TOWN COUNCIL

Public Hearing & Special Meeting

February 1, 2024
Cape Charles Civic Center
6:00 PM

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

2. Moment of Silence and Pledge of Allegiance

3. Public Hearing
   A. Proposed FY 2024 Budget Amendment

4. Public Comments (3 minutes per speaker for topics not subject to this evening's public hearing)

5. Order of Business:
   *A. Proposed FY 2024 Budget Amendment

   *B. Appointment to the Planning Commission

   C. Review of 2023 Community Strategic Planning Citizen Survey Results

6. Town Manager Comments

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

8. Adjournment

NOTICE OF PUBLIC HEARING
MUNICIPAL CORPORATION OF CAPE CHARLES
FISCAL YEAR 2024 PROPOSED BUDGET AMENDMENT

Pursuant to the Code of Virginia Section 15.2-2507, the Municipal Corporation of Cape Charles Town Council will hear public comments on the following proposed amendments to its Fiscal Year 2024 Town Budget on February 1, 2024, at 6:00 pm, at the Cape Charles Civic Center, 500 Tazewell Avenue, to receive verbal and written comments on all proposed disbursements. Written comments can be submitted prior to the hearing via email to clerk@capecharles.org, or placed in the external drop box at Town Hall. The proposed budget amendment will be discussed and brought to a vote during the regular meeting immediately following the public hearing. Budget amendment details may be viewed on the Town's website, www.capecharles.org, under Agendas and Minutes/Town Council.

Request for budget appropriation increase for FY 2024 in the following amounts:		
Fund	Revenue	Expenditures
General	$ 309,972.26	$ 309,972.26
Capital	$ (223,677.00)	$(223,677.00)
Utilities	$ 4,200.00	$ 4,200.00
Harbor	$ (60,443.01)	$ (60,443.01)
	$ 30,052.25	$ 30,052.25

MID-YEAR BUDGET AMENDMENTS TO FEE SCHEDULE

The following amendments to the town fee schedule, originally adopted as part of the FY24 budget, are proposed:

1) The Town of Cape Charles Harbor uses a third-party processor to process credit card payments. A surcharge credit card fee or service fee not to exceed one and a half percent of the total amount being paid will apply to all **American Express, Discover, Visa and MasterCard credit card transactions** processed by Cape Charles Marine Services at the town harbor. This is a portion of the third-party service fee and does not represent revenue to the Town of Cape Charles.

2) Waiver of fees for nonprofit organizations, limited to $750 per project application — Effective beginning November 1, 2023, any nonprofit organization exempt from taxation under Internal Revenue Code Section 501 will be exempt from fees listed in "Town of Cape Charles – Building, Planning & Zoning Fee Schedule," up to the amount of $750 per project application. Waivers in excess of this amount may be granted, upon petition, at the discretion of Town Council.

Ad submitted to Eastern Shore Post – 01/05/2024
Ad to run 01/19/2024

<table>
<tr><td rowspan="4">TOWN OF
CAPE CHARLES</td><td colspan="2">AGENDA TITLE: Proposed Mid-Year FY 2024 Budget Amendment</td><td>AGENDA DATE:
February 1, 2024</td></tr>
<tr><td colspan="2">SUBJECT/PROPOSAL/REQUEST: Amend FY 2024 budget and reallocation of funding for the remainder of FY 2024</td><td>ITEM NUMBER:
5A</td></tr>
<tr><td colspan="2">ATTACHMENTS: Attachments A and B</td><td>FOR COUNCIL:
Action (X)
Information ( )</td></tr>
<tr><td>STAFF CONTACT (s):
Libby Hume</td><td colspan="2">REVIEWED BY:
John Hozey, Town Manager</td></tr>
</table>

BACKGROUND:

All revenue and expenditure accounts have been analyzed and the year-end totals estimated. This analysis provides opportunities to fund needs that have become evident. A Town Council work session was held on January 4, 2024 to review all proposed adjustments.

DISCUSSION:

As required, an advertisement for a public hearing on February 1, 2024 was placed in the local paper for the requested budget amendment, listing the new appropriations that are requested. Attachment A is the ad that was posted. Attachment B is a summary and detailed listing of each account. Notable increases over the current approved budget are as follows:

General Fund Revenue:
- 2023 Real Property Tax
- BPOL – Business Licenses
- Meals Tax
- Sale of Town Real Property

General Fund Expenditures:
- Professional services associated with the Beachfront Master Planning
- Auditor & Accounting Services for special audit after utility sale
- Purchase of additional police vehicle (offset by USDA RD grant/loan proceeds)
- Police equipment, travel, lodging to send two new police officers to the academy

Capital Projects Fund:
- Decrease in revenue & expenditures due to error in original adopted budget

Utilities Fund:
- Slight increase in revenue & expenditures

Harbor Fund:
- Decrease in revenue due to reduction in harbor traffic
- Expenditures adjusted for reduced revenue

Mid-year amendments to fee schedule:
- Third-party credit card processor fees for Cape Charles Harbor
- Building, Planning & Zoning fee waivers for nonprofit organizations up to $750 per project application

RECOMMENDATION:

Staff recommends Council examination of the attached funding requests, and a vote to reallocate the funds as listed for the remainder of FY 2024.

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FY 24 Mid-Year Budget Adjustment

	Budget	YTD as of 11/30	Projected	Change	Notes
GF Revenue					
100-3010-2019 Real Property Tax 2019	$ 2,000.00	$ -	$ -	$ (2,000.00)	
100-3010-2020 Real Property Tax 2020	$ 2,000.00	$ -	$ -	$ (2,000.00)	
100-3010-2021 Real Property Tax 2021	$ 6,500.00	$ 956.23	$ 1,000.00	$ (5,500.00)	
100-3010-2022 Real Property Tax 2022	$ 20,000.00	$ 8,485.57	$ 8,485.57	$ (11,514.43)	
100-3010-2023 Real Property Tax 2023	$ 1,605,700.00	$ 1,203,424.84	$ 1,690,167.00	$ 84,467.00	Total tax levy multiplied by historic collections rate of 98%
100-3020-2018 Personal Property Tax 2018	$ -	$ 71.49	$ 71.49	$ 71.49	
100-3020-2019 Personal Property Tax 2019	$ 2,000.00	$ 0.45	$ 0.45	$ (1,999.55)	
100-3020-2020 Personal Property Tax 2020	$ 3,000.00	$ 206.00	$ 206.00	$ (2,794.00)	
100-3020-2021 Personal Property Tax 2021	$ 4,000.00	$ 569.99	$ 569.99	$ (3,430.01)	
100-3020-2022 Personal Property Tax 2022	$ 45,000.00	$ 19,776.37	$ 19,000.00	$ (26,000.00)	
100-3020-2023 Personal Property Tax 2023	$ 96,800.00	$ 52,513.33	$ 92,787.00	$ (4,013.00)	
100-3025-2018 License Tax 2018	$ -	$ 31.00	$ 31.00	$ 31.00	
100-3025-2020 License Tax 2020	$ 1,000.00	$ -	$ -	$ (1,000.00)	
100-3025-2021 LIcense Tax 2021	$ 1,550.00	$ 62.00	$ 31.00	$ (1,519.00)	
100-3025-2022 License Tax 2022	$ 6,000.00	$ 5,259.82	$ 5,259.82	$ (740.18)	
100-3035-2023 Machinery & Tools Taxes 2023	$ 25,000.00	$ -	$ 23,299.00	$ (1,701.00)	
100-3050-1000 Golf Cart Decals	$ 20,150.00	$ 3,466.83	$ 39,519.43	$ 19,369.43	Based on YTD increase over prior YTD
100-3050-1100 Consumer Utility Taxes - Elec & Gas	$ 61,581.00	$ 26,922.51	$ 49,221.39	$ (12,359.61)	
100-3050-1200 Communications Tax - Phone	$ 31,000.00	$ 12,884.69	$ 30,299.92	$ (700.08)	
100-3050-1300 BPOL - ALL	$ 295,000.00	$ 20,228.06	$ 412,082.10	$ 117,082.10	Estimate based on arrears payment
100-3050-1400 Admission Taxes	$ 22,000.00	$ 15,009.10	$ 27,985.17	$ 5,985.01	
100-3050-1500 Transient Occupancy Tax	$ 680,000.00	$ 398,151.01	$ 638,112.76	$ (41,887.24)	
100-3050-1600 Meals Tax	$ 775,000.00	$ 487,227.84	$ 824,069.94	$ 49,069.94	Estimate based on arrears payment
100-3050-1650 Meals Tax .5% for Capital Projects	$ 77,500.00	$ 49,377.95	$ 82,407.00	$ 4,907.00	
100-3050-1700 Short Term Rental Tax	$ 16,000.00	$ 9,340.42	$ 17,712.44	$ 1,712.44	
100-3050-1750 County Cigarette Tax Sharing	$ 30,000.00	$ 9,925.27	$ 24,527.31	$ (5,472.69)	
100-3050-1800 Rolling Stock & Misc Taxes	$ 175.00	$ 240.94	$ 240.94	$ 65.94	
100-3100-1260 Elevator Permits	$ 1,000.00	$ 1,298.80	$ 1,298.80	$ 298.80	
100-3100-1350 Occupancy Permits, Temporary	$ 2,000.00	$ 8,000.00	$ 8,000.00	$ 6,000.00	
100-3100-1410 Shallow Well Permits	$ 1,000.00	$ 1,900.00	$ 1,900.00	$ 900.00	
100-3100-1560 Fire Permit	$ -	$ 473.03	$ 473.03	$ 473.03	
100-3100-1570 Sign Permit P/Z	$ 200.00	$ 300.00	$ 300.00	$ 100.00	
100-3200-1600 Court Fines and Forfeitures	$ 59,397.00	$ 39,244.11	$ 68,594.82	$ 9,197.82	
100-3300-1750 Dividends & Interest on Investments	$ 38,473.00	$ 59,664.93	$ 59,664.93	$ 21,191.93	
100-3500-2000 Sale of Town Real Property	$ 560,000.00	$ 300,010.00	$ 610,010.00	$ 50,010.00	Monroe Ave. lot sold for more than expecteed but current projection includes sale of library which may be delayed
100-3600-4000 Insurance Proceeds, Refund or Misc Rebate	$ -	$ 5,785.11	$ 5,785.11	$ 5,785.11	Police chase/accident in park
100-3700-2200 Grant Gen Fund - USDA RD	$ 14,875.00	$ 26,000.00	$ 26,000.00	$ 11,125.00	One USDA funded police vehicle budgeted in FY23 was delayed into FY24
100-3750-3000 Local SALES & USE Taxes	$ 80,000.00	$ 46,640.00	$ 100,000.00	$ 20,000.00	Based on historical comparison, adjusted for outlier
100-3800-5000 Grant - Litter Prevention Grant (DEQ)	$ 1,650.00	$ 2,085.00	$ 2,085.00	$ 435.00	
100-3800-8000 Grant - Library Program Other	$ -	$ 900.00	$ 900.00	$ 900.00	
100-3850-2000 Grant Other - Northampton County	$ 12,500.00	$ -	$ 16,750.00	$ 4,250.00	$4,250 for Dock Dogs
100-3950-2100 Loan Proceeds USDA Rural Devlpmnt	$ 27,625.00	$ 48,800.00	$ 48,800.00	$ 21,175.00	One USDA funded police vehicle budgeted in FY23 was delayed into FY24
General Fund Revenue Total				**$ 309,972.26**	

	Budget	YTD as of 11/30	Projected	Change	
GF Expenses					
Town Manager					
100-4121-3410 Professional Services	$ 75,000.00	$ -	$ 35,000.00	$ (40,000.00)	
100-4121-3420 Consulting Svcs Gen Fund	$ -	$ -	$ 100,000.00	$ 100,000.00	Beachfront Master Planning
100-4121-5000 Tax Refund - Prior Year, (RE, PP, BPOL, MISC)	$ 1,800.00	$ 2,194.22	$ 2,194.22	$ 394.22	
100-4121-5090 Lease, Right of Way	$ 3,750.00	$ 6,326.35	$ 6,326.35	$ 2,576.35	
100-4121-6100 Program & Event Supplies	$ 35,000.00	$ 29,509.61	$ 36,996.00	$ 1,996.00	
100-4121-6125 Event Departmental Equipment	$ 5,000.00	$ 7,253.68	$ 7,253.68	$ 2,253.68	
100-4121-8110 Transfer to Gen Capital Proj Fund - Min 6%	$ 268,330.00	$ -	$ 339,746.00	$ 71,416.00	
100-4121-8111 Transfer .5% Meals tax to Cap Proj Fund	$ 77,500.00	$ 49,377.95	$ 82,407.00	$ 4,907.00	
100-4121-8510 Transfer to Harbor Fund	$ 333,000.00	$ -	$ 417,164.00	$ 84,164.00	
Town Manager Total				**$ 227,707.25**	
Finance					
100-4124-1200 PT Salaries & Wages Finance	$ 9,450.00	$ 9,988.71	$ 20,000.00	$ 10,550.00	More hours than budgeted for Debbie & Libby L.
100-4124-3700 Auditor & Accountant Services	$ 32,000.00	$ -	$ 45,000.00	$ 13,000.00	Single Audit required if >$750,000 of federal funds expended & RFC to handle utility sale
Finance Total				**$ 23,550.00**	
Police					
100-4310-1100 Regular Salaries & Wages OT Police	$ 7,000.00	$ 6,034.50	$ 10,000.00	$ 3,000.00	Many court hours
100-4310-5205 Travel-Mileage, Parking & Tolls - Pol. Acad	$ -	$ -	$ 1,800.00	$ 1,800.00	Tolls to police academy for 2 new officers
100-4310-5210 Travel-Lodging & Meals	$ 1,000.00	$ -	$ 3,700.00	$ 2,700.00	Meals while travelling to police academy for 2 new officers
100-4310-6200 Vehicle & Powered Equip. Supplies & Svcs	$ 12,000.00	$ 8,807.14	$ 16,000.00	$ 4,000.00	Older vehicle needed new water pump
100-4310-6225 Repair & Maintenance Supplies Police	$ 1,500.00	$ 3,221.53	$ 7,285.11	$ 5,785.11	Police chase/accident in park, offset by insurance proceeds
100-4310-7070 Vehicles & Equipment	$ 86,000.00	$ 52,751.16	$ 118,300.00	$ 32,300.00	One police vehicle budgeted in FY23 and offset by USDA grant/loan revenue
Police Total				**$ 49,585.11**	
Code Enforcement					
100-4340-6150 Computer, Software & Electronics <$10K	$ 1,400.00	$ 2,057.40	$ 2,057.40	$ 657.40	One computer from FY23 budget purchased in FY24
Code Enforcement Total				**$ 657.40**	
Public Works					
100-4430-1100 Regular Salaries & Wages OT Pub Works	$ 20,000.00	$ 13,032.42	$ 25,000.00	$ 5,000.00	Unusually busy season
100-4430-4070 Grant Exp - VML Risk Mngmnt Grant Exp	$ -	$ 3,472.50	$ 3,472.50	$ 3,472.50	Not originally budgeted for
Public Works Total				**$ 8,472.50**	
General Fund Expenses Total				**$ 309,972.26**	
General Fund Revenue Less Expenditures				**$ -**	
Capital Fund Revenue					
110-3950-2000 Transfer from Gen Fund for Capital 6%	$ 268,330.00	$ -	$ 339,746.00	$ 71,416.00	
110-3950-2050 Transfer from Gen Fund Meals Tax .5%	$ 77,500.00	$ 49,377.95	$ 82,407.00	$ 4,907.00	
110-3950-8130 Transfer from Special Activities Fund	$ 479,850.00	$ -	$ 179,850.00	$ (300,000.00)	Fixing clerical error in original adopted budget
Capital Fund Revenue Revenue Total				**$ (223,677.00)**	
Capital Fund Expenses					
110-4121-8100 Transfer to Fund Balance	$ 480,150.00	$ -	$ 130,941.00	$ (349,209.00)	
110-4430-7050 Infrastructure-Streets & Walkways	$ 929,922.00	$ 49,998.31	$ 1,055,454.00	$ 125,532.00	For Community Trail, Phase 3 including lighting
Capital Fund Expenses Total				**$ (223,677.00)**	
Capital Fund Revenue Less Expenditures				**$ -**	

	Budget	YTD as of 11/30	Projected	Change	
Utility Fund Revenue					
501-3300-2000 Dividends & Int. on Investments - Util	$ 60,000.00	$ 65,720.80	$ 65,721.00	$ 5,721.00	Based on YTD historical comparison
501-3500-1501 Water Sales	$ 665,000.00	$ 293,180.91	$ 685,000.00	$ 20,000.00	Based on YTD historical comparison
501-3500-1502 Sewer Charges	$ 1,180,000.00	$ 524,862.95	$ 1,200,000.00	$ 20,000.00	Based on YTD historical comparison
501-3500-3501 Penalties & Interest - Water Charges	$ 8,400.00	$ 3,987.82	$ 8,700.00	$ 300.00	Based on YTD historical comparison
501-3500-3502 Penalties & Interest Wastewater Charges	$ 15,400.00	$ 7,325.44	$ 15,500.00	$ 100.00	Based on YTD historical comparison
501-3900-6000 Appropriation from Fund Balance	$ 1,615,000.00	$ -	$ 1,573,079.00	$ (41,921.00)	
Utility Fund Revenue Total				**$ 4,200.00**	
Utility Fund Expenses					
501-4502-6175 Vehicles & Powered Equipment Fuel	$ 6,800.00	$ 8,966.91	$ 11,000.00	$ 4,200.00	Had to run a diesel bypass pump due to problem at Mason Ave. pump station
Utility Fund Expenses Total				**$ 4,200.00**	
Utility Fund Revenue Less Expenses				**$ -**	
Harbor Fund Revenue					
510-3150-1000 Harbor Fuel Sales	$ 554,666.00	$ 253,465.36	$ 420,926.88	$ (133,739.12)	General reduction in harbor traffic since COVID peak per Nicole
510-3150-2000 Dockage Fees	$ 406,559.00	$ 194,228.00	$ 400,939.43	$ (5,619.57)	General reduction in harbor traffic since COVID peak per Nicole
510-3150-2100 Harbor Electric and Water	$ 31,000.00	$ 12,640.00	$ 25,751.68	$ (5,248.32)	General reduction in harbor traffic since COVID peak per Nicole
510-3950-2110 Transfer from General Fund	$ 333,000.00	$ -	$ 417,164.00	$ 84,164.00	
Harbor Fund Revenue Total				**$ (60,443.01)**	
Harbor Fund Expenses					
510-4713-3415 Management Services Exp - CC Marine Services	$ 315,000.00	$ 115,585.21	$ 284,955.00	$ (30,045.00)	Adjusted to account for reduced fuel sales
510-4713-6225 Repair & Maintenance Supplies Harbor	$ 123,290.86	$ 6,470.75	$ 61,645.15	$ (61,645.71)	CCMS is not staffed to undertake repairs to the extent budgeted
510-4713-6400 COGS - Fuel for Resale	$ 443,284.00	$ 212,235.99	$ 336,292.70	$ (106,991.30)	Adjusted to account for reduced fuel sales
510-4713-7085 Infrastructure - Docks & Misc CAP BDGT	$ 499,000.00	$ 22,737.50	$ 656,998.00	$ 157,998.00	Breakwater repair & upgrade, includes $24k incentive unlikely to be owed
510-4713-6900 Contingency Fund Expense Harb Fund	$ 95,687.00	$ -	$ 50,000.00	$ (45,687.00)	
New Expense Line Item - Credit Card Fees	$ -	$ -	$ 8,750.00	$ 8,750.00	Town's half of CC fees for 1/2 of FY24 under new harbor K
New Expense Line Item - Legal Fees	$ -	$ -	$ 17,178.00	$ 17,178.00	Underhill eviction
Harbor Fund Expenses Total				**$ (60,443.01)**	
Harbor Fund Revenue Less Expenditures				**$ -**	

Budget Adjustment Summary

To cover projected expenditures, the Capital Fund will need an additional $125,532. In addition, a structural error in the Capital Budget needs to be corrected. Both of these needs can be covered by reducing the transfer to fund balance that was built into the original capital budget. The Harbor Fund will need an increased transfer from the General Fund in the amount of $84,164 to cover its net decrease in revenue over expenditures. General Fund revenue minus expenditures are projected to be $84,164 greater than the amount budgeted, enough to cover the harbor's needs without an additional appropriation from General Fund balance. Note that the Harbor Fund only needs this additional funding to cover the costs of breakwater repair and upgrade. Finally, Utility Fund revenue minus expenses are projected to be higher than budgeted. The Utility Fund was budgeted to fund itself out of its own fund balance, this appropriation can be decreased accordingly.

TOWN OF CAPE CHARLES	**AGENDA TITLE:** Appointment to the Planning Commission		**AGENDA DATE:** February 1, 2024
	SUBJECT/PROPOSAL/REQUEST: Appoint a new member to the Planning Commission		**ITEM NUMBER:** 5B
	ATTACHMENTS: None		**FOR COUNCIL:** Action (X) Information ( )
	STAFF CONTACT (s): Libby Hume	**REVIEWED BY:** John Hozey, Town Manager	

BACKGROUND:

The Planning Commission serves as an advisory body to the Town Council for planning and zoning-related matters. The Commission consists of six members appointed by the Town Council and one representative from the Town Council. The Planning Commission term is for four years.

DISCUSSION:

Currently, there are two vacant positions on the Planning Commission which have been advertised in the Cape Charles Gazette and on Facebook, and several applications have been received. The Town Council held an executive session on January 18, 2024 to review the applications and discuss a strategy to fill these vacancies. One of the positions on the Commission is to complete Mr. Michael Strub's term which expired on October 31, 2023. Mr. Strub graciously agreed to continue on the Commission until a replacement could be appointed. Mr. Strub also serves as the Planning Commission representative to the Historic District Review Board.

On August 31, 2023, the Town Council held interviews to fill positions on the Library Board, Historic District Review Board and Wetlands & Coastal Dune Board. Ms. Elizabeth Wright was named as an alternate to the Historic District Review Board. Ms. Wright also submitted her application expressing her interest in serving on the Planning Commission and has been attending the Planning Commission and Historic District Review Board meetings as an observer. Town Council reviewed her application and reached a consensus to appoint her to the Planning Commission to complete Mr. Strub's term. An executive session will be scheduled for a future date to interview the remaining applicants to fill the second vacancy.

RECOMMENDATION:

Staff recommends, if deemed appropriate, that Council officially appoint Ms. Elizabeth Wright to the Planning Commission to complete Mr. Michael Strub's term which expires on October 31, 2027.