



DRAFT
TOWN COUNCIL
Budget Work Session Minutes

Civic Center, 500 Tazewell Avenue
April 16, 2026
Immediately Following the Regular Meeting

CALL TO ORDER

Vice Mayor Mike Buchholz called the Town Council Budget Work Session to order.

ROLL CALL

Councilmembers in attendance: Vice Mayor Buchholz, Councilmen Butta, Grossman and Newman, and Councilwomen Ashworth and Holloway. Mayor Charney was not in attendance. A quorum was established.

Staff members in attendance: Town Manager Rick Keuroglan, Treasurer Marion Sofield, Assistant Treasurer Adrian Oei, Assistant to the Town Manager Pam Endlein, and Town Clerk Libby Hume.

There were two (2) members of the public in attendance.

ITEMS FOR DISCUSSION

A. FY 2027 Budget – Continuation from April 2, 2026

Town Manager Rick Keuroglan introduced the continued review of the FY 2027 Budget, noting that updates since the prior work session were highlighted within the working document. He explained that revisions reflected changes discussed previously and new information received. The updated reassessment data was received from the County after publication of these documents. This information would be updated in the documentation for the next work session.

Councilman Grossman suggested that since everyone had the opportunity to review the documentation, we should focus discussion on key changes and specific line items rather than reviewing every adjustment in detail.

General Fund Revenue

There was some discussion regarding the real property tax revenue. Councilman Grossman expressed his preference to equalizing the tax rate based on the reassessments. Councilman Newman noted rising costs and questioned sustainability of flat taxes. The majority of Council preferred equalizing the tax rate.

There was much discussion regarding the personal property tax revenue projections. Staff explained that the 2026 personal property tax projection was increased to \$200K based on Council discussion at the April 2nd meeting, adding that the historic collection rate was approximately 70%.

Councilwoman Holloway said Davenport & Company had suggested increasing the meals and transient occupancy tax rates, but she did not support that approach. She emphasized considering the impact on full-time residents when evaluating any meals tax increase. Council also discussed a seasonal meals tax increase or adding a resort tax. Rick Keuroglan would review the Dillon Rule to determine the Town's options under state law.

General Fund Expenditures

There was an overall 7% increase in salaries and benefits. Some positions were reclassified and salaries adjusted accordingly. Councilman Grossman recommended that Mayor Charney meeting with Rick Keuroglan to review all employees and their salaries.

Consulting Services General Fund (100-4121-3420): Councilman Grossman noted that Northampton County had not included any funding for a consultant to review funding and capital needs for the fire companies within the county. County Administrator Matt Spuck was meeting with the individual fire companies. In light of that, he recommended removing the \$25K included for this purpose and placing it in contingency. If county decided to move forward with a consulting firm, we could make the necessary adjustments during the mid-year review.

At the April 2nd work session, Council capped the education, conference, and office supplies line items at the same level as FY 2026 due to budget actuals over the last several years. There was much discussion regarding Chief Pruitt's comment that one of his officers paid for travel and training out of their own pocket since there was not enough funding available in the budget. Council reiterated that Rick Keuroglan had discretion to transfer funding between departments and line items to cover needed training.

Under Public Works, the budgeted overtime was reduced to \$21K since a new full-time position was added to the department. With the additional full-time staff person, the need for overtime should be reduced. This item would be revisited during the mid-year review.

There was some discussion regarding the Transfers Out section. Council reiterated the need for budgets from the non-profit organizations being funded – Cape Charles Main Street, Citizens for Central Park, and the Cape Charles Volunteer Fire Company.

Capital Expenditures

Councilman Grossman requested a five-year plan for capital improvements. He added that Council needed to review the various projects to determine those that could be completed by June 30th and those that would be completed after July 1st.

There was much discussion about the sidewalk infill and golf cart pathway from Bay Creek. Councilman Butta noted that the sidewalk infill project could possibly be completed in two years if \$100K was allocated toward sidewalk infill each year. It was noted that sidewalks were the responsibility of VDOT and the town manager should contact VDOT for assistance rather than funding the complete infill project and repairs. Council reduced the funding to \$100K. The town was also putting in the ADA curb cuts along Mason Avenue, which Council felt was also VDOT's responsibility. Several of the Council members felt that the town should assist with the pathway from Bay Creek. Rick Keuroglan stated that he had spoken with a representative from the Bay Creek Homeowners Association (HOA) and they were currently waiting on the easement for the pathway. He would also be meeting with the HOA board.

Rick Keuroglan added that VDOT would be resurfacing all of the streets in Cape Charles beginning in November.

Rick Keuroglan stated that if Council opted to obtain a loan for the new municipal building, the numbers shown in the budget would change.

Councilwoman Holloway said the budget for the Mason Avenue Electrical Project could be reduced if the Town received any grant funding, potentially through the Community Development Block Grant (CDBG) program administered by the Department of Housing and Community Development (DHCD). She requested that the Capital Asset Management Program (CAMP) be brought to Council for review to evaluate the current project list and add new projects. She also raised concerns about insufficient lighting in the municipal parking lot on Mason Avenue, noting that the property was leased. She said the area was unsafe and that the addition of lighting should not be delayed any longer.

Next Steps

The next budget work session was scheduled for May 7th. There was some discussion regarding the scheduling of an executive session on that same evening. It was decided that the executive session would begin at 5:00 p.m. in the town manager's office. The work session would begin at 7:00 p.m. in the Civic Center.

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

The meeting adjourned at 9:53 p.m.

Andy Buchholz, Vice Mayor

Libby Hume, Town Clerk

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