



**Town Council  
Budget Retreat  
Cape Charles Civic Center  
February 5, 2015  
12:00 PM**

12:00 p.m. – 12:30 p.m.

Lunch

12:30 p.m. – 1:15 p.m.

1. FY 2015 Mid-Year Review

1:15 p.m. – 1:30 p.m.

Break

1:30 p.m. – 2:15 p.m.

2. Capital Improvement Plan

2:15 p.m. – 2:30 p.m.

Break

2:30 p.m. – 3:15 p.m.

3. Personnel Compensation Study Implementation

3:15 p.m. – 3:30 p.m.

Break

3:30 p.m. – 4:00 p.m.

4. Harbor Rate Review

4:00 p.m.

Adjourn

# Budget Performance Review FY 2015

Council Work Session – Budget Retreat  
February 5, 2015

## MID - YEAR BUDGET REVIEW

	CURRENT	ANNUAL	% REALIZED/
<u>FUND</u>	<u>YEAR-TO-DATE</u>	<u>BUDGET</u>	<u>EXPENDED FY15</u>
-	-	-	-
GENERAL Operating			
REVENUES	1,894,994	3,707,715	51.11%
EXPENDED Operating	1,015,417	2,026,177	50.11%
EXPENDED Capital	90,358	1,681,538	5.37%

- 50% of the Operating Budget was expended in the first half of the Fiscal Year.
- Of this amount, \$93,777, or 4.7% of operating budget, was expended for one time, or unanticipated costs, such as increased liability insurance, Bank of America Franchise Fee Refund, Springsted contracts, and other miscellaneous items.

## FY 2015 Anticipated Cost Savings

\$128,000 Operating Budget Savings - Legal fees, Personnel Costs  
Beach Sand Replacement, General Contingency Fund \*

\$ 78,000 Manhole Project, Library HVAC, New Phone System

\$206,000 Total for FY 2015 Discretionary Spending

\* \$22,000 contingency withheld for remainder of year

## FY 2015 New Project Proposals

\$50,000	Purchase Strawberry Street Plaza
\$10,000-\$20,000	Leased Parking Area Improvements
\$ 7,100 or \$20,200	60% Design Pine Street Parking Lot 100% Design & Bid Pine Street Parking Lot
\$13,000	Additional funding for Water/Sewer Truck (currently budgeted at \$15,200)

WATER AND SEWER FUND – Performing at Budget Expectation

SANITATION– Performing at Budget Expectation

## BUDGET REVIEW – HARBOR FUND

Harbor	Operating revenues	Op expenses less depreciation	Net Income/(loss)		
2012	\$836,089	\$845,124	-\$9,035		
2013	\$897,365	\$896,252	\$1,113		
unaudited 2014	\$908,180	\$1,097,437	-\$189,257	\$185,442	*debt service
projected 2015	\$987,821	\$1,039,767	-\$51,946	\$115,372	*debt service

\*Harbor Fund is overburdened by debt service payments.

**Town of Cape Charles Capital Improvement Plan**

revised 2/2015

	<u>Fund</u>	<u>Grant Sources</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Beyond</u>
<b><u>Public Works</u></b>								
Strawberry Pedestrian Plaza Purchase FY 15, improvements FY 16	General		50,000	20,000				
Pine Street Parking Lot 34 spaces, trash facility, alley access, landscaping	General	CBSF, CBRF	30,228	60,000				
Mason Ave. Leased Parking Lot, Improvements Grading, gravel, signs	General		20,000	20,000				
Reverse Angle Parking on Mason Avenue Re-stripe parking spots, etc.	General				10,000			
Reverse Angle Parking on Bay Avenue Re-stripe parking spots, remove median	General				50,000			
Multi Use Trail Phase 3, South Peach St., design FY 17 & FY 18	General	TAP 80%	153,438	1,430,000	45,000	40,000	550,000	6,550,000
Art Walk Way-finding FY 16, town entrance FY 17, Strawberry Plaza FY 18/19	General			10,000	100,000	50,000	500,000	
Visitor Center Improvements at museum	General				50,000			
Remove & Replace Trees in VDOT ROW Sick, dying and unsightly trees in historic district	General			30,000	30,000	30,000		
Sidewalk Infill Construct sidewalks where lacking in historic district	General			30,000	30,000	30,000		
Beach Pavillion Construct shaded pavillion near the south point/fishing pier	General				30,000			
Bay Avenue Electrical & Street Light Upgrade Bury electric service & replace highway style street lights	General			30,000	30,000			
Vehicle Replacement	General	USDARD	34,574				30,000	

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<b><u>Parks &amp; Recreation</u></b>								
Beach Safety	General							
Swimming area buoys, float line, signs				10,000				
Equipment & stands for 2 lifeguards; 1 jet ski				26,000				
Playground Equipment Replacement	General	CCP, Epiphany ESCF		50,000				
Basketball Court, including fencing	General			75,000				
Improve & Landscape Drainage Areas in Central Park	General	CBSF, CBRF			25,000			
Video Security Systems Central Park, Civic Center, Beach	General	USDARD			10,000			
<b><u>Police Department</u></b>								
Patrol Vehicle Replacement	General	USDARD	25,326	24,000	24,000	24,000	24,000	
Dashboard Cameras for Patrol Vehicles 4 vehicles, one already equipped	General	USDARD		20,000				
<b><u>Administration &amp; Finance</u></b>								
Civic Center Furniture & Equipment	General		17,000					
Town Hall Phone System Replacement	General		3,737					
Electronic Document Scanning	General		9,200					
Enterprise Resources Planning System Replacement	General				50,000			
Vehicle Replacement Code Enforcement/Damage Assessment 4WD	General	USDARD		25,000				
Develop Third Floor of Library Building for Town Offices Elevator, wall reconfiguration, HVAC, electrical, painting, etc.	General	Sell Town Hall						300,000
<b><u>Library</u></b>								
HVAC Second Floor	General		9,000					
Video Security System	General	USDARD		1,000				
<b>Total General Fund</b>			<b>302,503</b>	<b>1,841,000</b>	<b>484,000</b>	<b>204,000</b>	<b>1,074,000</b>	<b>6,850,000</b>

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revised 2/2015

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<b>Harbor</b>									
Offshore Breakwaters	Harbor General	VPA 75%		860,000			860,000	860,000	
Inshore Wave Attenuator, A Dock, With Additional Slips	Harbor	VAP 75% BIG			250,000				
Inner Basin Bath House	Harbor	VPA 75% BIG				175,000			
Inner Basin Floating Slips	Harbor	VPA 75% BIG						1,000,000	
New Fueling & Harbor Master's Dock	Harbor	VPA 75%						620,000	
Harbor Master's Building	Harbor	VPA 75%						650,000	
<b>Total Harbor Fund</b>					860,000	250,000	175,000	860,000	3,130,000
<b>Waterworks</b>									
Chloramine System Ammonia injection during warm weather to reduce TTHMs	W&WW			33,000					
Keck Wells Pipeline	W&WW	Facility Fees	60,000	500,000					
Prechlorination System Improve filter performance & combat SRB	W&WW			10,000					
Automatic Flush Systems Reduce TTHMs & flush WW collection system	W&WW		10,000	20,000	20,000				
Improve finished water aesthetics Improve softener, etc.	W&WW				100,000				
Drying Bed for Backwash Waste Disposal of iron & manganese sediment	W&WW				250,000				
Pretreatment for Lower Aquifer Withdrawal	W&WW	Facility Fees				75,000	650,000		
Vehicle Replacement	W&WW	USDARD	7,500			8,000			
Plant Expansion Depending on growth, increase from 500K to 1M gpd	W&WW	Facility Fees						2,300,000	

**Town of Cape Charles Capital Improvement Plan**

revised 2/2015

	<u>Fund</u>	<u>Grant Sources</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Beyond</u>
<b><u>Wastewater System</u></b>								
Manhole Refurbishment	W&WW		25,000					
Gravity Pump Stations Refurbishment Plum and Pine Streets	W&WW		30,000	100,000	100,000			
Emergency Generator, Mason Avenue Pump Station Replace aging unit	W&WW			50,000				
Odor control Install chlorine injection at 3 vacuum pump stations and Mason Avenue	W&WW				40,000			
New Pump Controls, Mason Avenue Pump Station Replace old technology and interface with plant SCADA	W&WW			65,000				
Septage Receiving Facility Ability to process septic tank pump outs	W&WW	Sales Revenue		50,000	200,000			
Residual Solids Composting Facility Compost & sell solids instead of landfill	W&WW	Tip Fees & Sales Revenue				50,000	450,000	
Membrane Replacement 7 year nominal, maybe 10. Plant recapitalization in Facility Fee calculation.	W&WW	Facility Fees					50,000	
Plant Expansion Depending on growth, increase from 250K to 500K gpd	W&WW	Facility Fees						5,000,000
Reuse Pipeline & Reject Storage Depending on growth (250K gpd limit)	W&WW	Facility Fees						750,000
Vehicle Replacement	W&WW		8,100			8,000		
<b>Total Water &amp; Wastewater Fund</b>			<b>140,600</b>	<b>828,000</b>	<b>710,000</b>	<b>141,000</b>	<b>1,150,000</b>	<b>8,050,000</b>
<b>Total All Funds</b>			<b>443,103</b>	<b>3,529,000</b>	<b>1,444,000</b>	<b>520,000</b>	<b>3,084,000</b>	<b>18,030,000</b>
<b>Five Year Average</b>	<b>1,804,021</b>							

# Personnel Compensation

Council Work Session - Budget Retreat

February 5, 2015

# Study Implementation

- Springsted study recommended new pay scale, position rankings and implementation options.
- Adjustments to study recommendations considered by Council.
- Apparent consensus:
  - ✓ Some discounting of pay scale due to benchmarking concerns.
  - ✓ Minor adjustments to position rankings.
  - ✓ Tailored to employee performance, experience, etc.
  - ✓ Must be affordable.

# Positions by Grade

Assistant Town Manager	33
Treasurer	32
Chief of Police	32
Director of Public Utilities/Works	32
Town Clerk	30
Building Official	30
Harbor Master	30
Planner	30
WWTP Operator in Charge	27
Librarian	26
WP Operator in Charge	26
Police Sargeant	26
Utilities Maintenance Supervisor	25
Public Works Supervisor	25
Accountant	25

Recreation & Community Events Coordinator	24
Police Corporal	24
Police Officer	22
Assistant Harbor Master	20
Assistant Town Clerk	20
WWTP Operator	19
WP Operator	19
Accounting Clerk	19
Utilities Maintenance Technician	19
Permit Assistant	19
Utilities Billing Clerk	18
Administrative Assistant	18
Library Assistant	16
Public Works Maintenance Specialist	15
Harbor Assistant	15

# Recommendation

- Discount pay scale to 95% of study recommendation.
- Place employees within pay scale based on supervisor's assessment.
- Cost of implementation (w/payroll taxes):
  - All Departments - about \$39K
    - General Fund - \$33K
    - Water & Sewer Fund - \$2K
    - Harbor Fund - \$4K
- Cost is less than study implementation options.
- Should achieve market competitiveness and lessen turnover.

# Recommendation

- Continue to assess affordability as FY 2016 budget is developed.
- Adopt new pay scale and position rankings.
- Complete development of new job descriptions.
- Employee evaluation process must drive future advancement.
- COLA must be a separate annual consideration:
  - Change in Consumer Price Index.
  - Affordability.
  - Pay scale must be adjusted for any approved COLA.

 <p><b>TOWN OF CAPE CHARLES</b></p>	<b>AGENDA TITLE:</b> Harbor Rates		<b>AGENDA DATE:</b> February 5, 2015
	<b>SUBJECT/PROPOSAL/REQUEST:</b> Change Town Harbor rates as per attached document		<b>ITEM NUMBER:</b> #4
	<b>ATTACHMENTS:</b> Proposed Harbor Rates for 2015		<b>FOR COUNCIL:</b> Action (X) Information ( )
	<b>STAFF CONTACT (s):</b> Smitty Dize, Jr.	<b>REVIEWED BY:</b> Bob Panek, Interim Town Manager	

**BACKGROUND:**

Every year staff reviews current rates, compared to other nearby harbors and marinas that are similar. Unlike the other Enterprise Funds, Harbor rates need to be set now for the upcoming spring season.

**DISCUSSION:**

Attached is a comparison of rates and recommendations. Some comparisons are not straightforward as some marinas charge for boat length instead of slip length. We use slip length for all but transient docking. This allows us to prepare more accurate budget projections.

We are proposing a new 3% credit card fee to be applied to all credit card charges. This will help offset the cost of credit card fees charged to us, currently around \$30,000 per year.

We are also proposing a new rate for slip/storage, based on an agreement we are working out with Chesapeake Marine Systems (CMS), to give our boaters an option for storage at a reduced rate. We would like Council's approval to adjust this rate as we finalize the agreement with CMS.

All recommended rates are base rates. We would like to continue the 5% discount for Town Residents and the 15% discount for commercial users. Also, we would like to end monthly billing for annual and seasonal rent and go to annual, semiannual and quarterly billing options. The base rates would be increased by \$0.25 per/foot if the customer chooses semiannual billing, and by \$0.50 per/foot if the customer chooses quarterly billing. Billing in this manner should result in a more stable revenue flow and minimize receivables management.

**RECOMMENDATION:**

Approve the proposed rates effective March 1, 2015.

	CCTH Current Rates	Kings Creek Marina	Cobbs Marina	Salt Ponds	Somers Cove Marina	Scotts Creek Marina	Recommended Rates
<b>Wet Slips</b>							
Annual 12 months	\$4.50	\$8.00	\$8.00	\$7.25	\$4.50	\$5.85	\$5.25
Wet Slip/Storage 7/5 12 months	NA	NA	\$8.00 + HF	NA	NA	NA	\$10.00
Summer Season May-Nov	\$5.25	\$10.00	NA	\$7.50	\$6.00	\$6.85	\$6.25
Winter Season Dec - April	\$5.25	NA	NA	\$7.50	\$6.00	\$6.85	\$5.25
Quarterly Summer	\$6.50	\$12.00	NA	NA	NA	NA	\$8.00
Quarterly Winter	\$6.50	NA	NA	NA	NA	NA	\$7.00
Monthly Summer	\$9.50	\$14.00	\$10.00	\$7.75	\$15.00	\$7.50	\$9.50
Monthly Winter	\$8.50	\$8.00	\$10.00	\$7.75	\$15.00	\$7.50	\$8.50
Weekly Summer	\$5.25	NA	\$4.00	NA	\$6.00	\$8.75	\$7.00
Weekly Winter	\$4.25	NA	\$4.00	NA	\$6.00	\$8.75	\$6.00
Nightly Summer	\$1.75	\$2.00	\$2.00	\$1.50	\$1.25	\$1.50	\$1.75
Nightly Clubs 10 boats or more	\$1.50	\$2.00	\$2.00	\$1.50	\$1.25	\$1.50	\$1.50
Nightly Winter	\$1.50	\$2.00	\$2.00	\$1.50	\$1.25	\$1.50	\$1.50
<b>Dry Storage</b>							
Annual Storage	\$300.00	NA	NA	NA	\$250.00	NA	\$350.00
Seasonal Storage	\$210.00	NA	NA	NA	NA	NA	\$250.00
Quarterly	\$105.00	NA	NA	NA	NA	NA	\$150.00
Monthly	\$60.00	NA	\$8.00 per/ft	NA	NA	NA	\$75.00
Weekly	\$30.00	NA		NA	NA	NA	\$30.00
Nightly	\$5.00	NA	\$0.75 per/ft	NA	NA	NA	\$5.00
Davits	\$150.00	NA	NA	NA	NA	NA	\$175.00
<b>Rentals</b>							
West Parking Lot	\$100.00	NA	NA	NA	NA	NA	\$150.00
Gazebo	\$50.00	NA	NA	NA	NA	NA	\$75.00
<b>Other</b> Credit Card Fee proposal	3% Currently we have not been charging for credit card fees, Some other localities do others do not, there are some negative feed back on some marinas social media sites and blogs. Recommend we try it for a year and monitor negative feed back.						

**NOTES: Comparisons**

Cape Charles Town Harbor: 95 Slips, 44 floating, 51 fixed- Mixed use Commercial, recreational, **Rates = Slip Length**

Kings Creek Marina: Around 165 slips all floating and recreational. Resort - **Rates = Boat Length**

Cobbs Marina: 95 slips, fixed/floating, Mixed use but mostly recreational, Haul Out. - **Rates = Boat Length**

Salt Ponds: 254 Floating slips all recreational, Resort - **Rates = Boat Length**

Somers Cove Marina: 500 + Slips Mixed Floating/Fixed, State Owned, Similar to us except two pools. **Rates=slip length**

Scotts Creek Marina 135 slips all floating, Recreational. **Rates = Slip Length**