negotiation based upon the Town's.

Task	Month 1	Month 2	Month 3	Month 4
Project Initiation – Data Collection	■			
Development of Classification System	■	■		
Review of Preliminary Classifications and Class Descriptions		■		
Prepare/Evaluate Survey Data		■	■	
Develop Compensation Plan			■	■
Assign Classes to Grades			■	■
Develop Implementation Strategies			■	■
Submit Final Report				■
Staff Training				■

2. Consulting Firm Qualifications

History and Leadership

Springsted is one of the largest and most established independent public sector advisory firms in the United States. For over half a century, we have continually grown in the range of our client relationships, the comprehensiveness of our services and our prominence within the industry. Our managed growth is focused on providing clients with a balance of national perspective and local expertise.

Springsted is a certified Women Business Enterprise (WBE) with the City of Saint Paul, Minnesota and the Commonwealth of Virginia, Department of Minority Business Enterprises. Three employee-owners lead Springsted and its staff of over 60 professionals. Our headquarters are located in Saint Paul, Minnesota, with additional offices located close to our clients throughout the Midwest and Mid-Atlantic States.

Springsted's work in the Mid-Atlantic States began with implementing higher education financings in the early 1970s. Since then, our long-term commitment to the region has grown along with the range of services offered to local governments, independent authorities, state agencies and non-profit organizations as they work to overcome increasingly complex and far-ranging financial, economic development, human resource and management issues and problems. In 2000, Springsted solidified its commitment to the region through its merger with a well-known and highly regarded financial advisory and management consulting firm based in Virginia Beach, Virginia. Our office in Richmond, Virginia serves clients throughout the East Coast and surrounding areas.

Organizational Management and Human Resources

Public entities are under a great amount of pressure to deliver high quality services in a fiscally constrained environment. Traditional methods and means don't necessarily work anymore and this scenario is not likely to change at any time in the future. To that end, elected officials and public administrators are under pressure to employ new and innovative solutions that require progressive leadership, creative partnerships, cautious risk taking and an investment in their personnel and organizational foundation. Success in the public sector is hard to define, but those public entities that enhance and enrich their people, their process and their systems are more likely to deliver more value by maximizing the use of public resources, thus achieving more success in the marketplace of public opinion.

Springsted's staff has been advising our clients in organizational development for over 25 years. We have a strong staff with direct experience in managing and leading local city and county governments.

Our team of professionals brings practical, realistic and creative solutions to the challenges faced by public entities.

Our Human Resource focus is in the area of position classification, compensation and performance evaluation. Our work is competitive, current, court tested and copyrighted to deliver pragmatic outcomes. Our Organizational Management focus ranges from executive recruitment, group facilitation, strategic planning, budget analysis, resource sharing and building collaborations to organizational improvement and efficiency studies.

Our Clients

- Cities, Towns, Townships and Villages
- Counties
- Special Service Districts
- Non-Profit Organizations
- Hospitals
- Economic Development, Redevelopment and Port Authorities
- Electric and Water Utilities
- Higher Education Authorities
- School Districts
- Housing Authorities

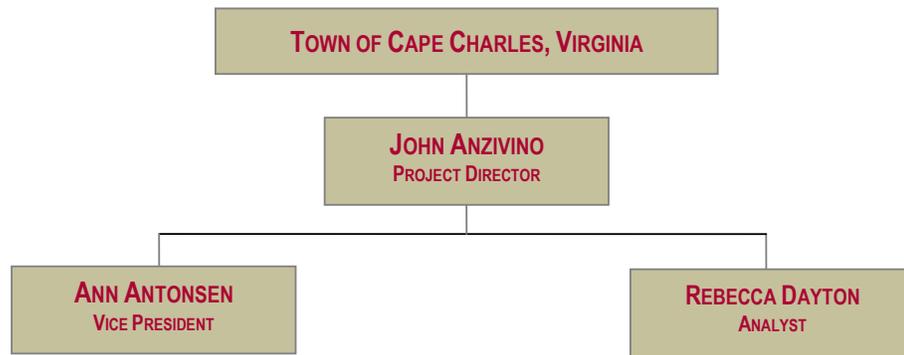
The states in gold reflect where Springsted's clients are located.



Qualifications

As management consultants, and because we understand the financial, operational and administrative aspects of local governments, Springsted plays an important role in helping clients derive the greatest benefit from their resources while increasing their efficiency and effectiveness. In response to the growing requirements facing our clients, we broadened our range of advisory services to include our Management Consulting Services Group, services that were enhanced through our merger with Municipal Advisors Incorporated.

Extensive knowledge and experience in the fields of municipal management, personnel, municipal finance and local government operations are Springsted hallmarks. Each team member has several years of local government experience in a variety of areas of expertise. This experience helps us recognize the unique qualities of each local government client, thus improving the quality and relevance of our studies. The fact that the firm has provided human resources consulting services to numerous localities throughout the Mid-Atlantic States provides us with a good knowledge base for dealing with the issues facing the Town of Cape Charles.



John A. Anzivino

Senior Vice President and Client Representative



Mr. John Anzivino will be the project director and chief on-site consultant. John Anzivino has over 25 years of experience in state, county and town management. Mr. Anzivino applies this considerable insight in assisting local governments find solutions to a wide range of human resource, financial and programmatic problems and challenges facing them. He holds a master's degree in public administration from the University of Georgia.

Ann S. Antonsen

Vice President and Consultant



Ms. Ann Antonsen will be the classification consultant. Ann Antonsen is a consultant with a strong background in organizational management and human resources that she uses effectively in developing position analyses, classification and compensation studies, performance evaluation studies and in conducting executive search efforts for the public sector. She also specializes in performing organizational studies, developing personnel policies and manuals and in conducting organizational management training sessions.

Rebecca A. Dayton*Analyst*

Ms. Rebecca Dayton joined Springsted's Management Consulting Group in the winter of 2011. She has a human resources generalist knowledge base, specializing in classification and compensation studies, performance evaluations, executive search and benefits review. Ms. Dayton has an Associate degree in Education from Salem Community College in Carneys Point, New Jersey. She also has course work towards a Bachelor's degree in Business Administration from Virginia Commonwealth University in Richmond, Virginia and from Strayer University online college.

John A. Anzivino
Senior Vice President
Client Representative

Mr. Anzivino joined Springsted in December 2001 as Vice President and Client Representative. In July 2006, he was named Senior Vice President of the firm and, in December 2006, as Director of Springsted's Mid-Atlantic group. He assists Mid-Atlantic counties, cities, towns and other governmental clients in helping to resolve their management and human resource, financial, housing and economic development challenges in a variety of innovative ways. He has overseen and participated in over one hundred similar studies with Springsted. In addition, Mr. Anzivino oversees the bond issuance process for clients, ensuring that debt offerings are marketed and delivered in a timely and effective manner.

Mr. Anzivino has over 25 years of experience in state and local government. He served as Town Manager for Warrenton, Virginia for more than 12 years. Prior to Warrenton, he served as County Administrator for four years in Caroline County, Virginia, and for six years in Amelia County, Virginia. Each of these communities received state and national recognition for developing creative and innovative approaches to resolving complex financial and programmatic issues that they faced during his tenure. During this time, Mr. Anzivino authored chapters in the *VML Handbook for Mayors and Council Members* and the *Virginia Association of Counties Handbook for County Supervisors*. He has also held positions in West Virginia with the Governor's Office of Economic and Community Development, specializing in resolving complex utility and project financing issues and with a regional planning and development agency, as its Assistant Director.

Mr. Anzivino has been an active participant in professional associations, having served as Vice President of the Virginia Local Government Management Association and as President of the Virginia Association of County Administrators.

Education

University of Georgia, Athens, Georgia

Master of Public Administration

Concord College, Athens, West Virginia

Bachelor of Arts

University of Virginia, Charlottesville, Virginia

Senior Executive Institute

Affiliations

International City Management Association (ICMA)

Virginia Local Government Management Association (VLGMA)

International Public Management Association for Human Resources (IPMA)

Virginia Government Finance Officers Association (VGFOA)

North Carolina Government Finance Officers Association (NCGFOA)

Ann S. Antonsen
Vice President
Consultant

Ann Antonsen is an organization and management consultant, specializing in position analyses, classification and compensation studies, performance evaluation studies and in conducting executive search efforts for the public sector. She performs organizational studies, develops personnel policies and manuals and conducts organizational management training.

Ms. Antonsen has chosen to bring her wide-ranging skill sets to Springsted, where she will serve clients nationwide. With her strong background in Organizational Management and Human Resources, she will be dedicated to using her well-honed abilities to assist governmental agencies in developing and growing meaningful legacies. Ms. Antonsen has extensive experience in serving government organizations. Most recently, she has worked as a consultant with Labor Relations Associates, Inc., which has served the region for many years, providing management and human resources consulting services. Ms. Antonsen has provided human resources management services for large suburban communities and regional centers. She brings practical experience in handling the wide variety of issues that face public management. Additionally, she has related human resources experience in both public associations and private corporations.

Education

University of Minnesota, Minneapolis, Minnesota
Bachelor of Arts in Psychology
Continuing Legal Education Courses

Professional

International Public Management Association in Human Resources (IPMA)

Rebecca A. Dayton
Analyst

Rebecca Dayton joined Springsted in November 2011, working as an Analyst with the Management Consulting Services Team. She provides technical support and assistance to clients through our human resources services line, focusing on compensation studies, executive searches and organizational management projects.

Ms. Dayton specializes in all facets of human resources, including classification and compensation as well as benefits reviews. She has prepared offer letters, non-disclosure and non-compete documents, classification and compensation studies and performance review programs. Her previous experience includes program coordinator, membership assistant/exhibition coordinator, and an associate analyst.

Prior to employment with Springsted, Ms. Dayton supervised positions and programs related to management consulting services. She was responsible for overseeing clerical operations and preparing, editing and formatting correspondence, spreadsheets, and PowerPoint presentations. She has extensive experience creating and analyzing position profiles, creating and posting job advertisements, and researching benchmark information and following up with contracts.

Education

Salem Community College, Carneys Point, New Jersey

Associates degree in Education

Virginia Commonwealth University, Richmond, Virginia

Course work for Bachelors of Business Administration

Strayer University

Course work for Bachelors of Business Administration in Management

3. Relevant Experience

Springsted Incorporated has performed similar studies for several local governments in the southeastern United States. The following are some recent examples:

Amherst County, Virginia

Contact: Mr. David Proffitt
Assistant County Administrator
434.946.9400

Preparation of a Classification and Compensation Plan for the County's General Government, School and Public Service Authority employees.

Fauquier County, Virginia

Contact: Ms. Janelle Downes
Human Resources Director
540.428.8700

Preparation of a Classification and Compensation Plan for the County's 1,100 classified General Government and School employees. Springsted currently serves as the County's human resource consultant.

Accomack County, Virginia

Contact: Mr. Steve Miner
County Administrator
757.787.5700

Preparation and updates to a Classification and Compensation Plan for the County's General Government employees. Springsted currently serves as the County's retained human resources consultant.

Town of Purcellville, Virginia

Contact: Mr. Rob Lohr
Town Manager
540.338.7092

Preparation of a Classification and Compensation Plan for the Town's employees.

Augusta County, Virginia

Contact: Mr. Patrick Coffield
County Administrator
540.245.5610

Preparation and updates to a Classification and Compensation Plan for the County's General Government employees. Springsted currently serves as the County's retained human resources consultant.

Town of South Boston, Virginia

Contact: Mr. Ted Daniel
Town Manager
434.575.4200

Preparation of a Classification and Compensation Plan for the Town's employees.

Town of Warrenton, Virginia

Contact: Mr. Ken McLawhon
Town Manager
540.347.1101

Preparation of a Classification and Compensation Plan for the Town's employees. Recent work includes study and analysis of employment patterns and recruitment practices for the Town's Public Utilities employees.

Warren County, Virginia

Contact: Mr. Douglas P. Stanley
County Administrator
540.636.4600

Preparation of new Class Descriptions for all general Government positions and integration into existing Compensation Plan. Springsted also evaluated the impacts of the County's participation in the LEO's retirement program and is called on for continuing support in revising classification descriptions.

North Carolina League of Municipalities

Contact: Mr. Hartwell Wright
Membership Services Director
919.715.3932

Conducted numerous classification and pay and management and organization studies on behalf of the League. Springsted has been a League subcontractor since 1987.

4. Fee Structure

Complete Pay and Classification Study

Springsted Incorporated will perform all tasks delineated in our proposal for a professional fee of \$8,000 plus direct out-of-pocket expenses not to exceed \$2,300. Below is a breakdown of estimated staff-hours and professional fee.

Project Budget

Professional Fee	\$8,000
Expenses Not to Exceed	<u>2,300</u>
Total Maximum Budget	\$10,300