



## TOWN COUNCIL

### Work Session

Cape Charles Civic Center

March 3, 2016

5:00 p.m.

At approximately 5:00 p.m., Mayor George Proto called to order the Town Council Work Session. In addition to Mayor Proto, present were Vice Mayor Bannon and Councilwoman Natali. Councilman Brown arrived at 5:24 p.m. Councilmen Bennett, Godwin and Wendell were not in attendance. Also in attendance were Town Manager Brent Manuel, Treasurer Deborah Pocock, Accountant Jodi Outland, Harbor Master Charlie Farlow and Town Clerk Libby Hume. There were no members of the public in attendance.

### ORDER OF BUSINESS

#### A. *FY 2016 Mid-Year Review:*

Treasurer Deborah Pocock stated that the FY 2016 projected General Fund revenue was \$4,136,517 and projected expenses were \$3,893,994 which left a projected gain of \$242,523. Deborah Pocock went on to review staff requests for re-allocation of available funds as follows (in order of urgency): i) mold remediation in the library HVAC as a precautionary measure and post treatment testing for approximately \$6K; ii) New network server, software and installation for approximately \$10K. The Town's main server was no longer operational. The backup server now stored all files and was at its capacity. A new, more reliable server was a necessity. With the new server, the Town Harbor could also be brought into the network. There was some discussion regarding this issue and Councilwoman Natali recommended that funding be included in the FY 2017 budget to replace the secondary server as well; iii) Additional legal budget of \$40K. The Town was currently over-expended by \$14,108 with several months left in the FY. There have been a number of issues which required legal assistance such as the review of the Tourism Zone, purchase of property, selling of property, personnel issues, the Route 642 VDOT project, etc.; iv) \$12K for a facility needs assessment study for the administrative offices at 2 Plum Street. Town Manager Brent Manuel stated that he would like to contract with an architectural firm to evaluate the amount of space currently needed and projected future space needs by department vs. available space in the building. If approved, a request for quotes would be published. At a later date, the Town could then compare the available space on the third floor of the library to the existing office space and available space on the first floor at 2 Plum Street; v) \$5K additional for Public Works general repair work. There had been some unexpected repairs needed to Town facilities and the water fountain installed at the library cost approximately \$2K. There were still a number of projects needing to be completed prior to June 30<sup>th</sup>; and vi) \$5K for vacation and comp time payout for Amanda Hurley who would be leaving the Town later this month. The total re-allocation requests was \$77,435.

Brent Manuel explained that there was no request included for the Virginia Main Street (VMS) program since the original report provided by the treasurer showed a projected gain of \$80,125 vs. the revised amount of \$242,523. Brent Manuel went on to state that with the increased amount, he would like to include funding to get the program started, but he did not have any numbers at this time. A timeline needed to be established regarding the VMS process. He was trying to get a representative from the Woodstock VMS here in March to give an overview of the process. There was also an available training session in Hopewell on April 6<sup>th</sup>. He did not want to rush into the project. The Town had one chance to get it right.

Deborah Pocock stated that if the requests were acceptable to the Council, a budget transfer request would be completed for Brent Manuel's approval as the town manager was authorized to do budget transfers per the resolution adopted by Council in June 2015.

Deborah Pocock went on to review the Utility Fund Budget adding that Public Utilities Director Dave Fauber had submitted a list of budgeted repair projects that could be reduced or deferred in

order to transfer funding to pay the anticipated \$65K wastewater fine. Dave Fauber's recommendations were to reduce the following: i) \$20K would be transferred from Engineering Service/Water Quality Improvements reducing this line item to zero; ii) Repair & Maintenance would be reduced from \$15,500 to \$12,500; iii) Electric would be reduced from \$2,210 to \$210; iv) Repair & Maintenance Supplies would be reduced from \$15,391 to \$7391; v) Vehicle & Powered Equipment Fuel (Waterworks) would be reduced from \$1,548 to \$348; vi) Engineering Service/Maintenance Inflow/Infiltration would be reduced from \$11,431 to \$3,431; vii) Water Sampling would be reduced from \$9,636 to \$1,636; viii) Landfill Disposal (Sludge) would be reduced from \$7,126 to \$2,126; ix) Flood would be reduced from \$2,117 to \$1,117; and x) Vehicle & Powered Equipment Fuel (Wastewater) would be reduced from \$2,714 to \$914.

There was much discussion regarding the anticipated fine and whether they could have been avoided. There was also concern regarding the possible risk of postponing engineering services, repairs and maintenance. Council wanted assurance that deferring the suggested items from the Waterworks budget would not lead to the assessment of fines similar to the wastewater fines.

There was also some discussion regarding a possible connection fee study to be performed by an independent, third-party firm in order to ensure that the proper connection fees were charged. It would be more credible and help to reassure the public if done by an independent firm. A request for proposals would have to be published. Councilman Brown stated that the last study contracted out by the Council was the Wage and Compensation Study. The Town spent \$10K for the study and did not follow the recommendations. If Council was going to have a study performed, it needed to abide by the recommendations. After further discussion, Council reached a consensus to move forward with the study.

Deborah Pocock stated that the Harbor Fund was operating well within budget boundaries and if trends continued, would only require two-thirds of the budgeted assistance from the General Fund.

Deborah Pocock stated that the Sanitation Fund was performing as expected.

**B. *Health Insurance Review:***

Accountant Jodi Outland stated that staff had been working hard to find health coverage which was cost effective for the Town and included good benefits for the employees. The Town's health insurance plan year ran from April 1<sup>st</sup> through March 31<sup>st</sup> annually. In FY 2016, the Town did not have many choices for insurance plans so the premiums were based on the employees' ages. The premiums for the current plan increased by approximately 7%. For FY 2017, tiered plans were available which would save the Town approximately \$15K with only a 1.7% increase. Jodi Outland proceeded to review the three Anthem products – Anthem PPO Gold, Anthem HealthKeepers Gold POS and Anthem HealthKeepers Silver. The Town typically funded the total premium for the employee under the mid-range option and any employees opting for the higher option would pay the difference in premiums through payroll deduction. This year, an option was added with a \$4K annual individual deductible, but the premiums were very low for the employee. Good feedback was received from a number of employees who would end up with more money in their paychecks and a slightly higher copay for medical visits.

Jodi Outland explained an issue with the tiered rates which did not include a tier for an employee with one child so an employee with only one child would pay the same premium as an employee with multiple children. Staff requested Council consideration to create an artificial tier, using some of the cost savings from changing plans, to provide employees with only one child about a \$200 subsidy to help with their premiums. There was some discussion regarding this issue and Council was in agreement with the staff recommendation.

Jodi Outland went on to review the dental coverage which was through Delta Dental. The dental plan chosen for FY 2017 provided for better benefits at reduced premiums. The Town paid 100% of the employee's premiums and would save approximately \$4,400 over FY 2016.

Jodi Outland continued to review the vision coverage. In FY 2016, vision coverage was included as a rider to the Anthem policy at a cost of \$5.32 per employee. It was actually more of a discount

program vs. insurance coverage. Staff opted to delete this rider and offer an optional vision plan through Vision Services Plan (VSP). The cost to the employee would be \$9.39 per month.

A meeting would be held on March 7<sup>th</sup>, for all employees to learn about the various changes in medical benefits.

C. *Strategy Planning:*

Mayor Proto noted a number of areas that he would like to focus on as follows:

1. Economic Development:
  - a. Branding, marketing and advertising – There was some discussion regarding VMS and the available assistance to help localities with branding and marketing.
  - b. Tourism
  - c. Commercial (Non-Seasonal) – The Town needed to bring in year-round jobs.
2. Town Development/Enhancement/Beautification:
  - a. Community Trail
  - b. Harbor
  - c. Sidewalks
3. Organization:
  - a. Multiple volunteer organizations
    - i. How best to promote?
    - ii. How best to use efficiently?
  - b. Town supports some
    - i. Criteria? – What was the best criteria to use when organizations requested funding assistance from the Town? Currently, the Town requests copies of the organizations' financials and explanation of how the money was used in the past and would be used during the coming year.
    - ii. Ground Rules? – What expectations did the Town have for the organization? What was the investment needed to be made by the Town?

There was much discussion regarding contributions to organizations and whether the Town could provide funding to VMS to give to the charitable organizations. Brent Manuel stated that funding given by the Town to VMS needed to be spent to support the program, not given away to other organizations. If the Town continued to fund outside organizations, the amounts should be determined by the Council. The Town needed to continue its funding for organizations which served the Town and its residents such as the Cape Charles Volunteer Fire Company and Cape Charles Rescue which was still chartered under the Town. Several Council members advised Mayor Proto that he was over-complicating the issue. Mayor Proto asked Council to think about a prioritization list for consideration.

4. How does Main Street fit into this? How do we coordinate? – Brent Manuel stated that the Town needed to find out what VMS could do for not-for-profit organizations. The Town did not need outside organizations working on parallel tracks to do the same things as what would be done under VMS. VMS could possibly do a consolidated marketing effort promoting the various charitable organizations and the business in Town.
5. Organization of Town Council for specific areas:
  - a. Standing committees for:
    - i. Harbor
    - ii. Wastewater and Water
    - iii. Safety
6. "Hot" items:
  - a. Beach safety

There was much discussion regarding committees. Brent Manuel stated that a committee could help communications between staff and Council. When Council had questions, they could be referred to a committee with one or two Council members to review.

Councilman Brown stated that the Town used to have committees but they didn't work in the past. He served on a committee with former Councilman John Burdiss and they worked for a year reviewing facilities and Council never was interested in doing anything. The communication would be good if you had enough Council members who were interested in doing something.

Freedom of Information (FOIA) issues were discussed.

Mayor Proto stated that more Council members needed to be involved in the issues with the wastewater treatment plant. Councilman Brown and Councilwoman Natali disagreed. Councilman Brown stated that Council did not oversee individual departments, only the chartered officers. The other employees of the Town worked for the Town Manager, not the Council. If there was a problem, the Town Manager needed to review the situation, make a decision and report back to Council.

Councilwoman Natali asked whether Council would hold a strategic planning session at some point in the future. A number of issues needed to be discussed such as: i) the future growth of the library. The library continued to grow and had already out-grown the space; ii) potential uses for the third floor of the library building whether for office space or to possibly rent to another organization. The third floor was untouched since the Town purchased it. There was much discussion regarding the town offices needing to be centrally located. Currently, Mason Avenue could be considered the center of the Town but as the Town grew, the center could be the location of the former Meatland property or even somewhere else once VDOT's Route 642 project was completed. Councilman Brown stated that the former facilities committee felt that the Meatland Building would have been ideal for the Town offices, but the owners were not willing to sell the property and the Town was not interested in leasing. There was further discussion regarding the Meatland property; and iii) the Harbor development plan needed to be revisited regarding the inner harbor bath house and harbor master's building. Councilwoman Natali added that she would like the Mayor to schedule a strategic planning session after July 1<sup>st</sup> to continue this type of discussion.

**Motion made by Councilwoman Natali, 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