



**TOWN COUNCIL**  
**Work Session**  
Cape Charles Civic Center  
May 9, 2016  
6:00 p.m.

At approximately 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 Bennett, Brown and Councilwoman Natali. Councilmen Godwin and Wendell were not in attendance. Also present were Town Manager Brent Manuel, Treasurer Deborah Pocock and Town Clerk Libby Hume. There were no members of the public in attendance.

Mayor Proto announced the business for the evening would be i) FY 2017 Budget Overview & Balancing Worksheet; and ii) FY 2017 Enterprise Funds/Utilities Rate Review.

Treasurer Deborah Pocock began by summarizing the modifications to the budget documents as follows: i) The new 2016 assessments were received from Northampton County and were an average of 15.36% lower than last year. The required equalized real estate tax rate, to remain revenue neutral, would be .3260. Each penny equated to \$34,713 in revenue vs. \$41,016 with the previous assessments; ii) The estimated amount for Prior Year Real Estate & Personal Property Tax Collections was increased by \$10K for a total of \$60K; iii) There was still about \$198K in unassigned 2013 Bond proceeds that needed to be used by the end of 2016. It was recommended that \$50K - \$70K, the amount needed to balance; be used for the Pump Station Improvements so the FY 2017 utility rates would not have to be increased; iv) The salary scale was shifted upward by 5%, as originally recommended by Springsted and as discussed in a previous work session, in order to make the employee compensation package more competitive. A number of employees were brought into the new range and those who through longevity of experience were not affected by the rate schedule shift were given a 1.7% increase. This was the amount of the SSA COLA for 2015 that was not adopted by the Council in this fiscal year. A few employees were adjusted to compensate them for taking on additional duties and responsibilities. There was much discussion regarding the recent losses of staff members to other organizations on the Shore at higher salaries; v) In most cases, the vehicle fuel expense was reduced by a small percentage to align with 2016 expenditures; and vi) Staff removed a number of requested items from the General Fund in an effort to reduce the budget shortfall.

**Utility Rate Analysis:**

At this time, the Public Utility budget had a shortfall of approximately \$72K. Council reviewed two options: i) Increase the combined utility rate by \$3.66 per month; or ii) Utilize unassigned 2013 Bond proceeds for the Pump Station improvements so the monthly utility rate could remain at \$107.46. After much discussion, Council opted to use the bond proceeds vs. increasing the rate.

**Budget Overview:**

Council reviewed the Budget Overview and the radio read water meters were deleted from the Public Utilities Fund budget since only one quote was obtained and no research or recommendation for funding had been provided. There was some discussion regarding the shortfall in the Harbor Fund budget which was due to the debt service. Council suggested that, after the discussed changes had been made, the remaining shortfall to cover the Harbor debt service should be funded by the Fund Balance.

Budget Balancing Worksheet:

Deborah Pocock reviewed possible areas for reduction in the General Fund as follows: i) The projected revenue for Prior Year Real Estate & Personal Property Tax Collections was increased by \$10K. With this change, the General Fund shortfall was decreased to approximately \$36K; ii) The Personnel Lapse would be reinstated in the Town Manager budget in the amount of \$10K to offset salary expense for vacant positions. This change reduced the General Fund shortfall to approximately \$26K; iii) The Connection Fee Study for \$10K was deleted. The Connection Fee Study needed to be completed in conjunction with a Utility Rate Study. Mayor Proto asked if this combined study could begin in this fiscal year; iv) Contracted Services was reduced by \$1,750 since the only big event for the Town this year was the 4<sup>th</sup> of July celebration; v) \$2K for the Hazardous Duty Retirement Study was removed since this project could be completed in this fiscal year; vi) The \$5K requested in Code Enforcement for demolition was removed and would be funded from the contingency fund if needed; vii) \$4,500 for the Dog Park fencing was removed from the Public Works budget as more research was needed regarding the Town's liability and maintenance issues for a dog park; viii) \$25K for the Central Park drainage area improvement project was removed. Council agreed that the drainage areas were performing as designed; ix) \$33K for a new beach sweeper was removed. At the last work session, Public Works/Utilities Director Dave Fauber had informed Council that the current beach sweeper had been repaired; x) There was much discussion regarding the funding request from the Cape Charles Volunteer Fire Company (CCVFC) which included \$25K for general operations and \$25K for a new pump for their truck. Mayor Proto asked Town Manager Brent Manuel to meet with the CCVFC leadership as soon as possible to obtain an itemized list of proposed uses for the \$25K for operations and clarification of whether the existing pump was operational. Depending on the outcome of that conversation, the CCVFC leaders could come to the next work session to discuss the issues; xi) After much discussion regarding the request for an additional police officer the majority of the Council in attendance felt that there was a need for the additional officer; xii) There was some discussion regarding the project timeframe for completion of Phase 2 of the Community Trail Project and the project manager's time was adjusted accordingly; xiii) There was much discussion regarding the \$120K proposed for the Pine Street Parking Lot/Waste Management Area. It was suggested that the Public Works yard would be a more suitable location for waste and recycling dumpsters. Kelly's Pub was the only restaurant in the Pine Street area without access to a dumpster on its property. Council agreed that the funding would be better utilized to improve the Harbor/Shanty Restaurant and Mason Avenue parking areas for functionality and safety. Councilman Brown suggested contacting Bayshore Concrete regarding crushed concrete for the parking area at the Harbor/Shanty Restaurant. The cost of lighting for the Mason Avenue parking area would be researched; and xiv) \$30K for Tree Removal and Replacement was deleted. Council felt that there were other projects that were more of a necessity. If a tree had to be removed, it cost could possibly be funded from the contingency fund.

Deborah Pocock stated that she would update the proposed budget with the changes discussed this evening for review at the next work session scheduled for Thursday, May 12<sup>th</sup>.

**Motion made by Councilman Brown, seconded by Councilwoman Natali, 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