TOWN COUNCIL

Work Session

January 4, 2024

Cape Charles Civic Center

6:00 PM

1. Call to Order:
   A. Roll Call

2. Items for Discussion:
   A. FY 2024 Mid-Year Budget Review

3. Adjournment

	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

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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**	
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.
100-41243700 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)**	

	Budget	YTD as of 11/30	Projected	Change	
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				**$ -**	
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 hostorical comparison
501-3500-1501 Water Sales	$ 665,000.00	$ 293,180.91	$ 685,000.00	$ 20,000.00	Based on YTD hostorical comparison
501-3500-1502 Sewer Charges	$ 1,180,000.00	$ 524,862.95	$ 1,200,000.00	$ 20,000.00	Based on YTD hostorical comparison
501-3500-3501 Penalties & Interest - Water Charges	$ 8,400.00	$ 3,987.82	$ 8,700.00	$ 300.00	Based on YTD hostorical comparison
501-3500-3502 Penalties & Interest Wastewater Charges	$ 15,400.00	$ 7,325.44	$ 15,500.00	$ 100.00	Based on YTD hostorical 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	YTD as of 11/30	Projected	Change

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.

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 — 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.