



TOWN COUNCIL

Work Session

Town Hall

February 22, 2012

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 Bennett, Sullivan and Veber and Councilwoman Natali. Mayor Sullivan and Councilman Evans were not in attendance. Also present were Town Manager Heather Arcos, Treasurer JoAnna Leatherwood and Town Clerk Libby Hume. The other department heads came into the meeting as their department budgets were reviewed. There were three members of the public in attendance but they left shortly after the meeting began.

Vice Mayor Bannon announced the business for the evening would be to review the proposed operating and capital budgets for FY 2012-2013.

Town Manager Heather Arcos began by reviewing the budget assumptions and highlights and explained the following:

Personnel: i) A 3% cost of living increase was factored into the personnel costs. Last year's budget included a 1% cost of living increase and bonuses were given the previous year; ii) The Virginia Retirement System and Life insurance premiums increases had been included; iii) Health benefits were expected to increase. The Town was exploring options and would have a recommendation by the March budget meeting; iv) Disability benefits – some corrections were identified to have all employees covered; v) No merit increases were included but would be reviewed in closed session; vi) A part-time clerk was included for Code Enforcement; and vii) An increase in hours was included for the Library Assistant.

Professional Services: i) Legal fees remained the same but all legal fees for the General Fund were now included in the Town Manager's budget; ii) Grounds Maintenance – Increase reflected the new wastewater treatment plant, Park Improvement Landscape Maintenance, entrance into Town and all public areas in Town. This also included the seven leased lots at Randolph Avenue and Fig Street, the Hump and the area formerly known as the Keck Property; and iii) IT Consulting & Web – Level spending at this time. Estimates for a new server and hardware were in process. Broadband capabilities would broaden the Town's opportunities for a network upgrade.

Other Operating Expenses: i) Insurance – All departmental general liability insurance had been allocated to the Town Manager's budget to streamline. These numbers were included as level spending since the VML had not yet released the premium amounts for the upcoming year; ii) Electric – The electricity services for the municipal building had been allocated by department in the past, but this year was included in the Public Works budget to streamline; iii) Telecommunications – Previously, this cost was spread across departments, but was now allocated in the Town Manager's budget; and iv) Line of Duty Act (LODA) insurance coverage, which was mandated by the State effective July 1, 2011, was included in the Town Manager's budget at level spending for the active volunteer firefighters for Cape Charles. In the FY 2011/2012 budget, Northampton County covered the cost of LODA for all county-wide firefighters and it was unknown at this time whether the County would cover the cost again this year.

Capital Projects: A Capital Summary of all capital projects for the General Fund was included in the Public Works budget.

Heather Arcos stated that the revenues included seven months actual and five months projected. There was a gap of \$175K as presented. Notification was sent to all organizations which typically request financial assistance from the Town with a February 21st deadline and only two requests were received.

The operating and capital budgets for the following departments were reviewed: i) Library; ii) Recreation; iii) Code Enforcement; iv) Town Planner; v) Police Department; and vi) Town Clerk.

The Library budget included the following: i) an increase in the part-time assistant's hours from 26 to 30 hours per week off-season and for 40 hours per week from June – August; ii) the money allocated in this year's budget was not expected to be used. The Town was working with the Eastern Shore of Virginia Broadband Authority to connect the Library and the Computer Lab. Level spending was included for the upcoming year; iii) a \$100 increase in advertising to print rack cards showing the Library programs; iv) the Mileage, Gas, Tolls was increased due to the higher cost of fuel; v) Lodging & Meals was increased for convention attendance; and vi) \$1,200 was allocated for a new computer for the Library clerk to enable her to work on flyers, Library and Event programs, etc.

The Recreation budget included the following: i) included overtime to cover additional hours worked for Town events; ii) \$1,200 was allocated to replace her computer which was purchased in 2005; iii) \$3,800 was allocated to purchase a refurbished golf cart for in-Town travel. There was much discussion regarding this issue with the majority of Council preferring to increase the mileage reimbursement budget vs. purchasing a golf cart; iv) The education line included \$50. Councilman Bennett asked if there were any educational opportunities for recreation. Jen Lewis stated that she would be interested in taking some classes and would check regarding any opportunities; and v) In previous years, all events were included under one line item. This year, each event was separated with monies allocated accordingly.

The Code Enforcement budget included the following: i) included a new part-time position to help Jeb Brady with the many clerical responsibilities and to ensure adequate coverage of his office to allow him time to perform the numerous inspections that were required of his position. There was much discussion regarding hiring an extra person and not having enough work to keep them busy. Heather Arcos stated that some duties could be shifted and this position could assist Linda Carola with the miscellaneous things that she did. Councilwoman Natali stated that technically, with the combining of the Accounting Clerk and Utility Clerk positions, we had an available part-time position that was already budgeted this year. This position could be shifted to Code Enforcement for the next budget; ii) The Information System Services line item was reduced since the amount allocated over the last several years was not fully used; iii) The advertising amount was increased slightly to include the cost of advertising for a part-time clerk; iv) The Lot, Lawn Care Code Violations line item was increased since the budgeted amount for this fiscal year was over 50% expended and the busy months were still to come; v) The Telecommunications line item was reduced since the cost for the office phone was moved to the Town Manager's budget. The remaining amount was for personal cell phone usage reimbursement; vi) The Mileage, Gas, Tolls line item was reduced due to the decrease in out of town travel for training; vii) \$1,200 was allocated for a new computer for the new part time clerk; viii) The Vehicle & Powered Equipment Fuel was reduced to reflect the reduction in expended amounts this last year; ix) The Vehicle & Powered Equipment Supplies was reduced since the vehicle repairs were being done now by an employee in the Public Works Department; x) The Education line item was reduced to be more in line with the amounts expended over the last several years; and xi) Other Operating Supplies included level spending at \$100 but was deleted since no money was expended over the last three years.

The Town Planner budget included the following: i) The Telecommunications line item was reduced since the cost for the office phone was moved to the Town Manager's budget. The remaining amount was for personal cell phone usage reimbursement; ii) The Mileage, Gas, Tolls was increased to \$2K to include travel expenses for the Historic District Review Board (HDRB) for training; iii) The Lodging & Meals was increased to \$4K to include lodging for HDRB training; iv) The Convention & Education was increased to \$3K for HDRB training. Councilman Bennett stated that the amounts for training, travel and lodging seemed excessive and asked for a breakdown of expenses; and v) The Books & Subscriptions was increased to replace outdated planning books.

The Police Department budget included the following: i) The Contracted Personnel Interpreter was reduced based on the lower need for language assistance over the last several years; ii) The Equipment line included payments on the 2010 and 2011 Dodge Chargers. The three other vehicles were paid in full. Chief Brown stated that if the Town did not receive the USDA Grant for a new vehicle, two new vehicles would have to be purchased next year; iii) The Mileage, Gas, Tolls line was increased due to upcoming continuing education classes which was mandated by the State; iv) The Highway Safety Project Grant was reduced due to the reduced amount being requested this year under this grant; v) \$25,500 was included from the USDA Grant for the purchase of a patrol car and \$8,500 was included as the Town's 25% match; vi) \$100 was included for Dues & Associations for membership in the Virginia Police Chiefs' Association. Chief Brown recently discovered that the Town was not a member of this association and there were many benefits in membership; vii) The Vehicle & Powered Equipment Fuel was increased based on anticipated fuel usage and increased fuel costs. This would be over-budget for this year; viii) The Vehicle & Powered Equipment Supplies line was increased due to increased maintenance costs as vehicles get older; ix) \$1,250 was included for Police Dog Supplies / Expenses. The Town of Eastville was contributing \$1K toward the expense of the dog as well; x) The Education line was increased for the cost of continuing education for the officers; and xi) The Special Event Expense line was increased for extra security for special events held in Town.

The Town Clerk budget included the following: i) The Health & Dental line was increased to provide the benefit of a health savings account for the clerk who currently was not covered under the Town's health insurance; ii) The Maintenance Service Contracts line was increased to include the cost of a new copier to replace the existing copier which was purchased in 2006. The new maintenance contract included all toner and drums; iii) The Advertising line was increased to cover the increased cost of legal advertising. The cost of the budget advertisement alone was typically over \$1K; iv) The Equipment line was increased for the lease payments for the new copier; v) The Mileage, Gas, Tolls line was increased to include attendance at the 2012 VML Conference in Williamsburg as well as the Virginia Municipal Clerk's Conference in April and Institute in October; vi) The Lodging & Meals line was increased to include the attendance at the 2012 VML Conference. Heather Arcos stated that she and Libby Hume would attend the conference together to save costs; vii) The Convention & Education line was increased to include attendance at the 2012 VML Conference; viii) The Office Supplies line was increased to include the cost of the notary renewal for the Assistant Town Clerk, a new chair for the Assistant Town Clerk and the increased cost of minute books and paper; and ix) The Books & Subscriptions line was increased for the cost of Municipal Code updates and annual fee.

Councilman Bennett asked staff to check into the Workman's Comp charges because the charges between departments differed greatly and pointed out several differences as follows: i) The amount for the Town Planner over the last couple of years was over \$1,200 per year; ii) The amount for the Town Clerk was \$90 per year; iii) In 2011, the amount for the Police Department for five officers was \$4,425 which equated to \$885 per officer; iv) The amount for the Recreation Coordinator jumped from \$52 in 2010 to \$752 in 2011.

Councilman Bennett also asked how the cell phone reimbursement was determined since the reimbursement amount differed by individual. Heather Arcos stated that the amount was based on usage, plan and features on the individual's phone. Councilman Bennett stated that the reimbursement amount should be consistent for everyone and not based on their plan or type of phone.

Heather Arcos stated that, for the next work session, the budgets for the Town Manager, Finance and Public Works would be reviewed. Staff should also have the health insurance information. Heather Arcos also mentioned that she would like Council to consider possible merit increases. Revenue and Capital Projects would also be reviewed.

Councilwoman Natali asked Council to think about a possible part-time person to dedicate their time to grants adding that some grants include the salary of the administrator as part of the grant. Heather Arcos stated that much of the grant money was drying up and there were not many grants out there anymore. Heather Arcos went on to state that a project list needed to be compiled then staff could look for appropriate grants, but the Town must also be able to pay the applicable matches for the grants. There was some discussion regarding projects and possible grants and Heather Arcos stated that she would like to see something regarding Main Street Beautification.

The next Budget Work Session was scheduled for March 14, 2012 beginning at 3:00 PM.

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

Vice Mayor Bannon

Town Clerk