



DRAFT
TOWN COUNCIL
Budget Work Session

Cape Charles Civic Center – 500 Tazewell Avenue
April 2, 2026 – 6:00 PM

CALL TO ORDER

Mayor Charney called the Town Council Budget Work Session to order at 6:00 p.m.

ROLL CALL

Council members in attendance: Mayor Charney, Vice Mayor Buchholz, Councilman Grossman, and Councilwomen Ashworth and Holloway. A quorum was established.

Councilman Newman arrived at 6:05 p.m. Councilman Butta was not in attendance.

Staff in attendance: Town Manager Rick Keuroglian, Treasurer Marion Sofield, Assistant Treasurer Adrian Oei, Project Manager Bob Panek, Zoning Administrator Katie Nunez, Police Chief Jim Pruitt, Harbor Master Paula Davis, Library Manager Sharon Silvey, HR Director Jodi Outland, Assistant to the Town Manager Pam Endlein, Business License Specialist Katie Lewis, Finance Assistant Jessica Upshur, Town Clerk Libby Hume

Davenport & Company: David Rose, Ethan Johnson

There were six (6) members of the public in attendance.

ITEMS FOR DISCUSSION

A. *Davenport & Company Presentation*

Town Manager Rick Keuroglian introduced representatives from Davenport & Company to provide a comprehensive financial review. David Rose presented an overview of the Town's financial position, noting strong recent revenue growth, consistent general fund surpluses, and the absence of outstanding debt. He emphasized the importance of long-term planning and cautioned against relying on continued growth trends.

Mr. Rose recommended increasing the Town's reserve policy to approximately 125% of general fund operating expenditures and establishing an additional stabilization reserve. Discussion included the Town's vulnerability as a tourism-based community and the need for financial resilience.

Additional discussion focused on potential debt policies, including establishing guidelines for debt-to-assessed value and debt service ratios. Mr. Rose recommended utilizing debt as a strategic tool alongside available cash resources, particularly for long-term capital projects.

The Town's Capital Improvement Program was reviewed, including the proposed Town Hall project. Mr. Rose recommended consideration of interim financing to maintain flexibility while preserving available funds and monitoring economic conditions.

B. *Proposed FY 2026–2027 Budget*

Rick Keuroglian introduced the proposed Fiscal Year (FY) 2026–2027 budget, noting this was the first draft and part of an ongoing review process. He stated that he and staff worked hard over the last several weeks. He highlighted improvements in transparency and organization, as well as alignment with Council priorities.

Treasurer Marion Sofield provided an overview of revenue sources, including real estate taxes, personal property taxes, other taxes and fees. Assistant Treasurer Adrian Oei noted that the new rate for trash collection services would start July 1, 2026 rather than in November as shown on

the spreadsheet. Marion Sofield noted that the FY 2027 Building, Planning & Zoning Fee Schedule was also included for review.

Council engaged in detailed discussion regarding revenue projections, particularly real property and personal property tax assumptions and FY 2026 actuals. Councilmembers expressed concern that projections might be understated and requested updates based on actual billing and collection trends.

Katie Nunez provided explanation regarding proposed Historic District Review Board fee adjustments, noting increased workload and comparisons with similar communities.

Council continued their review of the proposed budget by department with a number of adjustments made. There was some discussion regarding staffing in the Public Works Department, and Council suggested funding another full-time position in addition to the part-time and seasonal positions. Council also added funding to outsource the painting of the beach pavilion and Civic Center.

Councilman Grossman expressed his concerns with budgeted amounts and actual amounts spent for travel, education and office supplies. These amounts continued to increase each year but much of the budgeted amounts were left unspent. He proposed holding these line items at current levels to send a message to staff that if funding was requested, it needed to be used. If a department went over their budgeted amount, funding could be transferred from another department.

There was much discussion related to the allocations for several non-profit organizations. A representative from Cape Charles Main Street would be invited to the next work session to provide information regarding their budget request.

Sam Jones, representing the Cape Charles Historic District Civic League, provided an update of their work on sidewalk infill, stating their intent to ensure that every street in town had a complete sidewalk at least on one side of the street.

The changes made during this evening's work session would be made for further review at the next work session.

Rick Keuroglan provided an update on the temporary restroom trailer. The new trailer had replaced the "Silver Bullet," the older restroom trailer. The Silver Bullet had been taken to the Public Works yard. He had previously mentioned that the Silver Bullet would be refurbished and moved around to various locations as needed. Placement at the north end of the beach was discussed to help during the summer months until a permanent facility could be constructed, but he was bombarded by residents upset about relocating the Silver Bullet to the beach. He responded to everyone with a letter explaining that it was a temporary solution until the Beachfront Master Plan, which included a permanent restroom, could be adopted and implemented. Based on the public outcry, the Silver Bullet would not be placed at the beach.

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

The work session was adjourned at 9:33 p.m.

Adam Charney, Mayor

Libby Hume, Town Clerk