



**TOWN COUNCIL**  
**Budget Work Session**  
Cape Charles Civic Center  
May 7, 2015  
6:00 p.m.

At 6:00 p.m., Mayor George Proto, having established a quorum, called to order the Work Session of Town Council. In addition to Mayor Proto, present were Vice Mayor Bannon, Councilmen Brown and Godwin and Councilwoman Natali. Also in attendance were Town Manager Brent Manuel, Assistant Town Manager Bob Panek, Treasurer Deborah Pocock, Public Works/Utilities Director Dave Fauber, Code Official Jeb Brady and Town Clerk Libby Hume. Councilmen Bennett 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 Historic District Review Board (HDRB) Fee Structure; ii) changes from the April 9 meeting; iii) Enterprise Funds/Utility Rate Review; and iv) the proposed FY 2016 Budget Overview and Balancing Worksheet.

**A. HDRB Fee Structure:**

Town Planner Larry DiRe stated that at the HDRB February 24, 2015 Regular Meeting, the issue of the current application fee and potential fee required for additional special meetings was raised. The specific instance inspiring that discussion pertained to an applicant who performed work on a new home that was not in conformity to the original application or the specifics of the approved Certificate of Appropriateness (COA). A stop work order was issued and additional staff time and a special meeting were necessary to address the issues. Staff researched fee structures of other Virginia localities to determine whether the Town's current \$50 application was comparable and whether other localities imposed an additional fee for special called meetings resulting from the applicant's misconduct. Larry DiRe explained the staff time and photocopying costs to prepare and assemble the meeting agenda packets and presented a spreadsheet of the various fees charged by other localities. The HDRB recommendation was to increase the initial application fee to \$100, add a modification fee of \$50 per meeting request, and a special meeting fee of \$125 per incident. HDRB COA violations would be included under the existing zoning ordinance violations at \$100 per day. These changes were recommended to take effect on July 1, 2015.

There was much discussion regarding this issue which would be placed on the May 21, 2015 Town Council Regular Meeting agenda for a vote.

**B. Changes from April 9<sup>th</sup> Meeting & Enterprise Funds:**

Treasurer Deborah Pocock began her review with a report on debt service for proposed projects to include a tractor for the Public Works Department, new financial software, and vehicles for the Code Enforcement and Police Departments. The total projected cost was \$139,571. \$48,850 would be received from grants and \$90,721 would be financed at 3.75% for annual payments of \$20,526. There was some discussion and Council agreed to include the video security systems for Central Park, the Civic Center and the Beach which was estimated at \$10K. Councilman Brown stated that there were law enforcement grants available for security systems and requested staff to research possible grants.

Deborah Pocock went on to review the proposed FY 2016 Transient Occupancy Tax (TOT) Revenue and Expenses report and added that the amounts shown under the proposed expenditures included the total amounts requested by a number of non-profit organizations. There was much discussion regarding the amounts requested. Town Manager Brent Manuel

read comments provided by Councilman Bennett suggesting that the Town limit its contributions to non-profits to 50% - 75% of the total TOT revenue. In reviewing the report, it was determined that the total amount requested from the non-profit organizations amounted to about 62% of the anticipated TOT revenue.

Deborah Pocock asked Council if there were any questions or comments regarding the memo included for the FY 2016 Operating Budgets. She added that the \$10K amount included in the Legislative budget for iPads should actually show \$5K. Also, the Town could “purchase” four iPads utilizing credit card points which would further reduce the amount to about \$3,500. Town Clerk Libby Hume added that after a review of the FY 2015 Legislative Budget, a number of line items would be coming in well under budget to allow for the purchase of the remaining iPads and accessories this year. Mayor Proto asked about a possible carry-over of budgeted funds to FY 2016. Assistant Town Manager Bob Panek explained that any unused funds in the FY 2015 budget would be credited to the Fund Balance and would have to be re-appropriated. There were also regulations in place regarding the use of monies in the Fund Balance. It was concluded that it would be better to use any extra funds remaining in the FY 2015 budget vs. having the amount credited to the Fund Balance. There were no further questions regarding the Operating Budgets.

Council reviewed the Budget Balancing Worksheet which showed a total net shortfall of \$14,562 for all funds. Deborah Pocock stated that a number of lower priority projects were added for consideration making a potential shortfall of \$69,812. Council reviewed the additional requested Capital items as follows:

- i) Sidewalk Infill – This project was suggested for three annual phases to install sidewalks in the areas of the Historic District which were missing sidewalks. There was some discussion regarding the requirement of property owners to install sidewalks when building new homes and the possibility of expanding the requirement for significant renovations or requiring owners of existing homes without sidewalks to install them. It was also noted that this project could qualify for VDOT’s Revenue Share Program for a 50% match. \$30K was requested but after discussion, Council reduced the amount to \$20K which would be a net reduction of \$20K, including the VDOT Revenue Share match, resulting in a total shortfall \$49,812.
- ii) Central Park Drainage Area Improvement – The drainage areas in Central Park were designed to contain stormwater and limited runoff that contributed to flooding at the intersections of Plum Street and Monroe and Madison Avenues. They performed as designed however there had been some citizen complaints regarding standing water. VDOT had made improvements to the stormwater sewer system that reduced street flooding providing the opportunity to fill in the swales somewhat to limit standing water. The area could also be landscaped with water loving plants to improve appearance. This project was estimated to cost \$25K and planned for one fiscal year, but could possibly be phased in over a number of years. There was much discussion regarding this project and Council opted to remove the project from the FY 2016 budget. This reduction resulted in a total shortfall of \$24,812.
- iii) Damaged Tree Removal & Replacement – This project was to improve aesthetics as well as safety. The trees lining the town streets had been severely damaged over the years from pruning by the power companies. There were about 83 dead trees in need of removal. The trees would be removed, the stumps ground, and new, more appropriate trees would be planted. The estimated cost was about \$90K with the project being spread over three years at \$30K per year. There was some discussion and Council felt this was a needed project.
- iv) Bay Avenue Electrical & Street Light Upgrade – This project was proposed to improve the appearance of Bay Avenue by moving the utility lines underground, installing new

lighting similar to those in Central Park, and installing electrical pedestals for vendors' use during special events. This project was estimated at \$60K and proposed to be spread over two years at a cost of \$30K per year. There was much discussion about this project. Although it would be nice to have the wires run underground, Councilman Brown suggested delaying the project until the Cape Charles Trail Project since it would incorporate the boardwalk as part of the Trail. Some of the proposed work could be done as part of the Trail project. Council opted to defer this project until completion of the next phase of the Cape Charles Trail Project. This reduction resulted in balancing the proposed budget with \$5,198 added to the contingency fund.

Deborah Pocock stated that the Central Park Playground Equipment was initially presented at the April 9<sup>th</sup> meeting but Council requested additional information regarding the project. The project included replacement of the playground equipment as recommended by VML Insurance to avoid the possibility of injury, splinters, etc. with a cost of about \$60K for the equipment, removal of the old equipment and installation materials. The installation would be done by the Public Works crew. \$15K would be provided by private donations, \$15K would be from a potential Eastern Shore of Virginia Community Foundation Grant and Mr. Hank Mayer was assisting to apply for other grants to help further reduce the cost to the Town. There was much discussion regarding purchasing the equipment piece by piece, possibly spreading it out over two years, and contacting the Cape Charles Christian School for possible funding assistance since the playground was used by the school on a regular basis. Council opted to reduce the FY 2016 funding to \$30K and spreading the project over two years and possibly obtaining additional grant funding or other assistance. This reduction resulted in an increase in the contingency fund to approximately \$90K.

There was much discussion regarding the \$7,144 included in the Harbor Fund budget for Clam Slam overtime. Deborah Pocock explained that this amount included overtime wages for the Police Department including the hiring of officers from other local entities and Public Works. The Clam Slam event required a lot of staff time and the overtime wages were moved to the Harbor Fund to better track the actual cost of the event. Mayor Proto stated that he would like to be able to track the expenses for all events to which Deborah Pocock responded that she could create spreadsheets to track all the other events but the Clam Slam was the Town's largest event. Councilman Brown expressed his concern that the amounts for overtime in the Police and Public Works Departments were duplicated in the actual Department budgets and asked that the figures be double checked.

There was also some additional discussion regarding the TOT revenue and funding contributions to the various non-profit organizations. Brent Manuel read comments from Councilman Bennett regarding the Cape Charles by the Bay website and the need to find another organization to take over the ownership of the website. There was some discussion regarding this issue and Councilwoman Natali stated that if the Town was providing the majority of the funding, it should have major control of the website.

Brent Manuel stated that in his past experience, the Recreation Department was partially funded from the TOT account and that this might be something to think about for the future. He added that he had asked Recreational / Community Events Coordinator Jen Lewis to track her time between events and her regular programs for future consideration. Mayor Proto stated that he did not think the TOT requests for this year should be cut. When notifying the organizations of the budgeted contribution amounts, the letter should include a request for the organizations to provide regular updates on the use of the funding.

There was some discussion regarding the Cape Charles Volunteer Fire Company's (CCVFC) request for \$100K to purchase a new pumper truck. Deborah Pocock stated that this amount was removed from the proposed FY 2016 budget but there were grants available to help the CCVFC purchase a new truck. Deborah Pocock added that Town Planner Larry DiRe had experience with grants for fire equipment and had offered to assist the CCVFC to apply for a grant next year since the deadline had passed for FY 2016 consideration. Code Official Jeb Brady added that since the

CCVFC's request, their tanker blew up and the CCVFC was considering the purchase of a 15-year old pumper/tanker combination truck at a cost of about \$300K.

Mayor Proto thanked Deborah Pocock for a job well done.

C. Utility Rate Review:

Council reviewed the Public Utility Rate Review and agreed to maintain the current rates for a total of \$107.92 per month.

Upcoming Meetings:

Since the proposed FY 2016 budget had been balanced, the May 14<sup>th</sup> budget work session was not necessary.

An Executive Session was scheduled for May 14<sup>th</sup> beginning at 6:00 p.m. to interview applicants to fill board vacancies.

A Work Session was still needed for May 14<sup>th</sup> to review two Harbor Area Review Board applications. The ordinance required a preliminary meeting with Council to review the applications prior to a meeting to vote on the Harbor Development Certificate.

Councilwoman Natali requested a closed session to review the County's contract proposal for the PSA/Regional Wastewater System. Town Clerk Libby Hume stated that this meeting could be held after the Council Work Session on May 14<sup>th</sup> if it met the FOIA exemption requirements. Mayor Proto agreed with scheduling this meeting on May 14<sup>th</sup> after the Work Session.

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

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Mayor Proto

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Town Clerk