

Weekly activity report (week ending December 14, 2018)

Town Manager:

- Reviewed the Town Council in December 20 regular monthly meeting agenda packet.
- Continued discussions on email and information technology issues with staff and alternative service providers.
- Had follow up phone call with a commercial appraisal firm.
- Staff received word on December 11 that the Virginia Marine Resources Commission has approved the permit for the fourth (northern) offshore breakwater. The Army Corps of Engineers has completed their review process and should issue their permit shortly. Langley & McDonald is completing the plans, specifications and construction bid package. We should be able to put the project out for bid in mid to late January.
- Participated in the December 10 parking working group meeting.
- Attended the December 10 Wetlands and Coastal Dune Board work session to review the latest draft of the beach and dune management plan.
- Participated in the December 12 Library Board meeting.
- Met with finance department to discuss operations, budgeting, and service levels.
- Prepared strategic planning session administrative, financial, and personnel priorities follow up report (attached).
- Met with, email, or called several residents and/or business owners on a variety of matters\Report A Concern follow up.

Town Clerk

- Upcoming Meetings/Activities:
 - 12/18 – Historic District Review Board Meeting, 6PM, Civic Center
 - Agendas were finalized and posted on 12/11.
 - 12/19 – Mayor’s Office Hours, 2-4PM, Town Hall
 - 12/20 – Town Council Regular Meeting, 6:30 PM, Civic Center
 - Agenda packet was finalized and posted on 12/14.
- The Bay Creek Welcome Center conference room has been reserved from 9AM-1PM on Saturday, 1/26/19 for the Town Council Strategic Planning Session.
- Tracy Outten fulfilled all the requirements of the Certified Municipal Clerk (CMC) program through the International Institute of Municipal Clerks and obtained her CMC designation effective 12/12/18! Tracy is only the third clerk on the Eastern Shore of Virginia to obtain her CMC!
- December 7, 2018 Weekly Report was posted online.
- The 12/14 issue of the Gazette was finalized and posted for distribution on 12/14 via e-Notifications.
- Tracy attended the 12/10 Wetlands & Coastal Dune Board Work Session.
- Tracy continues to assist the town manager with various projects.

Town Planner:

- Corresponded with residents and developers about potential development and zoning ordinance compliance
- Attended Wetlands Board Work Session and assisted with follow-up as needed
- Reviewed applications and prepared staff reports for upcoming Historic District Review Board meeting
- Met with citizen and business owner to discuss comments and concerns regarding Historic District Review Board application and possible outcome
- Continued preparing staff-initiated updates to zoning ordinance to eventually present to Planning Commission for comment and approval
- Attended Parking Working Group meeting and prepared follow-up report regarding handicap parking regulations for on-street parking and amount of parking spaces gained or lost depending on striping options, along with other research requested

Library:

- The odor was noticeable this week.
- Staff selected and prepared crafts for the Festive Friday event.
- This Festive Friday, 12/14 from 6:00 to 7:30 the library staff will again be providing holiday crafts for children in our Winter Wonderland.
- Staff is beginning to plan the Summer Reading Program and has been contacting publishers and vendors about donating materials. So far, we have received donations of books, bookmarks, posters, and games from TENZI, Abrams Books, and BlueQ.
- Updating of CC website, ESPL website, and Friends calendar online.
- Staff is planning the budget and assessing space limitations in the Library.
- The Library Board met on Wednesday, 12/12. Town Manager Larry DiRe attended the meeting to answer questions from the Board.
- Storytime was held on Thursday, December 6 at 10:30, 26 attended.
- The Garden Knitters met on Friday, 12/14.

Harbor:

Maintenance/Repairs:

- Non-ethanol fuel is out of service until further notice. Repair options have been addressed and repair quotes have been received from 2 contractors.
- Removed rotted wood around base of harbormaster building.
- A and B dock repairs due to damage caused by recent wind and waves.
- General maintenance being performed on all docks. (on going)

Finance:

- The upcoming budget accounts were set up in the accounting software and work on the mid-year review was initiated.

- BPOL data requests were sent to Northampton County for personal property assessments and to CCMS as requested.
- Staff met with the Town Manager to discuss avenues for improvement and assess departmental needs.
- Refund requests for overpayments of property taxes were created. This occurs typically when both the homeowner and the mortgage company pay the tax bill.
- Customer service, accounts payable and receivable, payroll and benefits, utility billing, collection and accounting tasks were completed as usual.

Utilities:

- Full report pending.

Public works:

- Completed work orders as assigned

Building\Code:

- Staff continued scanning older documents to make room for new projects.
- Answered various questions about new construction requirements throughout the town.
- Staff is working on 4th of July fireworks preparations for next year.
- A fence has been installed across the front of the demolition site on Mason Avenue. We are awaiting a mason to come and fix the few bricks that were damaged on the adjoining building.

Recreation\events:

- Presented first, second and third place awards to the best decorated storefronts. The winners will appear in the next issue of the Gazette.
- Attended a Parking Ad-hoc meeting.
- Set up at the Civic Center as the check in and drop off area for the Cookie Trail. The event was held from 1-5 and we ran out of cookies at 1:45 and cupcakes by 2:15. Attendance was at an all-time high this year.

Manager's Report

From: Larry DiRe 
Date: December 17, 2018
Item: Administrative, financial, and personnel priorities

Attachments: None

This report is follow-up to the list of administrative, financial, and personnel related matters identified by the may and Council as strategic priorities. A total of thirty-four priorities were listed (sixteen administrative, ten financial, eight personnel). A number of these priorities can be grouped and addressed as “connected dots” rather than as isolated matters addressed on an individual basis.

As an example, integrated budgeting is not just a matter of meeting the preferred March 1 balanced budget document deadline. From the thirty-four listed priorities, nine of the ten financial priorities are directly budget related (the exception being incentives for workforce housing). Correspondingly three of eight personnel priorities relate to staff pay and another one is seasonal staffing costs associated with a summer season workforce to provide enhanced levels of service during the town’s busiest season.

To date the manager developed a budget preparation calendar for all departments, and that calendar is posted in the manager’s office and been shared with the departments. Departments were instructed in mid-November to review their respective last three fiscal year actuals and current fiscal year to date expenditures and develop a budget based on these averages, not to exceed a two percent increase. Capital project budgeting is underway as the manager and departments are reviewing capital facility needs, as well as the on-going grant-based breakwater and community trail projects. To date these reviews with departments have developed the following proposed capital projects: fishing pier deck and railing repairs/replacement; beach nourishment of the scoured-out areas at the north end of the beach; sidewalk repair and infill installation; and water meter changeout.

Council listed several staffing pay, retention, and job skill development priorities. These personnel matters have direct impact on the budget. For example, across all positions the adopted position pay grade bands have not been uniformly implemented. As employees are evaluated on an annual basis (per TOCC Personnel Policies page 21), those found to be satisfactory correspondingly should move up in an increment of the pay band. This need to adjust employee pay annually should be considered an obligation equal to debt service and budgeted for ahead of other discretionary spending.

To date a cursory review shows that at least three positions (town clerk, building official, and recreation\events coordinator) held by long-term employees are well below where each should be in their respective pay grade band. Town Manager Recommendation: As departments return employee annual evaluations, and employees are found to have satisfactory evaluations, each respective position’s pay is adjusted up the pay band for the next fiscal year. Employees

with less than satisfactory evaluations are not advanced. Should this evaluation to pay band advancement relationship not be either acceptable or financially responsible, then the pay band system should be abandoned and replaced with a straight COLA plus some performance evaluation increase not to exceed a combined four percent annual increase each year per employee. Either approach allows for informed preliminary operating budget preparation.

Few financial priorities consider the revenue side of budget preparation. Specifically, TOT and meals tax increase is listed. Such increase can come from growth of these respective tax bases, or from rate increases. In either event the Council should be cautious about expected expansion of these revenue lines. It is safe to say that such expenditures are individual discretionary spending and dependent upon strong local, regional, and national economic indicators. As of this date many credible economic forecasts are warning of a potential national economic recession, and/or a corresponding drop in consumer confidence, in 2019. In that case expect contraction of these revenue lines. The manager is not expecting an increase in fiscal year 2020, and so the budget will reflect fiscal year 2019 actuals with a flat increase. Likewise, the manager is not presently recommending nor expecting a rate increase.

TOT and meals tax revenues should be the principal funding source for tourism-related expenditures and associated summer season staffing and facility maintenance expenditures such as beach nourishment and harbor decking repairs (as a fund transfer). As of this date, the manager's budget is not showing full-cost coverage of the summer band concerts in Central Park, nor an increase in the annual contribution to the regional tourism commission. Cape Charles Main Street, Inc will continue to be a donation beneficiary of TOT\meals tax revenues. That organization, a separate independent, non-profit corporation in the public interest, needs to become increasingly financially self-sustaining, so donations of public tax revenue can be reduced over time and spent on other discernable public goods.

TOT and meals taxes are "connected dots" to two listed administrative priorities related to short-term rentals. The manager has spoken to both the finance and building departments about enhanced observation and enforcement of short-term rental units. Social media and on-line booking sites will be regularly reviewed to determine properties being used as short-term rentals that may not have complied with all licensing, inspection, and tax collection regulations. The manager has directed the code official to placard properties in violation of the short-term rental regulations, much as "stop work" placards are posted at non-compliant construction sites.

Unrelated to financial obligations, short-term seasonal rental units present numerous current and future challenges. Some of these challenges are more cultural and behavioral. A new population is present every week or less in these rental units. Maintaining compliance and continuity on issues like trash, golf cart operation, beach behavior, and public alcohol consumption needs to be a town staff priority. To that end several departments will work in a coordinated, early effort to get information to rental agents, realtors, golf cart rentals, all TOT payers with business licenses, and the general public.

While short-term rentals provide an important tax revenue stream, such dwellings generally add congestion to neighborhood streets, compared to owner-occupied single-family dwellings. Likewise, these seasonal rentals reduce the number of units available for twelve-month rentals and so drive up rent of year-round units. Short-term rental units do not add to the year-round population numbers needed to attract year-round businesses and amenities, nor does a seasonal population create a sense of neighborliness and community. Bed and breakfast\tourist

home accommodations are allowed by conditional use permit only in the Residential – 1 district, but by right in the Commercial-Residential district, while rentals of any duration are permitted by right. Town Manager Recommendation: Address the structural inequalities found in the zoning ordinance and town code to place reasonable limits on the propagation of short-term rental units. To that end, the Council should consider the options approved for local governments in early 2017 when then-Governor McAuliffe signed a series of homestay regulations into law (HB 1268 and SB 1578). The manager will bring this to Council in February 2019. At that time Council may address the matter directly or send to the planning commission.

The issue of reviewing and, when necessary, revising town ordinances and public planning documents appeared as four administrative priorities, fully one-quarter of all those identified. In the immediate future the comprehensive plan review process will integrate existing plans and documents. That comprehensive planning process is expected to take two years, beginning early spring 2019 and concluding summer 2021. Of particular note, the Wetlands and Coastal Dune Board has developed an advanced draft of the beach and dune management plan (November 2018). Cape Charles participation in the RAFT program (June 2017 – August 2018) resulted in a better understanding of resilience issues and application to town matters. Participation also integrated the town into the resource network of Virginia's public universities. A related outcome was the town's participation with the Green Infrastructure Center\Urban Forestry program at the University of Virginia (summer\fall 2018) in developing a green infrastructure plan for Cape Charles.

These developments will inform the future comprehensive plan, provide grounding resources for future creation of a formal town resilience board, and guide future operating and capital expenditures. Current land reuse possibilities in the harbor district\rail yard require real time review and response to potential requests for subdivision and\or conditional use permits. The manager contacted the faculty at Christopher Newport University's Public History Center about developing a new town preservation plan based in current town conditions, reasonable expectations of change over time, and informed by current preservation research literature and professional practices. While no funds are budgeted for this plan in the current fiscal year, some expenditure will be in the fiscal year 2020 budget, and the Center will be encouraged to pursue some grant support for this plan. Town Manager Recommendation: Council should pick a normative date (say January 1, 2020) and determine a regular update schedule for all town plans and development documents. Responsible budget allocations need to accompany this schedule. The town has not been well-served by consultants, so the expertise provided by the public universities' faculty can serve the role of competent advisor to staff and public boards\commissions. The Code of Virginia requires the comprehensive plan review every five years, but is silent on relevant local documents that inform that comprehensive planning process. Some plans age better than others, but every plan becomes outdated by lived experience.

Many of the personnel-related priorities have been discussed under the financial and budgeting section above, but not all. Please consider the following necessary changes to the town's personnel management practices. All employees need to be evaluated annual in writing, and as needed verbally, by their immediate supervisor. These evaluations need to be filed in each employee's personnel folder. Evaluations need to be done in a timely manner so as to inform departmental budgeting processes. All charter officers need to be evaluated annually by the mayor and Council for their respective service to Council, and by the town manager in their respective capacity as department heads. The manager has spoken to the current charter officers

and all are in agreement about this process. Evaluation dates need to be developed by the mayor and Council and transmitted to the clerk's office for inclusion as executive sessions for personnel matters. The bonus system should be abandoned and employee pay based strictly on a performance to pay grade band incremental improvement basis. Certain positions require acquisition of specific credentials or training to provide maximum service to the organization. When such credentialing or training is documented by the employee's supervisor, then a one-time salary bump should be considered.

One specific priority addresses staff "retention, training, productivity, (and) efficiency." Training is addressed by each department through budgeting for such things. A number of public and private corporations also offer relevant webinars at low or no cost. When an appropriate webinar topic is flagged by one staff member word typically spreads to other staffers who may benefit by it. This is a common practice amongst the three principal staffers working on various aspects of human resources for the town. If any employee wants to participate in a professional or skills development program there is no excuse for not doing so. Tracking productivity is a feature of establishing employee and department goals and measuring those through a formal evaluation process. Some departments are better at this than others, and this is an organization-wide goal for the town manager. Efficiency is hampered across the organization by information technology problems ranging from "down" email to hardware problems at the workstation and server levels. Such interruptions are common and generally outside the control of staff to address or to resolve them for themselves. Information technology is a tool, and a tool not suited to the current work needs. In the near term, three to four years out, the town should look at adding the staff position of information technology technician to bring in the expertise necessary for an optimum use of such technology. While in theory employee retention should be the highest personnel-related goal of any fully functional organization, this will always be a challenge for the town due to few opportunities for advancement within the organization. Those of us from the 1980s remember the phrase "three to five (years), up or out." As a practical matter if a new hire commits to four to five years employment the town should consider that a responsible term of service.

Town Manager Recommendation: The town manager is the designated personnel officer and is responsible for personnel administration within the town government (TOCC Personnel Policies, page 1). Council needs to hold the manager accountable for meeting those requirements. While the same personnel policies allow for designation of certain duties determined by the town manager to another staffer under the manager's supervision, dereliction of these duties in the name of delegation is not acceptable. A broader assessment of the town's organizational structure is advised. This administration may function better with the town manager as the chief administrative officer assisted by an office manager (the town clerk in a dual role) and an operations manager (either the town planner or public works director in a dual role), each of whom report to the town manager. Such a restructuring will allow the manager to be a strategic officer for the organization and still provide oversight of two functions rather than each individual department. If such a restructuring is desirable, a three to four-year transition and implementation period is recommended.

The town manager is prepared to discuss the content of this report at the January 26, 2019 strategic planning session, a Council work, on an individual level, or as directed.