



Town Council Budget Work Session

May 07, 2026 at 7:30 PM

Cape Charles Civic Center - 500 Tazewell Avenue

Agenda

1. Call to Order

A. Roll Call

2. Items for Discussion

A. FY 2027 Budget - Continuation from April 16, 2026

B. Capital Improvement Plan Project List

C. Financial Policies

3. Adjournment

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
General Fund Revenue					
100-3010-2017 Real Property Tax 2017	\$ 100.00	\$ -	\$ -	-100.00%	
100-3010-2018 Real Property Tax 2018	\$ 100.00	\$ -	\$ 100.00	0.00%	
100-3010-2019 Real Property Tax 2019	\$ 200.00	\$ -	\$ 100.00	-50.00%	
100-3010-2020 Real Property Tax 2020	\$ 300.00	\$ -	\$ 200.00	-33.33%	
100-3010-2021 Real Property Tax 2021	\$ 400.00	\$ -	\$ 300.00	-25.00%	
100-3010-2022 Real Property Tax 2022	\$ 500.00	\$ 1,211.20	\$ 400.00	-20.00%	
100-3010-2023 Real Property Tax 2023	\$ 1,500.00	\$ 4,423.77	\$ 500.00	-66.67%	
100-3010-2024 Real Property Tax 2024	\$ 15,000.00	\$ 38,674.48	\$ 1,500.00	-90.00%	
100-3010-2025 Real Property Tax 2025	\$ 1,613,751.00	\$ 1,587,510.87	\$ 144,805.00	865.37%	\$1,739,450 billed, less \$1,587,510 collected. Assuming \$7,135 of outstanding balance collected before June 30 and remainder collected in FY27
100-3010-2026 Real Property Tax 2026	\$ -	\$ -	\$ 1,768,000.00		Based on a 98% collections, approx \$34M of new construction based on building permits and a new proposed tax rate of \$.001405 per \$100. This is the max allowed without adjusting after equalization. The new taxable value of town real estate per reassessment is \$1,248,970,800.
100-3020-2020 Personal Property Tax 2020	\$ 100.00	\$ 45.08	\$ -	0.00%	
100-3020-2021 Personal Property Tax 2021	\$ 100.00	\$ 1,332.72	\$ 100.00	0.00%	
100-3020-2022 Personal Property Tax 2022	\$ 200.00	\$ 1,695.30	\$ 100.00	0.00%	
100-3020-2023 Personal Property Tax 2023	\$ 1,500.00	\$ 2,196.10	\$ 200.00	0.00%	
100-3020-2024 Personal Property Tax 2024	\$ 20,000.00	\$ 15,089.61	\$ 1,500.00	128.00%	
100-3020-2025 Personal Property Tax 2025	\$ 115,000.00	\$ 156,719.38	\$ 45,600.00		
100-3020-2026 Personal Property Tax 2026	\$ -	\$ -	\$ 200,000.00		Originally based on historical data, but updated per TC. FY26 had an unexpected increase in new cars which have since depreciated. Historic collection rate of approx. 70%
100-3025-2020 License Tax 2020	\$ -	\$ 62.00	\$ -		
100-3025-2021 License Tax 2021	\$ -	\$ 279.00	\$ -		
100-3025-2022 License Tax 2022	\$ -	\$ 558.00	\$ -		
100-3025-2023 License Tax 2023	\$ -	\$ 956.25	\$ -		
100-3025-2024 License Tax 2024		\$ 5,908.36	\$ -		
100-3025-2025 License Tax 2025	\$ 24,000.00	\$ 29,375.57	\$ -	20.83%	
100-3025-2026 License Tax 2026	\$ -	\$ -	\$ 29,000.00		
100-3035-2025 Machinery & Tools Tax 2025	\$ 21,027.00	\$ 23,537.00	\$ -	6.34%	
100-3035-2026 Machinery & Tools Tax 2026	\$ -	\$ -	\$ 22,360.00		Most revenue is from Coastal Precast, assuming county could depreciate by 5%
100-3040-1000 Penalties All Property Tax	\$ 20,000.00	\$ 23,232.69	\$ 20,000.00	0.00%	Has fluctuated around \$20,000 throughout the past few years

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-3050-1000 Golf Cart Decals	\$ 23,000.00	\$ 6,153.50	\$ 23,000.00	0.00%	Most of this revenue is collected in late spring and early summer
100-3050-1100 Consumer Utility Taxes - Elec & Gas	\$ 65,000.00	\$ 48,134.12	\$ 66,000.00	1.54%	
100-3050-1200 Communications Tax - Phone	\$ 32,000.00	\$ 17,485.83	\$ 32,000.00	0.00%	
100-3050-1300 BPOL - ALL	\$ 340,000.00	\$ 78,593.66	\$ 340,000.00	0.00%	Includes business licenses for STRs. Most of this revenue is collected in late spring/early summer.
100-3050-1400 Admission Taxes	\$ 20,000.00	\$ 14,715.37	\$ 20,000.00	0.00%	Theatre fees, mini golf, etc.
100-3050-1500 Transient Occupancy Tax	\$ 700,000.00	\$ 519,538.25	\$ 725,000.00	3.57%	Has trended upwards over the past five years, in addition, we are expecting some increased compliance due to new rentalscape software
100-3050-1600 Meals Tax	\$ 840,000.00	\$ 640,145.19	\$ 800,000.00	-4.76%	The upwards trend of the past five years appears to have leveled off
100-3050-1650 Meals Tax .5% for Capital Projects	\$ 84,000.00	\$ 60,724.32	\$ 80,000.00	-4.76%	
100-3050-1700 Personal Property Short Term Rental Tax	\$ 13,000.00	\$ 7,517.20	\$ 13,000.00	0.00%	Bike rentals, kayaks, etc.
100-3050-1750 County Cigarette Tax Sharing	\$ 20,378.00	\$ 12,371.47	\$ 17,490.00	-14.17%	Updated per NOCO budget
100-3050-1800 Rolling Stock & Misc Taxes	\$ 175.00	\$ 23.56	\$ 175.00	0.00%	Return to originally budgeted FY24 amount
100-3090-1000 Bay Creek Impact Fees	\$ 120,000.00	\$ 15,000.00	\$ 45,000.00	-62.50%	Upon the sale of lots owned by BCDEV, LLC lots and Beacon Home Construction lots within the Villas at Magnolia, they are required to remit a \$3,000 per lot fee to the town pursuant to the Annexation Agreement Amendment. The BCDEV, LLC sales have slowed to a minor trickle. There are 20 lots under construction in the Villas at Magnolia but none have passed title there for the fee to be imposed nor collected in the current fiscal year (we projected collecting this fee on 10 of those lots in FY2026. There is lot inventory under both names but I am projecting a low revenue due to the focus of the new developer on lot creation/subdivision development currently over sales of undeveloped lots. I am anticipating that Beacon Homes will have sales based upon their construction projects - this subdivision has a total of 48 lots with 10 projected to sell in FY2026 and I am projecting 15 to sell in FY2027.
100-3100-1050 Land Use/Conditional Use Application P/Z	\$ 600.00	\$ -	\$ 600.00	0.00%	
100-3100-1060 Zoning Variance Advertising	\$ 1,000.00	\$ 420.96	\$ 500.00	-50.00%	
100-3100-1070 Miscellaneous Planning/Zoning Fees P/Z	\$ 4,000.00	\$ 11,585.00	\$ 10,000.00	150.00%	
100-3100-1100 Historic Review Fees COA P/Z	\$ 15,000.00	\$ 6,850.00	\$ 8,000.00	-46.67%	
100-3100-1110 Building Permits	\$ 160,000.00	\$ 161,080.26	\$ 160,000.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1150 Planning & Review Fees	\$ 8,000.00	\$ 12,890.00	\$ 8,000.00	0.00%	Site plan & building plan review fees

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-3100-1160 Electrical Permits	\$ 12,000.00	\$ 11,587.48	\$ 12,000.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1200 Plumbing Permits	\$ 10,000.00	\$ 7,495.03	\$ 10,000.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1250 Mechanical Permits	\$ 12,000.00	\$ 10,080.89	\$ 12,000.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1260 Elevator Permits	\$ 1,500.00	\$ 1,893.47	\$ 1,500.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1300 UST/AST Permit	\$ 1,500.00	\$ 1,058.42	\$ 1,500.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1350 Occupancy Permits, Temporary	\$ 4,000.00	\$ 3,200.00	\$ 4,000.00	0.00%	
100-3100-1360 Permit After Fact Admin Fee Building	\$ 1,500.00	\$ -	\$ 1,200.00	-20.00%	
100-3100-1370 Permit After the Fact P&Z	\$ 1,000.00	\$ 1,275.00	\$ -	-100.00%	
100-3100-1400 Building Plan Review Fees	\$ 8,000.00	\$ 8,190.00	\$ 8,000.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1410 Shallow Well Permits	\$ 1,500.00	\$ 900.00	\$ 1,500.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1460 Erosion & Sediment Control Permit	\$ 2,500.00	\$ 150.00	\$ 2,500.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1470 Erosion & Sediment Plan Review Fee	\$ 3,000.00	\$ 7,650.00	\$ 3,000.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1510 Gas Permit	\$ 3,000.00	\$ 3,083.30	\$ 3,000.00	0.00%	Projection based on 80 new homes but actual depends on construction climate
100-3100-1550 Misc Building Dept Fees	\$ 6,000.00	\$ 5,900.00	\$ 6,000.00	0.00%	Follow up subsequent inspection fee, landscape plan review fee, etc.
100-3100-1560 Fire Permit	\$ 1,000.00	\$ 2,070.87	\$ 1,500.00	50.00%	
100-3100-1570 Sign Permit P/Z	\$ 400.00	\$ -	\$ 400.00	0.00%	
100-3100-1610 STR Administrative Fee	\$ 140,400.00	\$ -	\$ 135,000.00	-3.85%	Based upon 300 STRs at \$450 annual fee
100-3200-1600 Court Fines and Forfeitures	\$ 40,000.00	\$ 14,210.07	\$ 25,000.00	-37.50%	Currently investigating the decrease in court fines & forfeitures rc'vd from county
100-3200-1650 Ideas Competition	\$ -	\$ -	\$ 20,000.00		
100-3200-1650 Code Enfrcmnt Admin Fees/Fines	\$ 2,500.00	\$ -	\$ 1,000.00	-60.00%	
100-3200-1660 Traffic & Parking Fines	\$ 14,200.00	\$ 12,281.73	\$ 15,000.00	5.63%	Trending upwards
100-3200-1700 E-Summons \$5 Fee-Future Software Purchase	\$ 2,600.00	\$ 3,451.88	\$ 3,500.00	34.62%	
100-3300-1700 Interest on Bank Deposits	\$ 6,000.00	\$ 15,137.88	\$ 10,000.00	66.67%	
100-3300-1750 Dividends & Interest on Investments	\$ 570,666.00	\$ 451,296.37	\$ 725,000.00	27.04%	Updated YTD as of 3.31.26 is \$566,627. Rates are expected to decline slightly in the coming year.

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-3400-1800 Lease Revenue - Harbor Lot	\$ 32,000.00	\$ 25,215.73	\$ 35,000.00	9.38%	1% of Shanty revenue
100-3500-1850 Library Service & Misc Fees	\$ 500.00	\$ 516.85	\$ 500.00	0.00%	Ranges from \$250-\$1,000 each year
100-3500-1900 Recreation & Event Fees Collected	\$ 800.00	\$ -	\$ 800.00	0.00%	
100-3500-1970 DMV Stop Fee Collected	\$ 500.00	\$ 150.00	\$ 500.00	0.00%	
100-3600-3100 Gifts & Private Donations Library FOL	\$ 6,000.00	\$ -	\$ 6,000.00	0.00%	FOL Annual Support
100-3750-2000 Personal Prop. Tax Reimbursement- PPTRA	\$ 35,424.00	\$ 35,426.60	\$ 35,424.00	0.00%	This is the same every year
100-3750-3000 Local SALES & USE Taxes	\$ 105,000.00	\$ 87,110.86	\$ 100,000.00	-4.76%	Upward trend appears to have leveled out
100-3750-3200 Grant/Donation - Misc. Pass-through	\$ 4,500.00	\$ -	\$ 4,500.00	0.00%	VA State Program (Arts Enter Passthrough)
100-3800-1000 Assistance to Local Police Dept HB 599 - State	\$ 34,000.00	\$ 18,714.00	\$ 37,000.00	8.82%	Not issued for FY27 yet. Amount is between \$31-37k every year.
100-3800-2000 Grant - DCJS LOLE/Byrne	\$ 3,000.00	\$ 2,232.27	\$ 1,750.00	-41.67%	FY27 amount is less than FY26, based on DCJS allotment. Plan to use on new radar unit.
100-3800-3000 Grant - Fire Program Funds (Passthrough)	\$ 15,000.00	\$ -	\$ 15,000.00	0.00%	Passthrough from state department of fire programs
100-3800-5000 Grant - Litter Prevention Grant (DEQ)	\$ 2,100.00	\$ -	\$ 1,835.00	-12.62%	
100-3800-7000 Grant - Library - VA Arts Comm.	\$ 400.00	\$ 400.00	\$ 400.00	0.00%	Grant for promotion of the arts
100-3800-8000 Grant - Library Program Other	\$ 4,502.62	\$ 5,830.00	\$ 4,503.00	0.01%	VA touring grant for STEM education & supplies
100-3850-1000 Grant - Northampton County Library	\$ 30,000.00	\$ -	\$ 37,000.00	23.33%	\$37k from NOCO has been approved this year.
100-3850-2000 Grant Other - Northampton County	\$ 14,000.00	\$ -	\$ 15,000.00	7.14%	NOCO contribution to fireworks for 4th of July. Submitted for \$15k.
100-3900-1000 Grant - VML Risk Management	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	0.00%	Our max award based on our policy premium
100-3900-6000 Appropriation from Fund Balance	\$ 14,991.00	\$ -	\$ 5,322,434.00	35404.20%	
100-3975-1000 Misc Rev Proceeds from Fair/Event	\$ 3,100.00	\$ -	\$ 3,100.00	0.00%	July 4th vendor fees
100-3975-1100 Miscellaneous Rev & NSF Fees-Gen Fund	\$ 2,250.00	\$ 1,485.41	\$ 2,250.00	0.00%	Bounced check fees or any misc. rev not specifically budgeted elsewhere
100-3980-1100 VAW Franchise Fee	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	0.00%	Amount set by utility sale agreement
GF Total Revenue	\$ 5,485,264.62		\$ 11,261,126.00		Prior year totals only include accounts with amounts budgeted for FY27
GF Operating Revenue			\$ 5,938,692.00		Total Expenses less appropriation from fund balance (\$5,317,548)

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
General Fund Expenses					
Legislative					
100-4110-1200 PT Salaries & Wages Legislative	\$ 4,800.00	\$ 3,600.00	\$ 6,900.00	43.75%	Propose \$50 increase for all eff 1/1/27 (rate unchanged since 1980s). Budgeted amount of \$6,900 reflects increas for 6 mos & old rate for 6 mos.
100-4110-2000 FICA Expense	\$ 780.00	\$ 271.04	\$ 780.00	0.00%	same as FY26
100-4110-2100 SUI Expense	\$ 56.00	\$ 20.83	\$ 56.00	0.00%	same as FY26
100-4110-2300 Health Insurance	\$ -	\$ -	\$ 900.00		Apios health for virtual medicine for TC
100-4110-3025 Repair Maint & Inspect Contracted Svcs	\$ 1,500.00	\$ -	\$ 1,500.00	0.00%	misc repairs @ Civ Ctr; Election Board fees
100-4110-3500 Advertising Services	\$ 7,500.00	\$ 550.00	\$ 4,000.00	-46.67%	misc public hearing ads, including budget (upcoming BFMP, Hbr-RR Master Plan, ZO Update)
100-4110-5200 Travel-Mileage, Parking & Tolls	\$ 4,480.00	\$ 2,379.53	\$ 3,200.00	-28.57%	budgeted all 7 to VML, Mayor & VM to Mayor's Conf, 4 for Elected Officials Conf
100-4110-5210 Travel-Lodging & Meals	\$ 12,600.80	\$ 1,639.72	\$ 9,600.00	-23.81%	same as 4110-5200
100-4110-5220 Conference	\$ 4,480.00	\$ 2,093.46	\$ 4,480.00	0.00%	same as 4110-5200
100-4110-5230 Education	\$ 1,200.00	\$ 342.29	\$ 1,200.00	0.00%	possible consultant/facilitator for mtg
100-4110-5310 Insurance, Public Official Liability	\$ 9,300.00	\$ -	\$ 9,500.00	2.15%	Insurance for TC, boards and certain staff acting their official capacities
100-4110-6000 Office Supplies	\$ 1,000.00	\$ 545.94	\$ 1,000.00	0.00%	council meals (strat plan, work sessions, other); Civic Center snacks, water, misc office supplies (meals, snacks & water previously under Travel-Meals & Lodging line)
100-4110-6125 Departmental Equipment & Supplies	\$ 2,000.00	\$ -	\$ 2,000.00	0.00%	Election equipment & other misc. supplies
100-4110-7000 Legis. Water & Sewer Expense	\$ 1,440.00	\$ 840.72	\$ 1,500.00	4.17%	Civic Center water & sewer
Total	\$ 51,136.80		\$ 46,616.00	-8.84%	Prior year totals only include accounts with amounts budgeted for FY27.
Clerk					
100-4112-1000 Regular Salaries & WagesTown Clerk	\$ 74,891.00	\$ 50,662.44	\$ 76,472.00	2.11%	Town Clerk salary
100-4112-2000 FICA Expense	\$ 5,486.00	\$ 3,907.91	\$ 5,600.00	2.08%	
100-4112-2100 SUI Expense	\$ 8.00	\$ 48.00	\$ 50.00	525.00%	
100-4112-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 4,865.00	\$ 3,351.60	\$ 5,254.00	8.00%	
100-4112-2210 Life Insurance	\$ 944.00	\$ 575.68	\$ 900.00	-4.66%	
100-4112-2220 Disability Insurance, LTD& STD	\$ 539.00	\$ 272.69	\$ 600.00	11.32%	
100-4112-2230 Worker's Comp	\$ 62.00	\$ 84.72	\$ 100.00	61.29%	
100-4112-2300 Health Insurance	\$ 104.00	\$ 67.50	\$ 150.00	44.23%	
100-4112-2301 Health Reimb Acct Exp	\$ 776.00	\$ -	\$ 1,175.00	51.42%	
100-4112-2310 Dental Insurance	\$ 828.00	\$ 423.68	\$ 635.00	-23.31%	

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4112-3025 Repair Maint & InspectContracted Svcs	\$ 2,700.00	\$ -	\$ 2,000.00	-25.93%	Cape Charles Day Shredder Truck & extra shred services
100-4112-3030 Lease - Storage	\$ 5,640.00	\$ 3,744.00	\$ 6,420.00	13.83%	archives storage - Bay Storage - rent increases every 6 months
100-4112-5200 Travel-Mileage, Parking& Tolls	\$ 944.00	\$ 490.71	\$ 944.00	0.00%	IIMC Reg 2; VMCA Conf & Institute, VAGARA
100-4112-5210 Travel-Lodging & Meals	\$ 1,400.00	\$ 334.47	\$ 1,400.00	0.00%	see 4112-5200
100-4112-5220 Conference	\$ 1,160.00	\$ 832.00	\$ 1,160.00	0.00%	see 4112-5200
100-4112-5230 Education	\$ 239.20	\$ -	\$ 239.00	-0.08%	Fred Pryor VIP unlimited training
100-4112-5240 Books & Subscriptions	\$ 7,000.00	\$ -	\$ 150.00	-97.86%	misc. ref books & subscriptions
100-4112-5250 Dues & Memberships	\$ 475.00	\$ 60.00	\$ 475.00	0.00%	IIMC, VMCA, VAGARA, NAGARA
100-4112-6000 Office Supplies	\$ 1,500.00	\$ 481.89	\$ 1,500.00	0.00%	minute books & archival paper, misc. supplies (new items for potential asst)
Total	\$ 109,561.20	\$ -	\$ 105,224.00		Prior year totals only include accounts with amounts budgeted for FY27.
Town Manager					
100-4121-1000 Regular Salaries & Wages-Town Manager	\$ 124,200.00	\$ 113,149.75	\$ 212,790.00	71.33%	Includes Town Manager & FT Capital Proj. Manager. Event coordinator has been moved to town events & recreation dept.
100-4121-1200 PT Salaries & WagesTown Mgr	\$ 70,757.00	\$ 26,488.80	\$ -	-100.00%	
100-4121-2000 FICA Expense	\$ 17,375.00	\$ 11,342.35	\$ 13,677.00	-21.28%	
100-4121-2100 SUI Expense	\$ 25.00	\$ 208.55	\$ 300.00	1100.00%	
100-4121-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 15,399.00	\$ 8,958.42	\$ 15,491.00	0.60%	
100-4121-2210 Life Insurance	\$ 3,044.00	\$ 1,281.20	\$ 2,990.00	-1.77%	
100-4121-2220 Disability Insurance, LTD& STD	\$ 1,318.00	\$ 605.64	\$ 1,605.00	21.78%	
100-4121-2230 Worker's Comp	\$ 1,710.00	\$ 84.72	\$ 2,048.00	19.77%	
100-4121-2300 Health Insurance	\$ 31,661.00	\$ 17,528.38	\$ 32,633.00	3.07%	
100-4121-2301 Health Reimb Acct Exp	\$ 1,630.00	\$ -	\$ 2,425.00	48.77%	
100-4121-2310 Dental Insurance	\$ 960.00	\$ 661.04	\$ 1,300.00	35.42%	
100-4121-2320 Vision Insurance	\$ -	\$ 95.12	\$ 142.00		
100-4121-2360 Staff & Volunteer Appreciation	\$ 8,000.00	\$ 4,872.80	\$ 500.00	-93.75%	Food for meeting meals
100-4121-3025 Repair Maint & InspectContracted Svcs	\$ 6,500.00	\$ 4,899.44	\$ 6,500.00	0.00%	Usage & maintenance for Printer/copier
100-4121-3400 Legal Services TM	\$ 50,000.00	\$ 42,821.52	\$ 50,000.00	0.00%	Legal advice & services from town atty. @ Woods Rogers
100-4121-3401 Legal Services Finance	\$ 2,000.00	\$ 47.84	\$ 60,000.00	2900.00%	See 100-4121-3400, includes possible settlment & fees for ongoing litigation re. real estate tax assesment
100-4121-3402 Legal Services Code Enf	\$ -	\$ -	\$ -		See 100-4121-3400
100-4121-3404 Legal Services Police	\$ -	\$ -	\$ -		See 100-4121-3400
100-4121-3405 Legal Services Planner	\$ 4,000.00	\$ 2,250.37	\$ 14,000.00	250.00%	See 100-4121-3400 includes Bay Creek PUD legal review
100-4121-3410 Professional Services	\$ 45,000.00	\$ 6,250.00	\$ 45,000.00	0.00%	Surveying & engineering services, etc.

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4121-3420 Consulting Svcs GenFund	\$ 45,000.00	\$ 13,407.28	\$ 70,000.00	55.56%	VHB consulting for beachfront master plan and \$40k for assesment of Harbor, Library and Public Works facilities/capital needs.
100-4121-5005 Refund - Misc. Fees	\$ 1,200.00	\$ 174.58	\$ 1,200.00	0.00%	Refund for misc. fees charged by town departments
100-4121-5070 Postage	\$ 9,100.00	\$ 5,915.68	\$ 10,600.00	16.48%	All postage charged to Town Hall Pitney Bowes mail machine
100-4121-5080 Lease, Bldgs & Property	\$ 8,500.00	\$ -	\$ 8,500.00	0.00%	Canonie Lease & Oyster Ground Lease
100-4121-5110 Lease, Office Equipment	\$ 8,100.00	\$ 11,608.54	\$ 13,000.00	60.49%	Admin printer copier & postage machine lease
100-4121-5200 Travel-Mileage, Parking & Tolls	\$ 1,600.00	\$ 742.79	\$ 1,600.00	0.00%	Milage parking & tolls for conferences listed below at 5220
100-4121-5210 Travel-Lodging & Meals	\$ 2,800.00	\$ 542.45	\$ 2,800.00	0.00%	Meals & lodging for conferences listed below at 5220
100-4121-5220 Conference	\$ 800.00	\$ 503.87	\$ 800.00	0.00%	VLGMA Summer Conf. \$400, VML Annual Conf. \$400, VML Small Town Conf. \$400, ICMA Annual Conf. \$400
100-4121-5230 Education	\$ 1,200.00	\$ -	\$ 1,200.00	0.00%	One continuing education class
100-4121-5240 Books & Subscriptions	\$ 100.00	\$ -	\$ 100.00	0.00%	Trade publications & reference books
100-4121-5250 Dues & Memberships	\$ 2,000.00	\$ 2,337.68	\$ 2,111.00	5.55%	ICMA \$650, VLGMA \$525, VML (for whole town) \$936
100-4121-5300 Insurance, Property & General Liability	\$ 50,000.00	\$ -	\$ 55,000.00	10.00%	VRSA annual policy. Actual amount TBD based on policy renewal
100-4121-5340 Licensing	\$ 740.00	\$ 715.00	\$ 740.00	0.00%	Annual fishing license for town fishing pier
100-4121-6000 Office Supplies	\$ 16,000.00	\$ 7,112.61	\$ 14,500.00	-9.38%	Anything disposable for Town Hall (paper, pins, file folders, etc.), envelopes
100-4121-6900 Contingency Fund ExpGen Fund	\$ 46,000.00	\$ 350.00	\$ 80,000.00	73.91%	Opportunities that arise and are unexpected, i.e., grant writing, surveys, architectural drawings, engineering, etc. Also includes contingency for unforeseen staffing needs.
100-4121-7000 TM Water & Sewer Expense	\$ 3,000.00	\$ 1,104.54	\$ 3,000.00	0.00%	Town hall water & sewer
Total	\$ 579,719.00		\$ 726,552.00		Prior year totals only include accounts with amounts budgeted for FY27.
Finance					
100-4124-1000 Regular Salaries & Wages-Finance	\$ 372,367.00	\$ 258,498.82	\$ 299,115.00	-19.67%	Includes Treasurer, Assistant Treasurer, Staff Accountant and Business License Spec. & Finance Clerk. HR has been moved to its own department.
100-4124-1100 Regular Salaries & Wages OT Finance	\$ 1,074.07	\$ 475.44	\$ 4,000.00	272.42%	Dependent on workload
100-4124-1200 PT Salaries & Wages Finance	\$ 5,239.34	\$ -	\$ -	-100.00%	
100-4124-2000 FICA Expense	\$ 31,760.89	\$ 19,512.46	\$ 28,421.00	-10.52%	
100-4124-2100 SUI Expense	\$ 50.30	\$ 342.05	\$ 400.00	695.23%	
100-4124-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 29,340.32	\$ 21,761.89	\$ 25,804.00	-12.05%	
100-4124-2210 Life Insurance	\$ 4,512.71	\$ 2,887.85	\$ 4,384.00	-2.85%	
100-4124-2220 Disability Insurance, LTD & STD	\$ 2,617.03	\$ 1,395.29	\$ 3,000.00	14.63%	
100-4124-2230 Worker's Comp	\$ 298.64	\$ 84.72	\$ 350.00	17.20%	
100-4124-2300 Health Insurance	\$ 37,101.16	\$ 17,993.01	\$ 28,000.00	-24.53%	

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4124-2360 Staff & Volunteer Appreciation	\$ -	\$ -	\$ 200.00		Dept. morale meal
100-4124-2301 Health Reimb Acct Exp	\$ 4,513.17	\$ 140.00	\$ 2,750.00	-39.07%	
100-4124-2310 Dental Insurance	\$ 2,095.74	\$ 1,272.04	\$ 3,000.00	43.15%	
100-4124-3000 Contract Labor	\$ 12,000.00	\$ 202.50	\$ 12,000.00	0.00%	CPA consultant for finance dept., possible electronic file (digitizing) assistance
100-4124-3020 Maint Svc Contracts	\$ 7,500.00	\$ -	\$ 7,500.00		Usage/maintenance for Finance printer/copier
100-4124-3700 Auditor & Accountant Services	\$ 45,000.00	\$ -	\$ 50,000.00	11.11%	Annual Audit (increase by \$5,000 if new auditor is selected) and Financial Report
100-4124-3710 Collections Services & DMV Fees	\$ 3,200.00	\$ 150.00	\$ 3,200.00	0.00%	DMV stop fees
100-4124-3730 Bank Service Charges	\$ 9,500.00	\$ 2,929.16	\$ 9,500.00	0.00%	Includes Docwka (harbor software) financial service charges (\$7,500) and Rentalscapes Fees (\$2,000)
100-4124-3740 Merchant Service Costs	\$ 21,150.00	\$ 12,367.29	\$ 24,000.00	13.48%	WorldPay (\$2,850) Rentalscape fees and Clover (Other payment receipts for finance and building/code and P & Z (\$21,150))
100-4124-3750 Late Fees	\$ 100.00	\$ 78.00	\$ 100.00	0.00%	Occasional delay in processing payments due to mail delivery
100-4124-5110 Lease, Office Equipment	\$ 1,600.00	\$ -	\$ 1,600.00	0.00%	Lease for Finance printer/copier
100-4124-5200 Travel-Mileage, Parking & Tolls	\$ 3,200.00	\$ 523.00	\$ 2,000.00	-37.50%	Travel for staff to and from TAV and VGFOA conferences and training sessions
100-4124-5210 Travel-Lodging & Meals	\$ 3,200.00	\$ 1,217.08	\$ 3,200.00	0.00%	Lodging and Meals for staff for TAV and VGFOA conferences and training sessions
100-4124-5220 Conference	\$ 2,000.00	\$ 650.00	\$ 2,000.00	0.00%	Fall Conference for 2 staff (TAV) and 2 staff members to attend 2 VGFOA conferences during the year
100-4124-5230 Education	\$ 2,960.00	\$ 158.39	\$ 2,960.00	0.00%	TAV certificate programs (part of Spring and Fall conference) Master Govt. Certificate Program (\$250 per year plus \$125 certification fee after 4 years)
100-4124-5240 Books & Subscriptions	\$ 200.00	\$ 299.00	\$ 200.00	0.00%	
100-4124-5250 Dues & Memberships	\$ 1,500.00	\$ 175.00	\$ 500.00	-66.67%	\$200 for all Finance Dept to be members of TAV and \$250 for 5 staff memberships to VGFOA
100-4124-5260 Employee Testing & Certification	\$ 1,200.00	\$ -	\$ 750.00	-37.50%	\$125 enrollment fee plus \$250/year for courses (4 years)
100-4124-6000 Office Supplies	\$ 8,900.00	\$ 3,152.63	\$ 8,900.00	0.00%	Disposable office supplies (pens, paper, staples, etc.)
Total	\$ 614,180.37		\$ 527,834.00		Prior year totals only include accounts with amounts budgeted for FY27.
Human Resources					
100-4125-1000 Regular Salaries & Wages HR	\$ -	\$ -	\$ 74,206.00		HR Manager
100-4125-1200 PT Salaries & Wages HR	\$ -	\$ -	\$ 28,000.00		Part time HR/Clerk assistant @ 30 hrs/wk.
100-4125-2000 FICA Expense	\$ -	\$ -	\$ 7,804.00		
100-4125-2100 SUI Expense	\$ -	\$ -	\$ 12.00		
100-4125-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ -	\$ -	\$ 7,696.00		

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4125-2210 Life Insurance	\$ -	\$ -	\$ 875.00		
100-4125-2220 Disability Insurance, LTD & STD	\$ -	\$ -	\$ 605.00		
100-4125-2230 Worker's Comp	\$ -	\$ -	\$ 70.00		
100-4125-2300 Health Insurance	\$ -	\$ -	\$ 8,065.00		
100-4125-2301 Health Reimb Acct Exp	\$ -	\$ -	\$ 1,850.00		
100-4125-2302 Wellness Health Incentive Exp	\$ -	\$ -	\$ 6,000.00		YMCA, WHIP, & Sic Clinic programs for all staff
100-4125-2310 Dental Insurance	\$ -	\$ -	\$ 311.00		
100-4125-2330 Benefits Adminstrn Fees	\$ -	\$ -	\$ 2,100.00		Flexible Benefit Administrator
100-4125-2345 Employee/Volunteer Testing	\$ -	\$ -	\$ 150.00		Drug testing all new hires
100-4125-3500 Advertising Services	\$ -	\$ -	\$ 2,000.00		Job postings for hiring all depts.
100-4124-3600 Payroll Processing & Timekeeping	\$ -	\$ -	\$ 10,000.00		
100-4125-5200 Travel-Mileage, Parking & Tolls	\$ -	\$ -	\$ 300.00		Parking & Tolls for PSHRA Fall Conference in Wmsbg, lodging for VRSA Round Tables, Annual Meetings and Town Meetings
100-4125-5210 Travel-Lodging & Meals	\$ -	\$ -	\$ 990.00		Hotel for PSHRA Fall Conference in Wmsbg (\$400), lodging for VRSA Round Tables, Annual Meetings and Town Meetings
100-4125-5220 Conference	\$ -	\$ -	\$ 375.00		PSHRA Fall Conference in Wmsbg
100-4125-5230 Education	\$ -	\$ -	\$ 500.00		Additional & misc. training
100-4125-5235 Leadership Academy - Staff Development Training	\$ -	\$ -	\$ 1,000.00		Books, materials & supplies
100-4125-5250 Dues & Memberships	\$ -	\$ -	\$ 600.00		SHRM - \$300, PSHRA National - \$175, PHRSA VA Chapter - \$125
100-4125-6000 Office/Departmental Supplies	\$ -	\$ -	\$ 350.00		Incentive gift cards for open enrollment and trainings, lunches, food & snacks etc. for training & meetings
Total	\$ -	\$ -	\$ 153,859.00		This is new dept., expenses were previously under Finance
Information Technology					
100-4127-3430 IT Services	\$ 68,188.00	\$ 3,152.63	\$ 68,000.00	-0.28%	IT contractor services, Security Cameras, Southern Software tax conversion & tax conv consultant, P&Z GIS Contract Svcs, etc.
100-4127-5040 Phone Service	\$ 29,720.00	\$ 24,028.63	\$ 33,210.00	11.74%	RingCentral=\$8900; Cell Phone Reimbursements=\$9010; Town-issued cell phones-\$10800; Police Air Cards #9=\$4500
100-4127-5050 Internet & Cable Services	\$ 18,000.00	\$ 22,026.24	\$ 34,000.00	88.89%	Spectrum (Police, Library, PW)=\$9600; ESVBA Town Hall=10800; Future ESVBA Civic Center=\$9500 & PW=\$4100
100-4127-6160 Computer Hardware & Electronics	\$ 33,300.00	\$ 12,124.50	\$ 38,000.00		7 PCs @ \$1500 ea; 2 servers (Police & Library)=\$10400; 1 more robust PC for Police=\$3200; 19 monitors @ \$200 ea; 2 laptops @ 1600 ea; 2 desktop printers=\$1100; 11 Chromebooks for Boards= \$2900; Contingency iPad & Case=\$900; Misc computer accessories=\$2000

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4127-6170 Computer Software	\$ 230,906.00	\$ 36,757.15	\$180,000.00		Website; Agenda Mgmt; Nixle; Adobe; MS365; VEEAM MS365 cloud backup; Town Code & ZO hosting; Endpoint Security; Barracuda Backup (main, police & library); e-Bridge; Fortinet IT Security; RemotePC; CANVA; Southern Software; PW Work Order software; Meraki-Library Cloud backup for Computer Lab; Police ID Networks; RentalScape; BS&A Upgrade & new permitting module; etc.
Total	\$ 380,114.00		\$ 353,210.00		Prior year totals only include accounts with amounts budgeted for FY27.
Police					
100-4310-1000 Regular Salaries & Wages-Police	\$ 568,935.00	\$ 379,249.46	\$ 573,064.00	0.73%	Includes Chief, one Lieutenant, two Sergeants and five Officers. Required holiday pay included
100-4310-1100 Regular Salaries & Wages OT Police	\$ 10,000.00	\$ 2,215.48	\$ 6,000.00	-40.00%	
100-4310-2000 FICA Expense	\$ 41,802.12	\$ 27,654.14	\$ 41,862.00	0.14%	
100-4310-2100 SUI Expense	\$ 75.33	\$ 478.40	\$ 82.00	8.85%	
100-4310-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 46,047.63	\$ 31,592.74	\$ 37,707.00	-18.11%	
100-4310-2210 Life Insurance	\$ 7,322.05	\$ 3,996.94	\$ 6,477.00	-11.54%	
100-4310-2220 Disability Insurance, LTD & STD	\$ 4,233.63	\$ 2,627.08	\$ 5,455.00	28.85%	
100-4310-2230 Worker's Comp	\$ 30,902.46	\$ 1,432.27	\$ 30,950.00	0.15%	
100-4310-2300 Health Insurance	\$ 67,566.90	\$ 38,903.00	\$ 68,695.00	1.67%	
100-4310-2301 Health Reimb Acct Exp	\$ 8,998.18	\$ -	\$ 8,125.00	-9.70%	
100-4310-2310 Dental Insurance	\$ 2,523.68	\$ 2,058.13	\$ 3,100.00	22.84%	
100-4310-2360 Staff & Volunteer Appreciation	\$ -	\$ -	\$ 200.00		Annual staff appreciation dinner
100-4310-3025 Repair Maint & Inspect Contracted Svcs	\$ 500.00	\$ 336.96	\$ 1,000.00		Maintenance/usage of printer copier
100-4310-4080 Grant Exp - DCJS LOLE/Byrne	\$ 3,000.00	\$ -	\$ 1,750.00	-41.67%	Vehicle radar
100-4310-5110 Lease, Office Equipment	\$ 804.00	\$ 733.65	\$ 2,000.00		Printer/copier lease
100-4310-5200 Travel-Mileage, Parking & Tolls	\$ 500.00	\$ 299.40	\$ 500.00	0.00%	Police academy travel , car calibration & lab in Norfolk, etc.
100-4310-5210 Travel-Lodging & Meals	\$ 8,100.00	\$ 520.69	\$ 8,100.00	0.00%	Meals & lodging for police academy and other offsite training
100-4310-5230 Education	\$ 6,000.00	\$ 6,150.00	\$ 9,000.00	50.00%	Increased academy dues and other offsite training
100-4310-5310 Insurance, Public Official Liability	\$ 7,362.06	\$ -	\$ 7,362.00	0.00%	Hazardous duty retirement
100-4310-5330 Insurance, LODA	\$ 6,131.00	\$ -	\$ 6,131.00	0.00%	Insurance required by Line of Duty Act, in case of death in line of duty
100-4310-6000 Office Supplies	\$ 4,500.00	\$ 3,486.99	\$ 4,500.00	0.00%	Paper, pens, notebooks, file folders & bathroom cleaning supplies, etc.
100-4310-6050 Uniforms Expense	\$ 9,000.00	\$ 6,133.66	\$ 8,000.00	-11.11%	Police uniforms & bullet proof vests, etc.
100-4310-6125 Departmental Supplies & Equipment - Police	\$ 20,000.00	\$ 11,244.91	\$ 20,000.00	0.00%	Guns, ammunition, less lethal weapons and all other tools of the trade including tires & vehicle supplies

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4310-6175 Vehicles & Powered Equipment Fuel	\$ 26,800.00	\$ 6,558.15	\$ 20,000.00	-25.37%	Fuel for police cars & boat
100-4310-6200 Vehicle & Powered Equip. Supplies & Svcs	\$ 12,000.00	\$ 3,794.29	\$ 15,000.00	25.00%	upfitting patrol car is \$8K, in car computers, blue lights
100-4310-6225 Repair & Maintenance Supplies Police	\$ 5,000.00	\$ 361.74	\$ 5,000.00	0.00%	Light bulbs, door locks, vehicle & tuning fork calibration
100-4310-7070 Vehicles & Equipment	\$ 8,500.00	\$ -	\$ 48,000.00	464.71%	new patrol vehicle, to replace the oldest unit in service
100-4310-7000 Police Water & Sewer Bill	\$ -	\$ -	\$ 2,000.00		new expense due to move
Total	\$ 906,604.04		\$ 940,060.00		Prior year totals only include accounts with amounts budgeted for FY27.
Code Enforcement					
100-4340-1000 Regular Salaries & Wages-Code Enforcement	\$ 144,452.00	\$ 86,617.53	\$ 172,536.00	19.44%	Includes Code Enforcement Officer, Permit Tech. & Compliance Officer
100-4340-1100 Regular Salaries & Wages OT Code Enf	\$ 1,123.00	\$ 1,197.70	\$ 1,800.00	60.28%	Additional OT for reviewing applications & permits. Based on increased workload resulting from new STR regulations and new construction
100-4340-2000 FICA Expense	\$ 17,093.61	\$ 7,024.86	\$ 13,081.00	-23.47%	
100-4340-2100 SUI Expense	\$ 29.50	\$ 95.99	\$ 150.00	408.47%	
100-4340-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 15,641.02	\$ 6,315.93	\$ 12,529.00	-19.90%	
100-4340-2210 Life Insurance	\$ 2,236.85	\$ 1,084.86	\$ 2,018.00	-9.78%	
100-4340-2220 Disability Insurance, LTD & STD	\$ 1,053.76	\$ 468.12	\$ 1,454.00	37.98%	
100-4340-2230 Worker's Comp	\$ 1,121.01	\$ 84.72	\$ 1,550.00	38.27%	
100-4340-2300 Health Insurance	\$ 8,732.07	\$ 4,285.08	\$ 16,202.00	85.55%	
100-4340-2301 Health Reimb Acct Exp	\$ 590.00	\$ -	\$ 1,300.00	120.34%	
100-4340-2310 Dental Insurance	\$ 885.01	\$ 415.36	\$ 937.00	5.87%	
100-4340-3500 Advertising Services	\$ 500.00	\$ 611.99	\$ 500.00	0.00%	Advertising of appeals
100-4340-5110 Lease, Office Equipment	\$ 1,350.00	\$ 801.09	\$ 1,350.00		Wide Format Scanner
100-4340-5200 Travel-Mileage, Parking & Tolls	\$ 1,080.00	\$ 98.00	\$ 1,000.00	-7.41%	Travel for conferences at 5220
100-4340-5210 Travel-Lodging & Meals	\$ 480.00	\$ -	\$ 480.00	0.00%	Lodging & Meals for conferences at 5220
100-4340-5220 Conference	\$ 480.00	\$ -	\$ 480.00	0.00%	VA Building Code Assoc., VA Fire Protections Assoc. conferences & DHCD
100-4340-5230 Education	\$ 800.00	\$ 852.36	\$ 853.00	6.63%	Certifications for Casey & Continuing Education
100-4340-5240 Books & Subscriptions	\$ 1,000.00	\$ 180.00	\$ 1,000.00	0.00%	Updated Code Books & ad'll copies for new inspector
100-4340-5250 Dues & Memberships	\$ 750.00	\$ 60.00	\$ 750.00	0.00%	Dues for ASFPM,VBCOA,VFPA for two staff
100-4340-6000 Office Supplies	\$ 4,000.00	\$ 809.63	\$ 4,000.00	0.00%	Office Supplies & equipment, uniforms
100-4340-6175 Vehicles & Powered Equipment Fuel	\$ 1,000.00	\$ 561.38	\$ 1,000.00	0.00%	Fuel for Explorer & Golf Cart
100-4340-6200 Vehicle & Powered Equip. Supplies & Svcs	\$ 1,000.00	\$ -	\$ 1,000.00	0.00%	Maintenance for Explorer & Golf Cart
Total	\$ 205,397.83		\$ 235,970.00	14.88%	Prior year totals only include accounts with amounts budgeted for FY27.

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
Public Works					
100-4430-1000 Regular Salaries & Wages-Public Works	\$ 336,038.62	\$ 214,864.04	\$ 346,007.00	2.97%	Includes PW Manager, one foreman, one lead maintenance specialist and four maintenance specialists and one new position
100-4430-1100 Regular Salaries & Wages OT Pub Works	\$ 26,521.88	\$ 19,057.16	\$ 21,000.00	-20.82%	
100-4430-1400 Seasonal Wages	\$ 24,000.00	\$ 7,922.63	\$ 36,840.00	53.50%	Includes 4-5 beach attendants
100-4430-1500 Seasonal Wages OT	\$ -	\$ 336.66	\$ 450.00		Includes 4-5 beach attendants
100-4430-2000 FICA Expense	\$ 29,873.27	\$ 18,019.66	\$ 33,457.00	12.00%	
100-4430-2100 SUI Expense	\$ 69.70	\$ 348.10	\$ 515.00	638.88%	
100-4430-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 26,139.11	\$ 17,470.90	\$ 29,846.00	14.18%	
100-4430-2210 Life Insurance	\$ 4,503.54	\$ 2,373.63	\$ 4,072.00	-9.58%	
100-4430-2220 Disability Insurance, LTD & STD	\$ 2,704.30	\$ 1,203.94	\$ 2,878.00	6.42%	
100-4430-2230 Worker's Comp	\$ 10,896.27	\$ 84.72	\$ 12,069.00	10.76%	
100-4430-2300 Health Insurance	\$ 63,028.80	\$ 30,945.30	\$ 56,437.00	-10.46%	\
100-4430-2301 Health Reimb Acct Exp	\$ 7,149.67	\$ -	\$ 5,150.00	-27.97%	
100-4430-2310 Dental Insurance	\$ 2,862.85	\$ 1,453.76	\$ 2,512.00	-12.26%	
100-4430-2360 Staff & Volunteer Appreciation	\$ -	\$ -	\$ 500.00		To give PW staff a cookout to say thanks at the end of the summer season.
100-4430-3020 Maint Svc Contracts	\$ 3,000.00	\$ 1,013.00	\$ 3,000.00	0.00%	Home paramount pest control, \$95 monthly plus \$348 annually and additional budget for pest control/extermination services as needed
100-4430-3025 Repair Maint & Inspect Contracted Svcs	\$ 1,000.00	\$ -	\$ 1,000.00	0.00%	Printer/copier usage
100-4430-3040 Grounds Maintenance	\$ 100,000.00	\$ 59,657.00	\$ 100,000.00	0.00%	Yearly landscaping contract work w/ Browder Hite, includes central park and all of town
100-4430-3060 Landfill Disposal	\$ 1,500.00	\$ 1,195.75	\$ 1,500.00	0.00%	Landfill disposal for bulk pickup items
100-4430-3070 Mosquito & Pest Control	\$ 9,000.00	\$ 3,600.00	\$ 9,000.00	0.00%	Mosquito spraying for 3-5 summer months as needed @ \$1,800/month
100-4430-3200 Cleaning and Janitorial Services	\$ 24,550.00	\$ 13,299.43	\$ 24,550.00	0.00%	Kairos Cleaning Services contract for cleaning town hall, civic center @ \$380/wk, plus occasional other locations and cleaning services as needed
100-4430-3500 Advertising Services	\$ 500.00	\$ -	\$ 500.00	0.00%	
100-4430-4070 Grant Exp - VML Risk Mngmnt Grant Exp	\$ 2,000.00	\$ -	\$ 2,000.00	0.00%	Expense for annual risk grant from VRSA, amount is based on our policy premium
100-4430-5010 Electric Service	\$ 56,000.00	\$ 41,397.02	\$ 56,000.00	0.00%	ANEC bill for PW office, park and public facility lighting, etc.
100-4430-5020 Propane & Fuel Oil Exp	\$ 4,000.00	\$ 1,995.10	\$ 4,000.00	0.00%	Heating for PW buildings
100-4430-5200 Travel-Mileage, Parking & Tolls	\$ 800.00	\$ 524.00	\$ 800.00	0.00%	Travel for trainings & equipment pickup, etc.
100-4430-5210 Travel-Lodging & Meals	\$ 400.00	\$ -	\$ 400.00	0.00%	Travel for trainings & equipment pickup, etc.

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4430-5230 Education	\$ 500.00	\$ -	\$ 500.00	0.00%	OSHA 40 certification for PW mgr. and other trainings for staff as needed
100-4430-5240 Books & Subscriptions	\$ 1,500.00	\$ -	\$ 1,500.00	0.00%	Yearly subscriptions for diagnostic equipment
100-4430-6000 Office Supplies	\$ 2,000.00	\$ 1,114.42	\$ 2,000.00	0.00%	Pens, paper & misc. electronics
100-4430-6025 Janitorial & Kitchen Supplies	\$ 8,700.00	\$ 3,297.36	\$ 9,000.00	3.45%	Cleaning supplies for PW facility & public bathrooms including Strawberry
100-4430-6050 Uniforms Expense	\$ 2,000.00	\$ 39.48	\$ 2,000.00	0.00%	Town logo work outfits for staff, shirts, jackets, etc.
100-4430-6075 Hand Tools, & Light Equipment	\$ 2,500.00	\$ 585.12	\$ 2,500.00	0.00%	Misc. power & hand tools
100-4430-6080 Safety Equipment	\$ 2,000.00	\$ 461.24	\$ 2,000.00	0.00%	PPE, safety boots, etc.
100-4430-6175 Vehicles & Powered Equipment Fuel	\$ 14,500.00	\$ 6,531.20	\$ 14,500.00	0.00%	Fuel for all PW vehicles & mowers
100-4430-6200 Vehicle & Powered Equip. Supplies & Svcs	\$ 14,000.00	\$ 8,333.29	\$ 14,000.00	0.00%	Batteries, water pumps & other misc. repair supplies for all PW vehicles & mowers
100-4430-6225 Repair & Maintenance Supplies Public Works	\$ 70,000.00	\$ 45,699.96	\$ 95,000.00	35.71%	Plumbing supplies, electrical supplies, road barriers, etc., includes \$20k to outsource painting & maint. of civic center & beachfront pavillion and \$5,000 for maint. On golf cart path on Cassatt
100-4430-6230 Repair & Maint Supplies Central Park	\$ 26,000.00	\$ 14,015.89	\$ 24,000.00	-7.69%	\$15,000 annual plus \$9,000 to replace swing set in the playground.
100-4430-6235 Repair & Maintenance Supplies Business District	\$ 15,000.00	\$ 4,066.33	\$ 15,000.00	0.00%	Plumbing supplies, electrical supplies, road barriers, etc. for the business district
100-4430-6275 Beach Maint. & Safety Supplies & Svcs	\$ 50,000.00	\$ 17,271.85	\$ 60,000.00	20.00%	Davis Disposal bill for 20Y dumpster and misc. beach supplies such as volleyball court markers & beach signs. Includes \$10k for beach mats & ADA ramps.
100-4430-7000 PW Water & Sewer Bill	\$ 6,225.00	\$ 3,472.49	\$ 9,825.00	57.83%	Water/sewer bill for all public works buildings plus est. \$300/mon. for 7 Strawberry Street restroom
Total	\$ 951,463.01		\$ 1,006,308.00	5.76%	Prior year totals only include accounts with amounts budgeted for FY27.
Town Events & Recreation					
100-4710-1000 Regular Salaries & Wages-Events & Rec	\$ -	\$ -	\$ 45,052.00		Assistant to the Town Manager/Event Coordinator salary
100-4710-1100 OT Regular Salaries & Wages-Events & Rec			\$ 2,500.00		
100-4710-1400 Seasonal Wages			\$ 1,200.00		Paid help for easter egg hunt, fall festival and 4th of July
100-4710-1500 Seasonal Wages OT			\$ 300.00		
100-4710-2000 FICA Expense			\$ 3,638.00		
100-4710-2100 SUI Expense			\$ 150.00		
100-4710-2200 Retirement-ER VRS & ICMA-RC Contribution			\$ 3,770.00		
100-4710-2210 Life Insurance			\$ 531.00		
100-4710-2220 Disability Insurance, LTD & STD			\$ 203.00		

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4710-2230 Worker's Comp			\$ 70.00		
100-4710-2300 Health Insurance			\$ 6,802.00		
100-4710-2301 Health Reimb Acct Exp			\$ 875.00		
100-4710-2310 Dental Insurance			\$ 312.00		
100-4710-5230 Education	\$ -	\$ -	\$ 200.00		TBD training, conferences or continuing education for staff
100-4710-2360 Staff & Volunteer Appreciation	\$ -	\$ -	\$ 12,000.00		team building, holiday party (2K), staff luncheons (1K), end of year gifts(4K), board appreciation party (4K), 1K contingency
100-4710-3500 Advertising Services	\$ -	\$ -	\$ 5,000.00		Advertising events, signage, printing flyers
100-4710-4200 Fireworks	\$ -	\$ -	\$ 25,000.00		Fireworks at the bay, 4th of July
100-4710-6050 Uniforms	\$ -	\$ -	\$ 1,800.00		apparel with town logo for staff, volunteers & council and name tags
100-4710-6100 Recreation Programs & Events	\$ -	\$ -	\$ 55,000.00		4th of July (11K), Fall Festival (12K), Easter (5K), Community potluck (1K), All Winter Events (3K), CC Day (1K), Blessing of the Fleet & Worms plus ancillary items (1K) Contingency (9K), Crab Pot Drop (1K), Decoy Show (12K)
100-4710-6125 Event Departmental Equipment	\$ -	\$ -	\$ 5,000.00		Misc. equipment for events
Total	\$ -		\$ 103,800.00		This is a new dept., these expenses were previously under Town Manager
Library					
100-4730-1000 Regular Salaries & Wages-Library	\$ 124,485.25	\$ 82,959.58	\$ 133,238.00	7.03%	Includes Library Manager and two Library Assistants
100-4730-1100 Regular Salaries & Wages OT Library	\$ 2,000.00	\$ 64.77	\$ 2,075.00	3.75%	
100-4730-1200 PT Salaries & Wages Library	\$ 3,600.00	\$ 1,126.12	\$ 3,650.00	1.39%	
100-4730-2000 FICA Expense	\$ 9,782.25	\$ 6,078.59	\$ 10,050.00	2.74%	
100-4730-2100 SUI Expense	\$ 27.60	\$ 197.47	\$ 225.00	715.22%	
100-4730-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 10,223.08	\$ 6,930.05	\$ 11,771.00	15.14%	
100-4730-2210 Life Insurance	\$ 1,713.63	\$ 951.06	\$ 1,542.00	-10.02%	
100-4730-2220 Disability Insurance, LTD & STD	\$ 703.54	\$ 478.96	\$ 775.00	10.16%	
100-4730-2230 Worker's Comp	\$ 92.01	\$ 84.71	\$ 100.00	8.68%	
100-4730-2300 Health Insurance	\$ 25,557.69	\$ 13,218.36	\$ 21,800.00	-14.70%	
100-4730-2301 Health Reimb Acct Exp	\$ 2,971.85	\$ -	\$ 2,925.00	-1.58%	
100-4730-2310 Dental Insurance	\$ 1,124.54	\$ 623.04	\$ 935.00	-16.85%	
100-4730-2360 Staff & Volunteer Appreciation	\$ 500.00	\$ 35.17	\$ 500.00		Food & other tokens of appreciation for library board, friends of the library & staff
100-4730-3005 Program & Event Performers & Entertainers	\$ 750.00	\$ 1,245.36	\$ 900.00		Town Wide Read (books, movie license, promotion and theatre rental)
100-4730-3025 Repair Maint & Inspect Contracted Svcs	\$ 2,400.00	\$ 1,408.78	\$ 2,400.00	0.00%	Maintenance & usage of printer/copier
100-4730-3200 Cleaning and Janitorial Services	\$ 10,140.00	\$ 5,610.00	\$ 8,500.00	-16.17%	based on \$170/week charge

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4730-3500 Advertising Services	\$ 500.00	\$ 786.37	\$ 500.00	0.00%	Promotional materials for public
100-4730-4090 Grant Exp - DEQ Litter Grant - Library	\$ 1,838.00	\$ -	\$ 1,835.00	-0.16%	determined by DEQ grant for recycling program
100-4730-4100 Grant Exp - Library - VA Arts Comm.	\$ 400.00	\$ -	\$ 400.00		Needs based for summer program
100-4730-4110 Grant Exp - Library - Friends of The Library	\$ 6,000.00	\$ 552.86	\$ 6,000.00		Reimbursement based grant from Friends of the Library
100-4730-4150 Grant Exp - Library Other	\$ 4,502.62	\$ 471.68	\$ 4,031.00		STEM grant, rc'vd two years ago
100-4730-5010 Electric Service	\$ 7,000.00	\$ 3,337.17	\$ 7,000.00		
100-4730-5020 Propane & Fuel Oil Exp	\$ 3,500.00	\$ 2,018.28	\$ 3,500.00		
100-4730-5110 Lease, Office Equipment	\$ 2,000.00	\$ 1,008.16	\$ 2,000.00	0.00%	Lease of printer/copier
100-4730-5200 Travel-Mileage, Parking & Tolls	\$ 480.00	\$ 528.29	\$ 529.00	10.21%	Quarterly inservice in Parksley & flexibility for TBD outreach events and off-site programs/meetings for staff of three
100-4730-5210 Travel-Lodging & Meals	\$ 480.00	\$ 477.44	\$ 480.00	0.00%	Library of Virginia annual conference
100-4730-5220 Conference	\$ 400.00	\$ 290.00	\$ 400.00	0.00%	Library of Virginia annual conference
100-4730-5230 Education	\$ 800.00	\$ 285.85	\$ 800.00	0.00%	online conferences and professional development through American Library Association & others
100-4730-5250 Dues & Memberships	\$ 500.00	\$ 143.96	\$ 400.00	-20.00%	American Lib. Assoc., Assoc. of Small & Rural Libraries & Public Lib. Assoc.
100-4730-6000 Office Supplies	\$ 3,000.00	\$ 2,283.35	\$ 3,000.00	0.00%	new chairs for staff, additional storage cabinet(s)/organizers, shelving for staff office, water cooler, new microwave and regular monthly needs
100-4730-6050 Uniforms - Library	\$ 200.00	\$ 98.26	\$ 200.00	0.00%	Summer reading program t-shirts & seasonal library t-shirts
100-4730-6100 Program & Event Supplies & Awards	\$ 7,000.00	\$ 2,738.99	\$ 7,000.00	0.00%	Supplies for story time, STEM program, outreach, seed cart & summer reading programs
100-4730-6125 Dept Sppls & Equip	\$ 18,000.00	\$ 12,757.58	\$ 18,000.00	0.00%	Books, DVDs and CDs
100-4730-7000 Library Water & Sewer Expense	\$ 2,000.00	\$ 426.74	\$ 2,000.00	0.00%	
100-4730-7100 Condo Fee	\$ 4,800.00	\$ -	\$ 5,400.00	12.50%	Condo assoc. fee - required by library sale agreement
Total	\$ 259,472.06		\$ 264,861.00	2.08%	Prior year totals only include accounts with amounts budgeted for FY27.
Planning					
100-4811-1000 Regular Salaries & Wages-Planning	\$ 206,023.81	\$ 143,916.60	\$ 190,201.00	-7.68%	Includes P&Z Admin., P&Z Assistant, Administrative Assistant as well as boards & commissions: 17 members, 25 meetings x 12 month
100-4811-1100 Regular Wages OT Planning	\$ 1,888.00	\$ 543.13	\$ 2,000.00	5.93%	
100-4811-2000 FICA Expense	\$ 22,199.57	\$ 11,040.54	\$ 14,452.00	-34.90%	
100-4811-2100 SUI Expense	\$ 47.73	\$ 244.48	\$ 225.00	371.40%	
100-4811-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 23,322.90	\$ 14,282.42	\$ 19,195.00	-17.70%	
100-4811-2210 Life Insurance	\$ 3,823.10	\$ 1,631.74	\$ 2,169.00	-43.27%	
100-4811-2220 Disability Insurance, LTD & STD	\$ 1,786.56	\$ 806.25	\$ 1,646.00	-7.87%	

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4811-2230 Worker's Comp	\$ 387.25	\$ 84.71	\$ 215.00	-44.48%	
100-4811-2300 Health Insurance	\$ 21,041.37	\$ 15,322.04	\$ 19,197.00	-8.77%	
100-4811-2301 Health Reimb Acct Exp	\$ 2,108.73	\$ -	\$ 2,900.00	37.52%	
100-4811-2310 Dental Insurance	\$ 976.26	\$ 808.80	\$ 914.00	-6.38%	
100-4811-3025 Repair Maint & Inspect Contracted Svcs	\$ 1,050.00	\$ 576.23	\$ 1,100.00	4.76%	1) Canon Wide Format Scanner Maintenance Contract: \$500 (P&Z Share of contract - the other half of this contract of \$500 is paid by the Building Dept.) 2) Savin Printer - Base Fee of \$25/month x 12 months = \$300. 3) Savin Printer - Overage for Printer Copies = \$300
100-4811-3410 Management Consulting	\$ 109,991.00	\$ 35,564.97	\$ 115,000.00	4.55%	1) Harbor/Railroad Master Planning & Design Guidelines - estimated remainder of contract that falls in the FY2027 budget - \$45,000 2) Consulting services re: zoning language to incorporate the Railroad/Harbor Master Planning - general - \$70,000
100-4811-3450 Printing & Design Services	\$ 1,000.00	\$ 550.00	\$ 1,500.00	50.00%	1) Zoning Maps (size of 59.5 x 70) (6): \$600 2) Updated Bay Creek Maps: \$500 3) Miscellaneous printing needs: \$400
100-4811-3500 Advertising Services	\$ 9,000.00	\$ 1,945.60	\$ 9,500.00	5.56%	1) General Public Hearings for BZA Variances & Appeals; Planning Commission CUPS; Zoning Text & Map Amendments: \$2,000 2) Public Hearings for Zoning Text Amendments and Zoning Map Amendments for Accomack PUD Revisions: \$7,500 (this was also budgeted in the FY2026 budget and work is progressing on this item but uncertain if public hearings will occur in FY26 or occur in the FY2027 budget year)
100-4811-5110 Lease - Equipment	\$ 948.00	\$ 801.08	\$ 948.00	0.00%	Canon Wide Format Scanner: \$79/month x 12 months = \$948
100-4811-5200 Travel-Mileage, Parking & Tolls	\$ 2,192.00	\$ 791.90	\$ 1,600.00	-27.01%	1) VAZO Fall Conference (2): \$200 2) Certified PC Training (1): \$450 3) APA VA Annual Conference: \$400 4) Certified BZA Training (1): \$450 5) Misc. Travel: \$100
100-4811-5210 Travel-Lodging & Meals	\$ 2,480.00	\$ 1,693.49	\$ 2,480.00	0.00%	1) VAZO Fall Conference (2): \$1,000 2) Certified PC Training (1): \$1,000 3) APA VA Annual Conference: \$675 4) Certified BZA Training (1): \$400 5) Misc. Meals: \$100
100-4811-5220 Conference	\$ 820.00	\$ 685.00	\$ 820.00	0.00%	1) VAZO Fall Conference (2): \$600 2) APA VA Annual Conference (1): \$675 3) VA Assoc. of Wetlands Professionals Annual Meeting: \$225
100-4811-5230 Education	\$ 3,640.00	\$ 3,170.00	\$ 3,640.00	0.00%	1) Certified PC Training (3): \$750 2) Certified BZA Training (3): \$2,100 3) Certified ARB Training (2): \$1,400 4) Historic District Training: \$150

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-4811-5240 Books & Subscriptions	\$ 400.00	\$ 338.81	\$ 400.00	0.00%	1) purchase books and other relevant reference materials for department: \$400 2) obtain copies of deeds or plats that have not been electronically digitized at Eastville Land Records: \$150
100-4811-5250 Dues & Memberships	\$ 2,275.00	\$ 1,099.00	\$ 2,210.00	-2.86%	1) APA Membership: \$800 2) ICMA Membership: \$560 3) National Alliance of Preservation Commissions: \$75 4) Preservation VA: \$100 5) Resilience VA Membership: \$150 6) VA Assoc. of Wetlands Professionals: \$100 7)VA Rural Planning Caucus Membership: \$150 8) VAZO Membership (4): \$400
100-4811-5260 Employee Testing & Certification	\$ 500.00	\$ 325.00	\$ 250.00	-50.00%	1) Exam Cost for VAZO Certification for the Planning Admin position in FY2027 - \$250
100-4811-6000 Office Supplies	\$ 2,850.00	\$ 1,884.69	\$ 2,850.00	0.00%	1) Toner Cartridges for Printer - \$1,000 2) Calendars: \$150 3) Business Cards: \$200 4) Clothing for Inspectors/Field Work - 1 outer gear (jacket or vest) x 2 employees: \$250 5) Toner & Paper for Wide Format Scanner: \$800 6) Misc. Office Supplies: \$500
100-4811-7070 Vehicles & Equipment	\$ 400.00	\$ -	\$ 46.00	-88.50%	Golf Cart Inspection and Decal for one golf cart - \$46
Total	\$ 421,151.28		\$ 395,458.00	-6.10%	Prior year totals only include accounts with amounts budgeted for FY27
Transfers Out					
100-xxxx-4015 Grant ExpArts Enter VCA	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	0.00%	
100-xxxx-4020 Grant Exp- Fire Dept Passthrough	\$ 15,000.00	\$ -	\$ 15,000.00	0.00%	Fire Company Passthrough from state department of fire programs
100-xxxx-4025 Fire Dept Allocation	\$ 75,000.00	\$ 75,000.00	\$ 132,695.00	76.93%	\$75,000 for general operating, \$57,695 for SCBS Compressor
100-xxxx-3005 Citizens for Central Park Allocation	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00		\$5k for staffing \$12k for concerts
100-xxxx-4050 ESVA Tourism Comm. Allocation	\$ 5,000.00	\$ -	\$ 5,000.00	0.00%	
100-4121-4080 Grant Exp - Sail 250	\$ 20,200.00	\$ 20,200.00	\$ -	-100.00%	
100-4121-4085 Grant Exp - Cape Charles Christian School	\$ 4,000.00	\$ 4,000.00	\$ -	-100.00%	
100-4121-4090 Grant Exp - Cape Charles Civic League	\$ 10,000.00	\$ -	\$ -	-100.00%	
100-4121-4095 Grant Exp - Cape Charles Museum & Welcome Ctr	\$ 1,000.00	\$ 1,000.00	\$ -	-100.00%	
100-4121-4100 Grant Exp - YMCA	\$ 10,000.00	\$ 10,000.00	\$ -	-100.00%	
100-xxxx-4210 Cape Charles Main Street Allocation	\$ 90,000.00	\$ 67,500.00	\$ 110,000.00	22.22%	The increase is for PT staff
100-xxxx-8110 Transfer to Gen Capital Proj Fund - Min 6%	\$ 318,456.46	\$ -	\$ 356,172.00		
100-xxxx-8111 Transfer .5% Meals tax to Cap Proj Fund	\$ 84,000.00	\$ 60,724.32	\$ 80,000.00		
100-xxxx-8112 Transfer Misc. to Cap Proj Fund	\$ 3,000.00	\$ 3,000.00	\$ 5,535,715.00		Needed to fund capital project expenditures
100-xxxx-8120 Transfer to Gen Debt Svc Fund	\$ 95,121.00	\$ 95,121.00	\$ 30,122.00		

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY27 Proposed Budget	% change	Notes
100-xxxx-8510 Transfer to Harbor Fund	\$ 265,730.98	\$ 265,730.98	\$ 115,170.00		
Total	\$ 1,018,008.44		\$ 6,401,374.00		This is a new dept., these expenses were previously under Town Manager
GF Total Expenses			\$ 11,261,126.00		
GF Operating Expenses			\$ 5,610,241.00		Total expenses less transfer to Harbor (\$115,170) & Misc. transfer to Capital Fund (\$5,461,661)
GF Revenue Less Expenditures			\$ -		

Account	FY26 Budget	FY26 Actual as of 3/12/26	FY27 Proposed Budget	% change	Notes
Capital - Revenue					
110-3900-1000 Appropriation from Fund Balance	\$ 1,567,000.00	\$ 1,500,000.00	\$ -	-100.00%	
110-3950-2000 Transfer from Gen Fund for Capital 6%	\$ 318,456.46	\$ -	\$ 356,172.00	11.84%	
110-3950-2050 Transfer from Gen Fund Meals Tax .5%	\$ 84,000.00	\$ 60,724.32	\$ 80,000.00	-4.76%	
110-3950-3100 Transfer from Gen Fund Other	\$ 3,000.00	\$ 3,000.00	\$ 5,535,715.00	184423.83%	
Total	\$ 1,972,456.46	\$ 1,560,724.32	\$ 5,971,887.00	202.76%	Prior year totals only include accounts with amounts budgeted for FY27.
Capital - Expenditures					
110-4430-5080 Lease of Buildings & Property	\$ 62,019.00	\$ 42,582.00	\$ 57,387.00	-7.47%	Trinity UMC Lease - 3 months @ \$4,729 and 9 months @ \$4,800
110-4430-7010 Buildings & Improvements - New Town Hall	\$ 3,087,981.00	\$ 79,246.70	\$ 5,000,000.00	61.92%	Est. progress payments for \$7+M contract
110-4430-7013 Buildings & Improvements Beachfront Revitalization	\$ 45,000.00	\$ -	\$ 65,000.00	44.44%	\$15k for grant writing & \$50k for dune reduction & reconfiguration
110-4430-7015 Buildings & Improvements Sidewalk Infill	\$ 100,000.00	\$ 49,819.00	\$ 100,000.00	0.00%	Phase 2, likely Jefferson
110-4430-7018 7 Strawberry Public Restroom	\$ 5,100.00	\$ -	\$ 43,000.00	743.14%	Base lease \$1,500/month (\$18,000 annually) plus 10 yr. amortization of additional buildout cost estimated at \$250,000 (\$25,000 annually)
110-4430-7020 Infrastructure-Mason Ave. Electrical	\$ 164,000.00	\$ -	\$ 200,000.00	21.95%	Phase 2, Pine-Peach+Strawberry design
110-4430-7050 Infrastructure-Streets & Walkways Golf Cart Path	\$ -	\$ -	\$ 20,000.00		Town contribution to installation of golf cart path on Cassatt
110-4430-7061 Central Park Drainage Swales Planting	\$ -	\$ -	\$ 6,500.00		2nd swale, plus \$3.5k from CCP
110-4430-7065 Keck Wells Water Line Return	\$ 565,000.00	\$ 105,000.00	\$ 460,000.00	-18.58%	Construction managed by VAW
110-4430-7999 Capital Project Contingencies	\$ 18,456.46	\$ 3,237.00	\$ 20,000.00	8.36%	Standard contingency for unforeseen circumstances
Total	\$ 3,985,537.46		\$ 5,971,887.00	49.84%	Prior year totals only include accounts with amounts budgeted for FY27.
Capital Fund Revenue Less Expenditures			\$ -		

Account	FY26 Budget	FY26 Actual as of 3/12/26	FY27 Proposed Budget	% change	Notes
Debt Service - Revenue					
120-3950-2100 Transfer from Gen Fund	\$ 95,121.00	\$ 95,121.00	\$ 30,122.00	-68.33%	
Total		\$ -	\$ 30,122.00		Prior year totals only include accounts with amounts budgeted for FY27.
Debt Service - Expenditures					
120-4310-6800 Debt Service Principal - Police Dept	\$ 16,616.00	\$ 7,892.30	\$ 17,331.00	4.30%	Two police vehicles
120-4310-6850 Debt Service Interest - Police Dept	\$ 11,799.00	\$ 1,251.94	\$ 2,201.00	-81.35%	See above
120-4430-6800 Debt Service Principal - P Wrks	\$ 5,432.00	\$ 1,503.30	\$ 9,732.00	79.16%	PW heavy equipment purchased in FY26 budget
120-4430-6850 Debt Service Interest - P Wrks	\$ 613.00	\$ 238.46	\$ 858.00	39.97%	See above
Total			\$ 30,122.00		Prior year totals only include accounts with amounts budgeted for FY27.
Debt Service Fund Revenue Less Expenditures	\$ -		\$ -		

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY26 Proposed Budget	% change	Notes
Harbor Revenue					
510-3150-1000 Harbor Fuel Sales	\$ 449,500.00	\$ 385,804.72	\$510,000.00	13.46%	
510-3150-1100 Miscellaneous Sales-Snacks, Drinks, Ice, Clothing	\$ 20,200.00	\$ 15,834.97	\$20,200.00	0.00%	
510-3150-2000 Dockage Fees	\$ 340,000.00	\$ 278,842.41	\$370,000.00	8.82%	Expecting a few new annual/seasonal contracts and more transient traffic
510-3150-2100 Harbor Electric and Water	\$ 20,000.00	\$ 19,415.60	\$25,000.00	25.00%	see 1501- this is electric and water combined
510-3150-3000 Wharfage Fees	\$ 2,000.00	\$ -	\$2,000.00	0.00%	
510-3400-1000 Lease - Restaurant Base Amount	\$ 7,200.00	\$ 4,800.00	\$7,200.00	0.00%	
510-3500-1501 Harbor Water Sales	\$ 1,200.00	\$ 140.00	\$ -	-100.00%	included in 2100 (see above)
510-3650-1000 Credit Card Fee Rev	\$ 2,500.00	\$ 33.87	\$1,500.00	-40.00%	
510-3800-2000 VA Port Authority Grant	\$ -	\$ -	\$48,300.00		Aid to Local Ports grant to be used for reconstruction of harbor boardwalk
510-3950-2110 Transfer from General Fund	\$ 265,730.98	\$ 265,730.98	\$ 115,170.00	-56.66%	
Total	\$ 1,108,330.98		\$ 1,099,370.00	-0.81%	Prior year totals only include accounts with amounts budgeted for FY27.
Harbor - Expenditures					
510-4713-1000 Regular Salaries & Wages-Harbor	\$ 150,701.18	\$ 105,257.74	\$ 156,682.00	3.97%	Includes harbormaster, asst. harbormaster and maintenance assistant
510-4713-1100 Regular Salaries & Wages OT Harbor	\$ 4,000.00	\$ 2,393.85	\$4,000.00	0.00%	Not scheduled- as needed
510-4713-1400 Seasonal Wages Harbor	\$ 35,000.00	\$ 23,494.75	\$42,000.00	20.00%	Based on a 5+ month busy season, open 10 hours a day 7 days a week, with 4 seasonal crew scheduled 30-40 hours per week.
510-4713-1500 Seasonal Wages OT	\$ 700.00	\$ 342.00	\$700.00	0.00%	Not scheduled - as needed
510-4713-2000 FICA Expense	\$ 12,739.83	\$ 10,016.72	\$ 11,987.00	-5.91%	
510-4713-2100 SUI Expense	\$ 27.91	\$ 299.15	\$ 300.00	974.88%	
510-4713-2200 Retirement-ER VRS & ICMA-RC Contribution	\$ 11,288.63	\$ 9,489.02	\$ 14,527.00	28.69%	
510-4713-2210 Life Insurance	\$ 2,232.61	\$ 1,213.75	\$ 1,830.00	-18.03%	

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY26 Proposed Budget	% change	Notes
510-4713-2220 Disability Insurance, LTD & STD	\$ 1,297.70	\$ 594.33	\$ 1,100.00	-15.23%	
510-4713-2230 Worker's Comp	\$ 97.68	\$ 160.05	\$ 195.00	99.63%	
510-4713-2300 Health Insurance	\$ 9,335.31	\$ 12,014.36	\$ 19,300.00	106.74%	
510-4713-2301 Health Reimb Acct Exp	\$ 2,232.61	\$ -	\$ 2,500.00	11.98%	
510-4713-2310 Dental Insurance	\$ 781.41	\$ 837.21	\$ 934.00	19.53%	
510-4713-3025 Service Contracts	\$ 10,300.00	\$ 6,848.10	\$12,000.00	16.50%	Dumpsters, portable toilets, added water delivery and monthly pest control since PY
510-4713-3430 IT Services	\$ 1,700.00	\$ 755.00	\$4,400.00	158.82%	New internet/cameras for docks + new Town Docks website annual fee
510-4713-3740 Merchant Service Charges	\$ 30,000.00	\$ 20,217.53	\$30,000.00	0.00%	Credit card processing fees
510-4713-4230 Marketing	\$ 9,000.00	\$ 4,787.48	\$9,000.00	0.00%	Waterway guide, promotional giveaways, radio & print advertising
510-4713-5010 Electric Service	\$ 33,000.00	\$ 16,852.71	\$30,000.00	-9.09%	
510-4713-5020 Propane & Fuel Oil Exp	\$ 500.00	\$ -	\$ 500.00	0.00%	
510-4713-5030 Water Expense Harbor	\$ 4,200.00	\$ 1,772.20	\$3,500.00	-16.67%	
510-4713-5035 Sewer Expense Harbor	\$ 8,000.00	\$ 1,398.45	\$3,000.00	-62.50%	
510-4713-5040 Phone Services	\$ 2,110.00	\$ 818.09	\$2,110.00	0.00%	
510-4713-5050 Internet & Cable Services	\$ 4,107.00	\$ 1,000.00	\$9,600.00	133.75%	Dedicated internet for Harbor beginning in FY2027. Broadband @ \$800/month
510-4713-5110 Lease, Office Equipment	\$ 800.00	\$ 598.73	\$800.00	0.00%	Printer
510-4713-5230 Education	\$ -	\$ 150.00	\$150.00		CPR for seasonal staff
510-4713-5250 Dues & Memberships	\$ -	\$ -	\$275.00		Association of Marina Industries
510-4713-5300 Insurance, Property & General Liability	\$ 51,276.00	\$ 8,370.00	\$ 55,000.00	7.26%	This is an estimate, may change based on new VRSA policy. Also includes Marina Operators Limited Liability estimated at \$9k pending renewal.
510-4713-6000 Office Supplies	\$ 1,000.00	\$ 527.75	\$1,000.00	0.00%	Paper, pens, staples

Account	FY26 Budget	FY26 Actual as of 3/12/25	FY26 Proposed Budget	% change	Notes
510-4713-6025 Janitorial & Kitchen Supplies	\$ 3,500.00	\$ 2,507.54	\$3,500.00	0.00%	Trash bags, toilet paper, paper towels, soap cleaning supplies for office, bathrooms & docks
510-4713-6050 Uniforms Expense	\$ 1,000.00	\$ -	\$1,000.00	0.00%	Dock crew shirts
510-4713-6075 Hand Tools, & Small Equipment	\$ 2,500.00	\$ 1,764.48	\$2,500.00	0.00%	Screwdrivers, weed eaters, etc.
510-4713-6080 Safety Equipment	\$ 2,000.00	\$ 2,113.29	\$2,000.00	0.00%	Fire extinguishers, life rings, lighting, non-skid tape, etc.
510-4713-6100 Program & Event Supplies & Awards	\$ 3,000.00	\$ 2,764.64	\$3,000.00	0.00%	Cookouts for boaters & staff
510-4713-6150 Computer, Software & Electronics <\$10K	\$ 10,000.00	\$ 8,375.04	\$17,280.00	72.80%	Dockwa and FM Live (fuel system) FM live was charged to contingency last year
510-4713-6175 Vehicles & Powered Equipment Fuel	\$ 800.00	\$ -	\$800.00	0.00%	Pickup, gator, lawn equip. & power washer, etc.
510-4713-6200 Vehicle & Powered Equip. Supplies & Svcs	\$ 6,000.00	\$ 578.00	\$6,000.00	0.00%	Service for pickup, gator, lawn equip., power washer & boat etc.
510-4713-6225 Repair & Maintenance	\$ 70,000.00	\$ 15,415.60	\$70,000.00	0.00%	Docks & all harbor infrastructure
510-4713-6226 Anchor Pile Replacement	\$ 10,000.00	\$ -	\$10,000.00	0.00%	Pile guides & rollers
510-4713-6227 Bathhouse Lighting Upgrade	\$ 13,000.00	\$ -	\$13,000.00	0.00%	Upgrade lighting to LEDs
510-4713-6400 COGS - Fuel for Resale	\$ 341,500.00	\$ 236,459.30	\$350,000.00	2.49%	
510-4713-6770 COGS - Miscellaneous for Resale	\$ 13,500.00	\$ 6,470.20	\$13,500.00	0.00%	Ice, snacks, drinks, apparel, marine accessories
510-4713-6900 Contingency Fund Expense Harb Fund	\$ 10,000.00	\$ 3,520.00	\$ 30,000.00	200.00%	Original FY26 budget was \$30,000
510-4713-7010 Building, Equipment, Other CAPITAL BUDGET	\$ 34,000.00	\$ -	\$ 25,000.00	-26.47%	Ladders/platform for fuel delivery
510-4713-7085 Infrastructure - Reconstruction of Harbor Boardwalk	\$ 162,000.00	\$ 161,905.00	\$ 64,400.00	-60.25%	Last phase of harbor boardwalk reconstruction
510-4713-7086 Replace Inner Harbor Fixed Dock w/ Floating Dock	\$ -		\$ 30,000.00		Design & engineering
510-4713-7087 Rehabilitate Parking Lot	\$ -		\$ 40,000.00		Repair, reseal, repaint
510-4713-7090 Equipment, Other CAPITAL BDGT	\$ 10,000.00	\$ -		-100.00%	
Total	\$ 1,079,227.87		\$ 1,099,370.00	1.87%	Prior year totals only include accounts with amounts budgeted for FY27.
Harbor Fund Revenue Less Expenditures	\$ -		\$ -		

Account	FY26 Budget	FY26 Actual as of 3/12/26	FY27 Proposed Budget	% change	
Sanitation - Revenue					
520-3150-1000 Refuse Collection Fees	\$ 349,834.00	\$ 189,235.75	\$ 398,136.00	13.81%	Assuming 1500 cans. Monthly garbage collection fee to increase by \$.87 to from \$21.25 to \$22.12 (\$66.36 quarterly) to cover projected fund expenses.
520-3150-2000 Bulk refuse collection fees	\$ 600.00	\$ 225.00	\$ 500.00	-16.67%	
520-3150-4000 Penalties & Interest - Garbage Charges	\$ 2,700.00	\$ 4,886.95	\$ 2,700.00	0.00%	
520-3900-6000 Appropriation from Fund Balance	\$ 8,043.00	\$ -	\$ -		Prior year refunds - none anticipated in FY27
Total	\$ 361,177.00		\$ 401,336.00	11.12%	Prior year totals only include accounts with amounts budgeted for FY27.
Sanitation - Expenditures					
520-4520-3020 Maint Svc Contracts	\$ 327,799.92	\$ 240,245.85	\$ 376,636.00	14.90%	Davis Disposal K - assuming 1500 cans @ 20.11/can, plus fuel surcharge and three public dumpsters. Most recent invoice shows 1457 cans. CPI increase built into K may increase price after 11/30/2026. Final option period ends 11/30/2028.
520-4520-3025 Refunds	\$ 8,043.00	\$ 8,043.00	\$ -	-100.00%	Prior year refunds - none anticipated in FY27
520-4520-5300 Insurance, Property & General Liability	\$ 1,084.08	\$ -	\$ 1,200.00	10.69%	This is an estimate, may change based on new VRSA policy
520-4520-6000 Office Supplies	\$ 7,250.00	\$ 2,072.00	\$ 6,500.00	-10.34%	Envelopes, postage & office equipment that was previously charged to Utility Fund. Slight decrease due to move to quarterly billing.
520-4520-6225 Repair & Maintenance Supplies Sanitation	\$ 17,000.00	\$ 16,936.44	\$ 17,000.00	0.00%	This line is used for new trash cans plus shipping.
Total	\$ 361,177.00		\$ 401,336.00	11.12%	Prior year totals only include accounts with amounts budgeted for FY27.
Sanitation Fund Revenue Less Expenditures	\$ -		\$ -		

TOWN OF CAPE CHARLES FISCAL YEAR 2027 PROPOSED BUDGET SUMMARY

General Fund		
Revenue		\$ 11,261,126.00
Expenditures		
	Legislative	\$ 46,616.00
	Clerk	\$ 105,224.00
	Town Manager	\$ 726,552.00
	Finance	\$ 527,834.00
	Human Resources	\$ 153,859.00
	Information Technology	\$ 353,210.00
	Police	\$ 940,060.00
	Code Enfocment	\$ 235,970.00
	Public Works	\$ 1,006,308.00
	Town Events & Recreation	\$ 103,800.00
	Library	\$ 264,861.00
	Planning & Zoning	\$ 395,458.00
	Transfers Out	\$ 6,401,374.00
	Total Expenditures	\$ 11,261,126.00
	Revenue Less Expenditures	\$ -

Capital Projects Fund		
Revenue		\$ 5,971,887.00
Expenditures		\$ 5,971,887.00
	Revenue Less Expenditures	\$ -

Debt Service Fund		
Revenue		\$ 30,122.00
Expenditures		\$ 30,122.00
	Revenue Less Expenditures	\$ -

Harbor Fund		
Revenue		\$ 1,099,370.00
Expenditures		\$ 1,099,370.00
	Revenue Less Expenditures	\$ -

Sanitation Fund		
Revenue		\$ 401,336.00
Expenditures		\$ 401,336.00
	Revenue Less Expenditures	\$ -

FY 2027 CIP Project Listing

Section 2, Item B.


Project	Prior	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Future	Total
General Fund									
Municipal Building	90,000	5,000,000	2,000,000						
Sidewalk Infill	155,000	100,000	100,000	100,000	100,000	100,000			
Central Park Swale Plantings	8,000	10,000	10,000	10,000	10,000				
Keck Wells Potable Water Line	105,000	460,000							
Mason Avenue Electrical Upgrade	164,000	200,000	100,000	50,000					
Public Works Building			50,000	300,000					
Library HVAC & Electrical Upgrade				40,000	300,000	100,000			
Golf Cart Path-Cassatt		20,000							
Beachfront - Reconfigure Dunes/Grant Proposals		65,000	50,000						
Beachfront - New Sidewalk & Pavilion Plaza			50,000	250,000	250,000				
Beachfront - Pedestrian Lighting					50,000	200,000			
Beachfront - South Plaza - Vendor Area						50,000	200,000		
Beachfront - Reconfigure Roadway & Parking						50,000	300,000	200,000	
Beachfront - North Restroom							50,000	500,000	
Beachfront - South Restroom								750,000	
Total		5,855,000	2,360,000	750,000	710,000	500,000	550,000	1,450,000	12,175,000

Without Municipal Bldg. & Water Line

395,000 360,000

4,715,000

Harbor Fund	Prior	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	Future	Total
Reconstruct Boardwalk	183,470	64,400							
Fuel Tank Improvements		25,000							
Rehabilitate Parking Lot		40,000							
Replace Fixed Dock with Floating Dock		30,000	370,000						
Inner Harbor Bulkhead Rehab - South Side			40,000	300,000					
Harbor Master Office				50,000	500,000				
Floating Dock - West Side					50,000	400,000			
Rehabilitate Outer Harbor Bulkhead						50,000	500,000	500,000	
Total		159,400	410,000	350,000	550,000	450,000	500,000	500,000	2,919,400

 TOWN OF CAPE CHARLES	AGENDA TITLE: General Operating Reserve – Resolution 20201119C		AGENDA DATE: November 19, 2020	<i>Section 2, Item C.</i>
	SUBJECT/PROPOSAL/REQUEST: Establishing a general operating reserve as a committed portion of the town’s general fund balance		ITEM NUMBER: 7B.i.	
	ATTACHMENTS: Resolution 20201119C		FOR COUNCIL: Action (X) Information ()	
	STAFF CONTACT (s): John Hozey, Town Manager	REVIEWED BY: John Hozey, Town Manager		

BACKGROUND:

Revenues throughout a fiscal year do not always come in precisely when they are needed. For example, property taxes aren't received until late in the calendar year. Other revenue sources (like meals and transient occupancy taxes) typically arrive late summer-early fall. It is not uncommon, therefore, for us to have a negative cash flow in some portions of the fiscal year. This simply means that more money is being paid out than is coming in. Fund balance accumulations from prior years have typically been used to finance these expenditures. Then as revenues come in, these funds are restored to the fund balance. Thus, cash flow needs dictate a need for a fund balance, or a committed reserve dedicated to preserving cash flow and liquidity needs of the Town.

ITEM SPECIFICS:

There is currently no requirement to maintain any fund balance in Cape Charles, nor is there any dedicated cash flow reserve. It is therefore recommended that we establish a General Operating Reserve (GOR) for this purpose. Note that once established, this committed reserve cannot be appropriated for any other specific use, but must always remain available to meet cash flow requirements of the Town.

There are many theories and practices regarding how much should be dedicated to this function. Most theoretical approaches say there should be between one month (8.3%) to three months (25%) of the general operating budget held in reserve. However, research has indicated that most smaller municipalities (between 500 to 2500 in population) typically maintain closer to 30-40% as a reserve. Generally speaking, the smaller the community, the greater the percentage.

The takeaway is that there is not one “right” amount for all. Each municipality must evaluate their unique situation and set a prudent amount based on their circumstance. The information above was meant to provide a general idea of typical ranges.

RECOMMENDATION:

Assuming other reserves are also established (i.e. Contingency Reserve, see next item), staff is comfortable recommending a GOR equivalent to 20% of operating expenses. Therefore, staff recommends approval of this resolution.

RESOLUTION 20201119C

ESTABLISHING A GENERAL OPERATING RESERVE AS A COMMITTED PORTION OF THE TOWN'S GENERAL FUND BALANCE

WHEREAS, the Town of Cape Charles uses fund accounting to manage its financial affairs; and

WHEREAS, the Town of Cape Charles does not always receive sufficient anticipated revenues in time to cover needed planned expenditures; and

WHEREAS, the Town Council recognizes the necessity of maintaining a committed cash reserve to ensure there are always sufficient funds on hand to meet the cash flow and liquidity needs of the Town; and

WHEREAS, the Town Council desires to formally commit funds to a General Operating Reserve (GOR) with the intent for it to remain as a committed general fund balance in perpetuity to meet the cash flow and liquidity needs of the Town; and

WHEREAS, the Town Council hereby establishes that all fund balance designations be made through the passage of a resolution; and

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of the Town of Cape Charles hereby establishes a General Operating Reserve (GOR) to maintain the cash flow and liquidity needs of the Town as specified herein:


1. The GOR will be adjusted with each budget cycle to equal twenty percent (20%) of the upcoming fiscal year's general operating expenses (less external grants or pass through funds)
2. The GOR will be designated as a committed portion of the general fund balance
3. The GOR may only be decreased or appropriated for another purpose upon approval of a super majority of the Town Council

This resolution shall become effective upon approval.

Adopted by the Town Council of Cape Charles on this 19th day of November 2020

Mayor

ATTEST: _____
Clerk of the Council

 <p>TOWN OF CAPE CHARLES</p>	AGENDA TITLE: Establishment of Debt Service and Capital Improvement Funds – Resolution 20201119E		AGENDA DATE: November 19, 2020
	SUBJECT/PROPOSAL/REQUEST: Establishing a debt service fund and capital improvement fund as part of the town’s general government accounting system		ITEM NUMBER: 7B.iii
	ATTACHMENTS: Resolution 20201119E		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): John Hozey, Town Manager	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

General Governmental budgets can generally be divided into the following spending categories:

- General Operations
- Debt Service
- Capital Expenditures

It is very common to combine all three of these categories into one General Fund for accounting purposes. This is appropriate because all three categories are typically funded by the same general revenues (predominately taxes). However, while this can prove to be an efficient accounting technique, it can make strategic planning very difficult.

ITEM SPECIFICS:

When all this spending is lumped together, it can be hard to see patterns or trends, as one category can obscure the others. This lack of transparency makes it harder for public officials (and the public at large) to monitor desired fiscal or policy goals. To address this problem, separate accounting funds can be set up for each of these categories:

- General Operating Fund
- Debt Service Fund
- Capital Improvement Fund

When each of these functions are accounted for separately, specific rules, procedures, and/or goals can be put in place for each. The General Operating Fund would function just as the General Fund does now, except that it would exclude all revenues and expenditures associated with Debt Service and Capital Improvements.

By setting up a Debt Service Fund and/or Capital Improvement Fund, the organization can precisely track how much of its resources are dedicated to, and used for, each purpose. It enables strategic budgeting so that an organization can live within its means while achieving a set of prioritized goals.

The Debt Service Fund or Capital Improvement Fund would be funded with a pre-determined percentage of the General Core Revenues. *Core Revenue* is defined as all general revenues, less all pass-through funds, all grant revenue, transfers from reserves, and all proceeds associated with any kind of debt.

RECOMMENDATION:

Staff recommends approval of this resolution.

RESOLUTION 20201119E

**ESTABLISHING A DEBT SERVICE FUND AND CAPITAL IMPROVEMENT FUND
AS PART OF THE TOWN'S GENERAL GOVERNMENT ACCOUNTING SYSTEM**

WHEREAS, the Town of Cape Charles uses fund accounting to manage its financial affairs; and

WHEREAS, the Town of Cape Charles has historically utilized one General Fund to account for all general government operational revenues and expenses; and

WHEREAS, combining all government activities into one fund can lack transparency, where one function could potentially obscure the solvency of others; and

WHEREAS, the Town Council wishes to segregate accounting for debt service and capital improvements, to better track these functions individually and to provide a more accurate presentation of the fiscal health for a remaining general operations fund; and

WHEREAS, a debt service fund and a capital improvement fund would be funded by a pre-determined percentage of general core operating revenues; general core operating revenues being defined as all general government revenues, less pass through funds, grant revenue, transfers from reserves, or proceeds associated with debt; and

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of the Town of Cape Charles hereby establishes a new general government fund accounting structure as specified herein:

1. A **Debt Service Fund (DSF)** operating under the following parameters:
 - a. DSF will service all debt payments of the Town
 - b. DSF will be funded with an internal transfer each fiscal year of up to eight percent (8%) of general core operating revenues
 - c. Commitments to transfer greater than eight percent (8%) of general core operating revenues may only occur upon a super majority approval of the Town Council
 - d. New revenue sources may be developed and dedicated to this fund in addition to the allocation outlined in 1.b. above

2. A **Capital Improvement Fund (CIF)** operating under the following parameters:
 - a. CIF will receive all external revenues associated with capital projects and account for all expenditures associated with the Town's capital projects
 - b. CIF will be funded with an internal transfer each fiscal year of a minimum of six percent (6%) of general core operating revenues
 - c. New revenue sources may be developed and dedicated to this fund in addition to the allocation outlined in 2.b. above

3. A **General Operating Fund (GOF)** operating under the following parameters:
 - a. GOF will account for all general government revenues and expenditures not associated with the DSF or CIF

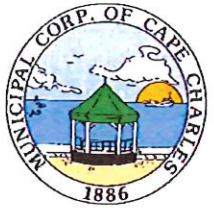
BE IT FURTHER RESOLVED, that the Town's existing proprietary funds remain unaffected and in force.

This resolution shall become effective upon approval.

Adopted by the Town Council of Cape Charles on this 19th day of November 2020

Mayor

ATTEST: _____
Clerk of the Council

 <p>TOWN OF CAPE CHARLES</p>	AGENDA TITLE: Budget Management Policy		AGENDA DATE: June 16, 2022
	SUBJECT/PROPOSAL/REQUEST: Establish a budget management policy		ITEM NUMBER: 7A
	ATTACHMENTS: Resolution 20220616		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): John Hozey, Town Manager	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

During the budget development process for FY23, it was noted that there was no formal guidance from the Town Council delegating responsibility to the Town Manager regarding his authority to manage funds within the budget once the budget has been adopted and appropriated.

ITEM SPECIFICS:

Draft management policies were developed for review during the FY23 budget work sessions. The policy allows the Town Manger some discretion within set parameters to move money within funds to react in real time to unanticipated needs of the Town. The procedures were also reviewed by the Town’s auditors who agreed that these were reasonable and prudent policies.

RECOMMENDATION:

Staff recommends approval of Resolution 20220616 establishing a budget management policy.

RESOLUTION 20220616

ESTABLISHING A BUDGET MANAGEMENT POLICY

WHEREAS, Municipal budgets are more than just allocations of authorized expenditures; they are also policy documents from the governing body which outline an expected service level and capital investment for the time period covered; and

WHEREAS, only the Town Council has the authority to approve annual budgets/policies and to appropriate the funds necessary to support them; however, it is the responsibility of the Town Manager to implement and manage these budgets/appropriations; and

WHEREAS, it is not possible to accurately anticipate all operational conditions or external influences that may occur throughout the budgeted period when the budget documents are developed. Therefore, it is necessary to allow the Town Manager some level of discretion to react to actual circumstances in real time; and

WHEREAS, clear guidance is needed from the governing body to its management personnel, that provides for the needed discretion without subverting the policy goals of the document.

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of the Town of Cape Charles hereby establishes a budget management policy as follows:

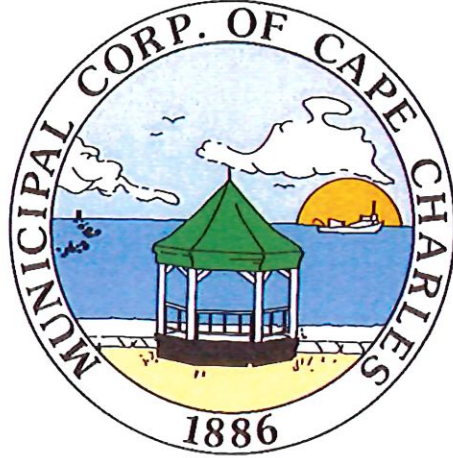
1. Appropriations to specific accounting Funds will remain within those Funds unless transferred to another Fund by the Town Council via budget resolution
2. Creation of new line items within any accounting Fund requires Town Council approval
3. Transfers between line items within an accounting Fund may be made by the Town Manager subject to the following limitations:
 - a. Transfers of greater than \$20,000 will be reported to the Town Council at their next regular meeting
 - b. Transfers between capital project line items of greater than \$10,000 will be reported to the Town Council at their next regular meeting
 - c. Transfers between capital project line items of greater than \$20,000 or 10% of total budgeted amount, whichever is smaller, requires Town Council approval
 - d. Transfers will not be artificially divided into smaller amounts to circumvent the limits of this policy
4. For purposes of this policy, accounting Funds are defined as the General Fund, the Special Activities Fund, the Capital Projects Fund, the Debt Service Fund, the Harbor Fund, the Utility Fund, and the Sanitation Fund.

This resolution shall become effective upon approval.

Adopted by the Town Council of Cape Charles on this 16th day of June 2022

Mayor

ATTEST: _____
Clerk of the Council



TOWN OF Cape Charles CAPITAL Asset Management PROGRAM (CAMP)

October 15, 2020

Table of Contents

INTRODUCTION3

CAPITAL ASSET MANAGEMENT PROGRAM – FISCAL POLICY3

DEBT LIMITS/POLICIES4

DEFINITION OF A CAPITAL IMPROVEMENT PROJECT (CIP)4

COMPONENTS OF A CAMP4

LIMITATIONS OF A CAMP5

CAPITAL ASSET MANAGEMENT PROGRAM PROCESS.....5

MAINTENANCE OF TOWN ASSETS.....6

VEHICLE REPLACEMENT.....7

PRIORITIZATION SYSTEM MATRIX7

PRIORITIES.....7

CRITERIA CATEGORIES.....8

LEVEL OF FUNDING8

IMPACT ON OPERATING BUDGET8

PROJECT DETAIL SHEET.....8

TOWN MANAGER SUBMITTAL OF THE CAMP9

TOWN COUNCIL APPROVAL OF THE CAMP.....9

PERIODIC REVIEW OF CAPITAL PROJECT STATUS9

Attachment A: Project Detail Sheet10

Attachment B: Resolution of the Town Council (Sample).....11

INTRODUCTION

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

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

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

CAPITAL ASSET MANAGEMENT PROGRAM – FISCAL POLICY

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

- The Town will prioritize all capital improvements in accordance with an adopted Capital Asset Management Program (CAMP).
- The Town will develop a five-year plan for capital improvements and review and update annually.
- The Town will coordinate development of the capital asset management program with development of the operating budget.
- The Town will maintain all its assets at a level adequate to protect the Town's capital investment and to minimize future maintenance and replacement costs.
- The Town will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted for approval.
- The Town will attempt to determine the least costly alternative on a life cycle basis for all projects.
- The Town Council will review the status of capital improvement projects six months after adoption of the CAMP to determine what adjustments, if any, are required in project scheduling and funding. However, emergent urgent needs not previously identified can be reviewed at any time by Town Council and the CAMP can be adjusted accordingly.

- Operations of the town's Enterprise Funds are intended to be financed or recovered primarily through user charges.
- Enterprise Fund revenues are to support construction costs or debt service for capital facilities for the respective operations whenever possible. General Fund transfers may be used to support the development of Enterprise Fund capital facilities

DEBT LIMITS/POLICIES

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

DEFINITION OF A CAPITAL IMPROVEMENT PROJECT (CIP)

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

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

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

COMPONENTS OF A CAMP

A CAMP must have the following components or characteristics:

1. Addresses capital improvements over a period of at least six years.
2. Classifies projects according to urgency and need for realization.
3. Includes a timetable for implementation of projects.
4. Takes into account needs that are indicated in the Comprehensive Plan or which are permitted under the local zoning ordinances and regulations
5. The estimated cost of each project

6. Probable operation and maintenance costs
7. Probable revenues from individual projects
8. Suggested funding sources

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

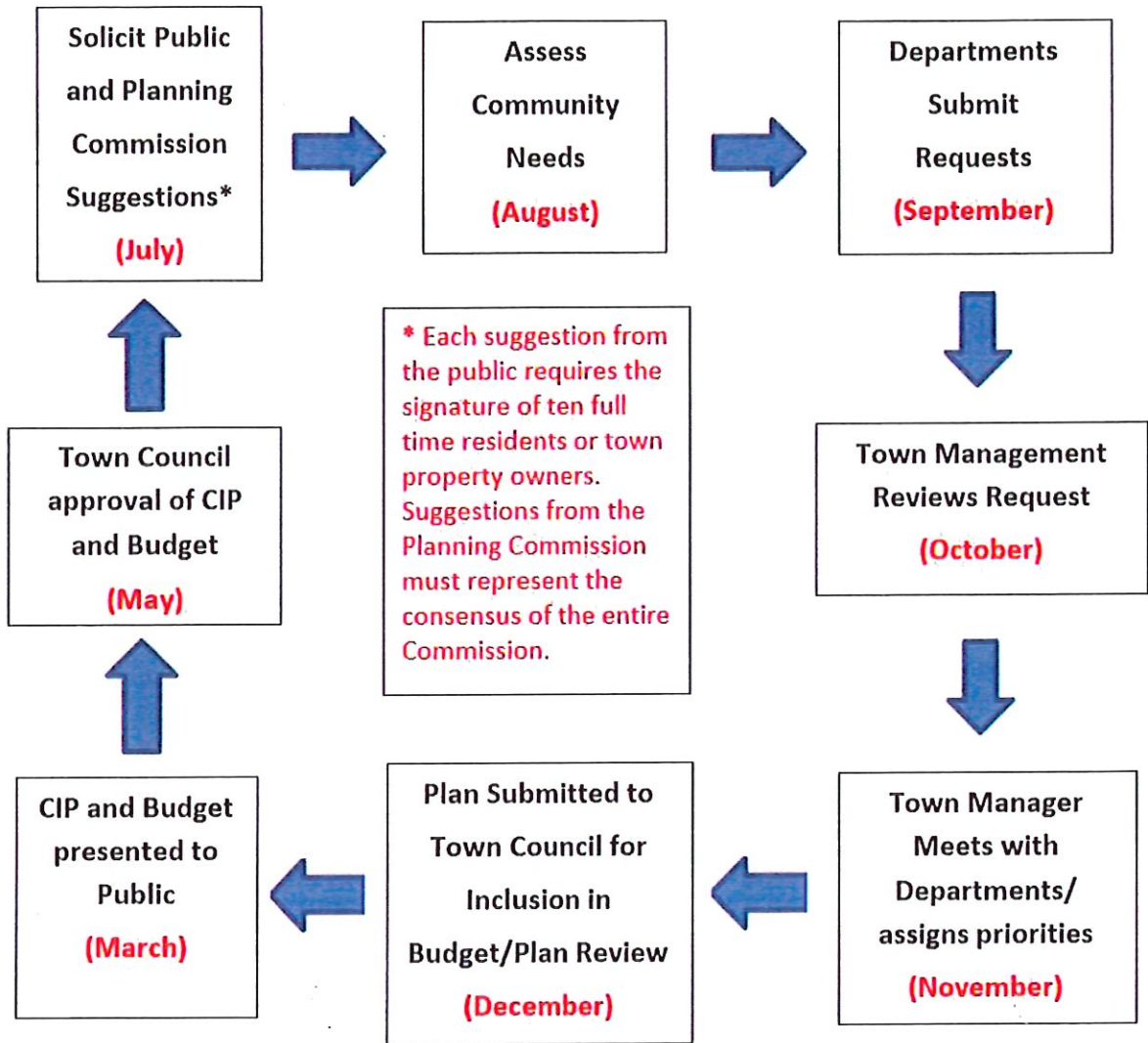
LIMITATIONS OF A CAMP

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

1. Neither the CAMP nor the process of developing it is a means to micro-manage the process of developing the budget. Preparation of annual budgets for the town is the responsibility of elected officials and professional administrators. The CAMP is a tool to aid these groups in evaluating and prioritizing items for inclusion in the budget for a given year.
2. The CAMP is not a vehicle for the promotion of "wish list" projects that are either unnecessary or are unlikely to receive public funding or support within the time horizon of the plan.
3. Although a CAMP is intended to provide a framework to guide activity, it should not be rigid and inflexible. The CAMP process cannot anticipate unusual changes in growth, economic conditions, or political consideration. Similarly, the CAMP process must allow changes for emergencies, opportunities, or other unpredictable events.
4. Town Council's approval of the CAMP does not authorize money for any of the projects in the program, but will provide the Town Manager direction to proceed with inclusion of first year CAMP items in the Town Manager's recommended town budget.

CAPITAL ASSET MANAGEMENT PROGRAM PROCESS

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



MAINTENANCE OF TOWN ASSETS

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

VEHICLE REPLACEMENT

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

PRIORITIZATION SYSTEM MATRIX

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

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

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

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

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

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

CRITERIA CATEGORIES

- I. **Health/Safety/Welfare** - projects that protect the health, safety and welfare of the community and the employees serving it
- II. **Maintenance/Replacement** - projects that provide for the maintenance of existing systems and equipment.
- III. **Expansion of Existing Programs** - projects which enhance the existing systems and programs allowing for expansion of existing services
- IV. **Expansion of New Programs** - projects that allow for expansion into new programs and services

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

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

IMPACT ON OPERATING BUDGET

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

PROJECT DETAIL SHEET

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

Project Title: Brief title of the proposed project.

Project Status: Each project should have a status – Pending, In-Progress, Substantially Complete, or Finished.

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

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

TOWN MANAGER SUBMITTAL OF THE CAMP

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

- Cover transmittal memorandum that includes a tabulation of next year's budgeted project titles grouped by Town Council Strategic Goals.
- Financial summary table of all capital projects that includes;
 - Project Title
 - Project Priority
 - Strategic Goal being addressed
 - Status of Project (New, Continuing, In Progress or Previously Requested)
 - Source of Funding by Town and amount
 - Source of Funding by other (e.g., grant) and amount
 - Prior Year Expenditures (cumulative through end of current budget year, actual expenditures plus estimated expenditures for remaining months in current budget year)
 - Next Budget Year Projected Expenditure (Year 1)
 - Each of the Years (2-6) and consolidated future years > 6 years Projected Expenditures
 - Total Capital Expenditure for the Project
 - Yearly Operating Expense as a result of the Capital Project once implemented
- Individual Project Detail Sheets (Attachment A)

TOWN COUNCIL APPROVAL OF THE CAMP

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

PERIODIC REVIEW OF CAPITAL PROJECT STATUS

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

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

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

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

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

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

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

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


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

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

Submitted by: XXX –Town Manager

Submitted: xx, xx, 20xx

[This is only a sample resolution]

 TOWN OF CAPE CHARLES	AGENDA TITLE: Strategic Revenue Program		AGENDA DATE: November 19, 2020	Section 2, Item C.
	SUBJECT/PROPOSAL/REQUEST: Establishing a Strategic Revenue Program		ITEM NUMBER: 7B.iv	
	ATTACHMENTS: Strategic Revenue Program		FOR COUNCIL: Action (X) Information ()	
	STAFF CONTACT (s): John Hozey, Town Manager	REVIEWED BY: John Hozey, Town Manager		

BACKGROUND:

Upon a detailed review of the Town’s budget history, it was discovered that over the past twelve years, general operating expenses have increased on average 2% greater than general revenues. This was largely obscured by other functions such as grants, pass through funds, loans, and draws on our reserves, making it difficult to see the real picture. The cumulative affect over this time has resulted in the FY21 operating budget for the Town experiencing a structural deficit.

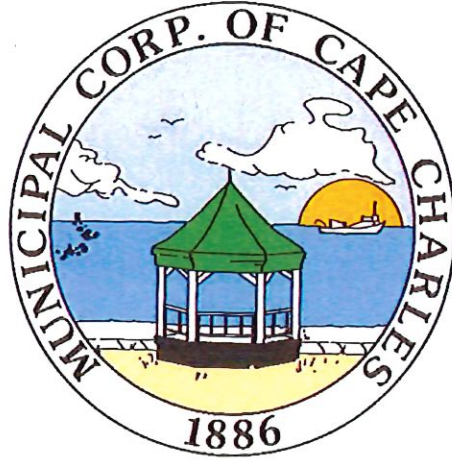
ITEM SPECIFICS:

Accounting changes are needed to provide better transparency to the Town’s fiscal position (see previous items). This will enable public officials to better monitor the financial health of the Town. But also needed is a longer-term view of revenue needs so that policy makers can plan strategic goals realistically and the public can understand these long-term costs. This will keep us from falling back into a deficit while still moving the Town forward.

Once our operations and programs become solvent, we need to keep them that way. This will involve a detailed discussion about expected growth patterns and community goals. A policy needs to be established to require revenue increases over a six-year planning horizon that will cover expected expenses, to include inflation. The specifics of what that might entail will be revised each year. But an overall program should be adopted that details the process to be followed and the goal of staying in balance. The attached Strategic Revenue Program (SRP) sets out such a policy/program.

RECOMMENDATION:

Staff recommends approval of the Strategic Revenue Program as presented.



TOWN OF Cape Charles

Strategic Revenue PROGRAM (SRP)

November 19, 2020

Background

Long-term revenue planning is essential for any community, yet it is rarely done. Theoretically, a town budget is developed based on the needs or desires of the community (as determined by elected officials), and then a tax rate is set to cover those costs. The theory is that since expenditures are ultimately charged directly to the public, the public remains engaged in the process, ensuring budgets are reasonable and cost effective.

But as a practical matter, the general public does not typically have the time or the information necessary to take on this supervisory role. Public input during the budget process usually involves special interest groups advocating for their needs; and wanting cuts made elsewhere. This puts elected officials in a difficult position, where they seldom feel there is broad public support to increase revenue. This can lead to either underfunding requirements, or unsustainable practices like taking on debt or drawing from finite reserves; the proverbial, "kicking the can down the road." If not dealt with in a strategic way, the long-term result can be truly unfortunate.

There is no comfortable way to address increased revenue (tax increases). Nobody likes to pay taxes. But if presented strategically, as part of a well thought out plan; most citizens are willing to shoulder their share of governmental obligations. It is therefore necessary for the public to develop a feeling of trust and confidence in the process. When tax increases are proposed based on one-year spending plans, this confidence is undermined as there is no guarantee that government won't be back the following year and want even more.

Strategic Revenue Planning Defined

Strategic Revenue Planning involves the development of reasonable long-term projections for future revenue needs. Projections that will account for the relentless effects of inflation, as well as what might be needed to achieve strategic long-term goals. This can be translated into a series of pre-planned revenue adjustments, associated with certain assumptions. Should assumptions develop as planned, tax increases would occur according to the prescribed schedule. By providing a reasoned long-term approach, credibility can be achieved, and public support becomes more likely.

Tax revenues generally increase through growth of the tax base, an increase in the tax rates, or a combination of the two. Brand new taxes are also an option. Accurate assumptions regarding tax base growth is then key to planning but are still just estimates. It is hoped that growth alone might generate the needed cash, but the reality is long-term planning is only possible if there is a willingness to underwrite that growth with rate increases when needed. Note, this same concept applies to setting fees for enterprise funds like those used for utilities.

Program Components

First is to ascertain whether current revenues are meeting current requirements. If there is an existing structural deficit, that deficit must be addressed. Revenue increases needed to balance the budget will be specific to the situation, and likely somewhat painful upfront. But once balanced, maintenance is less painful as it would be part of a longer-term strategy.

Next, strategic revenue planning must always include planned increases at least equal to inflation. While inflation is never constant, it is reasonable to use historic long-term averages. A planning goal of 2.5% of core revenue is a valid assumption. *Core Revenue* is defined as all general revenues, less all pass-through funds, all grant revenue, any transfers from reserves, and all proceeds associated with debt.

Beyond inflation and balancing the budget, are the resources needed to accomplish specific community-wide strategic goals. This would be layered on in addition to what was discussed above and following formal strategic planning sessions where budgetary (revenue) constraints were known. Having a long-term revenue plan enables a more practical approach to this type of broader strategic community planning, as decision makers understand just what resources they have to work with. The planning horizon for this effort should be consistent with other planning efforts. As the Town's newly adopted Capital Asset Management Program plans for a six-year horizon, so will revenue planning.

Program Goals

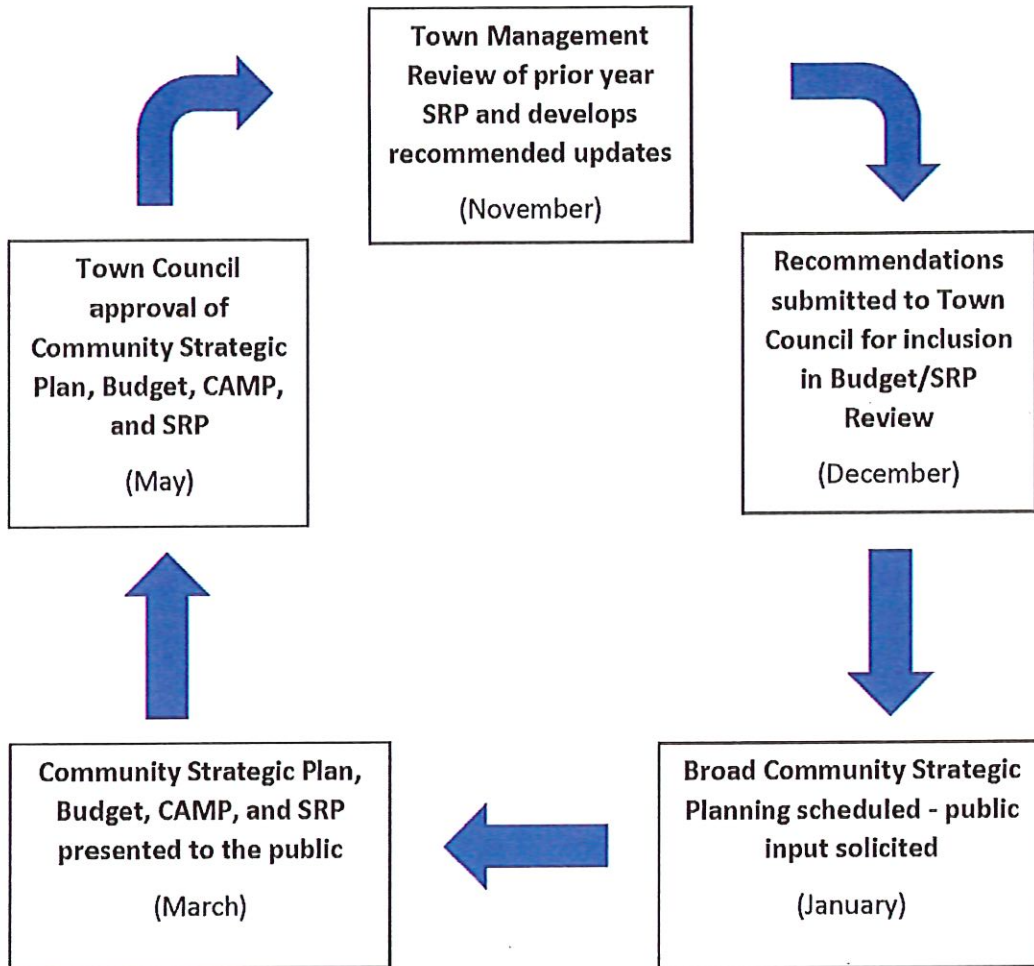
The Town Council hereby commits to the following principles/goals:

- To fully integrate revenue planning into all broader community strategic planning
- To ensure sufficient revenues are available to maintain balanced budgets in perpetuity
- To formally commit to planned revenue increases over a six-year planning horizon
- To facilitate public understanding of program rationale and to provide a long-term expectation of the public's future tax/fee burdens

Town Council Approval

The specific actions necessary to achieve the goals above will be determined annually as part of an update to the broader long-term plan. Once Town Management has delivered the proposed SRP following consideration of all broader strategic planning efforts and public review, the Town Council will ultimately adopt a final SRP for that year. A resolution will be used for adoption, as depicted in Attachment A (sample resolution).

Program Process



Attachment A

**The Town of Cape Charles
Resolution of the Town Council to Amend and Adopt the
Strategic Revenue Program as presented.**

WHEREAS, a Strategic Revenue Program (SRP) involves the forecasting of needed revenues over a multi-year planning horizon; and

WHEREAS, a well thought out and comprehensive SRP is an integral part of all broader community strategic planning; and

WHEREAS, on November 19, 2020, the Cape Charles Strategic Revenue Program was adopted by the Town Council; and

WHEREAS, on xx, xx, xxxx, the Cape Charles Town Council provided opportunity for the public to provide input to the current SRP; and

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 20xx SRP;

THEREFORE, BE IT RESOLVED that the Town Council of the Town of Cape Charles hereby adopts the 20xx Town of Cape Charles' SRP as presented.

Submitted by: XXX –Town Manager

Submitted: xx, xx, 20xx

[This is only a sample resolution]

	Agenda Title: New Business	Agenda Date:
		May 21, 2026
	Subject/Proposal/Request:	
	Contingency Reserve – Attached to General Fund Staff Memo of November 19, 2020 – UPDATED Information	
Town of Cape Charles	Attachments:	For Council:
	November 19, 2020, Staff Memo from John Hozey, former Town Manager, to Town Council, and Resolution 20201119D	Action: X Information:
	Staff Contact(s):	Reviewed by:
	Marion Sofield, Treasurer	Rick Keuroglian, Town Manager

Background

The Town of Cape Charles previously considered and approved the establishment of an assigned Contingency Reserve equal to 10% of general operating expenses.

Item Specifics


Please refer to the Staff Memo dated November 19, 2020, and adopted Resolution 20201119D. The Staff Memo provided the basis for Town Council’s decision to establish the Contingency Reserve.

For the sake of transparency, and to ensure the most current information is available for planning purposes, please note that on April 15, 2026, the Town elected to cancel the renewal of the \$500,000 line of credit referenced in the November 19, 2020, Staff Memo. The decision included opting not to pay the \$250 renewal fee, as more favorable financial terms have since been identified through other facilities and funding vehicles.

As a result, the \$500,000 line of credit is not currently available. However, the Town may reapply for a similar facility in the future if needed.

Recommendations

There are no recommendations currently. This communication is provided to support the FY 2027 budget development process by updating previously distributed information and clarifying the context behind certain Town financial policies.

 <p>TOWN OF CAPE CHARLES</p>	AGENDA TITLE: Establishment of Contingency Reserve – Resolution 20201119D		AGENDA DATE: November 19, 2020
	SUBJECT/PROPOSAL/REQUEST: Establishing a contingency reserve as an assigned portion of the town’s general fund balance		ITEM NUMBER: 7B.ii
	ATTACHMENTS: Resolution 20201119D		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): John Hozey, Town Manager	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

As witnessed during the Covid-19 pandemic, we can sometimes experience significant volatility in our revenue as events beyond our control can create severe, unanticipated shortfalls. Other events, such as natural disasters, or unique opportunities that arise without notice, can create the need for unbudgeted expenditures. While the Town does maintain a line of credit (\$500,000) that might be used to address such contingencies; adding to our liabilities and incurring interest charges at a time of fiscal stress should probably be considered a last resort.

ITEM SPECIFICS:

Assigned fund balances are the preferred mechanism to address contingencies needs. But again, there is currently no requirement for the Town to maintain any general fund balance, for this or any other purpose. So, it is recommended that in addition to the GOR discussed in the previous item, we also establish a Contingency Reserve, similar to the Rainy-Day Fund previously discussed by the Council (January 2020).

The appropriate amount for a Contingency Reserve is also unique to the municipality. Often it is driven more by what is available, then adjusted over time as more resources become available and the need better defined. Maintaining a Contingency Reserve equivalent to 10% of operating expenses is a worthy goal. This would constitute an assigned reserve that would be used/managed/maintained by a prescribed set of procedures as outlined in this resolution.

RECOMMENDATION:

Staff recommends approval of this resolution.

RESOLUTION 20201119D

ESTABLISHING A CONTINGENCY RESERVE AS AN ASSIGNED PORTION OF THE TOWN'S GENERAL FUND BALANCE

WHEREAS, the Town of Cape Charles uses fund accounting to manage its financial affairs; and

WHEREAS, the Town of Cape Charles has at times experienced unanticipated revenue shortfalls and/or unplanned needs or emergencies requiring unbudgeted expenditures; and

WHEREAS, the Town Council recognizes the prudence of maintaining an assigned cash reserve to ensure there are sufficient resources on hand to compensate for unanticipated revenue shortfalls or to handle urgent unbudgeted expenditures of the Town; and

WHEREAS, the Town Council desires to formally assign funds to a Contingency Reserve (CR) with the intent for it to be maintained as an assigned general fund balance for use as needed to address important unbudgeted impacts to the Town; and

WHEREAS, the Town Council hereby establishes that all fund balance designations be made through the passage of a resolution; and

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of the Town of Cape Charles hereby establishes a Contingency Reserve (CR) to provide the Town with the flexibility to address unbudgeted or unanticipated requirements as outlined herein:

1. The CR should be adjusted with each budget cycle with the intent to create a reserve equal to ten percent (10%) of the upcoming fiscal year's general operating expenses (less external grants or pass through funds)
2. The Town Council may appropriate up to fifty percent (50%) of the available CR balance as part of the annual budget so that it is readily available for use under the following circumstances:
 - a. At the discretion of the Town Manager for necessary unbudgeted expenses associated with an Emergency as certified by the Mayor; all such expenditures will be reported to the Town Council as soon as practicable
 - b. At the discretion of the Town Manager to offset an overall budgeted general operating revenue shortfall of greater than one percent (1%); all such transfers will be reported to the Town Council as soon as practicable
3. The Town Council may appropriate up to fifty percent (50%) of the available CR balance, less funds that may be known or anticipated for use in 2 above, for an unforeseen and immediate opportunity that the Town Council determines to be in the best interest of the Town
4. Appropriation of funds greater than fifty percent (50%) of what was projected to be available within the current fiscal year, may only occur with the concurrence of a super majority of the Town Council

5. All expenditures that cause the CR balance to fall below an amount of \$250,000 will be accompanied with a plan to replenish such funds to at least this level within three years
6. The CR will be designated as an assigned portion of the general fund balance

This resolution shall become effective upon approval.

Adopted by the Town Council of Cape Charles on this 19th day of November 2020

Mayor

ATTEST: _____
Clerk of the Council