



**TOWN OF
CAPE CHARLES**

AGENDA TITLE: Fiscal Year 2026 Mid-Year Budget Amendment

AGENDA DATE
February 5, 2026

SUBJECT/PROPOSAL/REQUEST: Amendment of the FY26 budget

ITEM NUMBER:
6B

ATTACHMENTS: Budget amendment, memorandum from Town Planner

FOR COUNCIL:
Action (X)
Information ()

STAFF CONTACT (s):
Assistant Treasurer Adrian Oei

REVIEWED BY:
Rick Keuroglia, Town Manager
Marion Sofield, Treasurer

BACKGROUND:

Town Council has requested that the Finance Department prepare an amendment to the Fiscal Year 2026 budget. To prepare this amendment, the finance department solicited input from all department heads and the Town’s Project Manager. Based on this input, we have prepared the attached budget amendment, which is projected to meet operational needs throughout the end of the year.

ITEM SPECIFICS:

The amendment affects three funds, General, Capital and Harbor. The total increase in appropriations is \$153,866, under the 1% threshold of our total budget that would trigger the requirement for a public hearing under state law.

General Fund:

To meet the projected needs within the General Fund, the amendment proposes to appropriate an additional \$46,166 in interest and dividend income. This is possible because our original projections were very conservative and interest rates have fallen more slowly than anticipated at the beginning of the fiscal year.

Capital Fund:

No additional revenue needs to be appropriated to meet the needs of the Capital Fund. Rather, two expenses are being reduced to cover additional projected costs. The reasoning behind these changes is provided in more detail in the attachment.

Harbor Fund:

This is The Town’s first full fiscal year since assuming management of the harbor and business has been better than expected, which means higher revenue and higher operating costs. The total increase in Harbor Fund expenditure is \$107,700. Of this, \$77,000 is cost of goods sold. To cover these additional costs, we propose that Town Council appropriate additional revenue in the form of fuel and miscellaneous goods sales.

The second attachment is a memorandum from the Town Planner containing detailed explanations of her departmental budget requests.

RECOMMENDATION:

Staff recommends that Town Council approve the proposed budget amendment.