



TOWN COUNCIL

Work Session

Town Hall

May 4, 2011

Immediately Following Executive Session

At 7:21 p.m., Councilman Evans, having established a quorum, called to order the Work Session of Town Council. In addition to Councilman Evans, present were Councilmen Bennett and Sullivan and Councilwoman Natali. Mayor Sullivan, Vice Mayor Bannon and Councilman Veber were not in attendance. Also present were Town Manager Heather Arcos, Treasurer Jo Anna Leatherwood, Consultant Bob Panek and Public Works/Public Utilities Director Dave Fauber and Town Clerk Libby Hume. There were no members of the public in attendance.

Councilman Evans announced the business for the evening would be to continue the review of the proposed FY 2011-2012 operating and capital budgets and revenue for all funds.

Town Manager Heather Arcos began with the Public Utility Rate Review for water and wastewater services. Upon review of the operating expenses and debt service, an \$11.81 water rate increase and a \$4.29 wastewater rate decrease were proposed which equated to a net increase of \$7.62 for water and wastewater services. Details regarding these rate changes would be explained to the citizens of Town at the public hearing which would be scheduled for some time in June, prior to adoption of the FY 2011-2012 budget.

Council went on to review the Summary of General Fund Revenues and the 2012 Tax Rate & Budget Calculation. Heather Arcos pointed out that FY 2011 tax collection was at 97.67% with \$24,500 in back taxes collected.

Heather Arcos went on to explain that \$30K was included in the Town Manager budget as a contingency for the Cape Charles Volunteer Fire Department. The budgeted amount for the Cape Charles Trail Project was reduced from \$579K to \$96K to cover the cost of design only of North Peach Street and Washington Street. This amount included \$80K grant funding and a \$16K cash match and would reduce the loan proceeds by \$99K.

Council went on to discuss specific areas in the Police Department, Public Works, Town Manager and Harbor budgets where items / expenses could possibly be reduced.

In the Police Department budget, there was some discussion regarding replacement of the 2004 Dodge. Council agreed to move forward with the lease of a new vehicle vs. taking the risk of increased repair costs to the Dodge which was reaching the end of its life expectancy as a police vehicle.

There was much discussion regarding the Public Works budget and areas where expenses could be trimmed. Council agreed to the following: i) reduce the Administration Building repairs for the windows and lentils; ii) reduce the Public Works maintenance building installation costs and possibly spread the cost of completion over two years; iii) defer the painting of the Cape Charles Memorial Library; and iv) defer the cost for sidewalk repairs. The sidewalks were in the Virginia Department of Transportation's (VDOT) right-of-way and it was their responsibility to maintain the sidewalks. The Town had previously made some repairs to the sidewalks because VDOT was unable to do so. Dave Fauber mentioned that Section 62-4 of the Town Code stated that sidewalk maintenance was the responsibility of the property owner and the Town required any new construction to install a sidewalk. The Town could possibly require installation or repair of the

sidewalk for substantial building renovations as well. Councilwoman Natali suggested research to confirm the legality and enforceability of this ordinance.

In the Town Manager budget, Council agreed to the following: i) reduce the Management Consulting to \$5K from \$10K; and ii) reallocate the \$100 designated as a miscellaneous donation to the Cape Charles Volunteer Fire Department to the Birding Festival. All other Contributions to Other Entities would remain as proposed.

Regarding the Harbor budget, Heather Arcos stated that the Part-Time Staff, Legal Fees, Education and Walkway items were reduced at the last meeting. As of April, the Harbor had exceeded the revenue projection for this year. Two nice advertisements were purchased in two major boating magazines. The majority of the cost of the advertisements would be paid by a \$10K Boating Infrastructure Grant (BIG) with \$2,500 in matching funds from the Town. Heather Arcos added that she received a call from the Virginia Port Authority and was awaiting word regarding this year's grant award. Also, the Town may receive an additional \$50K toward the boat slips project from the BIG which had an excess of funds from previous awards where the money was not utilized. This money was being re-allocated and the Town should know the amount of additional funding within the next couple of weeks.

There was some discussion regarding the future restaurant at the Harbor and Bob Panek stated that he and Heather Arcos would be developing a Request for Proposal for a restaurant. The Town could be as general or as specific regarding the type of restaurant desired at this location.

Councilman Evans reminded Heather Arcos and Council that Ms. Thelma Drake, former Delegate representing the Eastern Shore, had been appointed by Governor McDonnell as the Director of the Department of Rail and Public Transportation and may be able to assist the Town regarding the restaurant and railroad crossings. Councilman Evans continued to state that the Town had worked on several occasions in the past with the Accomack-Northampton Transportation District Commission (ANTDC) regarding this issue and nothing had been accomplished to date. Possibly with the help of the Governor and Ms. Drake, citing economic development reasons, the Town could move forward with this project for a safe railroad crossing.

Heather Arcos stated that the changes discussed this evening would be incorporated for review at tomorrow's work session which would begin at 5:00 p.m.

Motion made by Councilman Bennett, seconded by Councilman Sullivan and unanimously approved to adjourn the Town Council Work Session.

Councilman Evans

Town Clerk