



DRAFT
TOWN COUNCIL
Budget Work Session
Cape Charles Civic Center – 500 Tazewell Avenue
May 7, 2026
7:15 p.m.

CALL TO ORDER

Mayor Adam Charney called the Budget Work Session to order at 7:15 p.m.

ROLL CALL

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

Staff in attendance: Town Manager Rick Keuroglian, Treasurer Marion Sofield, Assistant Treasurer Adrian Oei, Project Manager Bob Panek, Business License Specialist Katie Lewis, Town Clerk Libby Hume.

There were five (5) members of the public in attendance.

ITEMS FOR DISCUSSION

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

Town Manager Rick Keuroglian opened the discussion by noting that staff had continued refining the proposed FY 2027 budget following the April 16th budget work session and that updated figures and highlighted revisions had been provided to Council for review. He added that staff members were present to answer questions and assist Council as they worked through the revised draft budget.

Assistant Treasurer Adrian Oei reviewed the updated budget draft and explained that the green highlighted items reflected changes made since the last meeting. He advised that the real property tax information had been updated based upon the recently received Northampton County assessments. He clarified that the equalized tax rate calculation had been corrected to reflect a rate of \$0.1405 per \$100 of assessed value and explained that the equalized rate represented the highest tax rate permitted under state law without requiring an additional public hearing.

Councilman Grossman revisited the previously discussed personal property tax projections, expressing concern that the earlier calculations appeared overstated. Adrian Oei reported that staff had since completed a more detailed review and determined that the projected revenue estimate should be reduced by approximately \$25,000, lowering the estimate from approximately \$45,600 to approximately \$20,600. Councilman Grossman confirmed that the adjustment would require a corresponding increase in the appropriation from fund balance.

Adrian Oei continued reviewing the proposed budget revisions page by page. He advised that the county cigarette tax estimate had been updated based upon Northampton County's published budget figures and should now be considered a firm number rather than an estimate. He also noted a correction to the FY 2026 actual figure for Fire Program Funds (Passthrough) line item due to a clerical error. This change did not affect the current budget. He reported that the County's proposed contribution to the Library had increased from \$30,000 to \$37,000. The appropriation from the Fund Balance would change as needed.

During discussion of the Town Manager's budget, Adrian Oei explained that several salary and benefits lines had been adjusted to reflect the recently completed annual staff review changes. He

also noted that consulting services within the General Fund (100-4121-3420) had been reduced by \$25,000 following Council's previous discussion regarding funding for the Fire Consultant.

Town Manager Keuroglan elaborated on the consulting services allocation (100-4121-3410), explaining that the account historically supported engineering, surveying, planning, and other professional consulting needs. He advised that the account would likely be utilized for planning-related consulting services, including work potentially performed by the Berkley Group, and stated that the current allocation appeared sufficient for anticipated needs.

Councilman Grossman confirmed that previously discussed computer hardware purchases had already been moved into the current fiscal year budget and purchased accordingly.

Adrian Oei next reviewed Public Works budget adjustments, explaining that overtime expenditures had been reduced because the budget already reflected funding for a new hire, which staff anticipated would reduce overtime demands. He further discussed a new maintenance allocation associated with the proposed golf cart path along Cassatt Parkway, which would be a cost share with the Bay Creek Property Owners Association. Rick Keuroglan explained that the proposal included a \$20,000 capital contribution toward installation costs and an additional \$5,000 annual maintenance allocation to support future upkeep.

Councilman Grossman also noted a correction within the Library budget (100-4730-4150) where a grant expense line item needed to be updated from \$4,031 to \$4,503.

Councilman Butta raised questions regarding personnel-related budget lines associated with recently changed staffing circumstances in the Planning & Zoning department. Rick Keuroglan explained that the Town would likely utilize short-term contracted professional services to maintain operations while simultaneously beginning recruitment efforts for a long-term employee. He advised that funds had intentionally been left in the salary lines to preserve flexibility for future hiring needs.

Treasurer Marion Sofield advised Council that budgets for the three nonprofit agencies receiving funding had been provided for Council review.

Adrian Oei then reviewed changes to the Capital Fund, including the addition of the Town's \$20,000 contribution toward the golf cart path installation on Cassatt Parkway. Rick Keuroglan stated that since we were unable to plant trees this year, he proposed adding a line item (100-4121-7051) with \$10,000 for tree planting projects within Town rights-of-way in partnership with the Cape Charles Civic League.

Following review of the Harbor and Sanitation Funds, which contained no proposed revisions, Council discussed the proposed sidewalk infill funding within the Capital Improvement Plan. Councilwoman Ashworth recommended increasing the sidewalk infill allocation from \$100,000 to approximately \$120,000 in order to complete two priority sidewalk projects rather than leaving insufficient residual funding for additional improvements. There was much discussion regarding this proposal and a general consensus was reached to increase the line item (110-4430-7015) for sidewalk infill to \$120,000 so the top two priorities, North Jefferson and East Nectarine, could be done.

Council next discussed nonprofit agency funding requests, and Cape Charles Main Street Executive Director Karen Zamorski addressed Council regarding Main Street's proposed budget and funding request. Ms. Zamorski thanked Council for the opportunity to discuss the organization's budget and explained that the submitted budget remained in draft form pending review by the Main Street Board. Ms. Zamorski emphasized that Main Street's greatest need was funding for a part-time event coordinator position. She explained that Town events had grown substantially since 2019 and that the increasing workload had become difficult for volunteer board members to sustain. She also

highlighted the organization's grant-writing efforts and tourism-related economic impacts generated through community events. (Please see attached.)

Council also discussed the success of the recent LOVE Run event, including visitor attendance, business impacts, tourism promotion, and continued maintenance and repair needs associated with the Town's LOVE sign.

B. Capital Improvement Plan Project List

Capital Projects Manager Bob Panek presented an overview of the proposed Capital Improvement Plan projects, including the new Municipal Building, drainage swale plantings in Central Park, the Keck Wells return water line project, Mason Avenue electrical upgrades, Public Works facility improvements, Library repairs, Beachfront Master Plan initiatives, and harbor infrastructure improvements.

C. Financial Policies

The discussion then shifted to the Town's financial policies. Marion Sofield advised Council that the policies currently included within the budget document had remained substantially unchanged since their adoption in November 2020. She noted one update related to the Town's contingency reserve and line of credit policy, explaining that the Town had recently allowed its unused \$500,000 line of credit to expire due to unfavorable interest rates and recommendations received from Davenport & Company.

Town Manager Keuroglan then provided staff and training updates to Council. He advised that Planning Director Katie Nunez was no longer employed with the Town and stated that staff would move forward with obtaining contracted planning services to maintain continuity of operations. Rick Keuroglan informed Council that he was the zoning administrator in his last two localities and recommended that Council appoint him as the zoning administrator and subdivision agent. He also highlighted recent staff training initiatives coordinated by Human Resources Director Jodi Outland, including conflict resolution training and Myers-Briggs assessments designed to improve internal communication and workplace collaboration.

Marion Sofield advised Council that, based upon the consensus reached during the work session, staff anticipated publishing the legal advertisement for the FY 2027 Budget public hearing in time for the June 4, 2026 Town Council Public Hearing, with formal budget adoption tentatively scheduled for the June 18, 2026 Town Council Regular Meeting.

Marion Sofield noted that last year, we asked our auditors to provide an overview of our annual financial report. The annual financial report had been received and she would ask them to join us at a future meeting via Zoom to provide the overview.

ADJOURNMENT

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

The meeting adjourned at 8:27 p.m.

Adam Charney, Mayor

Libby Hume, Town Clerk

May 7, 2026 Town Council Budget Work Session

Karen Zamorski, Cape Charles Main Street Executive Director

Key Points for Thursday discussion Concerning CCMS budget request:

Last increase was July of 2022 (FY2023) – Went from \$80,000 to \$90,000 Four years ago

The cumulative rate of inflation between June of 2022 and April, 2026 is **8.37%** This has effected the costs of our events, merchandise and fixed costs like storage.

Cape Charles Main Street sends our financials to the Town every quarter as agreed to when we formed this important partnership with the town. We weren't aware that Town Council was not seeing these on a regular basis. Going forward we hope this will help to answer any ongoing questions.

CCMS Budget Process: First, our organization is set up in a different format than many others. We split our event costs per event which also carries its own marketing budget. Additionally, we carry grants over multiple fiscal years which can be challenging. We have tried to give you something condensed that is easier to decipher but we were caught off-guard with the line item budget request. We have done our best to provide you something that makes sense. We are on track to complete our FY27 budget following our regular process:

1. We hold an annual strategic planning session in February/March. This is when each of the pillars discusses things they would like to do in the upcoming year and discussion follows.
2. After this meeting, Workplans are completed by the Executive Director and each of the 4 pillars.
3. Those workplans are then sent to the Treasurer to include in the draft budget.
4. Once this is complete, the executive team reviews the budget and presents it to the board at the May board meeting (third week of May). There is more discussion where there are discrepancies in the budget that need to be addressed.
5. A final vote on the budget is completed at the June Board meeting.

Items we cannot negotiate that are affecting our budget:

- Increased software and product costs that are rising due to growth of our program:
 - o Bloomerang CRM/Fundraising software: **+32%** (\$3200 to \$4217/year),
 - o Placerai **+13.4%** increase. This is also connected to our sponsorship program which is helping us drive increased sponsorship with our businesses. I have added an appendix with descriptions of what each of these software's provide. I think it is important to note, we incorporated our use of the Placerai software as a benefit into our sponsorship packages this past year and we **CANNOT** eliminate it as we are building on these benefits and having success getting more participation of our businesses in sponsoring CCMS annually.
- Storage: **+28.7%** Growth of our events and items such as the decorations for these events like Festive Fridays has steadily increased.
- Ornaments: **+35.5%** Our costs for the annual ornament have increased steadily each year. We have kept the selling price fixed but will be raising the cost this year as this was started to help raise funds for CCMS projects to be completed in the community.
- LOVE sign maintenance – There has been severe wear & tear on our iconic Love Sign. With the amount of activity this gets from both visitors and residents taking family pictures, wedding photo's and vacation photo's, we simply must complete repairs before we have injuries from people climbing on the structure. We just completed a repair of the L which costs **\$7400**. We know we have to also do the E this year along with the bases on the other letters that are beginning to rot. The estimate on this cost is **\$10,000**.

Biggest needs for FY2027

- Part-time Event Coordinator:
 - o Events have grown significantly since 2019
 - o Promotions Chairs' focus is on events vs. the other aspects of this position. Due to the growth and expansion of our signature events, the amount of time required from our Promotions team has reached the point of a full-time job. While the entire board is a working board, the hours and commitment required is making it increasingly difficult to find board members who are willing to take on this position. This year we had 2 new board members as the Director and Chair of promotions who started in August with the planning of Love Fest and Festive Fridays and both resigned the day after Festive Fridays ended.
 - o A permanent part-time person would alleviate a great deal from the plate of these board positions and bring consistency to the event management. We have tried adding an event coordinator to each budget for these events but we found ourselves having to train and retrain different people each time. We believe consistency will help not only bring better events, it will help us control costs more efficiently with an individual who can plan ahead from year to year for each event.

We believe our request for additional funding is warranted so we can continue driving forward in our mission of revitalization, beautification and economic development for the Town of Cape Charles. FY26 is slated to be another great year of completing projects that deliver real benefits to the town. I think it is important to note that CCMS will deliver grant funding to the Town of Cape Charles in FY2026 of **\$353,503 producing an ROI of 292.78% on the Town investment of \$90,000.**

APPENDIX:

What is Bloomerang Software used for:

Bloomerang is both a Customer Relationship Management and Donor management software that helps us track our donors, manages our volunteer base, and provides communication tools for marketing and engagement (email marketing, letters and mailings, surveys, etc.)

Why is it valuable?

Here are the main reasons organizations find it valuable:

Donor Retention Focus

The software tracks donor activity, giving history, communication patterns, and engagement signals so fundraisers can identify:

- loyal supporters,
- lapsed donors,
- upgrade opportunities,
- and major gift prospects.

This matters because retaining donors is usually far less expensive than constantly acquiring new ones.

Bloomerang has Integrated Tools and includes more than donor records. Organizations can manage:

- online donation forms,
- email campaigns,
- event registration,
- peer-to-peer fundraising,
- text fundraising,
- volunteer management,
- and reporting dashboards in one ecosystem.

Having fewer disconnected systems reduces duplicate work and data entry.

Ease of Use for Small and Mid-Sized Nonprofits

A major reason nonprofits choose Bloomerang over enterprise CRMs is usability. Community discussions frequently describe it as intuitive and easier to adopt than heavily customized systems like Salesforce.

That can be especially important for:

- volunteer-led organizations,
- municipalities,
- chambers,
- arts organizations,
- and nonprofits without dedicated IT staff.

Placerai Software – What is it and how is it used?

Placer.ai is a location intelligence and analytics platform that uses anonymized mobile data to help organizations answer questions like:

- How many people are visiting a location?
- Where are those visitors coming from?
- How long do they stay?
- How does one location compare to competitors?

Organizations use it to guide:

- Economic development
- Tourism strategy
- Retail site selection
- Event planning
- Marketing campaigns

Who typically uses it?

- Local governments & tourism offices
- Commercial real estate developers
- Retail chains & restaurants
- Event organizers
- Marketing and advertising teams

Why it's valuable

Given our focus on tourism, events, and economic development, tools like this help us:

- Quantify event impact (attendance, reach, repeat visits)
- Strengthen grant applications with real data
- Show ROI for projects like gateway signage or festivals
- Identify target markets more precisely
- Allows us to offer benefits to our business community in exchange for funding for investment in infrastructure and event projects

