



TOWN COUNCIL
Work Session
Cape Charles Civic Center
November 28, 2022
6:30 PM

At approximately 6:30 p.m. Mayor William “Smitty” Dize, having established a quorum, called to order the Work Session of the Town Council. In addition to Mayor Dize, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Follmer and Grossman, and Councilwoman Holloway. Councilwoman O’Brien was not in attendance. Also, in attendance were Councilman-elect Ken Butta, Town Manager John Hozey, Treasurer Deborah Pocock, Planner & Zoning Administrator Katie Nunez, and Town Clerk Libby Hume. There was one member of the public in attendance.

FY 2023 Mid-Year Budget Review:

Town Manager John Hozey explained that some changes were made to the budget earlier today and the updated pages were distributed. The main changes were due to the receipt of the outstanding invoice from the contractor for the sludge cleanup from the last spill at the wastewater plant. Staff had initially guesstimates the amount as \$50K, but the actual invoice was \$115K. Adjustments had to be made in several places in the budget.

John Hozey went on to review the adjustments:

General Fund Revenue: i) The prior year personal property, business license, transient occupancy, meals taxes and the Town’s share of the County cigarette tax projected revenue were all increased based on collections; ii) About @209K would be appropriated from the General Fund Balance to offset the projected deficit in the Utility Fund.

General Fund Expenditures:

Town Manager: i) Due to an oversight, regular wages overtime and seasonal wages for beach attendants were omitted from the original budget. \$2K was added for regular wages overtime and \$10K was added for seasonal wages; ii) \$44K was added to Professional Services for consulting services for the PPEA utilities sale and State Corporation Commission package; iii) A new line item for the one time offset to the Utilities Fund was also included in the Town Manager budget.

Finance Dept: \$2K was added to Part-time Salaries & Wages and Overtime to cover the expense when Libby Luettinger came back to work on a part-time basis earlier this year until a vacancy in the department was filled.

Police Department: i) \$3,350 was added for a drone package for the police department; ii) \$2,541 was added to cover the cost of a replacement computer, software and accessories when the chief’s computer crashed earlier this year.

Public Works: \$30K was added to Repair & Maintenance Supplies for the library HVAC repairs.

Capital Projects Fund – Revenue: i) The USDA Rural Development Grant line was reduced by about \$18K. Due to the timing of the lawn equipment purchase, no grant/loan was available; ii) The two grants obtained by Cape Charles Main Street (\$30K from the Tourism ARPA Grant, and \$25K from the Northampton Infrastructure Grant) were added to help with the cost of the downtown restroom/visitors center project; ii) \$11K, which represented .5% of the projected meals tax collections, was added to this fund; iii) The Loan Proceeds from USDA Rural Development was reduced by about \$30K, deducting the Public Works equipment. The loan funding would now be used for the BS&A software upgrade for the Building and Planning Department; iv) \$220K of the remaining

ARPA funding was transferred from the Special Activities Fund for the downtown restroom / visitors center. About \$40K of ARPA funding remained in the Special Activities Fund.

Capital Projects Fund – Expenditures: i) \$275K was added to Buildings & Improvements for the municipal center, library condominiumization and downtown restroom/visitors center; ii) \$12K was added in the Computers, Software & Electronic Equipment Planning line for the BS&A software upgrade for the planning and building departments. As discussed earlier, this would be covered by a USDA Rural Development Grant/Loan.

Public Utilities Fund – Revenue: i) The facility reserve funds were moved to a new investment account and the increase in Dividends & Interest on Investments for the Utilities amounted to about \$55K; ii) \$373,683 was transferred from the General Fund Balance to offset the deficit in lieu of a utility rate increase.

Public Utilities Fund – Expenditures:

Utility Administration: \$44K was added to the Contingency Fund Expense Utility Fund line item as an estimated amount for three outstanding violations. John Hozey noted that he had a meeting with representatives from the Department of Environmental Quality later this week to discuss the violations.

Waterworks: \$9,320 was added to Licensing for the cost of the groundwater withdrawal permit.

Wastewater: i) The Landfill Disposal – Sludge line was increased by \$214K to cover the cost for clean-up from the October spill; ii) \$53K was added in Engineering & Architect Services for the capacity study.

Harbor Fund: \$25K was transferred from the Harbor Fund Balance for carryover repair projects from FY 2022 – roller replacements, removal of damaged pile, and pile adjustments.

Sanitation Fund: \$15K was transferred from the Sanitation Fund Balance for the contract rate increase for trash collection.

John Hozey stated that the public notice for the FY 2023 Budget Amendment had to be submitted to the newspaper tomorrow morning to meet the state requirements for the December 15 public hearing. Deborah Pocock would make the final adjustments to the ad for submittal.

Annual Survey:

John Hozey distributed a copy of the 2021 survey for Council review along with the proposed 2022 survey. Council reviewed the questions and multiple-choice answers, and some additional language was suggested for several of the questions. John Hozey would update the questions and provide them to Julie Pruitt to develop the survey in Survey Monkey. Hard copies would also be included with the utility billing. The survey would go out as soon as possible with a response deadline of January 13, 2023. All the responses would be compiled, and the report would probably be available for review in February.

Town Priorities List:

John Hozey distributed a copy of the May 2022 Town Priorities showing those items which were completed and those still in progress. He noted that the items from May 2022 which were still in progress were listed among the top items for 2023 and explained that although Council had approved and committed to a project, it remained on the Priorities list since staff time was still needed to work through the process to complete the project.

There was much debate about the order of the projects. Vice Mayor Bennett suggested each Council member designating their preferred order of projects on the list and submit it to John Hozey to review and re-prioritize.

John Hozey advised Council to try to focus on all the work that had been done on the May 2022 Priorities list and items being carried over onto the 2023 Priorities list. Everything on the list was important and labor-intensive. The projects at the top of the list were in progress and would be completed soon. All the items would take time and resources and he was hesitant to move other items up on the list since it would increase expectations which could not be met. He would take all Council comments and input, compile the results from the upcoming citizen survey, and a work session would be scheduled to discuss the priorities again and finalize it for Council adoption. He asked Town Clerk Libby Hume to poll Council for their availability through March so the first quarter 2023 schedule could be developed.

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

The meeting adjourned at 8:31 p.m.

Mayor William "Smitty" Dize

Town Clerk