TOWN COUNCIL
Work Session
Cape Charles Civic Center
January 4, 2024
6:00 PM

At 6:00 p.m., Mayor Adam Charney, having established a quorum, called to order the Work Session of the Town Council. In addition to Mayor Charney, present were Vice-Mayor Bennett, Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Also in attendance were Town Manager John Hozey, Assistant Treasurer Adrian Oei, Planner/Zoning Administrator Katie Nunez, Human Resources Manager Jodi Outland and Town Clerk Libby Hume. There were no members of the public in attendance.

ITEMS FOR DISCUSSION:

FY 2024 Mid-Year Budget:
John Hozey distributed a packet of information to be reviewed, including 1) Mid-Year Budget Overview; 2) Project Overview; 3) FY 24 Budget Worksheet for General Capital & Special Activities Funds; 4) General Capital Fund Reserve; 5) FY 24 Mid-Year Budget Adjustment Worksheets; and 6) Mid-Year Amendments to Fee Schedule. (Please see attached.) He went on to review each report as follows:

Mid-Year Budget Overview: i) General Fund – Projected increase in revenues and expenditures were $309,972; ii) General Capital Fund – An error was discovered which would reduce the amount in this Fund by $233,677. Details of this error would be explained later in this work session; iii) Utility Fund – Initially, this Fund was balanced by drawing from the Facility Fee Reserves. Upon further review, the amount of the draw could be reduced by $41,921; iv) Harbor Fund – Project costs came in higher than estimated, so the projected revenues and expenditures were reduced by $60,433; v) No changes were anticipated for the Special Activities & Sanitation Funds.

Project Overview: i) General Fund – $40K was already included in the Professional Services line for Beachfront Master Planning. An additional $60K would be appropriated for this project; ii) General Capital Fund – An additional $75,532 was being appropriated for the Community Trail Phase III project and $50K for the Trail Project Lighting. Due to the cost estimates, it was decided that the lighting portion of the project would be done separately. The Town was purchasing the lighting equipment and would be soliciting bids for installation; iii) Harbor Fund – An additional $133,950 was needed for the Breakwater and Inner-Harbor Bulkhead projects. The contract for these projects included an incentive of $24,048 if completed by a certain date. It was unlikely that the projects would be completed within that timeframe, but the funding needed to be included in the budget.

FY 24 Budget Worksheet for General Capital & Special Activities Funds: These pages were included to show the error made in the General Capital Fund. The transfer from the Special Activities Fund to the General Capital Fund initially showed $479,850, which was from the ARPA Grant funding. $300K of this funding had already been appropriated in FY 23. Due to the unknown construction atmosphere, rather than allocating funding for specific projects, a lump sum amount was appropriated in the Special Activities Fund for reallocation to specific projects as needed. The transfer from the Special Activities Fund to the General Capital Fund was actually $179,850 which represented the remaining ARPA funding. It was fortunate that we had not needed to pull anything additional from the Fund Balance. He apologized for not catching this error sooner.

General Capital Fund Reserve: The June 30, 2022 audited Fund Balance was $286,540. The adopted FY 24 budget showed a $480,150 transfer to the Fund Balance, which would total $766,690. Unfortunately, with the error explained earlier, the actual amount available to transfer to the Fund

Balance was $130,941, which now would total $417,481. John Hozey stated that he was working with Assistant Treasurer Adrian Oei to improve the process, no longer relying on individual Excel spreadsheets. Staff would be researching budgeting platforms, and the FY 25 budget would include a request for a new system. Unfortunately, the FY 25 budget would have to be prepared using Excel spreadsheets. Although the Capital Project Fund Balance was less than originally thought, the Town was still in good shape. Fortunately, after everything was done, the Town still had about $1.5M of unappropriated funding in the General Fund Balance.

<u>FY 24 Mid-Year Budget Adjustment Worksheets</u>: John Hozey explained that only the line items with changes were included in this report and went on to highlight the following:

<u>General Fund Revenue</u>: i) The revenue projection from 2023 Real Property Tax was increased by $84,467 based on historic collections rate; ii) The projected Golf Cart Decal revenue was increased by $19,369 based on year-to-date increases compared to prior years; iii) The projected Business License revenue was increased by $117K based on prior year numbers; iv) The projected Transient Occupancy Tax revenue was decreased by $41,887. Council agreed that the TOT revenue would be leveling off; v) The projected revenue from Sale of Town Real Property was increased by $50K based on the sale price of the Monroe Avenue lot which sold for more than expected. John Hozey added that the buyer of the library building backed out of the purchase of the two lots behind the library. The Town would be soliciting bids with minimum purchase prices of $300K for the inner lot and $325 for the corner lot which were very reasonable.

<u>General Fund Expenses</u>:
Town Manager: $40K was transferred from Professional Services to the Consulting Services line for the Beachfront Master Planning, along with an additional $60K from the Fund Balance.

Finance: $10K was added for Part-Time Salaries & Wages for additional hours for Deborah Pocock and Libby Luettinger. $13K of additional funding was included for the cost of an additional audit after the sale of the public utilities.

Police: i) $3K of additional funding was included for overtime for the police officers due to increased court hours; ii) The two new officers would be attending the police academy so funding was included for their travel expenses – meals and tolls; iii) $4K was added to the Vehicle & Powered Equipment Supplies & Services for repairs to an older vehicle; iv) $5,785 was added for repairs caused by the police chase/accident in Central Park; v) $32K was included for a new police vehicle. This amount would be offset by the USDA grant/loan revenue.

There was some discussion regarding the number of police vehicles and the replacement schedule. John Hozey stated that he would provide a report of current police vehicles and the replacement schedule, adding that we hired two new police officers this year and additional vehicles were needed.

Code Enforcement: One computer, which was budgeted for in FY 23 was purchased in FY 24.

Public Works: i) An additional $5K was included for overtime since this had been an unusually busy year. There were more events and more people in Town which required more staff hours; ii) $3,472 was added for the VML Risk Management Grant expense which was not originally included.

<u>Capital Fund Revenue</u>: $76,323 of additional revenue was projected but the $300K correction in the Special Activities Fund transfer amounted to a projected net decrease of $223,677.

<u>Capital Fund Expenses</u>: The transfer to Fund Balance amount was adjusted to balance.

Councilwoman Holloway asked how much of the ARPA grant funding remained and when it had to be used. John Hozey responded that the Town still had about $179K of ARPA funding in the Fund Balance to be allocated. We had until the end of calendar year 2024 to allocate the funding and until

December 2025 to spend it. He was still hoping that the funding could be used for the Visitors Center/Restrooms project. This would be discussed in more detail during the FY 25 budget work sessions.

Utility Fund Revenue & Expenses: Due to projected increases in revenue from water sales, sewer charges, etc., the projected appropriation amount from the Fund Balance was reduced by about $42K.

Harbor Fund Revenue & Expenses: Due to COVID and post-COVID surges, as well as inclement weather, the traffic at the harbor decreased considerably. This decrease also reduced expenses. The line items were adjusted accordingly with a projected net decrease in revenues and expenses of about $60K.

Mid-Year Budget Amendments to Fee Schedule: Two amendments to the Town's fee schedule were proposed. i) The Cape Charles Town Harbor used a third-party company to process credit card payments. A surcharge credit card/service fee, not to exceed 1.5% of the total amount being paid, would be applied to all American Express, Discover, Visa and Mastercard transactions processed by Cape Charles Marine Services. This was a portion of the third-party service fee and did not represent revenue to the Town of Cape Charles; ii) Fee waivers had been requested and granted by the Town Council in the past for non-profit organizations. This issue was discussed at a previous work session and a general consensus of $750 was reached. The following would be advertised: Any nonprofit organization exempt from taxation under Internal Revenue Code Section 501 would be exempt from Building, Planning & Zoning fees up to $750 per project application. Waivers in excess of $750 might be granted upon petition at the discretion of the Town Council. This would be retroactive to November 1, 2023.

Other Issues: Councilman Follmer noted that John Hozey would be leaving in 14 months and brought up the recruitment process, suggesting an overlap of at least 6 months for the new manager. There was some discussion regarding the process and recommended overlap period, as well as the desire to hire an experienced town manager. This item would be discussed further during the FY 25 budget work sessions and funding would be included for recruitment. John Hozey added that a Council committee would be formed to begin working on a timeline. Councilman Follmer also noted that Bob Panek had been talking about retiring for the past several years. The Town had a lot of projects in the pipeline, so this position also needed discussion.

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

The work session was adjourned at 7:13 p.m.

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Mayor Adam Charney

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Town Clerk

January 4, 2024 Town Council Work Session

Mid-Year Budget Overview

General Fund

Increased Revenues:	$	309,972
Increased Expenditures:	$	309,972

General Capital Fund

Decreased Revenues:	$	(233,677)
Decreased Expenditures:	$	(233,677)

Utility Fund

Increased Revenues:	$	4,200
Increased Expenditures:	$	4,200
*Reduced draw on FB:	$	41,921

Harbor Fund

Decreased Revenues:	$	(60,433)
Decreased Expenditures:	$	(60,433)

Special Activities & Sanitation Funds - No Change

Fee Schedule - Minor Revisions

Project Overview

General Fund:

Beachfront Master Planning:	$	60,000
	$	60,000

General Capital Fund:

Community Trial Phase III:	$	75,532
Trail Project Lighting:	$	50,000
	$	125,532

Harbor Fund:

Breakwater and Inter-Harbor Bulkhead:	$	133,950
Contract incentive:	$	24,048
	$	157,998

AS OF 6/1/23

TOWN OF CAPE CHARLES FISCAL YEAR 2024 BUDGET PREP WORKSHEET

Account	Acct Name	FY22 Actual	FY23 Bdgt	FY2024 Requested	Bdgt inc/(dec)	NOTES
Fund: 110 General Capital						
Acct Type: Revenues						
Dept Desc:						
110-3700-2200	Grant - USDA Rural Development	$0.00	$3,000.00	$0.00	-100.0%	
110-3800-4000	Grant - VDOT Roads, Trails & Sidewalks	$0.00	$703,483.00	$703,483.00	0.0%	VDOT Grant T-21
110-3850-2000	Grant Other	$0.00	$176,750.00	$30,000.00	-83.0%	VTC ARPA 30K;
110-3900-1000	Appropriation from Gen Capital Fund Balance	$0.00	$0.00	$0.00		
110-3900-6000	Reappropriation Gen Capital Fund	$0.00	$166,255.00	$577,050.00	247.1%	FY 23 projects incomplete, contingency not used 55611; $226,439 Trail, $170K munl center;125,000 visitor cntr
110-3950-xxxx	Transfer from Gen Fund Other	$0.00	$0.00	$310,000.00		Transfer library sale funds
110-3950-2000	Transfer from Gen Fund for Capital 6%	$334,055.00	$215,830.99	$268,330.13	24.3%	
110-3950-2050	Transfer from Gen Fund Meals Tax .5%	$74,099.99	$75,000.00	$77,500.00	3.3%	
110-3950-2100	Loan Proceeds USDA Rural Dvlpmnt	$0.00	$9,000.00	$0.00	-100.0%	
110-3950-8130	Transfer from General Special Activities Fund	$0.00	$704,000.00	$479,850.00	-31.8%	179,850 newly appropriated ARPA Grant remaining;300k already appropriated prior year
110-3950-8520	Transfer from Sanitation Fund	$0.00	$160,224.00	$0.00	-100.0%	
Total General Capital Fund Revenue		**$408,154.99**	**$2,213,542.99**	**$2,446,213.13**	10.5%	
Acct Type: Expenses						
Dept Desc: 4121 TOWN MANAGER						
110-4121-8100	Transfer to Fund Balance	$0.00	$82,581.99	$480,150.00	481.4%	Remaining ARPA 179,850 plus transfers from meals tax and annual allocation of 301,150
Total Gen Capital Fund Town Mgr		**$0.00**	82581.99	**$480,150.00**	481.4%	
Dept Desc: 4430 PUBLIC WORKS						
110-4430-7010	Buildings & Improvements	$58,071.82	$1,029,000.00	$995,000.00	-3.3%	Municipal Bldg.210K, Library Reno.,310K Downtown Restroom & Visitors Ctr.455K P Wrks storage $20K
110-4430-7020	Infrastructure-Open Space, Parks & Outdoor Equip	$56,819.21	$60,200.00	$0.00	-100.0%	
110-4430-7040	Insfrastructure - Parking Lots	$0.00	$20,000.00	$0.00	-100.0%	
110-4430-7050	Infrastructure-Streets & Walkways	$6,724.33	$929,922.00	$929,922.00	0.0%	Community Trail Phase 3
110-4430-7070	Vehicles & Equipment	$0.00	$24,228.48	$0.00	-100.0%	
110-4430-7999	Capital Project Contingencies	$0.00	$55,610.52	$41,141.13	-26.0%	
Total Gen Capital Fund Public Works		**$121,615.36**	**$2,118,961.00**	**$1,966,063.13**	-7.2%	
Dept Desc: 4811 PLANNING						
110-4811-7080	Computers, Software & Electronic Equip - Planning	$0.00	$12,000.00	$0.00	-100.0%	
Total Gen Capital Fund Planning		**$0.00**	**$12,000.00**	**$0.00**	-100.0%	
Total Gen Capital Fund Expenses		**$121,615.36**	**$2,213,542.99**	**$2,446,213.13**	10.5%	
General Capital Fund Revenue less Expenditures		**$286,539.63**	**$0.00**	**$0.00**		

AS OF 5/4/23

TOWN OF CAPE CHARLES FISCAL YEAR 2024 BUDGET PREP WORKSHEET

Account	Acct Name	FY22 Actual	FY23 Bdgt	FY2024 Requested	Bdgt inc/(dec)	NOTES
Fund: 130 Special Activities						
Acct Type: Revenues						
Dept Desc:						
130-3300-1700	Interest on Bank Deposits	$143.83	$0.00	$0.00		
130-3650-6000	Recovery Town Mgr - Misc	$92,237.26	$16,425.00	$0.00	-100.0%	This was a self-insuranced health plan rebate - will not receive in FY23
130-3800-3000	Grant-Fire Program Funds (Passthru)	$15,000.00	$15,000.00	$15,000.00	0.0%	
130-3800-7000	Grant-VA State Promotion of the Arts Passthru	$2,500.00	$4,500.00	$4,500.00	0.0%	
130-3800-8000	Grant - Friends of the Library	$2,300.84	$6,000.00	$6,000.00	0.0%	
130-3800-9000	Grant Parks/Rec Faciliies & Equipment - CCP	$2,500.00	$7,817.48	$0.00	-100.0%	
130-3800-9910	Federal Grant - DHCD CDBG Small Bus Rcvry	$366,504.99	$0.00	$0.00		
130-3800-9920	Federal Grant - ARPA	$156,244.60	$528,615.00	$91,000.00	-82.8%	DCJS Grant for Police equipment and programs
130-3850-2000	Reappropriate Grant Funding Previous Year	$0.00	$372,370.00	$179,850.00	-51.7%	Appropriate remaining ARPA for capital project fund
Total Special Activities Fund Revenue		**$637,431.52**	**$950,727.48**	**$296,350.00**	-68.8%	
Acct Type: Expenses						
Dept Desc: 4121 TOWN MANAGER						
130-4121-4010	Grant Exp - Arts Enter Passthru	$2,500.00	$4,500.00	$4,500.00	0.0%	
130-4121-4020	Grant Exp- Fire Dept Passthru	$15,000.00	$15,000.00	$15,000.00	0.0%	
130-4121-4030	Grant Exp-Northampton Cnty Tourism Infrstr	$0.00	$0.00	$0.00		
130-4121-4125	Grant or Donation Misc. Passthru incl. PPEA	$83,575.38	$16,425.00	$0.00	-100.0%	
130-4121-4130	DHCD CDBG Small Business Rcvry Grant Exp	$349,765.07	$0.00	$0.00		
130-4121-4150	Federal Grant Exp - ARPA	$156,244.60	$196,985.00	$91,000.00	-53.8%	New Grant for Police Dept DCJS ARPA projects
130-4121-8110	Transfer to Capital Projects Fund 110	$0.00	$704,000.00	$179,850.00	-74.5%	remaining ARPA funds - transfer for capital projects
Total SA Town Manager Expenses		**$607,085.05**	**$936,910.00**	**$290,350.00**	-69.0%	
Dept Desc: 4430 PUBLIC WORKS						
130-4430-4110	Grant Exp - Citizens for Central Park	$2,500.00	$7,817.48	$0.00	-100.0%	
Total SA Fund Public Works		**$2,500.00**	**$7,817.48**	**$0.00**	-100.0%	
Dept Desc: 4730 LIBRARY						
130-4730-4110	Grant Exp- Friends of the Library	$5,383.04	$6,000.00	$6,000.00	0.0%	
Total SA Fund Library		**$5,383.04**	**$6,000.00**	**$6,000.00**	0.0%	
Total SA Fund Expenses		**$614,968.09**	**$950,727.48**	**$296,350.00**	-68.8%	
Special Activities Fund Revenue Less Expenses		**$22,463.43**	**$0.00**	**$0.00**		

General Capital Fund Reserve

Adopted Budget

Audited fund balance (June 30, 2022):	$ 286,540	
Transfer to fund balance:	$ 480,150	
Total available:	**$ 766,690**	

Mid-Year Budget

Audited fund balance (June 30, 2022):	$ 286,540	
Transfer to fund balance:	$ 130,941	
Total available:	**$ 417,481**	**$ (349,209)**

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.
100-41243700 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)**	
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 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 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. Retroactive to November 1, 2023.