



TOWN COUNCIL

Work Session

Town Hall

April 19, 2012

6:00 p.m.

At approximately 6:00 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 Bennett and Evans and Councilwoman Natali. Mayor Sullivan and Councilmen Sullivan and Veber were not in attendance. Also present were Town Manager Heather Arcos, Treasurer Jo Anna Leatherwood, and Harbor Master Smitty Dize. There was one member of the public in attendance.

Vice Mayor Bannon announced the business for the evening would be to review the General Fund modifications from the March 29, 2012 meeting and the Harbor Fund.

Town Manager Heather Arcos began with the review of the Harbor Fund as follows: i) Salaries & Wages included a 5% increase for the full time position. The General Assembly mandated all localities participating in the Virginia Retirement System (VRS) to require employees to pay the 5% member contribution to VRS and localities were required to increase the employees' salaries by 5%. The Governor modified the mandate to allow localities to phase in the change 1% each year for five years. Staff recommended doing the entire 5% this coming year since the change was not that significant. Northampton County was also electing to do the entire 5% this coming year; ii) The other employees at the Harbor were all part-time. There was one Assistant Harbor Master, which was a year-round position and one part-time office assistant which was seasonal through December. There were four seasonal part-time dock hands which would be working from May 1 through September 30; iii) The electricity was increased to \$20K to include the Bath House, the new lighted walkways and the electricity for the new slips. Most of this expense would be offset by income; iv) \$2K was included for propane for on-demand hot water systems in the new Bath House; v) The amount for broadband service was reduced from \$2,400 to \$1,200; vi) The General Liability Insurance was increased to \$21K to include the new Bath House, walkways and slips; vii) \$27,200 was included for the Clam Slam event in August. Smitty Dize explained the dollar amount and stated that the Buy Boat Reunion in 2011 cost over \$21K. Smitty Dize added that last year one boat from the Seaford Yacht Club came to the Harbor for the Buy Boat Reunion and this year, several boats from the Seaford Yacht Club had booked slips for Labor Day. The event would cost money, but it would also bring in money to the Harbor and other businesses in Town; viii) Office Supplies was increased to be more in line with spending; ix) Janitorial Supplies was increased to include the new Bath House; x) Merchants Fees was increased due to the increased use of credit cards. The Harbor no longer accepts American Express due to its high fees; xi) Fuel Purchases was increased to \$1,063,000 due to the number of yachts and other vessels coming into the Harbor with large fuel purchases. Smitty Dize stated that Atlantic Surveyors would be working out of the Harbor and they typically purchase 5K – 8K gallons of fuel every other week. Yesterday, two yachts came in and purchased 500 and 600 gallons of fuel; xii) Coffee & Beverages for Resale was increased due to the demand of beverages and snacks; xiii) Boating Supplies for Resale was decreased due to lower demand. On occasion a boater comes in needing equipment which the Town Harbor could purchase to assist the boater; xiv) There were no new Capital Projects for the Harbor in 2013. The Town did submit a request to the Virginia Port Authority for \$500K for a future breakwater. Notification of the award was expected next month. If the Town was awarded any money, staff and Council would evaluate the cost of another section of breakwater and look for private partners in assisting with the cost. The Town was not looking for any additional debt service for the Harbor. Council continued to review the projected revenue.

Councilman Bennett expressed his concern that the projected revenue figures seemed a little optimistic. Smitty Dize stated that he had 218 reservations through the end of June. All except one slip had been rented for annual and seasonal slip holders. One yacht club had booked all the floating slips for the Labor Day weekend. Transient boaters wanting slips for the Labor Day weekend would be booked in the inner harbor. Smitty Dize also stated that this December, the Harbor rates would be reviewed to become effective April 2013 when the lease agreements come up for renewal. The current rates were relatively low compared to other marinas but new services and amenities were being added. Smitty Dize added that he preferred small incremental increases if possible. Councilwoman Natali asked whether additional slips could be added at the Harbor in the future. Smitty Dize responded that the Master Plan could be revisited and there was room in the area in front of the restaurant to add 30 – 40 slips for 25' – 30' boats. Councilman Evans asked whether there were plans in the future to have a marine store for supplies. Smitty Dize stated that there was a plan for such a store in a future phase.

The projected Harbor Fund budget was balanced with \$1,519,410.18 in expenses and revenue.

There was much discussion regarding events at the Harbor, both Town sponsored and private sponsored. Currently, only the Northampton County Chamber of Commerce hosts Harbor Parties and there was some discussion regarding the possibility of other entities holding similar parties.

Councilman Evans stated that Mr. Ken Smith, President of the Virginia Watermen's Association, stayed at the Cape Charles House for the Blessing of the Fleet. Mr. Smith informed him that he was going to write a letter to the editor regarding the great reception given to the working watermen by the Town of Cape Charles. There was not another locality that respected and treated the watermen in such a manner. Vice Mayor Bannon added that the Town would not be what it was without the watermen.

Heather Arcos stated that the next Budget Work Session was scheduled for next Thursday and the final Budget Work Session was scheduled for May 17th and the budget was close to being finalized. Heather Arcos stated that she wanted to review the Utilities and would like to have everything done before Jo Anna Leatherwood left. Jo Anna Leatherwood's last day was April 30th. Paul Skolnick had been assisting and would be back next Wednesday. The Harbor Fund was done and the only thing to address in Utilities was personnel. At the last work session, it was determined that the utility rate review would be postponed to August or September until the final figures came in for the wastewater treatment plant. The current projected increase amount was \$5, but the amount could possibly be less.

Heather Arcos continued to review the modifications made to the General Fund beginning with the amounts included for charitable contributions.

There was much discussion about the volunteer fire companies in the County. All the fire companies were struggling. Heather Arcos stated that she had talked with County Administrator Katie Nunez about the fire companies and how their resources could be combined in a way to be most beneficial to the fire companies and the citizens in the County. Councilman Bennett stated that it would be nice if all the fire companies could consolidate into one Northampton County Volunteer Fire Company for operations and still maintain separate locations in the County to be dispatched from. There was some discussion regarding a 1¢ fire tax for the Town and County to generate funding for the fire companies. Heather Arcos continued to state that the \$100K request for the pumper truck was deleted per discussion at the last work session, but the \$18,600 general contribution remained. The Cape Charles Volunteer Fire Company (CCVFC) had requested the same funding from the County for the pumper truck and to date it has not been included in the County's proposed budget. Heather Arcos added that Hollye Carpenter, Treasurer of the CCVFC, informed her that the grant for new equipment had been denied.

Councilwoman Natali asked if volunteer fire companies could send bills for their services like rescue squads for ambulance service. Heather Arcos stated that this was something to check into. Councilman Evans stated that the fire tax would be beneficial if the County would agree.

Heather Arcos moved on to the review of the General Fund Expense Summary by Department as follows: i) The revenue was modified as discussed at the last meeting; ii) The 5% wage increases and 5% benefit decreased were included under the March 29th meeting changes; iii) The current shortfall was \$10,418. A 1% cost of living increase was also included at an amount of \$9,267. Last year also included a 1% increase but the previous several years did not include any increases. Heather Arcos stated that she would like to see a 1% increase or bonus pool for the employees. Other added items were \$4,200 for a spraying contract under Public Works and \$18K for the Dog Park construction. The Broadband amount was decreased by \$1,200 making the shortfall \$40,685. Heather Arcos explained that last year a personnel allocation line of \$30K was included in her budget to offset wages for vacant positions. Each year, it seemed that there would be vacant positions that were budgeted for. Councilman Bennett added that Jo Anna Leatherwood's last day was April 30th and her position was budgeted through the end of the fiscal year so her salary for May and June could be offset. Heather Arcos added that Officer Chuck Graham had given notice that he would be leaving on July 1st.

Heather Arcos reviewed the various capital items included in the budget.

Frank Wendell asked Council why the Town removed the stop sign at Randolph Avenue going out of Town. It seemed to create a hazard by doing so. Councilwoman Natali stated that VDOT removed the sign. Frank Wendell then asked why VDOT removed the sign and what was the Town's position regarding it. Councilman Evans stated that VDOT received a lot of complaints and threats of law suits regarding the intersection and the three-way stop. VDOT did a study and removed the stop sign. The traffic flows better now. Frank Wendell stated that the intersection was a hazard especially for those travelling in golf carts and added that he did not understand why VDOT did that. Councilman Bennett stated that if you were travelling on Fig Street, you could not see traffic on Randolph Avenue unless you pull out into the intersection. Councilman Evans stated that he was used to the traffic pattern now. Frank Wendell stated that someone coming into Town making a left onto Fig Street to go to the business district could be hit because there was no signage designating who had the right of way. It was especially hazardous for golf carts. Vice Mayor Bannon stated that most people making a left across traffic would look ahead and to the right before making the turn.

Heather Arcos asked for feedback for the dog park. Councilwoman Natali stated that the Town could not afford it at this time. If the Mayor could raise the money to do it, it would be nice to have.

Heather Arcos asked for feedback regarding the golf cart. There was some discussion regarding staff using the golf cart vs. their personal vehicles. Heather Arcos stated that everyone used their own cars but were not applying for mileage reimbursement unless they were travelling out of town for training. Councilman Evans asked about liability to the Town if an employee driving their own vehicle for business were involved in an accident. Heather Arcos stated that there might be some liability to the Town and would check with the Virginia Municipal League (VML). Heather Arcos stated that she would remove the security fence around the electrical panel if the golf cart could be kept. The cost of the security fence was estimated at \$10K and the golf cart was \$6K. The Council agreed that they would prefer not installing another fence at Central Park if the electrical panel could be secured in another manner.

Heather Arcos asked for feedback regarding the part-time position in Code Enforcement. Frank Wendell asked how much was budgeted for this position. Heather Arcos responded that \$17,600

was currently budgeted. Councilman Bennett stated that he was not in favor of this position. Councilman Evans stated that if a part-time position could not be funded, hours needed to be allocated from another department to assist Code Enforcement. Heather Arcos informed Council that Linda Carola may be retiring and stated that the position had to be filled because the Town had a lot going on administratively and this position was a necessity. Heather Arcos went on to state that Jeb Brady was often in the field when people would come see him regarding a permit or plans and reminded Council of the Code Enforcement statistics. There was a lot of administrative work to be done in the Code Enforcement Department as well and it was difficult for Jeb Brady to do the administrative work as well as inspections. The number of permits and inspections was increasing. Dave Fauber had been assisting since Doug Smith left three years ago, but he was in and out of the office quite often as well. The part-time position would take care of scheduling, dealing with the public, inputting permit information into the computer, etc. One person could only do so much.

Vice Mayor Bannon asked if the mosquito spraying was necessary. Heather Arcos stated that she had received requests over the past year and added that Dave Fauber had compared the pricing and the offer was very reasonable. Councilman Bennett added that this year was expected to be bad for bugs. Heather Arcos stated that she would like to try it this year and see how it worked. The spraying was proposed for July, August and September 2013 and April, May and June 2014.

Frank Wendell commented on the drainage ponds in Central Park where rocks had been added to help with drainage. The rocks were appearing around the park and were interfering with the grass cutting. Frank Wendell asked if the Town could install a chain mesh anchored down to put over the rocks to keep the kids out of the areas. Councilwoman Natali stated that a heavy plastic mesh could be possible.

Heather Arcos stated that the next Budget Work Session was scheduled for next Thursday, April 26th.

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

Vice Mayor Bannon

Town Clerk