



## TOWN COUNCIL

### Work Session

Town Hall

April 4, 2013

3:00 p.m.

At approximately 3:00 p.m., Vice Mayor Chris Bannon, having established a quorum, called to order the Work Session of Town Council. In addition to Vice Mayor Bannon, present were Councilmen Sullivan and Wendell and Councilwoman Natali. Councilman Godwin arrived at 3:04 p.m. Mayor Sullivan and Councilman Bennett were not in attendance. Also present were Town Manager Heather Arcos, Assistant Town Manager Bob Panek, Treasurer Kim Coates, Public Works/Public Utilities Director Dave Fauber, Librarian Ann Rutledge and Town Clerk Libby Hume. There was one member of the public in attendance.

Vice Mayor Bannon announced the business for the evening would be to review the proposed departmental operating budgets and capital for FY 2013-2014. The budgets to be reviewed were Public Works, Police Department, Library, Town Clerk and Town Manager.

Town Manager Heather Arcos stated that there were no changes from the March 7<sup>th</sup> meeting and that the proposed budget would be reviewed by department after a brief review of the FY 2013/2014 General Fund Projections based on the 2013 reassessment. The reassessments had not yet been finalized by the County and the Town would receive any corrections as they were made by the Commission of Revenue. Heather Arcos added that she had received comments from Mayor Sullivan and Councilman Bennett which would be reviewed during the discussion on the appropriate departmental budget.

Treasurer Kim Coates stated that the property assessments in the Town went down approximately 35%. The proposed FY 2013/2014 budget, not including changes in personnel, was \$3,169,118. With the reassessment, the projected revenue based on the current tax rate of .1828% would be \$2,445,476 which left a deficit of \$723,642. The equalization tax rate would have to be .2674% but there would still be a minimum deficit of \$394,433. A tax rate of .3687% would be needed to make up the difference for the proposed budget, not including personnel changes.

Heather Arcos added that the Town would be evaluating refinancing options through Davenport & Company for the existing debt service to lower the amount of debt service paid annually. The Town was awaiting the final audit before moving forward. Northampton County recently contracted with Davenport & Company and had saved substantial amounts.

Heather Arcos stated that new detailed budget sheets were printed for the Public Works and Town Manager departments. The Public Works budget was corrected to show both the \$1M expense and \$800K grant revenue for the Cape Charles Trail project. The former budget printout only showed the \$200K expense to the Town. The Town Manager budget was updated removing the library acquisition which was transferred to show the debt service.

Councilman Wendell asked about the amount of the Cost of Living Allowance (COLA) provided to staff over the last two years which amounted to 1% per year per employee. Heather Arcos stated that she had allocated a 3% COLA, which was the amount being proposed for state and county workers. For each percent of COLA, the cost to the Town was \$8,990.

Heather Arcos went on to review the departmental budgets as follows:

Public Works Department: i) 4 full-time salaries and wages were reported the same as FY13. Personnel merit increases were not included. One-third of the wages of the Director of Public

Works; ii) Overtime was increased by \$1K for emergency situations, otherwise must be approved by Town Manager; iii) The Repair and Maintenance line was increased to include additional electrical service outlets in the park. The Town received a \$700 contribution from the Northampton Anglers' Club designated for electrical work in the park. The budget line includes maintenance for Alleys, Municipal building, Central Park, Skateboard Park, Playground, Public Restrooms, Gazebos, and any public space and/or buildings; iv) An IFB was out to bid for Beach Sand Replenishment this year. Dave Fauber stated that a pre-bid meeting was held earlier today and two bidders attended. In FY12, the sand replenishment was funded by FEMA but this year would be at the Town's expense. The line item also included survey of the beach and materials for winterizing the beach; v) \$50K was allocated for Grounds Maintenance and included amounts under the grounds maintenance contract and costs of work performed by the Town staff; vi) Councilwoman Natali asked why the Landfill Disposal amount was so much below budget for the current year. Dave Fauber stated that the Town had an arrangement to take in a minimal amount of sediment from the County jail and in turn, the Town could dispose of brush up to 10-15 tons at no charge. The Public Works crew had also been chipping tree limbs, etc. into mulch vs. taking it to the landfill. The mulch was provided to interested residents at no cost; vii) Councilwoman Natali commented on the cost of cell phones for the department (\$1,050) compared to the cost in the Police Department budget (\$3K). Dave Fauber stated that the cost depended on the number of phones on the plan. The majority of the costs were incurred by the main phone and an additional fee was paid for each additional phone on the plan. The Public Works plan included a cell phone for Dave Fauber and the Public Works Foreman; viii) The Janitorial Supplies line was increased slightly to \$2K. The crew cleaned all the Town's buildings and facilities and provided cleaning and paper supplies for all facilities. Heather Arcos stated that she and Dave Fauber were looking into the costs for possibly contracting out this service; ix) \$33,500 was allocated for Repair/Maintenance to the Beach to include the cost of sand replenishment. As explained earlier, in FY12, the sand replenishment was funded by FEMA but this year would be at the Town's expense. Councilman Wendell asked if there might ever be an opportunity to dredge the harbor to put sand back on the beach. Dave Fauber stated that it was a permitting issue and added that he had heard that the process could be streamlined to enable localities to do the dredging. Heather Arcos added that a maintenance dredge of the harbor was being discussed by the Army Corps of Engineers and there was a possibility for sand placement on the Town's beach or at Bay Creek. The last maintenance dredging was done in the 1980s; x) \$50K was allocated for Library Painting & Repairs for the exterior painting of the current library building and to make the building handicap accessible for future public use. Dave Fauber stated that cost could possibly be reduced to \$40K if furniture were deleted. Councilwoman Natali stated that ADA access was necessary if the Town was planning to use the building for any public use. The consensus was to leave in the \$50K for now, but consider a \$10K cut if needed; xi) \$18K was allocated for Public Works Yard/Building Repair & Maintenance to add a concrete slab, gravel, interior lighting and plantings. There were several other items that were needed but not included in the budget such as electrical, HVAC, telephone service, construction of an office and a time clock. There was some discussion regarding the necessities and Dave Fauber stated that the gravel and concrete slab were necessary to keep; xii) \$15K was allocated for construction of a new official sized basketball half court as discussed at the Town Council Budget Retreat. Several possible locations were discussed as well as the possibility of constructing two half-courts; xiii) \$12K was allocated for a new Gator to replace one that was over six years old which was starting to cost the Town in repairs and down time. The existing Gator could possibly be used on occasion for general use and during special events. There was some discussion regarding changes to the Town's procurement policy that would enable the Town to purchase items at reduced pricing by utilizing negotiated contract pricing from the state and other localities; xiv) \$10K was allocated for the Sidewalk Repair Program to provide safe sidewalk access from Heritage Acres. The existing paver sidewalk along the Bay Creek property and the danger it posed to individuals using wheelchairs was discussed; xv) \$10K was allocated for Alley & Parking Projects to create a public parking lot and alley access utilizing the two Town-owned lots behind the new library building. There was much discussion regarding this item and several Council members noted that

the amount seemed low for the work to be done. There was a general consensus to do what was necessary to move the fence to allow accessibility to the alley but postponing the gravel work to the parking lot until next year; xvi) \$50K was allocated for Storm Water Management for closed circuit TV recording of approximately 15K lineal feet of storm drains; xvii) \$1M was allocated for the Cape Charles Multi-Use Trail Phase 2 Design. \$800K would be reimbursed from grant funding making a net expense to the Town of \$200K. Heather Arcos summarized the discussion for the Public Works budget and the two areas being considered for reduction were the public parking behind the new library building and \$10K from the current library painting and repairs.

Library: i) 1 full-time and 1 part-time salaries and wages were reported the same as FY13. Personnel merit increases were not included; ii) Although not included in the budget numbers, a request and justification for an additional part-time employee for up to 20 hours per week was included in the handout. Council reviewed the justification provided by Librarian Ann Rutledge. There was much discussion regarding the added position. Councilman Wendell stated that he preferred to wait on this position to see how things changed at the new library. Heather Arcos stated that Mayor Sullivan and Councilman Bennett had similar comments; iii) \$2K was allocated for IT Support for the 20 computers in the computer lab. Councilman Sullivan asked how much the Eastern Shore Public Library (ESPL) budgeted for computer maintenance. Ann Rutledge would contact the ESPL regarding this information. Councilwoman Natali asked how much the Town paid for internet service for the library. Heather Arcos stated that the internet service was provided by the ESPL at no expense to the Town; iv) \$8K was included for Electric and was based on the increase in building size, the additional 20 computers and previous bills from the Bank of America; v) The Telecommunications line was increased to add a phone line for a dedicated fax line. The service would be through Bay Creek Communications as a test for a possible upgrade of the Town's phone system next year; vi) \$2,500 was included to lease a coin-operated copier/printer. There was much discussion regarding the need and cost of the lease and whether the cost could be recovered by the number of copies and prints paid for by customers. Ann Rutledge stated that the library had taken in about \$50 in copy fees. Councilman Sullivan stated that he would contact the representative from Delmarva Equipment to find out the capability of the new copier/printer. Ann Rutledge would contact the ESPL to find out how they handled printing by customers; vii) The Office Supplies line was increased to \$2,500 to purchase carts, stools, marker boards, blinds, etc. There was approximately another \$9K in furniture and other items that were not included in the requested budget. The Friends of the Cape Charles Memorial Library had raised funds to purchase furniture for the teen and children's areas. Also, in the fall of 2012, the Town applied for a USDA equipment grant for \$25K and was still awaiting notification of a possible award; and viii) The Books & Subscriptions line was increased by \$5K to \$20K.

Councilman Wendell asked about use of the money from the Library CD for any of these expenses. Heather Arcos stated that the money was being used and the balances were reported monthly as part of the Treasurer's Report at the regular meetings. Ann Rutledge added that the new library shelving was being purchased using a portion of the money.

Heather Arcos summarized the discussion for the Library budget and the areas to be revisited were the lease of the coin-operated copier/printer, office supplies/furniture and the additional part-time employee. Ann Rutledge stated that if anything in her budget needed to be cut, she would prefer to cut her book budget and keep the funding for an additional part time position.

Councilman Wendell asked about a timeframe and cost estimate for an elevator for access to the second and third floors. Bob Panek stated that he believed that the Town Planner had received a quote for approximately \$25K to add an elevator to the rear of the building. Heather Arcos stated that it would be approximately \$17K for lead paint abatement and painting for the third floor.

Police Department: i) 5 full-time salaries and wages were reported the same as FY 13. Personnel merit increases were not included. Councilman Wendell asked if there was any formula to help determine the proper number of police officers for a Town our size and asked if the number of officers could be decreased. Councilman Sullivan stated that there were fewer officers 10 years ago and there were times with no police coverage. Even with the 5 full-time officers, the Town did not have 24-hour coverage. Heather Arcos stated that the Town currently had 3 officers and coverage periods were typically 12PM – 12AM through the week and from 12PM – 2AM on weekends. Bob Panek added that there were 168 hours in a week and with 4 officers working 40 hours per week totaled 160 hours. If vacations, sick time and court time were added, the coverage amount was less. Councilman Sullivan stated that the Town of Exmore had about 8 officers and was able to provide 24-hour coverage; ii) \$1,500 was included for Information System Services for support for new computers for the officers and Dapro Systems Software; iii) Advertising was increased due to hiring a new Police Chief; iv) \$20,356 was allocated for Equipment to cover the annual debt service for the police cars. The next replacement vehicle was scheduled for FY 2014/2015; v) Travel and Lodging expenses were increased due to the possible expenses of sending a candidate to the Police Academy based on this years' experience with applicants applying for a job in department. Currently, there was one vacancy in the department; vi) \$4,175 was allocated for Computer Purchases to replace 4 laptops and the IBR reporting desktop. The current laptops were 7-8 years old and the IBR desktop was about 7 years old; vii) \$1,500 was allocated for Communication Equipment for the replacement of medical radios for compatibility with the County's radios due to the recent upgrades to their system; viii) \$4K was allocated for Vehicle & Powered Equipment Supplies. Heather Arcos stated that this line could probably be reduced; ix) \$1,250 was requested for Police Dog Supplies/Expenses for a new police dog. There was some discussion and the general consensus was to cut the police dog at this time; x) \$700 was included for Other Operating Supplies. This item will be reviewed to see if any portion could be cut; and xi) \$11,980 was included for Byrne Grant Expenses for the purchase of 4 in-car cameras. A Byrne Grant application was made for the purchase of the in-car cameras but the Town is still awaiting a response regarding the grant award. Heather Arcos summarized the discussion for the Police Department budget and the areas to be revisited or cut were the police dog, Vehicle & Powered Equipment Supplies and Other Operating Supplies.

Heather Arcos asked Council if they wanted to continue with the Town Clerk and Town Manager budgets. The general consensus was to postpone review of the Town Clerk and Town Manager budgets to the next meeting.

Heather Arcos stated that the numbers in the reviewed budgets would be updated for review at the March 25<sup>th</sup> budget work session. The Public Utilities and Rate Review would be reviewed in an upcoming meeting and another meeting would be spent to review the Harbor Fund budget.

**Motion made by Councilwoman Natali, seconded by Councilman Wendell to adjourn the Town Council Work Session. The motion was approved by unanimous consent.**

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Vice Mayor Bannon

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Town Clerk