TOWN COUNCIL
Strategic Planning Session
Cape Charles Civic Center
January 2, 2020
6:30 PM

At approximately 6:30 p.m. Mayor William "Smitty" Dize, having established a quorum, called to order the Strategic Planning Session of the Town Council. In addition to Mayor Dize, present were Vice Mayor Bennett, Councilmen Bannon, Buchholz and Grossman, and Councilwomen Burge and Holloway. Also, in attendance were Police Chief Jim Pruitt, Treasurer Deborah Pocock and Town Clerk Libby Hume. There was one member of the public in attendance.

Mayor Dize requested that a new item be added to the agenda in order to schedule a public hearing to the lease of space on the water tower for the placement of wireless internet antennae. This item was time sensitive in order to continue the provision of internet service to the town's residents and businesses.

Motion made by Councilwoman Holloway, seconded by Councilman Grossman, to add new item 2.vi to the agenda to set a public hearing for the lease of space on the water tower for internet antennae. The motion was approved by unanimous vote.

ORDER OF BUSINESS:

i. *Personnel/Organizational – Request for Additional Police Officer in FY 2021 – Chief Jim Pruitt*
Chief Jim Pruitt presented an overview of current officers, scheduling, statistics from 2019 and his justification for requesting two additional police officers. (Please see attached.)

There was much discussion regarding the request. Treasurer Deborah Pocock noted that in addition to the base salary and outfitting costs presented, another $10K-12K needed to be added for benefits.

Council will review the request during the Fiscal Year 2020 six-month review.

ii. *Harbor Management Company:*
Mayor Dize stated that the possibility of bringing in a management company for harbor operations had been brought up several times over the past few years and Council heard two presentations from Oasis Marinas Management. Mayor Dize went on to request a Council decision whether to move forward with a request for proposal.

Motion made by Vice Mayor Bennett, seconded by Councilwoman Holloway, to direct the mayor to develop a request for proposals for a harbor management group, not necessarily to result in the awarding of a contract, but of an expression of interest in finding out about management companies and services offered. The motion was approved by unanimous vote.

iii. *Regulations of Parking of Certain Vehicles on Town Streets:*
Mayor Dize stated the following: i) Council had identified that parking of boats, trailers, recreational vehicles, etc. on town streets posed some safety issues; ii) The Town petitioned the Virginia General Assembly for authorization to regulate the parking of certain vehicles within the town limits. The request was approved effective July 1, 2019; iii) Councilwoman Burge provided a draft ordinance and Town Code language for Council review; and iv) He included the draft ordinance for discussion only at this time. If Council felt that the language was acceptable, a public input session could be scheduled to allow interactive discussion with residents prior to adoption of the ordinance, similar to the session held for the leash law.

Councilwoman Burge stated the following: i) She volunteered to draft language using language that was in the original parking resolution submitted to the General Assembly for their 2019 session; ii) The types of vehicles were listed in the state code; iii) She didn't identify any particular streets, but there had been discussion in the past regarding applying the restrictions to some of the narrower streets only. This was a serious topic for discussion as the specific streets needed to be identified; iv) Two emails were received from residents expressing their support of the ordinance; v) The draft language in Section 42-91 dealt with penalties, stating that if an individual received three or more citations, the vehicle could be removed by the Town. This would be another thing for the police department to enforce. Ultimately, the vehicle would be moved to storage with fees associated with that. It would be the owner's responsibility to pay the storage fees to regain possession of their vehicle. If unclaimed, the vehicle could be sold as an abandoned vehicle; and vi) She reviewed ordinances from other localities and felt that the Town of Vienna's was the closest to Cape Charles. Councilman Grossman interjected that the Town of Vienna prohibited the parking of these certain vehicles from all public roadways.

There was much discussion regarding the following: i) Current issues with cars parked on both sides of some of the narrow streets prohibiting a car driving down the street. Some streets were wider and having a trailer parked on those weren't a problem; ii) There could be an issue with the owners of boats, trailers, etc. just relocating their vehicles to another street where the parking wasn't prohibited; iii) Residents should not have to deal with not being able to park in front of their homes due to a neighbor's boat, camper, trailer, etc. being parked there. Council needed to be mindful of the people living in Cape Charles. It was unfair that residents couldn't park in front of their own houses; iv) There was room for about 18 boats/trailers to be stored at the Harbor. If the area was cleaned up, more room could be available. The Harbor was the logical place to store boats. There would be more options around the Harbor as 2020 progresses; and v) Council agreed that a meeting to obtain input from the public was necessary. A public meeting would be scheduled on a Saturday in February or early March beginning at 11:00 a.m. or noon. Town Clerk Libby Hume would poll Council regarding several dates in February and March.

iv. *Rainy Day Fund:*

Deborah Pocock stated the following: i) In the past, Council had expressed interest in creating a rainy-day/stabilization fund to cover certain shortfalls in the budget; ii) A resolution for policy creating and maintaining a rainy-day/stabilization fund was presented to Council in June 2019, and at that time, Council had no comments regarding the resolution; iii) The draft resolution was very clear in how the proposed rainy-day fund would be utilized and outlined the annual adoption process during budget discussions for the next fiscal year. Each year, Council would determine the amount to be allocated to the rainy-day fund based on budget needs for operations and capital improvements; and iv) The draft resolution was provided for action only to use the policies while creating the annual budget. Several blanks within the resolution needed to be completed.

There was some discussion as follows: i) The resolution proposed maintenance of an amount no less than $250K in the rainy-day fund. Deborah Pocock estimated that it would take about three years to fund this amount. Councilwoman Burge recommended allowing four years to get to $250K, which was agreed to by the Council; ii) In the second subparagraph of "paragraph ii" of the resolution, the language would be updated to state "at the close of each fiscal year audit …;" iii) Item 2 in paragraph iii would be clarified; iv) Council would determine the amount for allocation annually and adopt a resolution as appropriate.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to approve the rainy-day fund policy for use beginning with the FY 2021 budget. The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Buchholz, yes; Burge, yes; Grossman, yes; Holloway, yes.

v. *Capital Improvement Program:*
Councilman Grossman stated that it was a Council priority to have criteria for a capital improvement program in place before creating a capital improvement plan. The draft program was provided to Council for review in September 2019 with a request for comments. The draft program was updated based on comments received and presented to Council at the December 5, 2019 special meeting. The draft program was updated again after the discussion during the December 5 meeting and was provided for further review this evening. (Please see attached.)

Motion made by Vice Mayor Bennett, seconded by Councilwoman Holloway, to approve the Capital Improvements Program criteria as presented. The motion was approved by unanimous vote.

vi. *Set a Public Hearing for the Lease of Space on the Water Tower for Internet Antennae:*
Mayor Dize stated the following: i) in 2019, Neubeam purchased Eastern Shore Communications' (ESC) internet service. ESC had internet antennae located on the water tower to provide Wi Fi services to residents and businesses in the town. ESC's water tower lease expired in July 2018; ii) Charter Communications purchased Chesapeake Bay Communications (CBC) and will take over the cable services. CBC will be dissolved on January 14, 2020 and their internet services would be handled by Neubeam. Neubeam would be retaining CBC's equipment which included internet antennae on the water tower; iii) CBC had a lease, through 2021, to place their antennae on the water tower; iv) A new lease was being executed combining the agreements from both the ESC and CBC leases. Neubeam would pay the same rate as described in the ESC lease and provide free Wi Fi internet services to the Town's facilities as described in the CBC lease. Since the ESC contract had expired, a public hearing must be held prior to execution of a new lease; v) The Town Hall's internet service was provided by CBC via fiber and would transition to Charter Communications; and vi) The lease agreement was currently being reviewed by legal counsel.

Motion made by Councilman Grossman, seconded by Councilman Bannon, to set a public hearing for January 16, 2020 prior to the regular meeting. The motion was approved by unanimous vote.

Mayor Dize provided an update regarding the Mason Avenue restriping application to VDOT stating that he received an email requiring an engineer stamp on the submitted plan. Bob Panek would be contacting Land Studio, the engineering firm for the Community Trail project, to see if they would be available to review the plans.

Motion made by Councilman Buchholz, seconded by Vice Mayor Bennett, to adjourn the Town Council Strategic Planning Session. The motion was approved by unanimous vote.

The meeting adjourned at 7:58 p.m.

Mayor Dize

Town Clerk

Information Provided in Writing
January 2, 2020 Town Council Strategic Planning Session

Chief Jim Pruitt

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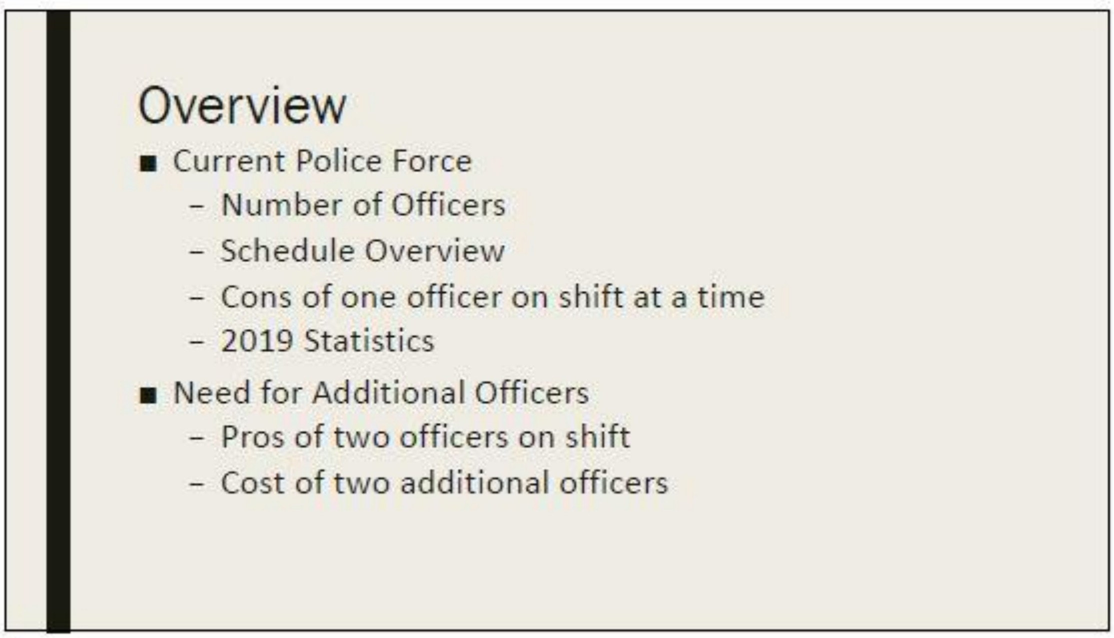

2

Current Police Force

- Five officers not including Chief of Police
- Ten hour shifts
  - Eight days on, six days off
  - 160 hours a month
- One officer on day shift, one on night shift, other two off
  - Rotating schedule

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Current Police Force

- Cons of one officer on shift at a time
  - Less area covered
  - Not safe for law enforcement or public
  - One officer per 3,000 people every day in summer months
  - One officer in fight with one or multiple subjects raises use of force drastically

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Statistics from 2019: Overview

- Calls for service in Cape Charles: 677
- Calls for service outside Cape Charles: 139
- Total calls for service: 816
- Felony arrests: 5
- Misdemeanor arrests: 43
- Traffic warnings: 150
- Traffic summons: 125
- Parking tickets: 61
- Building checks: 384

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Statistics from 2019: Breakdown

- Foot patrol hours in Town: 357.5
- Bay Creek patrol hours: 260.5
- Drunk in public: 6
- Disorderly conduct: 1
- Destruction of property: 1
- Wanted subjects: 5

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Statistics from 2019: Breakdown

- Assault and battery: 2
- Assault and battery family member: 2
- DUI: 5
- Violation of protective order: 4
- Distribution of marijuana: 1
- Possession of marijuana: 1
- Eluding police: 2
- Reckless driving (endanger life): 4

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Statistics from 2019: Breakdown

- Indecent exposure: 2
- Trespass: 2
- Hit and run: 2
- Theft: 1
- Drinking in public: 2
- Strangulation: 1
- Malicious wounding: 1
- Emergency custody orders: 3

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Community Service

- Cape Charles Christian School
- Kiptopeake Elementary
- Trinity Methodist Church
- Cape Charles Business Association
- Catholic Church
- Main Street
- Wounded Warriors (Freedom Hunters)
- Halloween
- Northampton High School

- **Total: 50 hours in 2019**

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Need – Two Additional Officers

- Pros of having two officers on shift
  - Improve officer and citizen safety
  - Double area coverage
  - Increased police presence
  - Safety in numbers
  - Lessens work load and anxiety of officers

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Need – Two Additional Officers

- Statistics
  - Assault on law enforcement: 60,211 in the nation in 2018
  - 9 out of 100 sworn officers
  - 63% of assaults were when one officer was present
  - 17% when two or more officers present

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Cost – Two Additional Officers

- Base salary for non-certified officer: $33,000
  - Police academy 4.5 months of training (room, meals, and tolls): $2,500
  - Plus the 4.5 months of payroll while in the academy
  - Won't have officer for summer months

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Cost – Two Additional Officers

- Base salary for certified officer: $35,000-39,000
  - No police academy to attend
  - Starts work after a short field training period (100 hours)
  - Will be available for summer months

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Cost – Two Additional Officers

- Vehicles: currently eight patrol cars
  - Six currently used on a regular basis
  - Spare for when problems arise, one waiting to be outfitted
  - Currently, Town sells one and purchases a new vehicle each year
  - Proposed: Town keeps all eight current vehicles, purchase new one and use old as spare

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Cost – Two Additional Officers

- Uniforms: $1,000 per officer
  - Gun belt
  - Duty gear
  - Three pants
  - Three long-sleeve shirts
  - Three short-sleeves shirts
  - Jackets
- Body armor: $1,100 per officer
  - Duty wear ($700)
  - Rifle vest ($400)

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Cost – Two Additional Officers

- Weapons: $900 per officer
  - Handgun $400
  - Rifle: $500
- Taser: $1,500 per officer
- Body cam: $300 per officer
- Computer in vehicle: $2,500 per officer
- Portable radio: $1000 per officer

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Cost – Two Additional Officers

- Total: $47,300 per certified officer
- Money saved in 2019 due to officer deployed overseas: $23,000
- With money saved, we could advertise in February and hire by March of this fiscal year and still be within budget for one officer and gear
- A possible second officer could be hired after July 1st

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TOWN OF Cape Charles

CAPITAL IMPROVEMENTS PROGRAM

January 2,2020

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INTRODUCTION

A Capital Improvements Program (hereinafter referred to as a CIP) 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 CIP 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 CIP must be updated each year. Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP 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 CIP be updated to maintain the financial solidity of the Town. The CIP 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 IMPROVEMENT PLAN –FISCAL POLICY

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

- The Town will prioritize all capital improvements in accordance with an adopted Capital Improvement Plan (CIP).
- The Town will develop a five-year plan for capital improvements and review and update annually.
- The Town will coordinate development of the capital improvements 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 CIP 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 CIP 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 PROJECT

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

- An estimated total cost of $20,000 or more (Capital items under $20,000 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 or more
- Construction of buildings or facilities, including design, engineering and other pre-construction costs with an estimated cost of $20,000 or more
- Purchase of major equipment and vehicles with an estimated cost of $20,000 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.

COMPONENTS OF A CIP

A CIP 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 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 CIP

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

1. Neither the CIP 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 CIP is a tool to aid these groups in evaluating and prioritizing items for inclusion in the budget for a given year.

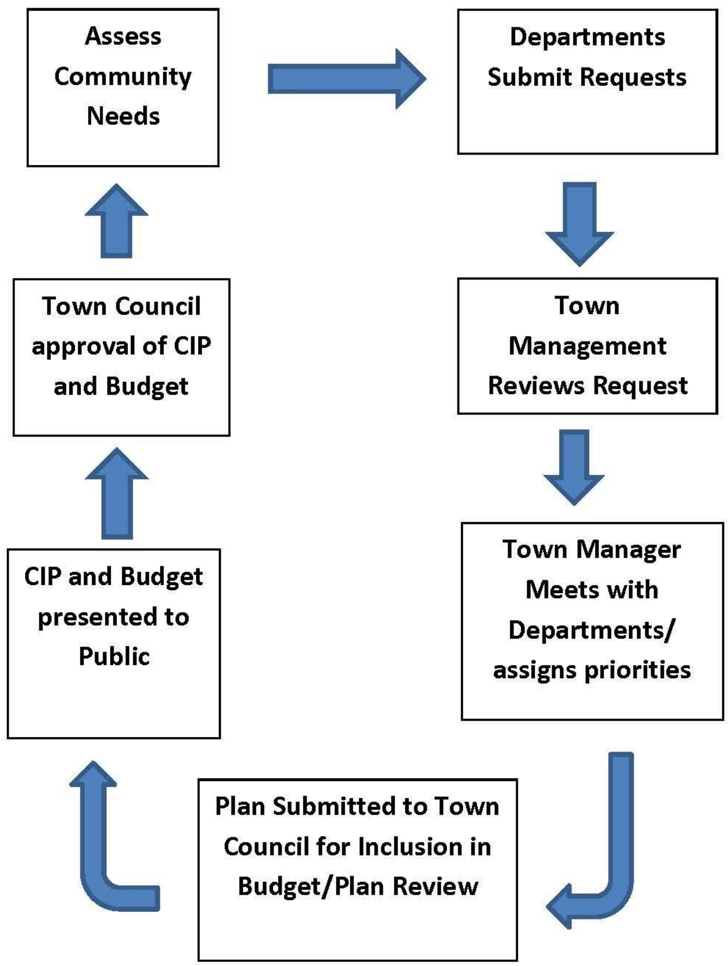
2. The CIP is not a vehicle for the promotion of "wish list" projects that are either unnecessary or are unlikely to receive public funding or support.

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

4. Town Council's approval of the CIP 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 CIP items in the Town Manager's recommended town budget

CAPITAL IMPROVEMENT PLAN PROCESS

Capital project planning is an ongoing process. Each year the CIP 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 CIP 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 CIP process and submission of the CIP 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 CIP is approved, it outlines the Town's official commitment to funding 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 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 CIP is utilized to plan future capital project, the need to properly maintain our existing aging assets remains.

VEHICLE REPLACEMENT

In addition to the other capital improvement projects included in the CIP, 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 CIP. 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, 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.

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.

IMPACT ON OPERATING BUDGET

Capital funding requires planning as careful and as deliberate as the planning that goes into the CIP 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 CIP. The project is "In Progress" if it is currently programmed in the CIP. 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.

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 CIP

By December 1st of each year, prior to the proposed budget submittal by March 1st, the Town Manager will submit an updated proposed CIP 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 CIP

Once the Town Manager has delivered the proposed CIP and the Town Council and public have reviewed the material submitted, the Town Council will ultimately adopt a final CIP 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/OTHER COMMENTS

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) $

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Attachment B

The Town of Cape Charles
Resolution of the Town Council to Amend and Adopt the Capital Improvement Program as presented.

WHEREAS, a Capital Improvement Program (CIP) involves the scheduling of the cost of public equipment and infrastructure over several years,

WHEREAS, a well thought out and comprehensive CIP 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, 2019, the first official Capital Improvement Plan was adopted by the Town Council,

WHEREAS, on xx, xx, xxxx, the Cape Charles Town Council conducted a public hearing to consider the Five (or Six??) Year Capital Improvement Plan 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 (or Six??) Five-Year CIP for years xxxx through xxxx;

WHEREAS, the proposed updated CIP 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' CIP as presented.

Submitted by: XXX –Town Manager

Submitted: xx, xx, 20xx

[This is only a sample resolution]

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Responses to draft Capital Improvements Program Comments (1/2/20)

	Submitter	Comment	Response
1	Cela	Page 4 - any particular reason for 6 year window?	Most plans typically have entering fiscal year plus future 5 years projection although the table can be extended even further.
2	Cela	Page 4 - Fiscal policy; need to explore these further, but am not sure that we would want to limit using intergovernmental assistance for CIP and town priorities (not identified how those priorities are determined)	These limits and policies were extracted from other town/city programs as examples only with the intent for town staff to propose limits and/or policies, or alternatively, put them in a separate fiscal policy document, perhaps with other fiscal policy limitations proposed by Davenport. Per discussions at TC, have removed these limits and added a sentence pointing to external fiscal policy document.
3	Debbie	Page 4 - I would add *'and the comprehensive plan'* at the end. • The Town will use intergovernmental assistance to finance only those capital improvements that are consistent with the capital improvement plan *and the comprehensive plan.*	Per discussion with Deb P, phase has been removed entirely.
4	Cela	Page 5 – Debt Limits/policies - We need to further discuss and determine the proposed debt limits and debt policies. (I think the actual limit is 10% of assessed value of taxable property.)	See response to comment 2 above.
5	Debbie	Page 5 – Debt Limits/policies - more research needed on debt ratio percentages, etc. See Bob's comments.	See response to comment 2 above.
6	Steve	Page 5 – Debt limits/policies – seems to be a lot of competing policies. Do we need all of these?	See response to comment 2 above.
7	Steve	Page 6 – *Capital items under $20,000 are generally included in the various operating budgets.* Can this be $30k?	Yes, this can be changed pending TC discussion. Per separate discussion with Treasurer, $20,000 appears appropriate for our size budget.
8	Steve	Page 6 – *Purchase of major equipment and vehicles valued in excess of $20,000* .... All exceed this.	See response to comment 7 above.
9	Cela	Page 6 - Q: Is $20k a capital item dollar value that just we use or is it a standard?	Various CIPs used different values and usually depended on the size of their budgets. See comment 7 above.
10	Debbie	Page 6 - 6 The definition of a capital project , This definition may mean different things to council and to the audit/accounting world. It is dollar amount driven in the accounting world, and that dollar amount	See response to comment 7 above. Per discussion with our Treasurer, the current $5,000 will need to be changed in our office policies.

		becomes part of the procurement policy. The current amount is $5,000, with a useful life of several years. The capital project threshold drives whether or not a purchase/expenditure is expensed or amortized over the useful lifetime of the item. This is less important to the general fund as we expense it all and just keep a separate schedule for amortization – however it is very important to the enterprise funds. We must book depreciation expense and amortize the item using GAAP. Therefore, we should choose a dollar amount and general description ($20,000 and a useful life of 5 years or more.)	
11	Debbie	Page 6 – Definition of capital project: We purchase a new police vehicle almost every year, but since they cost $35K, they really are a capital expenditure by accounting definition (page 6 Definition of a capital project, item # 4) . They MAY be excluded from the CIP, however, with an annotation in the CIP document about recurrent purchases that were previously approved, such as with a stated replacement policy.	Per discussion with our Treasurer, we can include a recurring purchase of the vehicle in operating budget but will still have to depreciate annually accordingly.
12	Debbie	Page 6 – Definition of capital project; I don't understand this line: Capital projects can also be defined to accumulate funds in a capital reserve fund to spread the cost of a large future purchase over several years and/or eliminate or reduce the cost of a bond	Deleted.
13	Cela	Page 7 - Excellent section of limitation of a CIP.	Condensed down to a sentence per other comments.
14	Steve	Page 8 – reference is made to *Board*. Should be Council. Change town council to Town Council.	Correction made.
15	Cela	Page 9 - In the process, we may also want to include Planning Commission review and recommendation (in concert with the Comp Plan), per Virginia Code 15.2-2239.	[§ 15.2-2239. Local planning commissions to prepare and submit annually capital improvement programs to governing body or official charged with preparation of budget. A local planning commission **may**, and at the direction of the governing body shall, prepare and revise annually a capital improvement program based on the comprehensive

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			plan of the locality for a period not to exceed the ensuing five years........] Per our recent discussions at TC, this responsibility may be turned over to PC in some future date with further discussion.
16	Steve	Page 10 – Change *Board* to Council.	Correction made
17	Cela	Page 11 - good point that impact on operating budget should be considered when funding capital projects	No response required.
18	Cela	Page 12 - Same note as item #15	See response in item 15.
19	Bob P	Attached is a Word Track redline (provided to P Grossman) of the proposed CIP document, containing my recommended revisions and some questions/commentary. Overall, I think it is an excellent and comprehensive document. Some parts could be a bit redundant; might benefit from some additional editing after other comments are considered. No comments on the item detail sheet. It is a good refinement of what we have used in the past Debt limits/Fiscal policies – suggestions are provided for this section.	Accepted all comments.

Paul Grossman

December 27, 2019