



**TOWN COUNCIL**  
**Work Session**  
**Cape Charles Civic Center**  
**March 3, 2016**  
**5:00 p.m.**

1. Call to Order: Roll Call
  
2. Order of Business
  - A. FY 2016 Mid-Year Review
  - B. Health Insurance Review
  - C. Strategy Planning
  
3. Motion to Adjourn

**General Fund Budget Review**

Projected Revenue	\$ 4,141,516.69	
Projected Expenses	\$ 3,927,247.86	
Contingency (budget)	\$ 115,438.24	
Bonus Pool (budget)	\$ 14,965.00	
Wage Increase Pool (budget)	\$ 3,741.00	
<b>Projected Gain (Loss)</b>		<b>\$ 80,124.59</b>

**Expendure requests in order of urgency:**

- Mold remediation in the library HVAC and post treatment testing (rough estimate)	\$6,000
- Dell Server with MS Server Software & Microsoft SQL 2012 Database software for a quad-core server & installation	\$10,000
- Additional legal budget Town has already over-expended budget by \$14,108 (included in request)	\$43,620
- Facility Needs Assessment Study for Admin offices	\$12,000
- Additional Public Works general repair work	\$4,000

<b>Total Staff requests for re-allocation of available funds</b>	<b>\$75,620</b>
<b>Remaining contingency/(shortfall)</b>	<b>\$4,504.59</b>

**Revenues higher than anticipated to date:**

Meals tax, Transient Occupancy tax, Personal Property taxes, Building Permits are all flowing at a higher rate that expected.

**Expenditures higher than anticipated to date:**

Insurance, liability and worker's comp were billed higher than was anticipated  
Health Insurance will be a little over budgeted numbers because of an age-banded rate structure.  
Repairs at the Library and other PW repair projects have already stretched those budgets.  
Legal costs have surpassed budget, and it is foreseen to continue at this rate.  
Fuel Costs for Town Vehicles are lower than budgeted.

### Utility Fund Budget Review

Projected Revenue	\$	1,830,970.33	
Projected Expenses	\$	1,763,826.33	
<b>Projected Gain (Loss)</b>			<b>\$ 67,144.00</b>

The \$65,000 Wastewater Fine will be absorbed by halting previously planned repair projects that can be put off until after June 30th, savings in fuel expenditures, postponement of engineering services, and underspending in multiple accounts across the Fund. A full list will be provided March 3rd.

#### **Revenues higher than anticipated to date:**

Water and Sewer Sales are higher to date than was anticipated.

#### **Expenditures higher than anticipated to date:**

Insurance, liability and worker's comp were billed higher than expected  
Health Insurance will be a little over budgeted numbers because of an age-banded rate structure.  
Fuel Costs for Town Vehicles are lower than budgeted.

### Harbor Fund Budget Review

Harbor Fund is operating well within budget boundaries, and if trends continue, will require only two thirds of the budgeted assistance from the General Fund.

### Sanitation Fund Budget Review

Sanitation Fund performance is as expected.

## TOWN OF CAPE CHARLES EMPLOYEE BENEFITS BUDGET DISCUSSION

### **Overview:**

Historically, the Town has paid 100% of employee only premiums for health, dental, and vision insurance.

**Health insurance** premiums for our age-banded rates, which was our only option for the past benefit year, increased by 7%. Staff was able to find options to reduce that amount and wants to propose an option to create an artificial employee and child tiered rate that will not unjustly burden an employee with only one covered child. There are 3 Anthem Products to preview. One is a PPO, one is an open HMO with a \$1,000 deductible, and one is an open HMO with a \$4,000 deductible. Staff may opt for a flexible spending plan for medical or dependent care benefits.

Staff will present a Delta **Dental Plan** that not only has better benefits, but has a lower cost than the previous year.

**Vision Insurance** benefits have been given to all employees, but not everyone needs the coverage.

Staff proposes offering a much better plan (VSP) as an optional benefit to employees. This insurance costs very little; only 9.39 per month for employee only, \$26.02 for family coverage.

A summary of benefits for each plan will be provided on Monday, February 29th.