TOWN COUNCIL
Work Session
October 8, 2020
Cape Charles Civic Center
6:30 PM

1. Call to Order
   A. Roll Call
   B. Establish quorum

2. Moment of Silence and Pledge of Allegiance

3. Work Session Order of Business:

   A. Capital Improvements Plan

4. Town Manager Comments

5. Mayor & Council Comments (5 minutes per speaker)

6. Adjournment

Town Manager Memorandum
October 8, 2020
RE: Capital Asset Management Program

In January of this year the Town Council adopted a Capital Improvement Program that provided the context, guidance, and criteria necessary to take a very long list of capital needs/desires (wish lists), and prioritize/manage them in a realistic way. This program, renamed the Capital Asset Management Program (CAMP), was very well thought out, but conceptual in nature, and only put into practical application for the first time now. As a result of this first application, additional refinements to the CAMP can be identified.

The CAMP attempts to take personal preferences, emotion, and politics out of the decision-making process. Those are replaced with objective criteria that organize the projects logically and in efficient ways. The program also brings everything together in one place, so that decisions on any one project can be done in the context of all other potential needs/options. The CAMP does this quite well, but sometimes theory and the “real world” can collide.

For example, in theory it is essential to prioritize maintenance of the infrastructure we already have over the development of something new. But in practice, we will always have more maintenance needs than capital dollars available. So, if we hold fast to that axiom, we would never be able to address even the smallest improvements (new things) that could contribute to enhancement of local quality of life. Therefore, while the majority of available resources should always go toward meeting our responsibility to maintain existing infrastructure; there should also be provisions for a small carve out that would allow continuing improvement.

One method to do this would be to establish a set formula along the lines of 10% of the total capital budget, not to exceed $25,000; may be excused from the general CAMP criteria for the purpose of quality of life enhancements. These to be awarded on a subjective basis at the discretion of the Town Council. This would act as a pressure relief valve that would otherwise undermine the main CAMP, because political pressure for quality of life improvements will always be brought to bear.

Another potential downfall to the theoretical criteria of the CAMP is the concept of, “high priority of the Town Council,” which can move any project to the top of the list. Without further definition of what constitutes a high Council priority, the entire CAMP approach is threatened, as this would allow politics to flood back into the mix. The solution here is more complex and must introduce objective parameters.

For example, this designation should only be invoked if the Council has previously indicated its intent via another documented process; like in the Comprehensive Plan, or formally adopted strategic planning documents. The Council should never be able to set new priorities arbitrarily just as a part of the CAMP process.

These and other suggested refinements to the CAMP have been incorporated into a new draft version and included in this packet. All changes from the original document appear in red.

Also included in the packet are spread sheets listing all current projects in priority order (as determined by the CAMP). There is a sheet for each of the Town's four Funds. The General Fund presentation rolls in the other three showing a grand total for all projects. Also provided is a project description document that explains each project, and a one-page excerpt from the CAMP that contains the project prioritization criteria for easy reference.

It is clear upon review of this presentation that there are far more needs than resources available. The realization of this major disconnect is sobering and quite depressing. Many things will need to be removed or deferred beyond this planning horizon. These will be difficult discussions and will require much soul searching. I look forward to an open dialog about these difficulties at the upcoming work session and welcome any innovative thoughts or ideas.

TOWN OF Cape Charles

CAPITAL Asset Management PROGRAM (CAMP)

October 15,2020

Tables of Contents

INTRODUCTION

A Capital Asset Management Program (hereinafter referred to as a CAMP) is a tool to assist the governing body of a municipality in planning and managing major equipment and facilities required to maintain or improve services or to respond to anticipated growth. A CAMP is intended to provide a complete picture of the town's major development needs (i.e., capital projects) over at least the next six years by showing when, and at what cost, the town expects to expand or provide services and facilities in that period. The reason for undertaking this overall approach to capital improvement planning is to balance the varying equipment and facilities needs of the Town of Cape Charles and to assess these in comparison to other Town needs.

A CAMP must be updated each year. Adopting a CAMP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CAMP to be updated annually. The Town's public facilities, streets, parks, infrastructure, equipment, etc., are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CAMP be updated to maintain the financial solidity of the Town. The CAMP achieves the following objectives as a component of the Town's budget and financial planning process:

- Reduces the need for ad hoc programs to finance the construction of Town facilities
- Focuses attention on community goals, needs and capabilities
- Achieves optimum use of taxpayer dollars
- Responds to future community growth and development
- Ensures that projects are well thought out in advance of construction
- Provides for the orderly replacement of capital items
- Encourages more efficient administration
- Maintains a sound and stable financial program

CAPITAL ASSET MANAGEMENT PROGRAM – FISCAL POLICY

The Town of Cape Charles adopts the following fiscal policy regarding the CAMP:

- The Town will prioritize all capital improvements in accordance with an adopted Capital Asset Management Program (CAMP).
- The Town will develop a five-year plan for capital improvements and review and update annually.
- The Town will coordinate development of the capital asset management program with development of the operating budget.
- The Town will maintain all its assets at a level adequate to protect the Town's capital investment and to minimize future maintenance and replacement costs.

- The Town will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted for approval.
- The Town will attempt to determine the least costly alternative on a life cycle basis for all projects.
- The Town Council will review the status of capital improvement projects six months after adoption of the CAMP to determine what adjustments, if any, are required in project scheduling and funding. However, emergent urgent needs not previously identified can be reviewed at any time by Town Council and the CAMP can be adjusted accordingly.
- Operations of the town's Enterprise Funds are intended to be financed or recovered primarily through user charges.
- Enterprise Fund revenues are to support construction costs or debt service for capital facilities for the respective operations whenever possible. General Fund transfers may be used to support the development of Enterprise Fund capital facilities

DEBT LIMITS/POLICIES

Any debt limits associated with capital improvements will be captured under a separate fiscal policy established by Town Council.

DEFINITION OF A CAPITAL IMPROVEMENT PROJECT (CIP)

The Town of Cape Charles' definition of a capital improvement project uses one or more of these criteria;

- An estimated total cost of ~~$20,000~~ $10,000 or more (Capital items under ~~$20,000~~ $10,000 are generally included in the various operating budgets.)
- Studies pertaining to capital improvements that require the employment of outside professional consultants at a cost of ~~$20,000~~ $10,000 or more
- Construction of buildings or facilities, including design, engineering, and other pre-construction costs with an estimated cost of ~~$20,000~~ $10,000 or more
- Purchase of major equipment and vehicles with an estimated cost of ~~$20,000~~ $10,000 or more and with a life expectancy of five years or more [Note: if a vehicle purchase is recurring each year, this will be captured under the department's operating budget]
- An extended useful life at least 5 years of the facility or equipment
- An infrequent recurrence of the expenditure
- Bonded debt maybe required for its financing
- It involves acquisition or development of real property
- It creates or expands utility systems, a public building, or other public infrastructure

There is an important fiscal principle underlying the distinction between capital and non-capital expenditures. The distinguishing feature of non-capital or operating expenses are recurring costs for on-going functions of government, such as personnel, supplies and the like, which are not typically depreciated over time.

COMPONENTS OF A CAMP

A CAMP must have the following components or characteristics:

1. Addresses capital improvements over a period of at least six years.
2. Classifies projects according to urgency and need for realization.
3. Includes a timetable for implementation of projects.
4. Takes into account needs that are indicated in the ~~master plan~~ Comprehensive Plan or which are permitted under the local zoning ordinances and regulations
5. The estimated cost of each project
6. Probable operation and maintenance costs
7. Probable revenues from individual projects
8. Suggested funding sources

For large projects, the project will be broken into components such as land purchase, design/engineering services, and construction into appropriate years. The project will not front load the entire cost in the first year.

LIMITATIONS OF A CAMP

It is also important to understand the limitations of a capital asset management program (i.e., what it is not).

1. Neither the CAMP nor the process of developing it is a means to micro-manage the process of developing the budget. Preparation of annual budgets for the town is the responsibility of elected officials and professional administrators. The CAMP is a tool to aid these groups in evaluating and prioritizing items for inclusion in the budget for a given year.

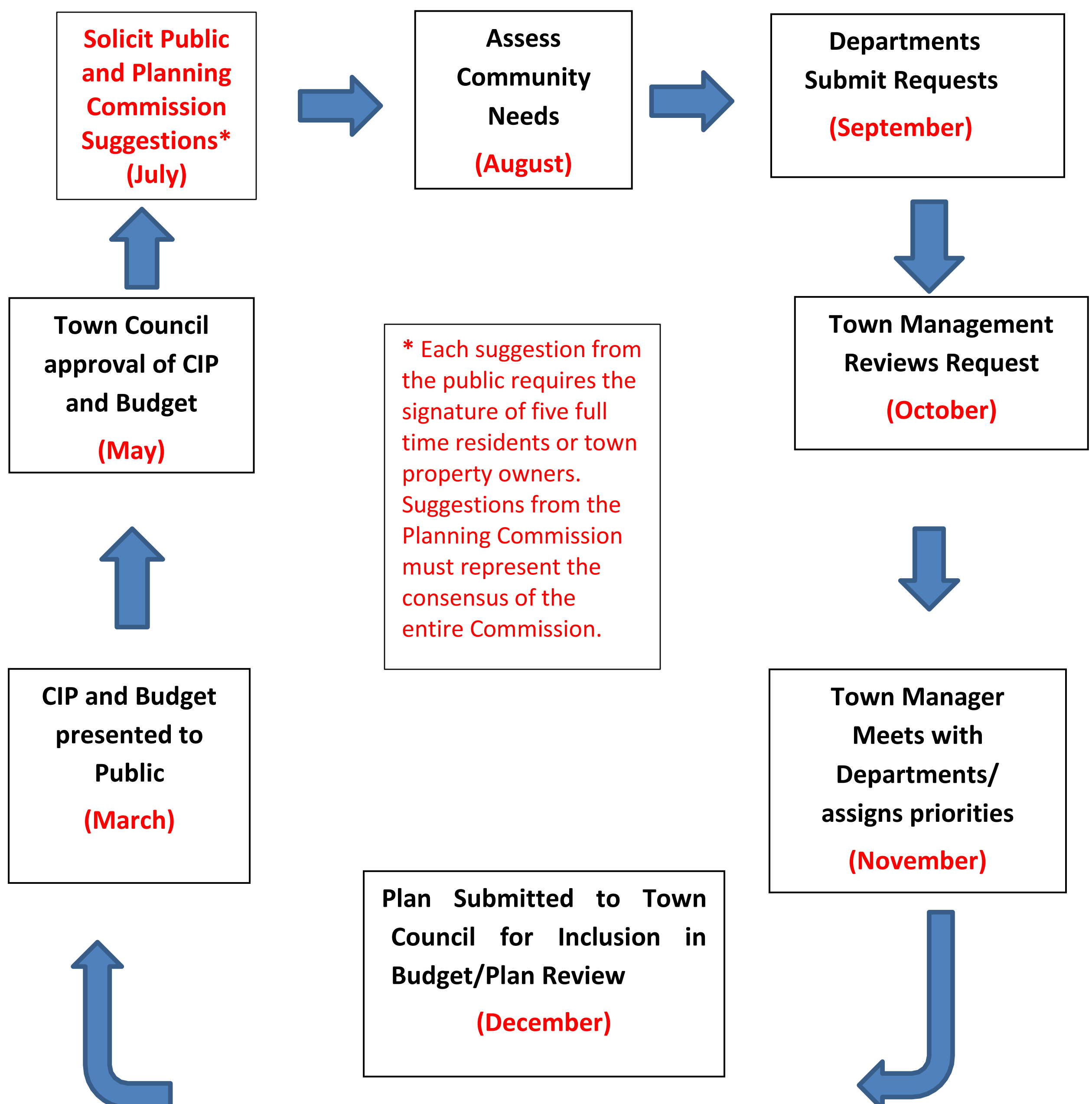
2. The CAMP is not a vehicle for the promotion of “wish list” projects that are either unnecessary or are unlikely to receive public funding or support within the time horizon of the plan.

3. Although a CAMP is intended to provide a framework to guide activity, it should not be rigid and inflexible. The CAMP process cannot anticipate unusual changes in growth, economic conditions, or political consideration. Similarly, the CAMP process must allow changes for emergencies, opportunities, or other unpredictable events.

4. Town Council’s approval of the CAMP does not authorize money for any of the projects in the program, but will provide the Town Manager direction to proceed with inclusion of first year CAMP items in the Town Manager’s recommended town budget

CAPITAL ASSET MANAGEMENT PROGRAM PROCESS

Capital project planning is an ongoing process. Each year the CAMP document is updated. The need or idea for capital improvements can originate from the Mayor, Council members, Boards, citizens, or Town staff. Ultimately, Departments are responsible for identifying, documenting, and justifying CAMP requests. Departments are also responsible for obtaining project cost estimates and identifying appropriate revenue sources for the project (the Finance Dept. shall assist in identifying costs and appropriate revenue sources). These items are compiled into this document and presented to the Town Council on an annual basis. The Town Manager, in conjunction with the Finance staff, shall be responsible for coordinating the CAMP process and submission of the CAMP to the Mayor and Town Council. Through the annual planning retreat, Town Council meetings and/or work session(s), the Council focuses on prioritizing the projects. Once the CAMP is approved, it outlines the Town's official ~~commitment~~ intent to fund~~ing~~ these expenditures in the appropriate budget year. During the annual budget process in the spring, the first-year projects are refined, and a financing plan is ~~put into place~~ recommended within the budget to fund those expenditures.



MAINTENANCE OF TOWN ASSETS

Capital assets include government facilities, infrastructure, major equipment and networks that enable the delivery of public sector services. The performance and continued use of these capital assets are essential to the health, safety, economic development and quality of life of those receiving services. Budgetary pressures often impede capital program investments or expenditures for maintenance and repair, making it increasingly difficult to sustain the asset in a condition necessary to provide expected service levels. Ultimately, deferring essential maintenance or asset replacement could reduce the organizations ability to provide services and could threaten public health, safety and overall quality of life. In addition, as the physical condition of the asset declines, deferring maintenance and/or replacement could increase long-term costs and liabilities. It is with this in mind that the Town staff includes planned maintenance projects that bear significant financial implications in the operating budget. This will allow management to better plan for the Town's future needs. While the CAMP is utilized to plan future capital projects, the need to properly maintain our existing aging assets remains.

VEHICLE REPLACEMENT

In addition to the other capital improvement projects included in the CAMP, there are other major types of vehicles and equipment which are a substantial financial investment and need to be handled in the most economic manner. Therefore, the Town chooses to incorporate these items into the CAMP. Vehicles and/or equipment are evaluated primarily based on age, mileage, operation & maintenance cost. There are, however, several additional factors which must be considered in determining these replacements: fuel costs, condition, safety, life of equipment, etc.

PRIORITIZATION SYSTEM MATRIX

The priority system includes a matrix shown below. This system was developed to assist in the setting of priorities for capital expenditures because not all requests can be funded in any given year due to budgetary constraints.

CRITERIA/PRIORITY	HIGH	MEDIUM	LOW
I	LEVEL A		
II		LEVEL B	
III			LEVEL C
IV			

The matrix contains a measure of priority on the horizontal axis and a determination of criteria category on the vertical axis.

PRIORITIES of the capital projects are measured as high, medium, or low as follows:

HIGH:	Project mandated by local, state, or federal regulations, or Project is a high priority of the Town Council*, or Project substantially reduces losses or increases revenues
MEDIUM:	Project maintains existing service levels, or Project results in better efficiency or service delivery of existing services, or Project reduces operational costs, or Project improves work force morale
LOW:	Project is not mandated, or Project improves service levels, or Project improves quality of life

* Projects designated as a High Council Priority must directly contribute to priorities already established in previously adopted formal actions

CRITERIA CATEGORIES

I. **Health/Safety/Welfare** - projects that protect the health, safety and welfare of the community and the employees serving it

II. **Maintenance/Replacement** - projects that provide for the maintenance of existing systems and equipment.

III. **Expansion of Existing Programs** - projects which enhance the existing systems and programs allowing for expansion of existing services

IV. **Expansion of New Programs** - projects that allow for expansion into new programs and services

LEVEL OF FUNDING: The grid is further divided into levels: Level A - highest consideration for funding, Level B - moderate consideration, Level C - least consideration for funding resources.

Note: Up to ten percent (10%) of the total annual capital budget (not to exceed $25,000) may be designated for general quality of life enhancements; projects competing for this funding are not subject to the evaluation criteria of this program. Such projects will be funded at the complete discretion of the Town Council as they deem appropriate.

IMPACT ON OPERATING BUDGET

Capital funding requires planning as careful and as deliberate as the planning that goes into the CAMP itself. It is important to note that as the plan is implemented, the Town should be aware of additional budgetary costs, if any, that may arise from the project such as future payments of debt service on general obligation bonds (i.e. interest payments), lease payments on certain capital improvements, and increased operating costs (for example, if a new facility requires more staffing). On the other hand, there could be savings that may result from decreased operating costs (for example, a new facility that requires less maintenance and less staffing).

PROJECT DETAIL SHEET

The Project Detail Sheet (Attachment A) is used to summarize the project that is requested for consideration. If the Town Manager ultimately recommends a project to the Town Council for consideration, this form is used for presenting information on the project to Council and the public.

Project Title: Brief title of the proposed project.

Project Status: Each project should have a status. ~~They are New, Continuing, In Progress or Previously Requested. The project is defined as "New" if it is the first year that the project is in the CAMP. The project is "In Progress" if it is currently programmed in the CAMP. The project is "Previously Requested" if it has been requested and approved in previous years but is not in progress or has not yet begun. This status is not a project that was previously submitted and denied. Continuing should only be used on projects that are continuing beyond the five years such as replacement funds.~~ Pending, In-Progress, Substantially Complete, or Finished.

Description and Justification: This information should include a brief description of the project including such things as the size of the facility (e.g., square feet) or infrastructure improvement (e.g., linear feet), the kind of vehicle to be purchased, the number of facilities to be improved, the names of the facilities to be improved, and the constituency to be served by the project. A brief justification of the project should also be included, including alternatives which were considered as applicable, explain the tie of the project to established Council Strategic Goals. The priority of the project will be identified using guidelines above.

Planned Financing of Project: The Source of Funds should be identified. The sum of Prior Allocation (expenditures), and Future Years must add to the Total Project Estimate.

TOWN MANAGER SUBMITTAL OF THE CAMP

By December 1st of each year, prior to the proposed budget submittal by March 1st, the Town Manager will submit an updated proposed CAMP to the Town Council for review and comments. The submittal will contain the following, as a minimum:

- Cover transmittal memorandum that includes a tabulation of next year's budgeted project titles grouped by Town Council Strategic Goals.
- Financial summary table of all capital projects that includes;
    - Project Title
    - Project Priority
    - Strategic Goal being addressed
    - Status of Project (New, Continuing, In Progress or Previously Requested)
    - Source of Funding by Town and amount
    - Source of Funding by other (e.g., grant) and amount
    - Prior Year Expenditures (cumulative through end of current budget year, actual expenditures plus estimated expenditures for remaining months in current budget year)

    - Next Budget Year Projected Expenditure (Year 1)
    - Each of the Years (2-6) and consolidated future years > 6 years Projected Expenditures
    - Total Capital Expenditure for the Project
    - Yearly Operating Expense as a result of the Capital Project once implemented
- Individual Project Detail Sheets (Attachment A)

TOWN COUNCIL APPROVAL OF THE CAMP

Once the Town Manager has delivered the proposed CAMP and the Town Council and public have reviewed the material submitted, the Town Council will ultimately adopt a final CAMP for that year. A resolution will be used for adoption, as depicted in Attachment B (sample resolution).

PERIODIC REVIEW OF CAPITAL PROJECT STATUS

Capital projects that have been authorized for the budget year will be reviewed by Town Council on a semi-annual basis. The Town Manager will prepare a document summarizing project status that will include, as a minimum;

- Expenditures
- Schedule adherence
- Issues that the Town Council needs to be aware of

Attachment A

Town of Cape Charles
Project Detail Sheet

DEPARTMENT		Criteria	Priority	LEVEL

PROJECT TITLE	

PROJECT DESCRIPTION:

JUSTIFICATION:

TOWN **COUNCIL STRATEGIC INITIATIVE:**

PROJECT ALTERNATIVES CONSIDERED	OPERATING IMPACT/OTHERCOMMENTS

PROJECT STATUS	

CAPITAL COST BREAKDOWN	Prior to July ____	Next fiscal year (Yr 1)	Year 2	Year 3	Year 4	Year 5	Year 6	Future Years (7+)
Planning & Engineering	$ -							
Equipment								
Construction								
Other								
Yearly Project Cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

FUNDING SOURCE(S)	Prior to July ____	Next fiscal year (Yr 1)	Year 2	Year 3	Year 4	Year 5	Year 6	Future Years (7+)
General Fund	$ -							
Yearly Funding Source	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Total Project Cost Estimate (Actuals + Forecast)	$

Attachment B

The Town of Cape Charles

Resolution of the Town Council to Amend and Adopt the Capital Asset Management Program as presented.

WHEREAS, a Capital Asset Management Program (CAMP) involves the scheduling of the cost of public equipment and infrastructure over several years,

WHEREAS, a well thought out and comprehensive CAMP serves as a valuable municipal tool designed to anticipate and meet the needs of the community, while at the same time scheduling the costs in a deliberate approach,

WHEREAS, on xx, xx, 2020, the first official Capital Asset Managment Plan was adopted by the Town Council,

WHEREAS, on xx, xx, xxxx, the Cape Charles Town Council conducted a public hearing to consider the Six Year Capital Asset Management Program for the years xxxx through xxxx;

WHEREAS, the Town Council has considered the input of the public and the recommendations of its staff and has determined it to be in the public interest to adopt the Six-Year CAMP for years xxxx through xxxx;

WHEREAS, the proposed updated CAMP represents municipal projects to be addressed over the next six year implementation period.

THEREFORE, BE IT RESOLVED that the Town Council of the Town of Cape Charles hereby amends and adopts the Town of Cape Charles' CAMP as presented.

Submitted by: XXX –Town Manager

Submitted: xx, xx, 20xx

[This is only a sample resolution]

General Fund

Project name	Priority	Category	Level	Town Cost	2021	2022	2023	2024	2025	2026
Municipal Building Renovation or Replacement	High	I	A	$ 985,000	$ 85,000	$ 900,000				
Storm Drain CCTV & Mapping, Phase 2	High	II	A	$ 30,000		$ 30,000				
Replace PW Butler Building	Medium	I	A	$ 120,000			$ 120,000			
Multi-Use Trail Phase 2 Closeout*	High	II	A	$ 20,000	$ 20,000					
Mason Ave Pull-in Parking	High	III	B	$ 20,000	$ 5,000	$ 15,000				
Multi-Use Trail Phase 3 Construction*	High	III	B	$ 670,000		$ 670,000				
Replace Zip Line & Gaga Ball Pit in Park*	Medium	II	B	$ 17,000		$ 17,000				
Beach Sand Mover/Blower	Medium	II	B	$ 10,300			$ 10,300			
Beach ADA Access Mats	High	III	B	$ 10,000			$ 10,000			
Park Gazebo Upgrades	Medium	II	B	$ 25,000		$ 25,000				
Tazewell Beach Access	Medium	II	B	$ 25,000			$ 25,000			
Town Trash Can Replacements	Medium	II	B	$ 25,000		$ 25,000				
Street Sweeper*	Medium	III	B	$ 150,000			$ 150,000			
Parking Lot Improvements	Low	III	C	$ 230,000				$ 10,000	$ 70,000	$ 150,000
Portable ADA Restroom*	Low	IV	C	$ 15,000				$ 15,000		
Adult Game Area in the Park*	Low	IV	C	$ 10,200			$ 10,200			
North Beach Restroom*	Low	IV	C	$ 40,000				$ 40,000		
Sidewalk Infill	Low	IV	C				$ 22,000	$ 20,000	$ 365,000	$ 175,000
Multi-Use Trail Phase 4*	Low	IV	C				$ 150,000	$ 900,000		
Multi-Use Trail Phase 5*	Low	IV	C						$ 80,000	$ 450,000
GF Total - 2020 dollars				$ 2,402,500	$ 110,000	$ 1,682,000	$ 497,500	$ 985,000	$ 515,000	$ 775,000
Inflation adjusted dollars (3%)					$ 110,000	$ 1,732,460	$ 527,350	$ 1,073,650	$ 576,800	$ 891,250
Harbor Fund				$ 332,000		$ 32,000		$ 210,000	$ 90,000	
Utilities Fund				$ 8,677,000	$ 55,000	$ 190,000	$ 672,000	$ 310,000	$ 2,050,000	$ 5,400,000
Sanitation Fund				$ 12,000					$ 12,000	
Grand Total - 2020 dollars				$ 11,423,500	$ 165,000	$ 1,904,000	$ 1,169,500	$ 1,505,000	$ 2,667,000	$ 6,175,000
Inflation adjusted dollars (3%)					$ 165,000	$ 1,961,120	$ 1,239,670	$ 1,518,545	$ 2,987,040	$ 7,101,250

*Partially Grant Funded

Utilities Fund

Project name	Priority	Category	Level	Town Cost	2021	2022	2023	2024	2025	2026
Water Tower Mixers	Medium	I	A	$ 55,000	$ 55,000					
WWTP Membrane Replacement	Medium	I	A	$ 500,000			$ 250,000	$ 250,000		
Washington Ave Pump Station Upgrade	Medium	II	B	$ 90,000		$ 90,000				
Remote Read Water Meters*	Medium	II	B	$ 60,000		$ 20,000	$ 20,000	$ 20,000		
WTP Emergency Bypass	Medium	II	B	$ 37,000			$ 37,000			
WTP Refurbishment	Medium	II	B	$ 80,000			$ 40,000	$ 40,000		
WTP Upgrade Analysis	Medium	III	B	$ 30,000		$ 30,000				
Connect Keck Wells to WTP	Low	III	C	$ 375,000		$ 50,000	$ 325,000			
Water/Sewer Extension - Old Cape Charles Road	Low	IV	C	$ 450,000					$ 50,000	$ 400,000
WTP Expansion	Low	IV	C	$ 2,000,000					$ 2,000,000	
WWTP Expansion	Low	IV	C	$ 5,000,000						$ 5,000,000

	Town Cost	2021	2022	2023	2024	2025	2026
2020 dollars	$ 8,677,000	$ 55,000	$ 190,000	$ 672,000	$ 310,000	$ 2,050,000	$ 5,400,000
Inflation adjusted dollars (3%)		$ 55,000	$ 195,700	$ 712,320	$ 337,900	$ 2,296,000	$ 6,210,000

*Partially Grant Funded

Harbor Fund

Project name	Priority	Category	Level	Town Cost	2021	2022	2023	2024	2025	2026
Inner Harbor Rehabilitation, Phase 4*	Medium	II	B	$ 22,000		$ 22,000				
Shade Sails	Low	III	C	$ 10,000		$ 10,000				
Inner Harbor Rehabilitation, Phase 5*	Low	IV	C	$ 210,000				$ 210,000		
Inner Harbor Rehabilitation, Phase 6*	Low	IV	C	$ 90,000					$ 90,000	

	Town Cost	2021	2022	2023	2024	2025	2026
2020 dollars	$ 332,000	$ -	$ 32,000	$ -	$ 210,000	$ 90,000	$ -
Inflation adjusted dollars (3%)		$ -	$ 32,960	$ -	$ 228,900	$ 100,800	$ -

*Partially Grant Funded

Sanitation Fund

Project name	Priority	Category	Level	Town Cost	2021	2022	2023	2024	2025	2026
Trash Can Replacements	Medium	II	B	$ 12,000					$ 12,000	

2020 dollars				$ 12,000	$ -	$ -	$ -	$ -	$ 12,000	$ -
Inflation adjusted dollars (3%)					$ -	$ -	$ -	$ -	$ 13,440	$ -

*Partially Grant Funded

Project Descriptions

Municipal Building Renovation or Replacement
The Municipal Building was built in 1931. It has been modified and improved over the years but still has many deficiencies: not ADA accessible, inefficient to heat and cool, structurally unsound (settling), water leaks, exhaust leaks from attached fire company building, inadequate space for staff, etc. In short, it is the poster child for deficient public buildings. A serious effort needs to be made to renovate the existing building, convert the unused third floor of the library building, or construct a new building.

Storm Drain CCTV & Mapping, Phase 2
Inflow and infiltration (I&I) of fresh water into the sanitary sewer system increases the volume of water being processed by the wastewater treatment plant, thereby reducing its effective capacity. From smoke testing already conducted, there are indications of cross connections between the storm water and sanitary sewer systems. This will complete video examination of the storm water system to identify problem areas.

Replace PW Butler Building
The old metal Butler Building is one of 3 indoor storage spaces for Public Works equipment, materials and personnel. It is an inadequate work space with insufficient storage and limited heating/cooling/internet capacity. It should be replaced with a larger, more modern structure, similar to the newer metal building, to provide more efficient storage and work space.

Multi-Use Trail Phase 2 Closeout
Phase 2 construction was substantially completed in 2017, but material documentation and other issues delayed final completion for more than a year resulting in substantial liquidated damages. Consequently, over $400K was withheld from final payment to the contractor. The contractor has filed a claim and a lawsuit. Negotiations to settle the claim and close out the contract have been occurring for quite some time. Settlement did not occur before the end of FY 2020. Therefore, funds must be budgeted in FY 2021.

Mason Ave Pull-in Parking
Restripes existing functional parking spaces on north side of Mason Avenue in central business district from back-in angle to head-in angle. Conforming with the necessary VDOT regulations has proved difficult. Will require additional engineering analysis and VDOT coordination.

Multi-Use Trail Phase 3 Construction
Improvements to Peach Street between Mason and Randolph Avenues, including: wide sidewalks and parallel parking spaces on each side, diagonal parking median, pedestrian lighting, ADA accessibility ramps, landscaping, etc. Construction bids in FY 2020 came in substantially higher than Estimate of Probable Cost. Plans are being reexamined and revised to remove certain elements to reduce cost. Construction can be re-bid with revised scope in first quarter of FY 2021. However, project currently deferred to FY 2022 due to COVID 19. Could be advanced to FY 2021 if revenue projections improve.

Project Descriptions

Replace Zip Line & Gaga Ball Pit in Park Playground
Installation of a new zip line to replace the broken and unsafe one removed by the Town about a year ago - $14,000 with installation. Installation of a gaga ball pit to replace the broken and unsafe tractor tire swing removed about a year ago - $3,000. CCP has offered to fund and install the gaga pit.
Beach Sand Mover/Blower
Equipment to remove beach sand deposited by strong winds on Bay Avenue boardwalk, walkway to fishing pier, and the only ADA accessibility ramp. Would significantly improve PW efficiency.
Beach ADA Access Mats
Access to the beach from the boardwalk for mobility impaired persons is very difficult. Various types of matting are available to provide smooth surface paths to allow better access.
Gazebo Upgrades
The Gazebo in Central Park generates substantial maintenance and repair costs due to some original design flaws. The balustrade should be replaced with a sturdier design that will better survive abuse in a public venue, particularly by soccer balls and skateboards. The electrical system is direct bury wire which is susceptible to shorting out. This should be replaced with wire in conduit to improve reliability.
Tazewell Beach Access
There are two beach access walkways and observation decks, one at Randolph and one at Tazewell. The one at Randolph has been substantially destroyed by sand build-up and removal, and should be abandoned per the recommendations of the Wetlands & Coastal Dune Board report. The one at Tazewell is in better condition and is subject to less sand build-up. This could be retained and rebuilt to provide a safe and pleasant observation area for residents and guests.
Town Trash Can Replacement
The 32 existing blue metal trash cans are in poor shape and need to be replaced. It is proposed to replace them with the newer style trash cans that are in Central Park and Strawberry Street Plaza. This will provide a consistent look throughout the Town. There is an annual litter grant that is available, but that will cover the cost of only 2.
Street Sweeper
While VDOT is responsible for streets in CC, they are only authorized to bring their street sweeper to town twice per year. Debris in the gutters around town look bad and generate many complaints. Manual cleaning takes the full crew and more time than we can usually spare. Getting our own sweeper would enable us to maintain the streets to a much higher standard throughout the entire season.

Project Descriptions

Parking Lot Improvements
Some members of the business community have advocated for paving and lighting the leased parking lot to the south of Mason Avenue. Paving would need to be engineered to provide storm water management features required by DEQ. Likely that parking capacity would be reduced. Lighting would be less problematic and could be installed independent of paving. It would not be prudent to execute either project until development plans for the railroad property are firmed up.
Portable ADA Restroom Trailer
Relocatable public restroom facility. Can be located in central business district where property is scarce to build a restroom or at north end of the beach. Will generate additional operating expenses: supplies, pump & haul of sewage, cleaning, etc.
Adult Game Area in Park
Installation of a bocce court, cornhole boards and additional shade trees in the southeast corner of the park. CCP has offered to fund 50%.
North Beach Restroom
Construction of public restroom facility at north end of the beach. Public land is available and ADA access can be provided from the concrete boardwalk. Water and sewer line connections are nearby. Nearest public restroom is at south end of the beach, about a half mile away. Will generate additional operating expenses: supplies, cleaning, etc.
Sidewalk Infill
The Ad Hoc Sidewalk Committee, established by the Mayor, provided a report to Council at the March 5, 2020 Special Meeting concerning missing sidewalks in the Historic District. The report recommended a phased approach and provided cost estimates for installing sidewalks where none now exist.
Multi-Use Trail Phase 4
Improvements along the Bay Avenue boardwalk, including: two additional ADA accessibility ramps, improved access steps, pedestrian lighting & removal of highway style lights, crosswalks, plaza & shade structure at south end, etc. Will connect to Phase 2 along Washington Avenue and eventually to the Ferry Dock developer's planned trail across the property. Design and engineering by VDOT planned to commence in FY 2021. However, project currently deferred to FY 2022 due to COVID 19. Could be advanced to FY 2021 if revenue projections improve.
Multi-Use Trail Phase 5
Several additional phases beyond Phase 4 remain in the approved Master Plan. Council has not yet decided which should be designated as Phase 5. Except for Fig Street, the remaining potential phases will likely be impacted by future private development which will complicate planning and funding. It is therefore logical to designate Fig Street as Phase 5. Completion of the Fig Street segment would provide a perimeter route around most of the historic district.

Project Descriptions

Water Tower Mixers
Our iconic water tower is something to be proud of, but due to its dark color it creates a water quality issue. THM's (a byproduct of our disinfection) increase with temperature. The black tower heats the water most of the year. We have had problems getting close to the maximum allowable THM's. Installing mixers (water agitators) in the tank would help reduce the THM levels.

Replacement of Filtration Membranes
The wastewater treatment plant put into service in 2012 is a Membrane Bio Reactor. The ultrafiltration membranes reliably produce the water quality needed for beneficial reuse once the waste load allocation limit of 250K gpd is exceeded. The predicted life span for the membranes was 10 years, but they may last longer since the plant operates at about 60% of capacity. While not strictly a capital improvement, they are a significant and costly component of the WWTP. In recognition of this, a periodic recapitalization factor was included in the cost estimates upon which the connection charges are based. Therefore, the connection charge reserve is available as a funding source.

Washington Ave. Pump Station Upgrade
The Washington Avenue wastewater pump station is almost 40 years old. Components are failing more often and replacements are becoming more difficult to find. The Mason Avenue, Pine Street and Plum Street pump stations have all been upgraded in recent years. The last of the gravity system pump stations needs to be done to ensure reliability, particularly as additional homes are built in the collection area. This can be phased over two years, with installation of 3 phase electric service in the first year, and new pumps, controls, alarm, etc. in the second year.

Remote Read Water Meters
Install remote read water meters to replace the labor intensive monthly manual reading process. Frees labor for other tasks. The FY 2021 project (already funded) includes the non-recurring cost of software and system set up, as well as 50 new meters and 100 retrofit kits for meters still in good shape. This will leave a balance of 1,050, about 350 new and 700 retrofits, spread over FY 2022-2024.

WTP Emergency Bypass
Currently, if there was ever a major malfunction or catastrophic failure of the water treatment plant or tower, the town would be without water for a long time until repairs could be completed. There are vendors who can come in with mobile treatment and storage equipment who could temporarily restore water to the town until our systems were once again operational. To accommodate such vendors, new hydrants and values must be installed to isolate the systems. This project would install the needed equipment to allow emergency restoration of service, or to allow service to continue during major renovations or maintenance of the plant.

WTP Refurbishment
The WTP is aging and requires periodic upgrades/replacement of values, actuators, media, etc.

Project Descriptions

WTP Upgrade Analysis
Water capacity issues are becoming a concern as usage continues to increase. There could be multiple options to increase capacity. Connecting the Keck wells have been discussed as one option. But plant upgrades should also be considered. Staff is not qualified to determine the best course of action, therefore a professional analysis of the options, to include preliminary costs estimates would be prudent before moving in any particular direction. This project would provide the needed analysis.

Connect Keck Wells to Water Treatment Plant (WTP)
The WTP has a capacity to treat about 500K gallons per day (gpd), but is limited to 360K gpd by existing raw water sources. Treatment capacity is adequate much of the time. However, production volume peaks at about 300K gpd during the July 4 holiday period. Peak volumes will continue to increase as the town grows. Connecting the two Keck Wells could maximize treatment capacity. An alternative is to connect Tower Well 2, but more advanced treatment, such as reverse osmosis, may be needed due to lower water quality. This has not been studied. A Preliminary Engineering Report has been done for connecting the Keck Wells.

Extension of Water Service, Old Cape Charles Road
Install water supply service to R-3 zoned property on Old Cape Charles Road. Planned route is from the water main at Creekside Lane. FY 2022 reflects fee proposal from Hurt & Proffit for engineering and preparation of a construction bidding package. Construction estimate in FY 2023 is a guess at this time. Increases customer base with a beneficial affect on customer fees. Improves circulation through existing distribution system in Bay Creek, thereby improving water quality to customers. Deferred from FY 2021 due to COVID 19. Could be accelerated if funding is available.

Extension of Wastewater Service, Old Cape Charles Road
Installation of wastewater force main along Old Cape Charles Road to R-3 zoned property and possibly to the Town eastern boundary. This is a segment of the ESVPSA's Southern Node project. Hurt & Proffitt has updated the plans, prepared a construction bid package, and an estimate of probable cost. Would allow more efficient development of the R-3 parcel and the contiguous Town parcel without the need for septic systems. Increases customer base for the treatment with a beneficial affect on customer fees. Deferred from FY 2021 due to COVID 19. Construction could be accelerated to FY 2021.

Expansion of Wastewater Treatment Plant (WWTP)
The WWTP has a capacity of 250K gpd, but was built to be readily expandable. Treatment flow in 2019 averaged 160K gpd. Depending on the pace of growth (railroad property, Bay Creek, Ferry Dock, etc.), expansion may be needed within the planning period. The waste load allocation allows for discharge of only 250K gpd into the bay. Expansion requires reuse of the effluent (e.g., golf course irrigation), or disposal by other approved methods (rapid infiltration basins or deep well injection). Increasing plant capacity to 375K gpd is relatively easy, but reuse or subsurface disposal will be needed. The estimate is a guess. Design and engineering will be needed.

Project Descriptions

Expansion of Water Treatment Plant (WTP)
Placeholder in the event a professional analysis determines plant expansion is the most effective means to address pending water capacity issues.
Inner Harbor Rehabilitation, Phase 4
Phases 1 - 3 of the Inner Harbor Rehabilitation accomplished in FY 2020 on north and east sides of the basin. Includes: replacing the deteriorated wood walkway with concrete sidewalks, new dockside electric and water service, lamp posts for area lighting, and benches. Phase 4 will address the last section on the south side of the basin. These areas are utilized predominantly for commercial seafood operations. Project planned for FY 2021 but deferred due to COVID 19. Aid to Local Ports (ALP) grant awarded. Will need to request grant carryover if project is not advanced to FY 2021. Savings from Phases 1-3 are available for reappropriation for grant match.
Harbor Shade Sails
Install shade sails over the picnic table area in front of the bath house. Provides shelter from the summer sun. Results in a more appealing venue for boat clubs to utilize for meals, parties, etc. Improves marketability of marina for transient boaters. Might be able to advance project to FY 2021 using savings from Inner Harbor Rehabilitation, Phases 1-3.
Inner Harbor Rehabilitation, Phase 5
Install a floating dock and floating finger piers on the south side of the existing fixed pier. Provides additional, more desirable, slips in the inner harbor for smaller vessels and frees up slips at the existing floating docks for larger vessels. This would result in an enhanced revenue stream from slip rentals. Harbormaster is developing the business case to demonstrate the payback period for the investment. Assumes obtaining VPA ALP grant for 50% of the cost.
Inner Harbor Rehabilitation, Phase 6
Install six boat lifts on north side of the existing fixed pier. Provides more desirable out of water storage. This would result in an enhanced revenue stream from slip rentals. Harbormaster is developing the business case to demonstrate the payback period for the investment. Assumes obtaining VPA ALP grant for 50% of the cost.
Resident/Business Trash Can Replacements
Routine periodic replacement of trash cans by residents and businesses as part of their fee for service.

PRIORITIES

HIGH: Project mandated by local, state, or federal regulations, or
Project is a high priority of the Town Council*, or
Project substantially reduces losses or increases revenues

MEDIUM: Project maintains existing service levels, or
Project results in better efficiency or service delivery of existing services, or
Project reduces operational costs, or Project improves work force morale

LOW: Project is not mandated, or Project improves service levels, or Project improves quality of life

* Projects designated as a High Council Priority must directly contribute to priorities already established in previously adopted formal actions

CRITERIA CATEGORIES

I. **Health/Safety/Welfare** - projects that protect the health, safety and welfare of the community and the employees serving it.

II. **Maintenance/Replacement** - projects that provide for the maintenance of existing systems and equipment.

III. **Expansion of Existing Programs** - projects which enhance the existing systems and programs allowing for expansion of existing services.

IV. **Expansion of New Programs** - projects that allow for expansion into new programs and services.

LEVEL

CRITERIA/PRIORITY	HIGH	MEDIUM	LOW
I	LEVEL A		
II		LEVEL B	
III			
IV			LEVEL C