



TOWN COUNCIL
Work Session
Cape Charles Civic Center
May 12, 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 Godwin, and Councilwoman Natali. Councilman Wendell was not in attendance. Also present were Town Manager Brent Manuel, Treasurer Deborah Pocock 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 FY 2017 Budget Overview which included changes from the May 9, 2016 meeting.

Treasurer Deborah Pocock reviewed the changes made from the May 9th meeting. By funding the additional \$50K for pump station improvements from the PNC Bond proceeds, the utility rate could be decreased by approximately \$2 per month. There was much discussion regarding the utility rate with the concern if the utility rate was reduced by \$2 per month this year, the amount of the debt service was scheduled to increase each year, so the utility rates would most likely have to be increased again next year. The general consensus was to keep the utility rate as is and apply the overage into a reserve account to offset the potential increase in FY 2018.

Deborah Pocock went on to review the handout showing Possible Increases or Reductions:
Pump for Cape Charles Volunteer Fire Company (CCVFC): Council reviewed the CCVFC's financial information as well as an email from Fire Chief Jay Bell regarding the \$25K request for pump repairs on truck 15. After much discussion, Council agreed to fund 50% of the pump repairs for a total contribution to the CCVFC of \$37,500.

Eastern Shore of Virginia Tourism Commission (ESVTC) Contribution: There was much discussion regarding the contribution to the ESVTC. The Town did not receive a funding request from the ESVTC but had contributed \$15K per year for the last two years. It was noted that the only other town on the Eastern Shore that contributed was Onancock which contributed \$2,500. Chincoteague did not contribute to the ESVTC directly but a portion of their transient occupancy tax (TOT) went to Accomack County which contributed for the County as a whole. Similar to Chincoteague, a portion of TOT collected in Cape Charles went to Northampton County which contributed to the ESVTC. According to the recent presentation given by Ms. Kerry Allison, Executive Director for the ESVTC, Northampton County was the largest contributor. After much discussion, Council agreed to reducing the contribution to \$10K and requesting itemized financial information showing how the ESVTC spent their money to promote Cape Charles. Council also wanted to ensure funding for the Welcome Center which was a major proponent of Cape Charles. It was agreed that \$5K would be kept in a contingency fund for a possible additional contribution to the ESVTC.

Harbor Boat: The current boat was unsafe and needed to be replaced. The new boat was estimated at \$12K and the existing boat motor would be used. There was much discussion regarding additional equipment and costs and uses for the boat. Council agreed to fund the boat using PNC Bond proceeds to reduce the Harbor shortfall by \$12K.

Deborah Pocock estimated the remaining shortfall at \$55,563 which Council agreed to fund using some of the available Fund Balance. By using the Fund Balance to cover the \$55,563 shortfall, the budget would be balanced. There was some discussion regarding the Fund Balance. Deborah

Pocock stated that the current balance could not be determined until the FY 2015 financial audit had been finalized but thought it had a cash balance of approximately \$460K per the FY 2014 financial audit. The amount would most likely be increased after the FY 2015 audit was completed. Mayor Proto asked about utilizing the cash in the Fund Balance to reduce some of the Harbor's debt but Deborah Pocock cautioned that the Fund Balance was the Town's reserves and added that she would check to see if it would be legal to use the fund for that purpose. Deborah Pocock would also check the bond agreement to see if it allowed for early pay-off.

There was much discussion regarding the Keck Wells project which was still included in the FY 2017 proposed budget. Deborah Pocock stated that the project could possibly qualify for a grant/loan through USDA Rural Development (USDA-RD). Brent Manuel added that USDA-RD needed to review the engineering report for the project and could determine whether it qualified for assistance. If the project qualified, it would be funded by 25% grant and 75% loan. If it did not qualify, the project would not be pursued in FY 2017.

Mayor Proto thanked Deborah Pocock for all her work regarding the proposed budget.

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

Mayor Proto

Town Clerk