



TOWN COUNCIL
Budget Work Session
Cape Charles Civic Center
April 9, 2015
4:00 p.m.

At 4:07 p.m., Mayor George Proto called to order the Work Session of Town Council. In addition to Mayor Proto, present were Vice Mayor Bannon, Town Manager Brent Manuel, Assistant Town Manager Bob Panek, Treasurer Deborah Pocock, Public Works/Utilities Director Dave Fauber and Town Clerk Libby Hume. Councilwoman Natali arrived at 4:08 p.m. and Councilman Bennett arrived at 4:09 p.m. Councilmen Brown, Godwin and Wendell were not in attendance. There were no members of the public in attendance.

Mayor Proto announced the business for the evening would be to review i) the proposed Fiscal Year (FY) 2015/2016 General Fund Departmental budgets for the Public Works and Town Manager departments; ii) changes from the March 26 meeting; and iii) Preliminary General Fund Revenue.

A. FY 2015/2016 General Fund Departmental Budget:

Treasurer Deborah Pocock reviewed the following departmental budget requests. The appropriate Department Head also participated in the discussion and answered questions as needed:

Public Works: i) Under Repair & Maintenance, funding was included for periodic deep cleaning of the Town Hall; ii) The Heating line was increased for heating the Civic Center; iii) Telecommunications was increased for cell phone service for a number of employees in the department; iv) Repair & Maintenance/Labor was reduced to \$60K based on previous years' and this year's expected usage; v) Beach Maintenance & Safety was reduced to \$15K due to the sand replenishment performed by the USACE's harbor dredge project. There was some discussion regarding FEMA's requirement to include funding for annual beach replenishment; vi) Vehicle & Powered Equipment Supplies was increased to \$10K for the purchase of a snow plow attachment for the dump truck, a spreader and other general repairs. There was much discussion regarding the town's ability to plow the roads and possible liability issues. Dave Fauber stated that the plow would be used for the various parking lots, Fire Department and town facilities. The roads in town would be difficult to plow due to the parked vehicles; vii) Machinery & Equipment included \$35K to replace the 20-year old tractor with a new Kubota tractor for sweeping the increased beach area. This item could possibly qualify for a USDA RD grant/loan; viii) \$60K was included as a Capital item to replace the playground equipment. The equipment replacement was recommended by VML Insurance for safety reasons. \$15K had been raised in donations and staff was planning to apply for a number of grants to reduce the direct cost to the town; ix) \$20K was included for additional improvements to the Mason Avenue leased parking area; x) \$60K was included for construction of the commercial trash management area, completion of the design and bid package for the Pine Street Parking area behind the library; xi) \$20K was included for the improvements to the Strawberry Street Pedestrian Plaza; and xii) \$10K was included for a map and way-finding signage as part of the Art Walk project.

Town Manager: i) Included 1 full time town manager and 1 part time assistant town manager at 2 days per week for 32 weeks. A portion of the assistant town manager salary would count towards the match for the Trail Project; ii) Personnel Lapse Allowance of -\$14,965, which amounted to 1% of the total salaries plus FICA, was included to allow for position vacancies; ii) Relocation Costs of \$2K was included in case the new town manager had not completed

his move in FY 2015; iii) \$10K was included under Management Consulting for Davenport and other consulting firms; iv) IT Consulting & Website Assistance was increased to \$4,600 based on previous years' usage; v) The Legal expense lines were split by department for better tracking ability. \$40K was included for general legal expenses, \$5K for the finance department for tax and/or utility liens, \$5K for code enforcement issues and \$5K for zoning issues; vi) Postage for all departments except utility billing was consolidated into the Town Manager budget; vii) Telecommunications was reduced to \$6,780 due to the reduction in the cost of phone service with the new system. The line also included cell phone reimbursement for the town manager; viii) Buildings & Land was decreased to \$1,300 for the lease payments of the railroad parking lot; ix) Grant Expense Passthru and Match for Arts Enter of \$5K each was included; x) Community Support – CC Volunteer Fire Department included their request of \$115K for a new fire truck at \$100K and \$15K annual support; xi) Community Support – Cape Charles Business Assn included their request for \$2,500; xii) Community Support – July 4th Fireworks was \$10,750 which included a 5% postponement fee in case of bad weather; xiii) Cape Charles Historical Society included their request of \$10K; xiv) Eastern Shore Tourism Commission included \$15K which was the same level as FY 2015. There was much discussion regarding obtaining reports from the commission regarding use of the town's funding. Mayor Proto would send a letter to the commission requesting a quarterly update regarding their activity and news of upcoming events; xv) Nothing was included under Contingency Expenditure. There was much discussion regarding maintaining a contingency account; xvi) Eventacular – Tall Ships & Birding Festivals included their request for \$10K; xvii) Marketing – Social Media-CC By the Bay, Printed Materials, and CC By the Bay Website Maintenance and Hosting included a total of \$20,500 per the contract with Flash of G. There was much discussion regarding the continued ownership of the website; xviii) Harbor for the Arts included \$5K for performances; xix) New line items were added for Bonus Pool – All Funds and Merit Increase Pool – All Funds to include funding for potential merit increases and bonuses. The Bonus Pool included 1% of total salaries and FICA and the Merit Increase Pool included .25% of total salaries and FICA; and xx) \$1,300 was included in Computer Purchase for new laptop and MS Office for the town manager.

The Transient Occupancy Tax (TOT) Revenue and Expenses Report was reviewed. There was much discussion regarding the use of Transient Occupancy Tax revenue for funding requests from non-profits in and around the town.

B. Changes from March 26 Meeting:

Deborah Pocock briefly reviewed the changes made to the General Fund Departmental Budgets, the Enterprise Fund Budgets, the Summary of Capital Projects, and a Budget Balancing Worksheet showing all departments and funds which reflected a shortfall of \$36,131.90 with the following recommendations: i) denial of the fire truck funding request for FY 2016 (\$100K). A grant was available that would pay the majority of the expense for a new fire truck but an application was not feasible by the FY 2016 deadline. Town Planner Larry DiRe had experience with this grant and would assist the fire company in its application for FY 2017; ii) denial of the iPads for Council/Management (\$5K); iii) appropriation of PNC loan proceeds for both parking projects (\$60K); iv) additional of a \$40K contingency to the Town Manager budget; and v) instituting a 3% charge for credit card payments to help recover Merchant Service fees.

C. Preliminary General Fund Revenue:

Deborah Pocock reviewed the projected General Fund revenue including real property taxes, personal property taxes, prior year real estate and personal property tax collections, license tax, golf cart decals, machinery & tools tax, penalties – all property taxes, consumer utility taxes, electric, gas & telephone taxes, BPOL, admission taxes, TOT, meals taxes, short term rental taxes, historic review fees, building permits, planning & review fees, various permits and fees, code enforcement charges, rental inspections, court fines and forfeitures, parking

finest, interest & dividend income, use of facility fees, lease revenue, various service fees, gifts & donations, sale of salvage & surplus property, storm damages recovery from FEMA, payments from Northampton County for the library, Assistance to Local Police HB 599 funding, local sales & use taxes, various grants, loan proceeds, and miscellaneous revenue for a total projected General Fund revenue of \$3,934,867.60.

The Water/Sewer Fund revenue included interest from bank deposits, interest & dividends on investments, loan proceeds, grant funding, water and sewer charges, water and sewer sales to the Harbor, penalties & interest for water, sewer and utility charges, and connection and facility fees for a total revenue of \$1,726,743.

The Harbor Fund revenue included fuel sales, dockage fees, wharfage fees, electric sales, credit card fees, lease payments, miscellaneous sales, and event income for a total of \$1,965,837.

The Sanitation Fund revenue included refuse and bulk refuse collection fees and penalties & interest for a total of \$175,300.

The total projected revenue for the Town was \$7,802,767.60.

The next budget work session was scheduled for May 7th beginning at 6:00 PM.

Motion made by Vice Mayor Bannon, seconded by Councilman Bennett to adjourn the Town Council Work Session. The motion was approved by unanimous vote.

Mayor Proto

Town Clerk