



TOWN COUNCIL

Work Session

Town Hall
April 28, 2011
6:00 p.m.

At approximately 6:00 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 and Councilmen Bennett, Evans, Sullivan and Veber and Councilwoman Natali. Also present were Town Manager Heather Arcos and Treasurer JoAnna Leatherwood. Other department heads in attendance were Public Works/Public Utilities Director Dave Fauber, Harbor Master Smitty Dize and Consultant Bob Panek. There were no members of the public in attendance.

Mayor Sullivan announced the business for the evening would be to continue the review of the proposed operating and capital budgets for FY 2011-2012 as well as the estimated revenue for all funds.

Town Manager Heather Arcos suggested that Council begin with the review of the General Fund Revenue and proceeded to review the following areas: i) BPOL & Franchise Tax; ii) Real Estate Taxes; iii) Property Taxes; iv) Motor Vehicle License Fees; v) Admissions Tax; vi) Transient Occupancy Tax; vii) Meals Tax; viii) Telephone Utility Tax; ix) Building Permits; x) Zoning & Misc. Permits; xi) Penalty & Interest – RE & PP Tax; xii) Fines & Parking Tickets; xiii) Other Payments NH County; xiv) Loan Proceeds; xv) Litter Grant; xvi) VDOT T-21 Trail; xvii) CDBG Broadband Grant; xviii) Byrne Grant; xix) Law Enforcement Grant HB 599; and xx) Grant Revenue – Other which included the \$8K pass through for the Fire Department and \$5K for Arts Enter.

Council went on to review the 2012 Tax Rate & Budget Calculation. There was much discussion regarding the County's real estate assessments, schedule for reassessment and assessment adjustments that were made by the County throughout the year.

Heather Arcos moved on to review the Expense Summary by Fund with Revisions from the April 12th work session and accompanying notes. The Public Officials Liability coverage was explained and the Council agreed to keep the \$2M in the budget if possible. Heather Arcos continued to review the various changes by department.

The Revenue & Expense Summary by Fund was reviewed.

Council went on to review the Public Utility Rate Review. There was much discussion regarding the proposed rate calculations and deferment of various capital projects to keep the water rate increase as low as possible. The proposed rate calculation for wastewater was also reviewed. After much discussion, Councilman Bennett asked that more explanation be provided regarding the proposed rates.

Heather Arcos moved on to review the Project Financing Forecast regarding the Cape Charles Multi-Use Trail, Broadband, Harbor Improvements, and Public Utilities regarding water and wastewater.

Councilman Bennett stated that he would like to see the minutes and the motion for funding from when the Council authorized the floating slips. Heather Arcos stated that originally the Harbor Improvement Project was put out to bid as one project, but after receiving the initial bids, the

Town split the project into two phases. Councilman Bennett stated that he understood but believed that the motion was specific regarding funding.

There was some discussion regarding the recent projects where bids had come in higher than estimated by the engineers. Bob Panek stated that the engineers were using cost figures from other areas to determine project estimates but he felt that due to the isolation of this area, the actual costs were higher on the Eastern Shore. Several members of Council agreed.

There was some discussion regarding the budget timeline and whether additional meetings needed to be scheduled in order to finalize the proposed budget. It was agreed that another meeting should be scheduled. Mayor Sullivan asked that dates be circulated to Council tomorrow.

Council went on to discuss the Cape Charles Volunteer Fire Department and their request for \$30K. Heather Arcos stated that Council needed to talk in detail regarding the future needs of the fire department. Councilman Bennett stated that he appreciated all that the fire department did for the citizens of Town and the County, but wondered how it was that the board just discovered this shortfall. Mayor Sullivan added that there was another non-profit organization also going through a rough time and felt that their board members did not discuss the issues like we did on the Town Council. In most of these groups, only one or two members made the decisions. If the Town were to give money to these organizations, something needed to be put in place to protect the Town's investment. Councilman Veber stated that some years ago, the Fire Department was more active but it seemed that the current members were interested only in fighting fires, not raising money, nor did they know how to raise money. The Council praised Nick Braatz for doing the research and making his presentation to Council regarding their needs but all were surprised to hear that Nick Braatz had resigned as President. There was much discussion regarding this issue and the financial difficulties faced by the Fire Department.

Mayor Sullivan stated that she thought the meeting minutes should be verbatim so all Council discussion could be captured in writing. Mayor Sullivan added that Lynne Lochen gave a great presentation and asked that her presentation be done verbatim. Heather Arcos stated her agreement regarding Ms. Lochen's comments, but did not think that all minutes needed to be verbatim. Vice Mayor Bannon and Councilman Evans agreed that the minutes should not be verbatim and stated that there were recordings of each meeting if anyone wanted to listen to them.

Councilman Evans stated that he felt more discussion was needed regarding the Fire Department and their request. Councilman Evans added that he would also like to meet regarding the necessity of a railroad crossing to the Harbor and that Cape Charles had a perfect opportunity in that Governor McDonnell had appointed Thelma Drake as Director of Rail and Public Transportation and that we needed to contact her for her assistance.

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

Mayor Sullivan

Town Clerk