



TOWN COUNCIL

Work Session

Town Hall
April 13, 2010
6:00 p.m.

At approximately 6:03 p.m., Mayor Dora Sullivan called to order the Work Session of Town Council. In addition to Mayor Sullivan, present were Councilmen Bannon and Burdiss. Councilman Elliott arrived at 6:08 p.m. and Councilman Evans arrived at 6:09 p.m. Councilmen Bennett and Veber were not in attendance. Also present were Town Manager Heather Arcos, Treasurer JoAnna Leatherwood and Town Clerk Libby Hume. Other department heads in attendance were Harbor Master Smitty Dize, Consultant Bob Panek, Police Chief Charles Brown and Public Works/Public Utilities Director Dave Fauber. There was one member of the public in attendance.

Mayor Sullivan announced the business for the evening would be to review the proposed operating and capital budgets for FY 2010-2011.

Heather Arcos began by informing the Council that Northampton County was meeting this evening to discuss their budget and if it is approved without changes, the County would be increasing its real estate tax rate by 3¢ per \$100. The 2010 Tax Rate & Budget Calculation worksheet was reviewed which showed a breakdown of revenue by tax rate from the current rate of 18.28¢ to 22.28¢. Each penny of tax generates \$61,771 in revenue. The current proposed budget shows a revenue shortfall of \$188K. The Town would need to increase the tax rate by 3.3¢ per \$100 in order to meet the proposed budget. Heather Arcos asked the Council to make note of any areas, during this evening's review, where items can be cut or reduced. There are no cost of living increases factored into the budget, several minimal merit increases are factored in and amounts have been included in several departments for computer replacements. The Town has eleven (11) computers over six (6) years old which are in need of replacement.

The operating and capital budgets for the following departments were reviewed: i) Town Clerk; ii) Legislative; iii) Town Manager; iv) Treasurer; v) Police Department; vi) Code Enforcement; vii) Recreation; viii) Harbor; ix) Public Utilities – Water; x) Public Utilities – Wastewater; xi) Sanitation; xii) Public Works; xiii) Library; and xiv) Town Planner.

Heather Arcos informed the Council that the Town Manager budget included an allocation of \$20K for employee merit bonuses and Community Support for various organizations and activities. In reviewing the Town Manager budget, several items noted for possible reduction or elimination were: i) the merit bonuses; ii) the Rosenwald School sign. The Council felt that this sign was premature in that the owner of the property must give permission and plans needed to be developed for restoration of the building; iii) the Eastern Shore Tourism Commission; iv) the Cape Charles Business Association; and v) the fireworks. Smitty Dize stated that the annual fireworks bring the boaters into the Town Harbor and the Bay Creek Marina which also brings business to the restaurants and stores in Town. There was some discussion regarding possibly splitting some of the cost of the fireworks with the Harbor budget. Councilman Burdiss requested that the budget

item for the Town's donation to the Randy Custis Park be moved to this section under Town Manager vs. being included in the Recreation budget.

Under the Treasurer budget, Heather Arcos explained that \$33K was allotted for a new higher-level staff member with accounting experience vs. another account clerk. The Town has already been informed that the audit expense for next year would increase due to the special audits required for Federal grants over \$500K. The general payroll expense has been increased for the lease of three (3) timeclocks. Councilman Burdiss asked about the elimination of the mileage, lodging and convention/education expense from this budget and it was determined that it was inadvertently omitted.

The Police Department budget includes the purchase of a new vehicle. Two (2) of the current vehicles are old and worn out and the cost of repairs is rising.

The Harbor budget includes a new weather station for current weather conditions for boaters, increased repair and maintenance to the docks and grounds, new surveillance cameras and \$1.6M for the new floating boat slips and bath house.

The Public Utilities – Waterworks budget includes funds allotted for water tank maintenance and for the connection of two (2) wells. Councilman Burdiss asked about a timeframe when a second water tower would be needed. Dave Fauber stated that a second tower could be utilized now and would be located in Bay Creek and would improve the water pressure in the development. There was some further discussion regarding this issue relating to the future growth of the Town.

The Public Utilities – Wastewater budget includes funds allotted for the replacement of the generator for the Plum Street pump station, the design and construction for the Inflow and Infiltration project and the construction of the new wastewater treatment plant and water reuse system.

The Public Works budget includes an increase for grounds maintenance for the added work to be done around the Park and the pump stations in Bay Creek, funds have been allotted for beach maintenance and sand replenishment, asbestos abatement for the old school, repairs to the exterior of the municipal building, refurbishing of the beach gazebo, pier upgrades, a new pickup truck for the foreman (his old truck would be allocated to the water plant), the purchase of a used lift or bucket truck, another building or roof structure for equipment storage and the cost of the Cape Charles Multi-Use Trail. There was much discussion regarding the school building and the much needed repairs. If the Cape Charles Christian School leases the property, the budgeted amount for the school could be eliminated. If the property is not leased, the Town will have to make a decision regarding the future of this building due to the numerous safety issues. According to FEMA, funds must be allotted each year for beach maintenance. The absence of this allotment in the Town budget precluded the Town from receiving assistance from FEMA for sand replenishment after the November nor'easters. Councilman Burdiss noted that approximately \$160K was included in the budget for maintenance that has been deferred from previous years and now are a necessity and added that these amounts could be paid for with short-term financing to spread the costs over several years and that the Town would then budget for and perform regular maintenance on the Town's facilities. Bob Panek added that these projects could be included in the Recovery Fund loan at a low interest rate. Heather Arcos stated that she would check into this possibility. There was

some discussion regarding the allotted funds for the lift or bucket truck and Councilman Burdiss suggested that in lieu of purchasing this year, the Town could possibly rent the equipment when needed.

Mayor Sullivan requested that the Council review the budget again to look at areas where costs can be reduced and send suggestions by email to Heather Arcos. The next budget work session is scheduled for Thursday, April 22nd, and these suggestions can be reviewed.

Motion made by Councilman Burdiss, seconded by Councilman Elliott to adjourn the Town Council Work Session. The motion was approved by unanimous consent.

Mayor Sullivan

Town Clerk