



TOWN COUNCIL
Budget Work Session
Cape Charles Civic Center
March 10, 2016
3:00 p.m.

At approximately 3:00 p.m., Mayor George Proto called to order the Work Session of Town Council. In addition to Mayor Proto, present were Vice Mayor Bannon, Councilman Bennett and Councilwoman Natali. Councilman Brown arrived at 3:33 p.m. Councilmen Godwin and Wendell were not in attendance. Also present were Town Manager Brent Manuel, Treasurer Deborah Pocock, Public Works/Utilities Director Dave Fauber, Harbor Master Charlie Farlow and Town Clerk Libby Hume. There was one member of the public in attendance.

Mayor Proto announced the business for the evening would be to review the proposed Fiscal Year (FY) 2016/2017 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) A 1.7% cost of living allowance (COLA) was requested for existing employees. The requested COLA had not yet been included in the departmental budgets. This was the percentage used by the Social Security Administration for 2015 which was based on the Consumer Price Index. COLA was not approved by Council for FY 2015/2016. The last COLA authorized by Council was for FY 2014/2015.

All Department Benefits: The health insurance premiums for the three plans offered would increase by 1.7% effective April 1, 2016, but dental and vision costs decreased. The insurance rates were reviewed at the March 3rd Budget Work Session and there would be a slight decrease in premium costs to the Town overall.

Public Utilities Administration: 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) Pay increases were requested for several personnel, but were not reflected in the draft budget. Bill Powell's salary would be split 40% in waterworks and 60 % in wastewater; ii) Engineering Service/Water Quality Improvements was reduced to \$10K. \$10K would also be included in the wastewater budget; iii) Telecommunications was reduced to \$1,400 to more closely reflect actual costs in FY 2016; iv) General Liability was increased by 4% to \$8,400 in anticipation of a rate increase; v) Repair & Maintenance Supplies was adjusted to \$20K; vi) Vehicle & Powered Equipment Fuel was adjusted to \$4K; vii) Uniforms was adjusted to \$3,200 to remain the same as FY 2016; viii) Books & Subscriptions would remain at \$150; ix) Small Hand Tools/Expendable Tools would remain at \$200; x) Utility Truck Body to be shared with the Wastewater Department. The cost would be split between the two departments; xi) Keck Wells Pipeline to improve water quality and protect current water resources. Possible funding sources were reserved connection fees, a new loan or proceeds from refinancing town debt. The Town would have an approximate \$85K net gain by refinancing existing debt. There would be continued discussion regarding the relative need for the wells and a plan would be developed to help determine when the wells would be needed; xii) Mitsubishi Stacker to assist staff in lifting

equipment and heavy chemicals for employee safety and protection; and xiii) Auto Read Meters – a drive-by meter reading system and software that would reduce labor costs and improve accuracy.

Wastewater: i) Pay increases were requested for several personnel, but were not reflected in the draft budget. 60% of Bill Powell's salary would be included in the Wastewater budget. Brent Manuel informed Council that Dan Dabinett had recently obtained his Class 2 Wastewater Operator License; ii) \$10K was included for Engineering Service/Maintenance Inflow/Infiltration; iii) Landfill Disposal was adjusted to \$17,500 mainly for sludge disposal; iv) Dues & Associations was adjusted to \$350; v) Vehicle & Powered Equipment Fuel was adjusted to \$4K; vi) Chlorine Injection System – Initially \$40K was requested for this item. Since there had been no engineering performed regarding this project, the funding was removed; vii) Utility Truck Body to be shared with the Water Department; and viii) Pump Station Improvements – Completion of the work begun in FY2016 on the Plum and Pine Street pump stations.

Meter & Utility Billing: i) Included a pay increase for the utility clerk who had accepted new responsibilities to assist with property and personal property tax account adjustments and research. The increase would be split with the General Fund since some of the duties performed were outside the scope of utility billing;

Sanitation: i) Per the contract, Davis Disposal's prices would increase to \$13.85 per residence effective November 1, 2016. Staff recommendation was to keep the billed amount at \$13.76 for FY 2017 as it was anticipated that additional revenue would be collected from delinquent payments and associated penalties and interest.

Harbor: i) The Harbor was awarded a \$35K Boating Infrastructure Grant in FY 2016 for which the Town's match was \$8,750. \$10K was for advertising and the remainder would be used for boater safety equipment such as security cameras, lifesaving rings, fire extinguishers and like items. Spending would begin in FY 2017 and reimbursement would likely occur in FY 2018; ii) Title change for James Jones to Dock Master to more accurately reflect his responsibilities. Pay increases for several of the personnel including the part-time seasonal workers; iii) Information System Services was increased to \$2K to include additional QuickBooks support; iv) Maintenance Service Contracts was increased to \$3K to include contracts for fire services, pump out station, copier/printer, Scribble Software and inspection/calibration of the fuel system; v) There were two advertising categories. Advertising included \$2,500 for Prop Talk, Spin Sheet and several new publishing opportunities and Advertising-Boating Infrastructure Grant included \$10K for additional advertising and harbor signage; vi) Employment/Volunteer Testing/Validation was increased to \$300 to include testing for seasonal personnel; vii) Telecommunications was increased to \$1,500 for a new cell phone purchase and monthly fees for the harbor master and the replacement of two portable VHF receivers; viii) Equipment was increased to \$600 for the credit card machine lease; ix) All events were moved to the Recreation Department budget for a reduction of approximately \$73K; x) Office Supplies was adjusted to \$3,300; xi) Vehicle & Powered Equipment Fuel was adjusted to \$1,500; xii) Uniforms was increased to \$1,500 to purchase polo shirts for the year-round staff for a more professional appearance. Foul weather gear would also be purchased. T-shirts would be provided for the seasonal personnel; xiii) Fuel Purchases was adjusted to \$315K and would be offset by fuel sales; xiv) Clothing for Resale was increased to \$6K to increase inventory of t-shirts, sweatshirts, caps, etc. for resale. This would also be offset by sales; xv) Beverages & Candy for Resale was increased to \$1,800 to add new inventory of items for sale; xvi) Miscellaneous Resale Purchases was increased to \$1K as a placeholder for other miscellaneous items such as toothbrushes, aspirin, etc.; xvii) Boating Supplies for Resale was increased to \$2K to add new inventory such as rope, charts, etc.; xviii) Harbor Master Boat - The current boat had

deteriorated past repair and needed to be replaced. \$10K was included to purchase a new boat hull and trailer to be re-fitted from the current boat; xix) Breakwater and Jetty Improvements – Carryover and new funding requests were submitted to the Virginia Port Authority for breakwater and jetty improvement engineering grant funding. The Town’s match would be 25%. \$925K was included for these projects; xx) The projected revenue from grant funding, fuel and sales of other miscellaneous items, dockage and wharfage fees, electric service sales, penalties & interest, lease/storage revenue, credit card fees, and The Shanty lease revenue were also reviewed.

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

Mayor Proto

Town Clerk