



TOWN COUNCIL
Budget Work Session
Cape Charles Civic Center
March 5, 2015
3:00 p.m.

At 3:05 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, Godwin and Wendell. Councilwoman Natali arrived at 3:06 p.m. Mayor Proto and Councilman Brown were not in attendance. Also present were Treasurer Deborah Pocock, Public Works/Utilities Director Dave Fauber, Harbor Master Smitty Dize and Town Clerk Libby Hume. There were no members of the public in attendance.

Vice Mayor Bannon announced the business for the evening would be to review the proposed Fiscal Year (FY) 2015/2016 Enterprise Fund budgets which included Public Utilities Administration, Waterworks, Wastewater, Meter & Utility Billing, Sanitation and Harbor.

Treasurer Deborah Pocock began by reviewing the budget assumptions and highlights and Council discussed the following:

All Department Personnel: i) All Personnel Services included a proposed 1.7% cost of living allowance (COLA) for existing employees. This was the percentage used by the Social Security Administration for 2015 and was based on the Consumer Price Index from the last quarter 2013 and first quarter 2014.

All Department Benefits: The health insurance premiums for the three plans offered would increase about 7% effective April 1, 2015. The insurance rates would be reviewed at the March 12th Budget Work Session.

All Department Telecommunications: The cost for phone service for the Town Hall was included in the Town Manager's budget. The initial budgets included the cost for the current phone system and the figures would be updated accordingly once the new phone system was installed and operational and would most likely decrease. This line also included department cell phones.

Public Utilities Administration: i) Personnel Services and Employee Benefits included two-thirds of the Director's salary, 10% of the Treasurer, 10% of the Accountant and 10% of the Town Manager.

Waterworks: i) Included three full-time employees (two in operations and one in maintenance); ii) A Capital request for the installation of three automatic flush systems which would help with the issue of TTHM levels in the water. Currently the Town staff performed quarterly Town-wide water system flushes and this would alleviate that process; iii) A Capital request for a valve exerciser to maintain the integrity of the water and sewer valves. This cost was being split 50/50 with Wastewater; and iv) Deborah Pocock stated that the Debt Service amounts were incorrect as listed and would be decreasing by approximately \$8K. The corrected figures would be reviewed at the March 12th meeting.

Wastewater: i) Included four full-time employees (three in operations and one in maintenance); ii) A Capital request to upgrade controls at the Mason Avenue Pump Station which handled about 75% of the town's sewage flow. Replacing the aging controls would increase the station's reliability; iii) A Capital request to upgrade the Pine Street and Plum Street Pump Stations to increase the capacity and make the stations more efficient. This would also decrease flow to the Mason Avenue Pump Station by diverting flow from the Plum Street Station directly to the

Mason Avenue Force Main. This cost of this project would be spread over two years (FY 2016 and FY 2017); iv) A Capital request for the engineering of a Septage Receiving Station to permit the Town to receive septage from companies pumping septic systems throughout the County. Currently, these companies must take the septage to Pocomoke City, MD. This system would bring in revenue which could possibly reduce utility bills for town residents; v) A Capital request for a Valve Exerciser to be split 50/50 with Waterworks; and vi) Deborah Pocock noted that the Debt Service amounts were incorrect and would be decreasing by approximately \$48K. The corrected figures would be reviewed at the March 12th meeting.

Meter & Utility Billing: i) Included one full-time employee; ii) The cost to lease a new folding/stuffing machine was included at \$462 per quarter. This machine would save two days of labor for two employees. There was a savings realized as a result of changing from card stock utility invoices to standard paper invoices and in labor costs and efficiencies which more than covered the cost of this lease; and iii) A new Utility Billing Module as part of the Financial Management System Capital Expenditure request at an estimated cost of \$6K.

Sanitation: i) Per the contract, Davis Disposal's prices were remaining at \$13.50 per residence for FY 2016.

Harbor: i) Included three full-time employees, four seasonal employees, and five part-time employees for the Clam Slam. Overtime was also included for the Police Department and Harbor for the Clam Slam event; ii) The Town submitted a carryover request to the Virginia Port Authority (VPA) for \$860K in grant funding. The Town's match was 25% or \$215K; iii) The Travel lines were increased to allow Harbor staff to attend the Virginia Beach and Ocean City Boat Shows to advertise for the Harbor; iv) The Harbor was awarded a \$35K Boating Infrastructure grant for which the Town's match was \$8,750. \$10K was for advertising and the remainder was to be used for boater safety equipment; v) A Capital request to construct the third section of Offshore Breakwater for added protection. This project would be funded by the VPA grant with a town match of \$215K; vi) A Capital request to transfer the Code Enforcement truck to the Harbor for picking up supplies, making bank deposits, etc. Currently, staff was using their personal vehicles. Since Code Enforcement was included as part of the General Fund, a transfer must be done; and vii) Deborah Pocock noted that the Debt Service amounts were incorrect and would be decreasing by approximately \$23K. The corrected figures would be reviewed at the March 12th meeting.

The next Budget Work Session was scheduled for March 12, 2015 beginning at 6:00 PM.

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

Vice Mayor Bannon

Town Clerk