



TOWN COUNCIL

Work Session

Town Hall

May 17, 2012

Immediately Following Executive Session

At approximately 6:20 p.m., Mayor Dora Sullivan, having established a quorum, called to order the Work Session of Town Council. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Evans, Sullivan and Veber and Councilwoman Natali. Councilman Bennett was not in attendance. Also present were Councilmen-Elect Donald Clarke and Thomas Godwin and Town Manager Heather Arcos, Assistant Town Manager Bob Panek and Town Clerk Libby Hume. There were no members of the public in attendance.

Mayor Sullivan announced the business for the evening would be to continue review of the FY 2012/2013 Budget.

Town Manager Heather Arcos began by giving an overview by fund.

The General Fund was in balance at \$1,975,356 with no tax increases. Northampton County was proposing a 6¢ increase in real estate tax rate from 49¢ to 55¢ and considering a 25¢ reduction in the personal property and machinery & tools tax rates. The General Fund Revenues included: i) Northampton County was increasing their annual contribution towards the Cape Charles Memorial Library by \$4,500 for a total contribution of \$20K; and ii) Lease revenue of \$6,750 was included from The Shanty. The General Fund Expenditures included: i) 1% Cost of Living Allowance (COLA) for all employees. A 1% COLA was also given in the FY 2011/2012 budget but no COLA increases were given for the four previous years; ii) A 5% increase was mandated by the State of Virginia for all full time employees to compensate for employees now being required to pay a 5% member contribution to the Virginia Retirement System; iii) An additional \$2,500 was allocated to the Historic Society for roof repairs since their grant funding request was not approved; iv) \$1,300 was allocated towards the partnership to run a trolley service in Cape Charles and the lower Eastern Shore over selected holidays and events; and v) A part-time administrative assistant was included in the Code Enforcement department and the hours for the part-time Library assistant had been increased during the busy summer months.

Mayor Sullivan stated that she received an email today confirming the trolley service and a proposed schedule. Heather Arcos added that there were seven (7) partners: Chatham Vineyards, Barrier Island Center, the Town of Eastville, Bay Creek Resort, the Cape Charles Business Association, the Town of Cape Charles and Northampton County. Northampton County was contributing \$1K and the remaining six (6) partners were contributing \$1,300 each. There was some discussion regarding the fact that there were three (3) partners in Cape Charles. Councilman Evans stated that he thought there would be two (2) trolleys – one (1) staying in Cape Charles and the other one providing shuttle services from Cape Charles up to Chatham Vineyards with stops at the other partners' locations. Councilwoman Natali suggested that the Town's \$1,300 be included in the Town Manager's budget until clarification of the services was obtained. Heather Arcos informed Council that she would forward all information received via email to everyone for their review so a decision could be made.

Heather Arcos continued by giving an overview of the General Fund Capital Projects: i) Community Trail Phase 2 which would be funded 80% by a grant through VDOT; ii) Street sweeper for the Public Works department; and iii) Bathroom in Central Park which would be funded mostly by the Citizens for Central Park (CCP) who just received a \$20K grant for this project. The Town's contribution would be \$15K and CCP would pay the remainder of the costs.

Councilwoman Natali asked where the extra \$4,500 received from Northampton County for the Library would be used. Heather Arcos stated that the funds would be used to offset the Library budget of \$105K.

There was some discussion regarding providing laptops or iPads for Council use vs. the cost of paper for hard copies of the agenda packets and whether the cost of paper could be tracked.

Heather Arcos went on with an overview of the Harbor Fund as follows: i) A potential capital project was the next section of breakwater. Notification was just received that the Town was awarded another \$500K from the Virginia Port Authority (VPA) for this project. The Town had a 25% match for the project; ii) 1% COLA and 5% VRS Mandate as discussed earlier; and iii) Increase in the number of seasonal employees. The budget advertisement would be revised to add the \$500K from the VPA under both revenue and expenditure in the Harbor Fund budget.

Heather Arcos reviewed the Public Utilities Fund – Water as follows: i) The water rate was decreased by \$3.45 but the wastewater rate would be increased by \$3.45; ii) As in the General and Harbor Funds, a 1% COLA and the 5% VRS Mandate were included; iii) The number of water plant employees would be reduced from three (3) to two (2) full-time employees; and iv) One (1) full-time employee would be shared by the water and wastewater plants. Staff in the two (2) plants would also be cross-trained. Capital projects for Public Utilities – Water included: i) The connection of two (2) wells; ii) Evaluation of the softener media, which was original to the building; iii) Purchase of a utility trailer to be shared by the water and wastewater departments; iv) Installation of stainless steel walkway and racks; and v) An asset management system to be utilized by the water and wastewater departments.

The Public Utilities Fund – Wastewater was reviewed as follows: i) The wastewater rate would be increased by \$3.45 following closure of the old plant and acceptance of the new plant. A rate study would be performed later this summer; ii) As in the other Funds, a 1% COLA and the 5% VRS Mandate were included; iii) Overall expenses were increased to operate the new wastewater treatment plant. Capital projects for Public Utilities – Wastewater included: i) A replacement vehicle; ii) a Utility Trailer to be shared with the Water department; iii) the new wastewater treatment plant; and iv) An asset management system to be utilized with the Water department.

Heather Arcos informed Council would be provided with the Detail Reports by Department prior to the June 7th Public Hearing.

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

Mayor Sullivan

Town Clerk