



TOWN COUNCIL
Budget Work Session
Cape Charles Civic Center
April 7, 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 Godwin arrived at 3:01 p.m. Councilmen Brown and Wendell were not in attendance. Also present were Town Manager Brent Manuel, Treasurer Deborah Pocock, Police Chief Jim Pruitt, Public Works Director Dave Fauber and Town Clerk Libby Hume. There were no members of the public in attendance.

Mayor Proto announced the business for the evening would be to review the proposed Fiscal Year (FY) 2016/2017 General Fund Department Budgets for Police Department, Public Works and Town Manager followed by the Employee Wage Compensation Plan Review.

FY 2016-2017 General Fund Departmental Budgets-continued:

The following was reviewed:

Police Department: i) There was much discussion regarding the Chief's request for an additional police officer at an estimated salary of \$32K - \$38K; ii) Dues & Associations was reduced to \$150 from FY 2016; iii) Computer Purchases was increased to \$4,500 to purchase two heavy duty laptops and two office computers which were purchased in 2010; iv) Repair & Maintenance Supplies was increased to \$1K; v) Vehicle & Powered Equipment Fuel was decreased to \$18K but could be increased with the addition of a vehicle for the new officer if approved; vi) Vehicle & Powered Equipment Supplies was increased to \$10K and included \$5K to outfit a new vehicle; vii) Police Supplies (Guns, Ammunition, Safety) was reduced to \$5K based on current spending; viii) Uniforms was reduced to \$6K based on current spending; ix) Education was reduced to \$2,500 based on previous years' spending; and x) Capital request items reviewed included \$10,600 for two in-car cameras, and \$27K for a new patrol car as part of the current five-year rotation. If a new office was approved, the cars would be placed on a six-year rotation.

Public Works: i) Repair & Maintenance was increased from FY 2016 to \$6,500 to add bi-weekly deep cleaning of the municipal building's public areas and Civic Center, and weekly cleaning of the Beach and Central Park Restrooms from April through September. The Public Works crew would continue with their daily maintenance cleaning; ii) Maintenance Service Contracts was increased to \$2,500 for the municipal building and library HVAC systems; iii) There was some discussion regarding the request from the Cape Charles Historical Society to have the grounds at the museum mowed by Town staff and when the museum became the Town's visitor's center. After discussion, the line item was kept at level spending at \$50K; iv) Advertising was reduced to \$325 based on previous years' spending; v) Heating was reduced to \$1,500 based on actual usage; vi) Telecommunications was increased to \$1,500 for cell phones; vii) Mileage was decreased to \$300; viii) Office Supplies was increased to \$1,250 based on previous years' spending; ix) \$1K was included in Computer Purchase to replace a 2010 computer; x) Janitorial Supplies was reduced to \$2,500 based on spending; xi) Repair & Maintenance Supplies was increased to \$58K adding landfill disposal fees and possible dog park fencing; xii) Pine Street Parking Lot & Waste Area included \$60K for phase one of the project. One bid was received and came in much higher than estimated. There was discussion regarding the possibility of rebidding the waste management project with bid options for the entire project vs. in phases. The capital request sheet would be

updated to show the adjusted estimate of \$220K; xiii) Deborah Pocock stated that the Beach Maintenance & Safety line included an incorrect figure since she misunderstood the capital request sheet and did not include for buoys and lines. The correct amount would be included; xiv) Central Park Improvements/Repairs included \$25K but a capital request sheet was not submitted; xv) The \$5K requested for the Cape Charles Visitor Center/Museum Improved was deleted. Council opted to wait until the Virginia Main Street program was in place before the tourism information station was completed at the museum; xvi) Vehicle & Powered Equipment Fuel was decreased to \$12,500 based on lower fuel prices; xvii) Litter Grant Expenditures included \$1,200 for the annual litter grant; xviii) \$500 was included in the Virginia Municipal League (VML) Safety Grant; xix) \$30K was included for Tree Removal and Replacement. This project would be contracted out to remove dead and dying trees in the VDOT right-of-way and replace them with new, more appropriate trees; xx) There was much discussion regarding no funding request for Video Equipment at Central Park. The quality of the current cameras was not good enough to identify anyone on film. Brent Manuel stated that in the valley, they did not have cameras but the citizens were the “eyes” to deter things from happening. Dave Fauber stated that if Council wanted cameras, it should be dealt with as a police issue. The Police Department could get a camera system and monitor it. Mayor Proto felt that was a good idea and asked that staff obtain input from Chief Pruitt and a camera system could be added to the Capital Improvements Plan for the future; xxi) \$30K was included for the Sidewalk Repair Program. VDOT offered a 50% cost sharing program which the Town could apply for to construct sidewalks where they were lacking in the Historic District; xxii) \$70K for the Strawberry Street Plaza Purchase & Improvements was carried over from FY 2016. Brent Manuel stated that the purchase could possibly be finalized in FY 2016 but the \$20K for improvements would have to be carried over; xxiv) \$1,256,000 was included for the Cape Charles Multi-Use Trail Phase 2 Construction; xxv) \$30K was requested for the Beach Shade Pavilion. After much discussion, this item was deleted. Council felt that project such as this should be done under the Virginia Main Street Program for consistency in the look of Cape Charles; xxvi) There was much discussion regarding Beach Safety Equipment. \$2K was included for signage and would be moved to the Beach Safety line item; and xxvii) There was much discussion regarding the capital request for a new beach sweeper for \$40K. Dave Fauber stated that a new beach sweeper was found for \$33K. Staff could possibly repair the existing sweeper which was about 12 years old. Council agreed to include \$33K in the budget for now. The funding could be deleted after review of the final numbers depending on the amount of the shortfall.

Town Manager: i) There was much discussion regarding the assistant town manager position and the length of time estimated for the construction of the Cape Charles Multi-Use Trail project. It was noted that Bob Panek was not acting in the role of assistant town manager but more of a project manager working on the breakwater and trail projects, harbor collections, etc. and should be referred to as project manager. Council agreed that as long as there was a project that justified the position, it was okay to include; ii) The Personnel Lapse Allowance was removed since any monetary savings from a vacant position was typically used by the department in another capacity; iii) IT Consulting & Website Assistance was increased to \$6K to include Nixle Communications, Network backup, LogMeIn access, backup server extended warranty and other miscellaneous expenses; iv) Legal was increased to \$80K to reflect actual FY 2016 spending. A number of issues required legal assistance this year such as Cape Charles By The Bay, South Port lease, the assessment and workers’ comp suits, and accounts payable issues at the Harbor; v) \$5K was included for Postal and covered all postage for the Town except for utility billing; vi) \$1,200 was included for Mileage for attendance at the VML Conference and travel for various meetings; vii) \$1,200 was included for Lodging & Meals for attendance at the VML and Virginia Local Government Management Association (VLGMA) Conferences; viii) Convention & Education included \$800 for attendance at the VML and VLGMA Conferences; ix) Dues & Associations included \$3,301 for Town membership in the International City/County Management

Association (ICMA), VML, UVA, Northampton County Chamber of Commerce, VLGMA and the Virginia Institute of Government; x) \$1K was included for \$25 gift cards for staff at Christmas; xi) Computer Purchase was deleted for FY 2017 since the town manager would purchase a laptop and docking station in this FY; and xii) \$750 was included under Licensing for the annual fishing pier license.

There was much discussion regarding Contributions to Other Entities: i) \$5K was included for the Arts Enter Grant Pass-through and Grant Match; ii) \$20K was requested from the Arts Enter for Operation Support. Council opted not to fund this request in order to allocate funding for the Virginia Main Street Program; iii) \$50K was included for the Cape Charles Volunteer Fire Company (CCVFC) - \$25K for operations and \$25K to replace the pump on truck #15; iv) \$15K was included for the July 4th Fireworks. Last year, \$5K was funded from the Harbor budget. In FY 2017, \$5K would be funded from the Transient Occupancy Tax (TOT) revenue; v) \$15K was requested from the Cape Charles Historical Society for their operations. Council opted not to fund this request in order to allocate funding for the Virginia Main Street Program; vi) \$11K was included for Marketing-Printed Materials, \$400 for Marketing-Cape Charles by the Bay (CCBTB) Website Hosting, and \$1,500 for Harbor for the Arts for flyers, event marketing to rental homes and vacationers, etc. Council opted to include these items under the Virginia Main Street Program; vii) \$1,500 was requested from Eastern Shore Spay Organization; viii) \$10K was included as a Grant pass-through for the CCVFC; ix) \$15K was included as level funding for the Eastern Shore of Virginia Tourism Commission (ESVTC). Council would ask that the \$15K include two rack card slots at the Welcome Center and a lighted advertising box; v) \$600 was included for STAR Transit Support; vi) \$10K was requested from Experimental Film Virginia. Council opted not to fund this request in order to allocate funding for the Virginia Main Street Program. Deborah Pocock stated that she would provide Council with copies of the contribution request letters received.

Council reviewed the TOT Revenue worksheet which showed a projected FY 2017 TOT revenue of approximately \$90K. Contributions to Other Entities which qualified and were included in the TOT funding were the Arts Enter Challenge Grant Match of \$5K, \$15K to the ESVTC, and \$5K for the July 4th Fireworks which totaled \$25K. The remaining TOT funding would be allocated to the Virginia Main Street Program which also included \$11K for Print Marketing (Virginia Travel Guide, Eastern Shore Travel Guide, Rack Cards, and Rack Card Spaces at Four Welcome Centers), \$400 for CCBTB Website Hosting, and \$1,500 for Harbor for the Arts.

Employee Wage Compensation Plan Review:

Mayor Proto reviewed the PowerPoint presentations from the January 8, 2015 Work Session detailing the recommendations from the Springsted study and the February 5, 2016 Budget Retreat which showed the recommendations to reduce the pay scale by 5% and changes to a number of position classifications.

It was noted that the February 5, 2016 presentation stated that implementation of the new compensation plan would reduce turnover, but it was not the case. Exit interviews were conducted with employees during their last week of employment. Three employees had left during the last year and their main reason for leaving was salary related. The average tenure for Town employees was three years.

Councilwoman Natali stated that two of the three most recent employees left for positions with salaries at least \$5K - \$10K more than what the Town was paying. This could be a sign that the economy was changing. The Town should not be a place where employees were trained then cherry-picked for higher paying positions. The Town was losing its brightest

and hardest workers. The Town currently had a great staff and needed to figure out where the balance was.

Brent Manuel commented that overall it wasn't unusual to lose employees, but the Town had so few employees that when one left, it lost a higher percentage of the workforce. Brent Manuel went on to express his concern regarding the three-year average tenure and added that it was a testament to the employees who were still with the Town.

There was some discussion regarding the Council's decision in 2015 to discount the recommended pay scale by 5%. Mayor Proto stated that the Town needed to put the money on its employees and individual employees would be discussed in executive session which would immediately follow the work session.

Brent Manuel stated that he would like to try to reinstate the 5% back into the pay scale and determine the financial impact to the Town. Deborah Pocock added that if the pay scale were increased and employees were brought into the new minimum, the other employees who were already within the pay range would also need to be adjusted accordingly.

Councilwoman Natali summarized the discussion as a three-part process: i) reinstate the 5% into the pay scale; ii) increase all employees to at least the minimum in their pay range; and iii) review all other employees based on their performance and time in the position.

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

Mayor Proto

Town Clerk