



TOWN COUNCIL WORKSHOP MEETING

May 16, 2024 at 6:00 PM

Council Chambers – Town Municipal Center

AGENDA

CALL TO ORDER - *Mayor Leonard*

INVOCATION - *Councilman Savage*

PLEDGE OF ALLEGIANCE – *Mayor Leonard*

PUBLIC COMMENT – *Mayor Leonard*

AGENDA ADOPTION – *Mayor Leonard*

STUDENT GOVERNMENT REPORT

CONSIDER FY25 PROPOSED BUDGET – *Mayor Leonard*

1. Budget Approval Memo
2. FY25 Proposed Budget Summary Advertisement
3. FY25 Budget Presentation

MAYOR & COUNCIL ANNOUNCEMENTS – *Mayor Leonard*

CLOSED MEETING *in Accordance with § 2.2-3711 (A) (1,5) of the Code of Virginia perspective business opportunities and evaluation of staff*

CERTIFICATION OF CLOSED MEETING *in Accordance with § 2.2-3712 (D) of the Code of Virginia*

ADJOURN

Town of Chincoteague, Inc.



TO: Mayor Leonard and Council Members
FROM: Michael Tolbert, Town Manager
DATE May 16, 2024
SUBJECT: FY25 Budget Approval and Appropriation

The FY25 Budget proposal was presented in balanced form at the April 1, 2024 meeting and was authorized to advertise. The budget summary and public hearing were subsequently advertised in the April 26 edition of the Eastern Shore Post. A formal presentation and public hearing of the proposed FY25 Budget were conducted at the May 6th Council meeting at which no comments were offered by the public. Per the Code of Virginia, the proposed budget is now eligible for adoption.

Council is asked to adopt and appropriate the proposed FY25 Budget.

Motion:

I move that the proposed FY25 budget be adopted as presented and that the funds be appropriated for disbursement as such.



Town of Chincoteague FY 2025 Proposed Budget

The Chincoteague Town Council will hold a public hearing on May 6, 2024 at 7 pm for the purpose of hearing comments from citizens on the proposed FY 2025 Budget. Anyone wanting to comment without attending in person may submit written comments to the Town Office by 5pm on May 6, 2024.

Commenting by Letter: Written statements may be mailed to the Town of Chincoteague, Attn: FY 25 Budget, 6150 Community Drive, Chincoteague, VA 23336.

Commenting by email: Emails may be addressed to mtolbert@chincoteague-va.gov with the subject line: FY 25 Budget Comments.

All comments must be in person, mail or emailed . Mailed or emailed comments will be included in the meeting official record. Comments must include commenter's name and address.

For questions or assistance call: 757-336-6519

REVENUES	EXPENDITURES
GENERAL FUND	
GENERAL PROPERTY TAXES \$ 935,000	GENERAL GOVERNMENT
OTHER LOCAL TAXES \$ 4,308,246	SALARIES & BENEFITS \$ 769,659
PERMITS, FEES & LICENSES \$ 320,300	OPERATIONAL EXPENSES \$ 1,975,221
FINES \$ 20,000	CAPITAL IMPROVEMENTS \$ 50,000
INTEREST \$ 200,000	EMERGENCY SERVICES
LAND USE/RENT \$ 67,473	SALARIES & BENEFITS \$ 1,394,158
SERVICES \$ 13,400	OPERATIONAL EXPENSES \$ 60,300
MISCELLANEOUS \$ 112,986	CAPITAL IMPROVEMENTS \$ -
VDOT URBAN MAINT. FUNDS \$ 928,500	PUBLIC WORKS (INCL MOSQUITO CTRL)
GRANTS \$ 335,084	SALARIES & BENEFITS \$ 607,693
SOLID WASTE \$ 450,000	OPERATIONAL EXPENSES \$ 743,700
FUND TRANSFERS \$ 1,895,151	CAPITAL IMPROVEMENTS \$ 1,275,000
	ROADS DIVISION
	SALARIES & BENEFITS \$ 140,847
	OPERATIONAL EXPENSES \$ 787,653
	POLICE DEPARTMENT (INCL DISPATCH)
	SALARIES & BENEFITS \$ 1,599,959
	OPERATIONAL EXPENSES \$ 164,700
	CAPITAL IMPROVEMENTS \$ 17,250
TOTAL GENERAL FUND REVENUE \$ 9,586,140	TOTAL GENERAL FUND EXPENSES \$ 9,586,140
HARBOR FUND	
HARBOR RENT/SUBLEASE/STORAGE \$ 160,000	HARBOR SALARIES & BENEFITS \$ 86,871
HARBOR INTEREST/MISC \$ 5,000	OPERATIONAL EXPENSES \$ 408,129
FUEL REVENUE \$ 400,000	CAPITAL IMPROVEMENTS \$ 327,269
VA PORT AUTHORITY GRANT \$ 207,814	
TRANSFER FR GENERAL FUND \$ 49,455	
TOTAL HARBOR REVENUE \$ 822,269	TOTAL HARBOR EXPENSES \$ 822,269
TROLLEY FUND	
TROLLEY GRANTS \$ 62,341	TROLLEY SALARIES & BENEFITS \$ 47,603

PROGRAM INCOME	\$ 5,000	OPERATIONAL EXPENSES	\$ 45,200
TRANSFER FROM GENERAL FUND	\$ 25,462	CAPITAL IMPROVEMENTS	\$ -
TOTAL TROLLEY REVENUE	\$ 92,803	TOTAL TROLLEY EXPENSES	\$ 92,803
WATER FUND		WATER FUND	
WATER RENT/SERVICE	\$ 958,000	WATER SALARIES & BENEFITS	\$ 381,237
INTEREST ON WATER RESERVE	\$ 20,000	OPERATIONAL EXPENSES	\$ 328,735
AVAILABILITY FEES	\$ 50,000	CAPITAL IMPROVEMENTS	\$ 318,028
TOTAL WATER FUND REVENUE	\$ 1,028,000	TOTAL WATER FUND EXPENSES	\$ 1,028,000
CENTER FUND		CENTER FUND	
RENTAL / SERVICES / MISC	\$ 43,400	CENTER SALARIES & BENEFITS	\$ 73,743
SPONSORED EVENTS	\$ -	OPERATIONAL EXPENSES	\$ 106,657
TRANSFER FROM MEALS/TOT/RESV	\$ 175,000	CAPITAL IMPROVEMENTS	\$ 38,000
TOTAL CENTER FUND REVENUE	\$ 218,400	TOTAL CENTER FUND EXPENSES	\$ 218,400
TOTAL ALL REVENUES	\$ 11,747,612	TOTAL ALL EXPENDITURES	\$ 11,747,612

THE FOLLOWING RATES HAVE BEEN PROPOSED FOR THE FY25 BUDGET YEAR:

REAL ESTATE TAX RATE	\$0.046	EXCISE TAX (MEALS)	5%
PERSONAL PROPERTY TAX RATE	\$0.72	EXCISE TAX (TRANSIENT OCCUPANCY)	5%
MOTOR VEHICLE LICENSE	\$27.00	SOLID WASTE COLLECTION	\$2.10 PER WEEK
PERSONAL PROPERTY TAX RELIEF	\$0.65		

A COMPLETE COPY OF THE PROPOSED BUDGET, PROPOSED GENERAL GOVERNMENT FEE SCHEDULE AND WATER RATE SCHEDULE ARE AVAILABLE ON THE TOWN'S WEBSITE, WWW.CHINCOTEAGUE-VA.GOV.

Town of Chincoteague FY25 Budget Presentation

May 6, 2024

Prepared by,
Michael Tolbert,
Town Manager



Item 3.



TO: Mayor Leonard and Council Members
 FROM: Michael Tolbert, Town Manager
 DATE: May 6, 2025
 SUBJECT: FY25 Budget Presentation

Enclosed for your review and consideration is the proposed FY25 Budget. The goal of this budget as always is to provide and maintain high quality services and facilities while using the Town's resources, and taxpayer funds both wisely and efficiently.

This budget is the product of many hours of research and planning by the Town staff and Council. The FY25 Budget by fund is as follows:

1. General Fund		\$9,586,140
a. General Government	\$2,794,880	
b. Emergency Services	\$1,454,458	
c. Public Works	\$2,453,895	
d. Mosquito Control	\$ 172,498	
e. Roads	\$ 928,500	
f. Police	\$1,445,335	
g. Dispatch	\$ 336,574	
2. Harbor Fund		\$ 822,269
3. Trolley Fund		\$ 92,803
4. Water Fund		\$1,028,000
5. Center Fund		\$ 218,400
Total FY2025 Budget		\$11,747,612

Highlights of this budget are:

- A salary market review and increase for all employees.
- The addition of 4 full-time EMS providers to Emergency Services.
- Continued funding of street maintenance and paving.
- The Town's first public sewer collection system.
- Harbor long term savings.
- Water plant filter upgrades.

The following presentation attempts to explain the budget process as well as the sources of revenue, operational expenses and capital improvements to give the citizens of Chincoteague a more clear understanding of the use of tax dollars.

Budgeting used to be Simple!

Item 3.

125

TOWN OF CHINCOTEAGUE

REVENUE

PROPOSED 1971

REVENUE:

Property taxes:

Tax levy and penalties	\$49,000.00	
Bank share tax	3,000.00	
Interest	<u>150.00</u>	\$ 52,150.00
Water rent		89,585.00
Share of AEC profits		7,000.00
Business licenses		9,000.00
Motor vehicle licenses		6,500.00
Sales tax		5,800.00
Parking Meter receipts		3,500.00
Service connections		5,000.00
Fines-Mayor's court		2,500.00
Cleaning septic tanks		3,600.00
Material and services		7,500.00
Memorial park		1,800.00
Sidewalk assessments		800.00
Telephone pay station		150.00
Sundry		<u>200.00</u>
		\$195,085.00

TOTAL REVENUE -----\$195,085.00



Chincoteague Toll Bridge

Funding Demands Have Grown Over the years!

Item 3.

1967

- Police Protection
- Public Works
- Domestic Water Utility
- Street Maintenance
- Town Administration
- Trash Collection
- Mosquito Control
- Sanitary Pumping

1992

- 24 Hour Police Protection
- Public Works
- Domestic Water Utility
- Street Maintenance
- Town Administration
- Trash Collection
- Mosquito Control
- Parks and Recreation
- 8-Hour Emergency Services
- Tourism Economic- Development



What does the Town fund now?

- 24 Hour Police Protection
- Public Works
- Domestic Water Utility
- Street Maintenance
- Town Administration
- Trash Collection
- Mosquito Control
- Parks and Recreation
- 24 Hour Emergency Services
- Tourism & Economic Development
- Harbor of Refuge
- Boat Ramps
- Civic Center
- Cemetery Care
- Trolley Service



The Budget Process

Preparation

- *October - The Town Manager Meets with Department heads to review needs for the next fiscal year.*
- *January - Year to date expenditures are reviewed to gauge budget discipline and forecast accuracy.*

Budget Construction

- *December - The first draft budget is constructed by the Town Manager and presented as unbalanced with all department requests and Capital Improvement items included.*
- *February – Subsequent drafts are fine tuned with input from Budget and Personnel Committee and Council and finally presented in balanced form.*

Approval

- *April - Per Virginia State Code, a summary of the budget must be advertised in the local paper.*
- *May - The budget is formally presented at a public hearing where the citizens have an opportunity to offer comment on the completed document.*
- *May - After the required waiting time, The Council votes to approve and appropriate the budget.*

Budget Structure

The Town Budget consists of 5 separate funds.

- General Fund (Government)
- Harbor Fund (Enterprise)
- Trolley Fund (Hybrid)
- Water Fund (Enterprise)
- Center Fund (Hybrid)

Government General Funds receive revenue primarily from Taxes.

Enterprise Funds receive revenue primarily from user fees and services.

Each fund must balance independently.

Budget Priorities

- *Employee Compensation*
- *Public Safety*
- *An increase in employee health care contributions of 5%*
- *Retention of Police and EMS Personnel*
- *Continued funding of street maintenance and paving*

The FY 25 Budget Summary

1. General Fund		\$9,586,140
a. General Government	\$2,794,880	
b. Emergency Services	\$1,454,458	
c. Public Works	\$2,453,895	
d. Mosquito Control	\$ 172,498	
e. Roads	\$ 928,500	
f. Police	\$1,445,335	
g. Dispatch	\$ 336,574	
2. Harbor Fund		\$ 822,269
3. Trolley Fund		\$ 92,803
4. Water Fund		\$1,028,000
5. Center Fund		\$ 218,400
<u>Total FY2025 Proposed Budget</u>		<u>\$11,747,612</u>

Revenues

Item 3.

WATER
\$1,028,000

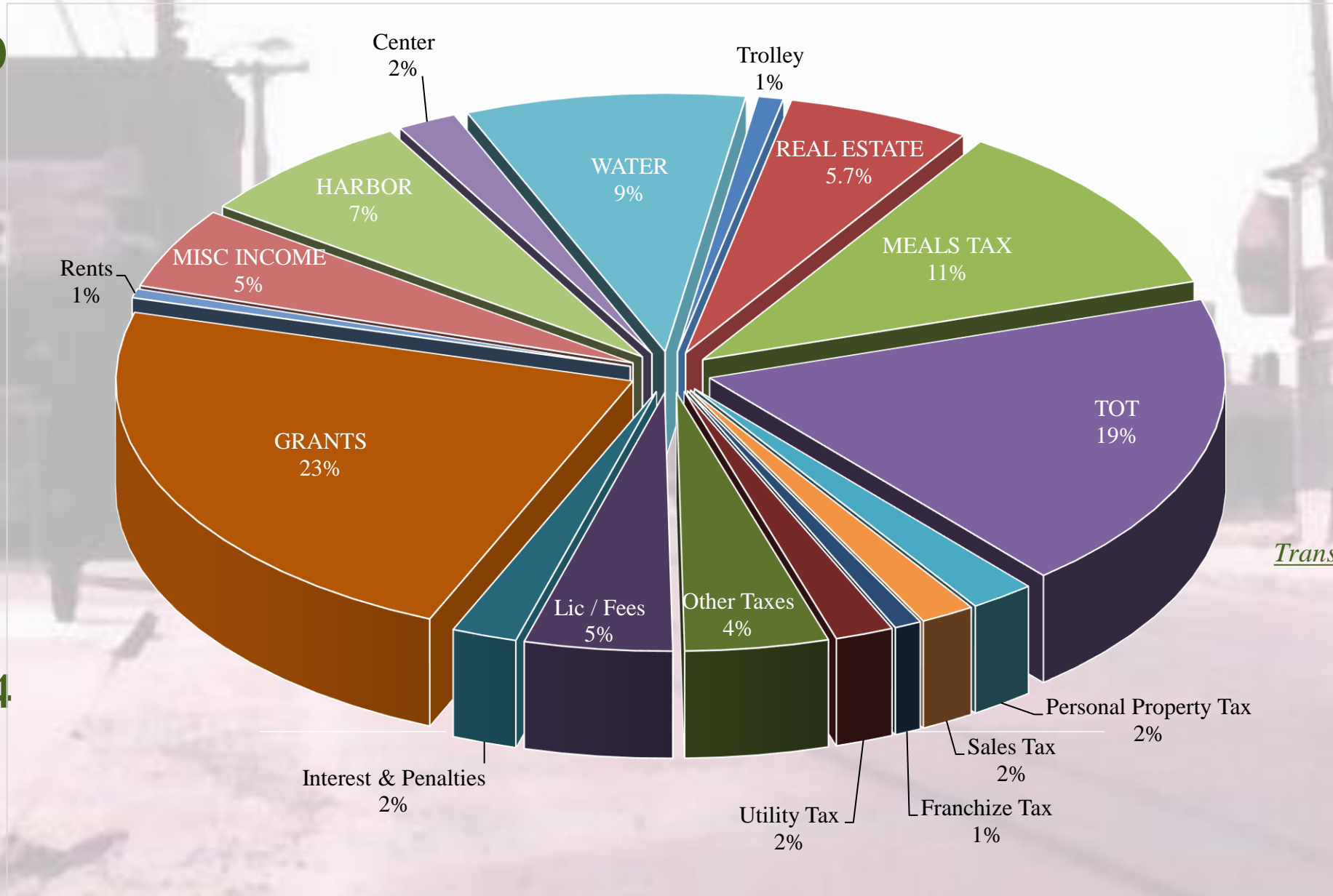
Real Estate Taxes
\$675,000

Harbor
\$822,269

Meals Tax
\$1,300,000

Grants
\$2,686,384

Transient Occupancy Tax
\$2,200,000



Tax Revenue

\$4,690,000 - 40% of Total

Item 3.



Transient Occupancy Tax
\$0.47

Meals Tax \$0.28

Real Estate Tax, \$0.14

Personal Property Tax \$0.05

Sales Tax \$0.04

Cigarette Tax \$0.02

EXPENDITURES

Item 3.

Water
\$1,028,000

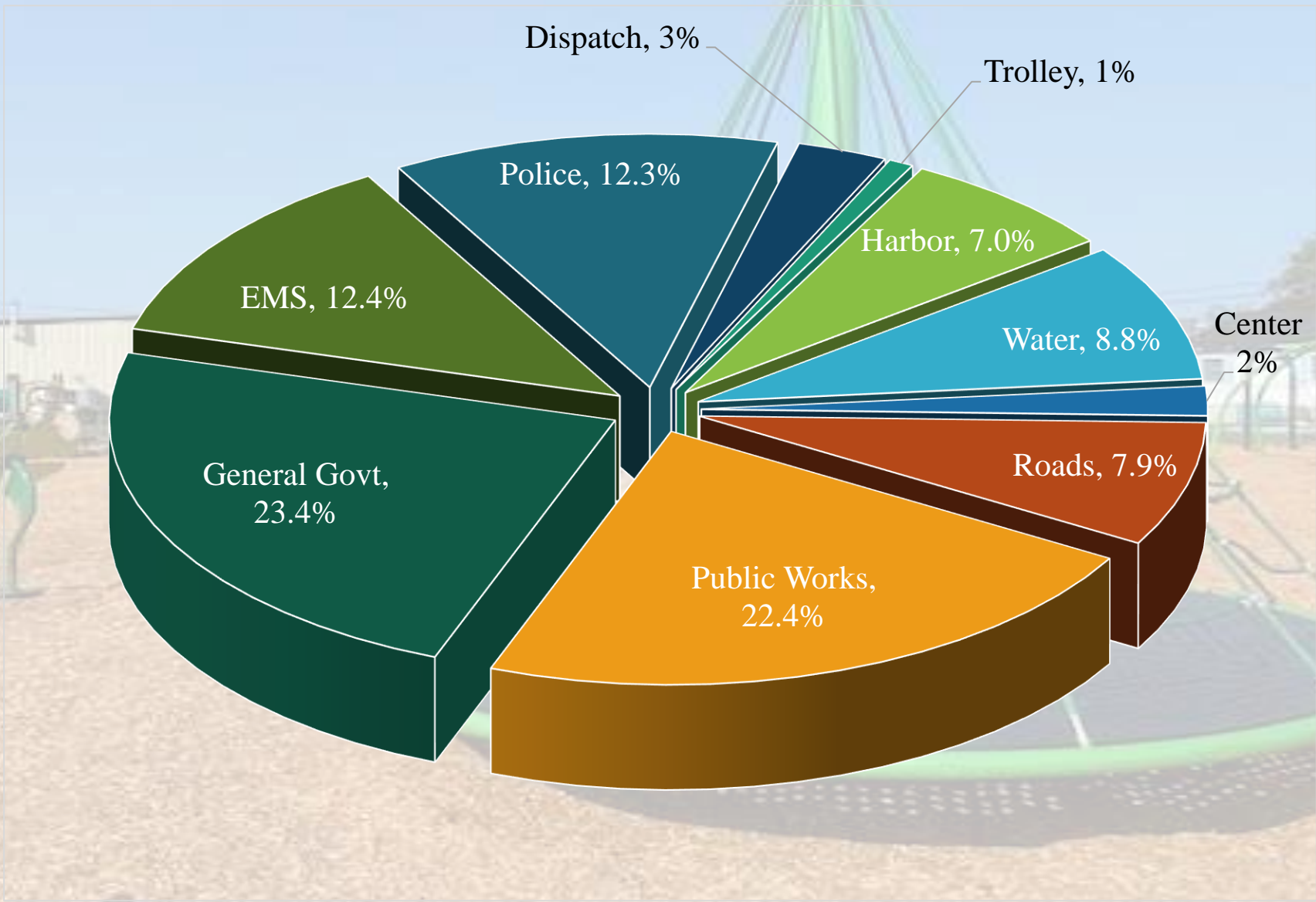
Harbor
\$822,269

Public Works
\$2,626,393

General Government
\$2,749,880,

EMS
\$1,454,458

Police
\$1,445,335,



Townwide Expenditures

\$11,747,612



Debt \$0.01

Tourism \$0.03

Reserves \$0.02

Capital Projects \$0.24

Purchased Services \$0.06

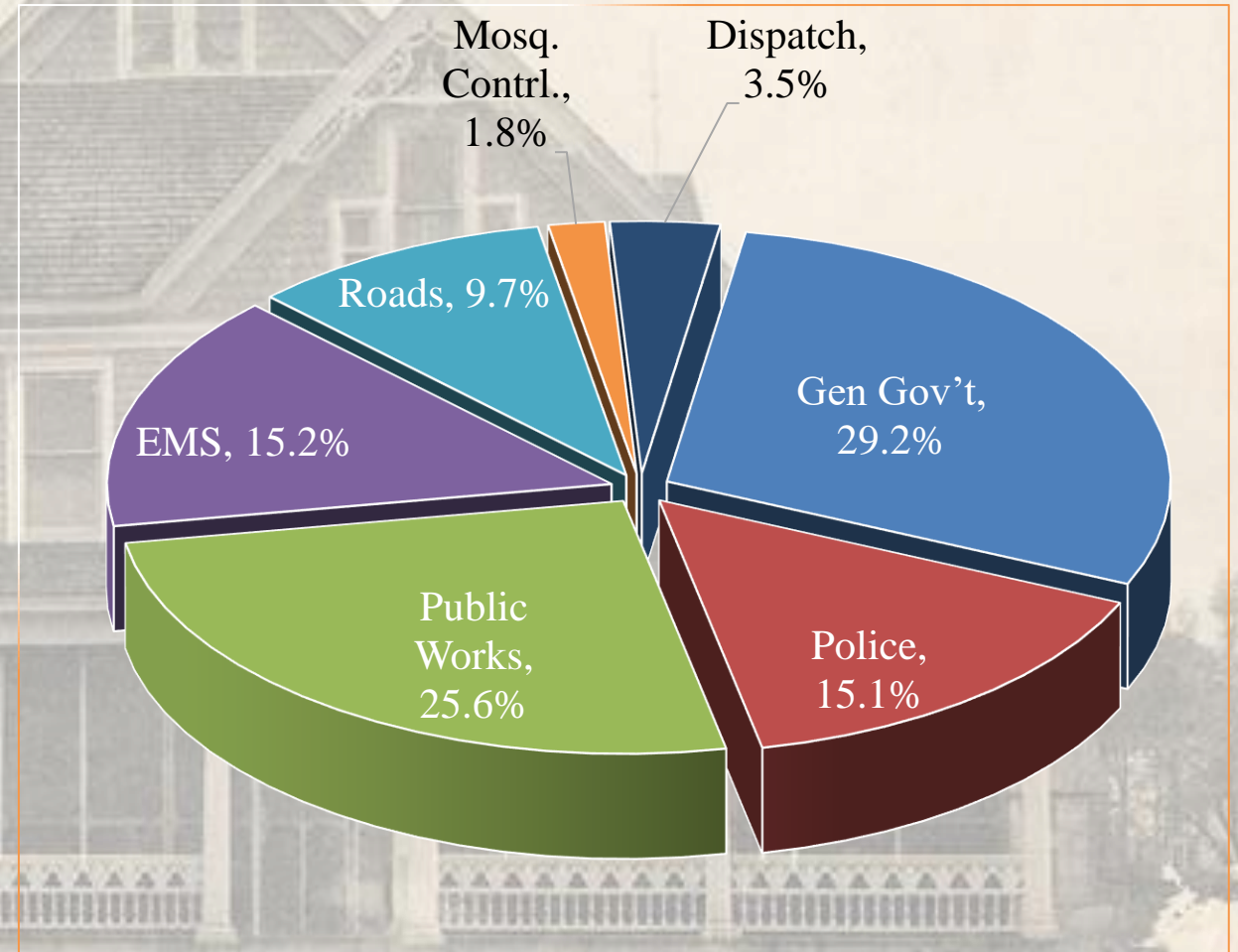
Operations, \$0.21

Payroll, \$0.43

General Fund

- ❑ General Government - \$2,794,880
- ❑ Police - \$1,445,335
- ❑ Dispatch - \$336,574
- ❑ Public Works - \$2,453,894
- ❑ EMS - \$1,454,458
- ❑ Roads - \$928,500
- ❑ Mosquito Control - \$172,498

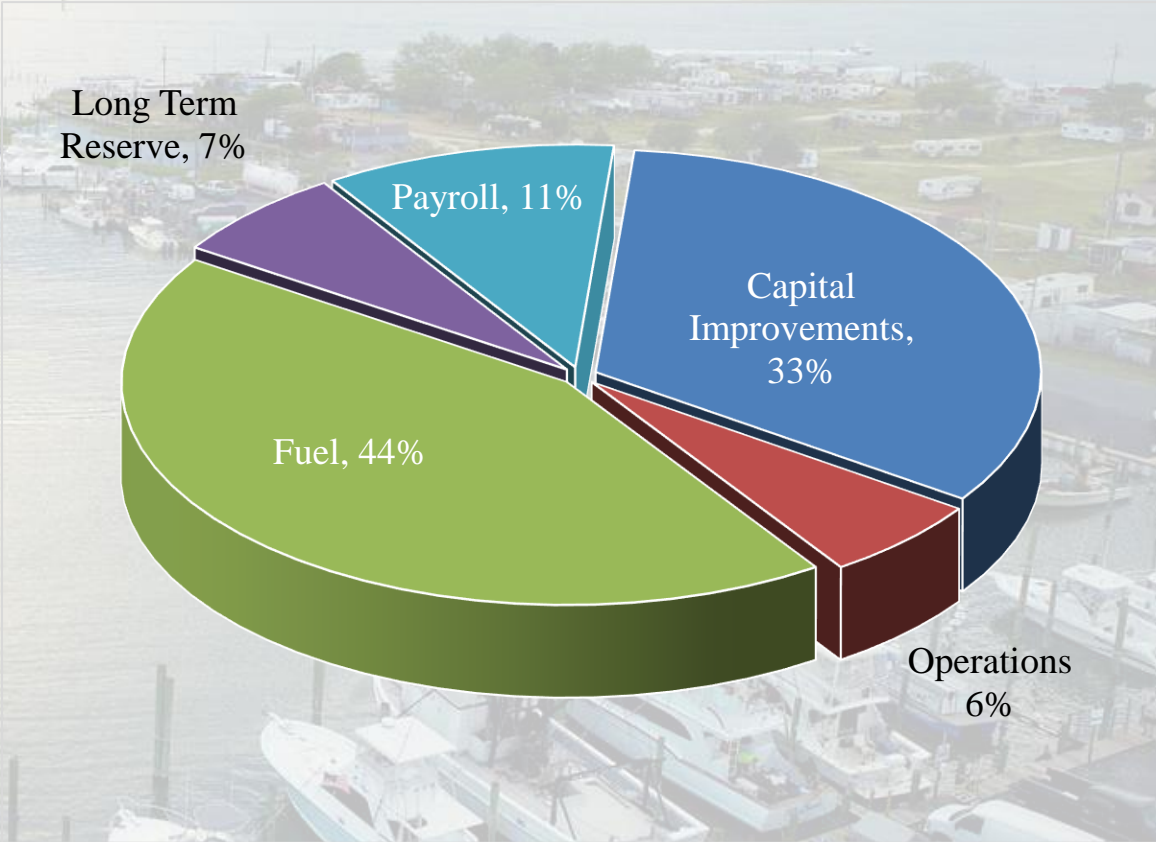
Expenditures



Harbor Fund

Expenditures

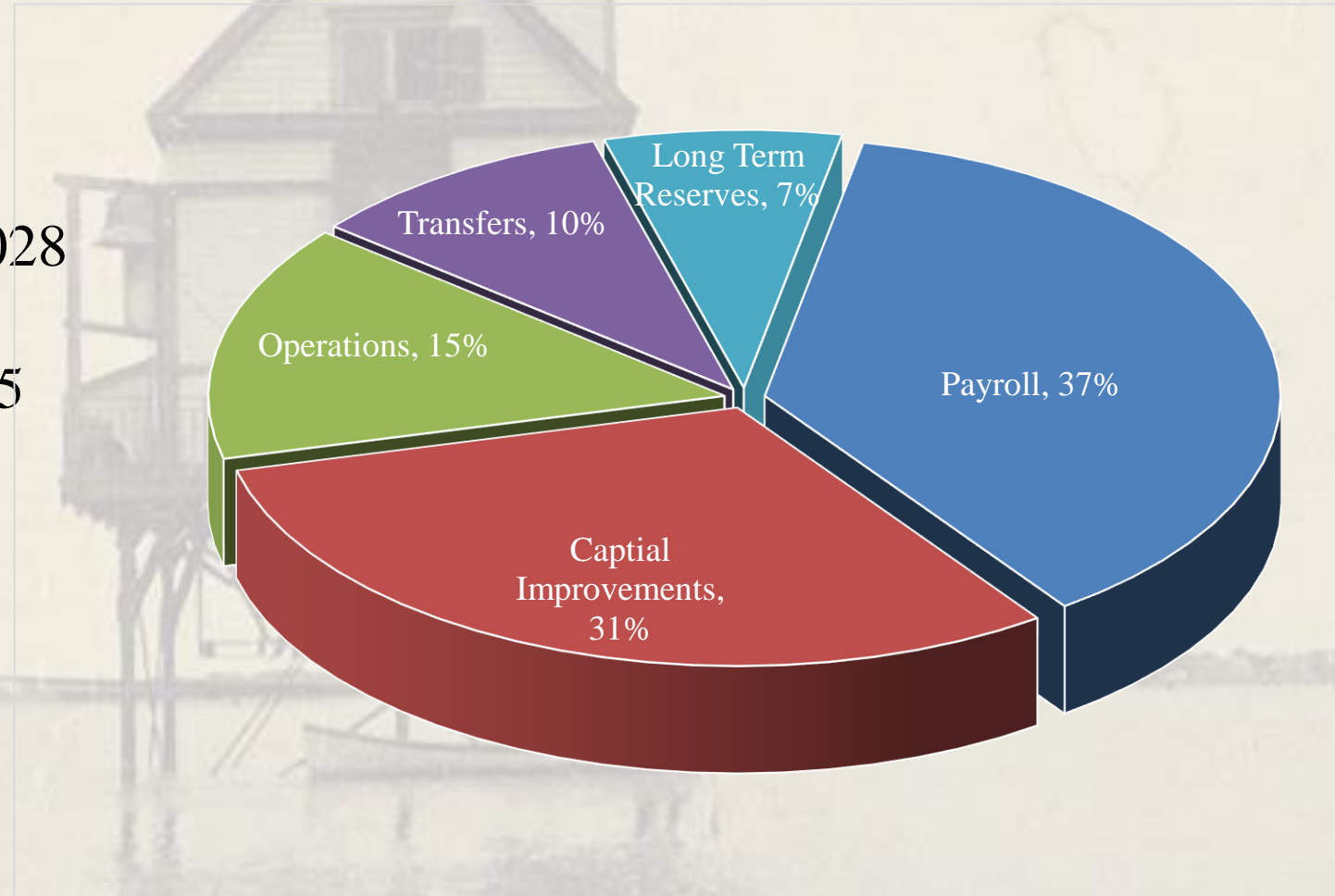
- ❑ Capital Improvements - \$273,269
- ❑ Fuel - \$359,129
- ❑ Payroll - \$86,871
- ❑ Long Term Reserve - \$54,000
- ❑ Operations - \$49,000



Water Fund

- ❑ Payroll - \$381,237
- ❑ Capital Improvement -\$318,028
- ❑ Long Term Reserves -\$76,285
- ❑ Transfers - \$100,000
- ❑ Operations - \$152,450

Expenditures



Trolley Fund

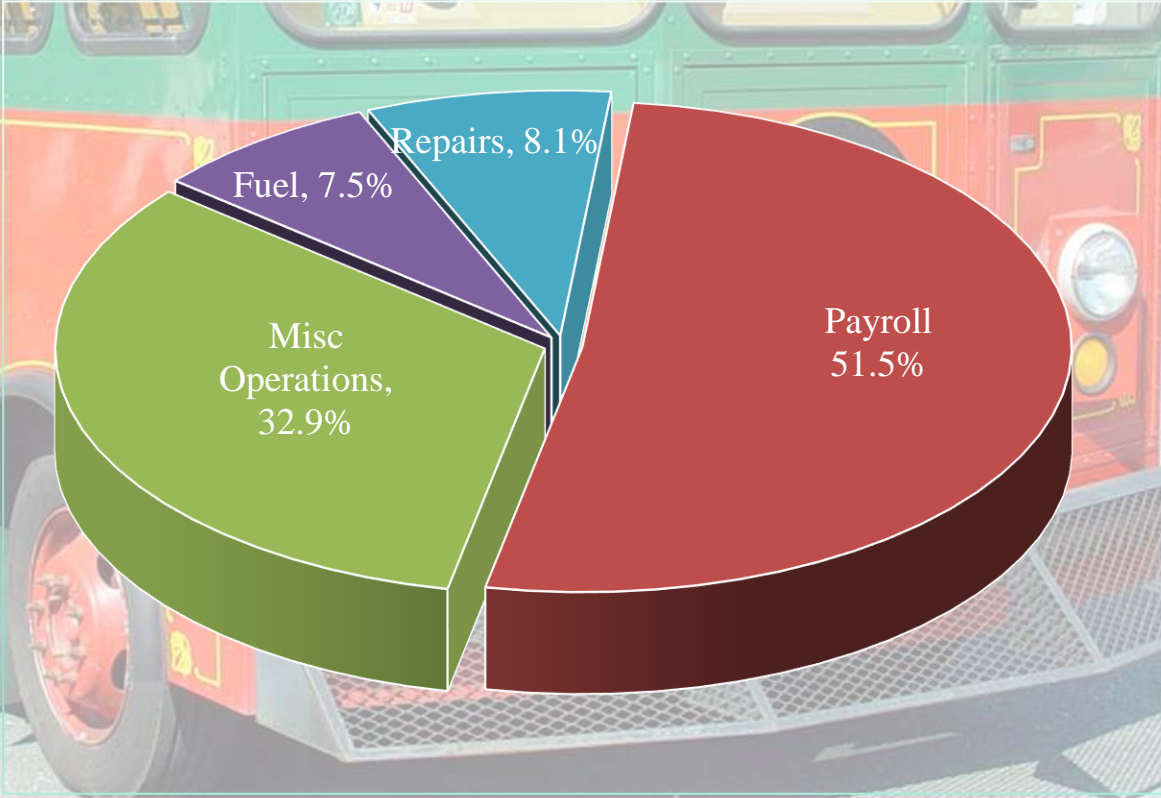
Expenditures

☐ Payroll - \$53,803

☐ Operations - \$39,150

☐ Fuel - \$8,000

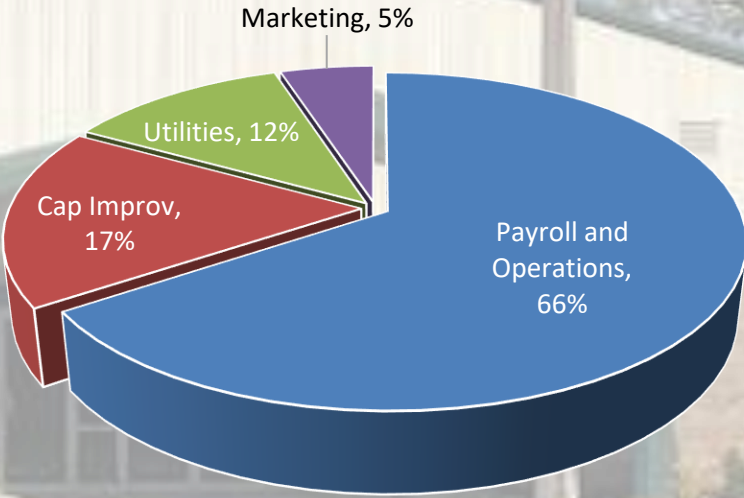
☐ Repairs - \$7,500



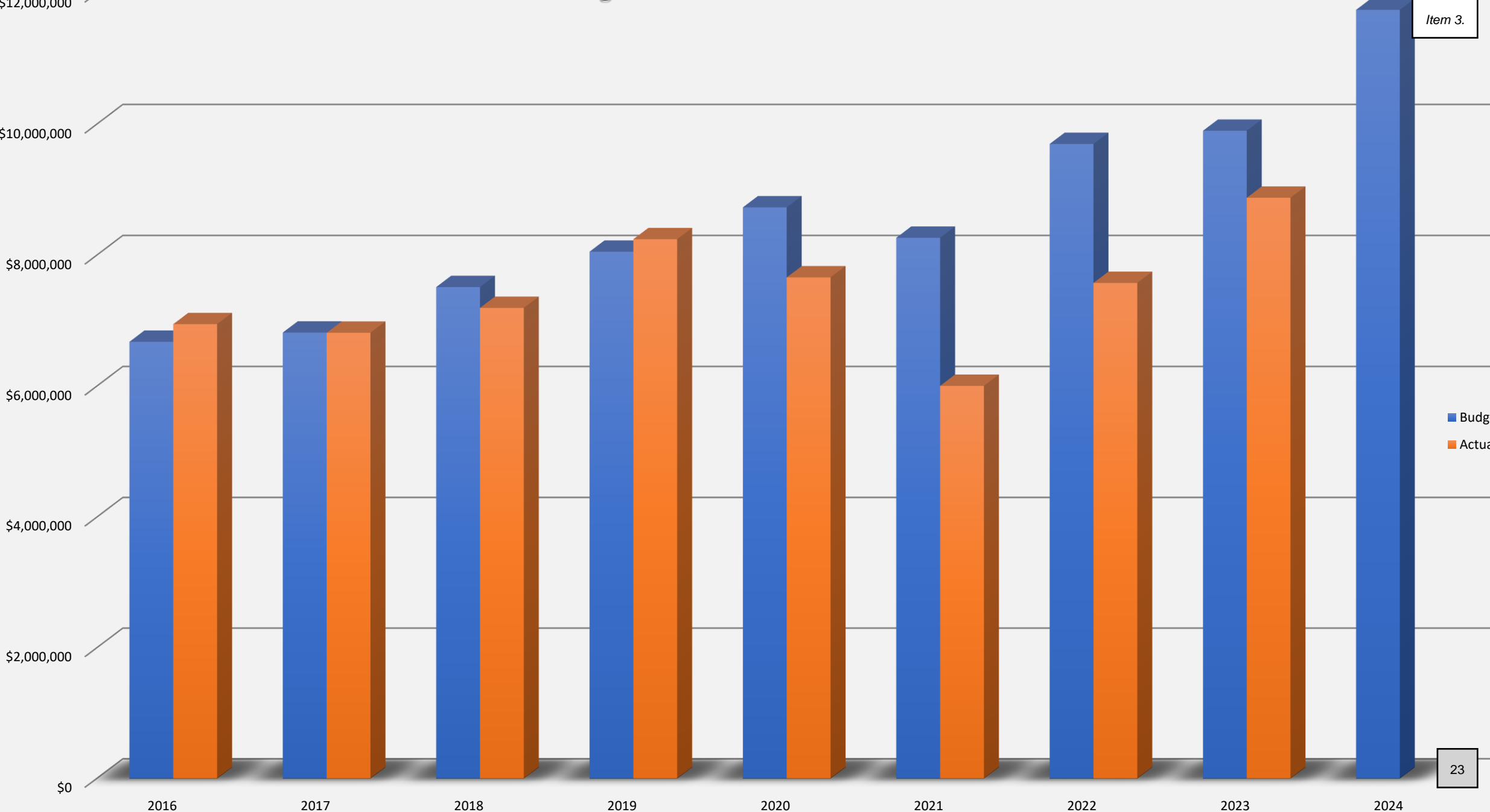
Center Fund

- ❑ Capital Improvements - \$38,000
- ❑ Operations and Payroll - \$143,400
- ❑ Utilities - \$26,000
- ❑ Marketing - \$11,200

Expenditures



Budget Vs. Actual Performance

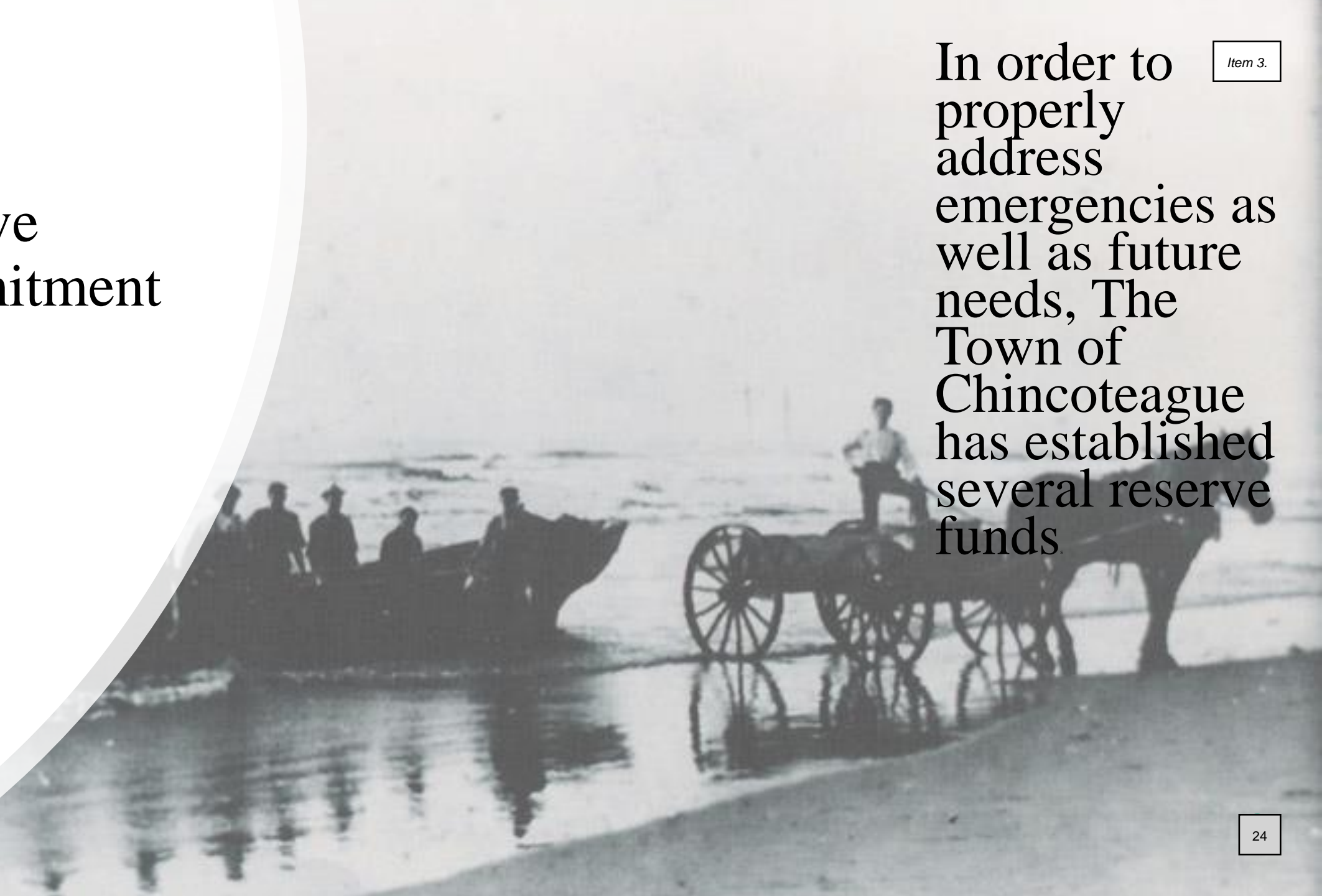


Item 3.

Reserve Commitment

In order to properly address emergencies as well as future needs, The Town of Chincoteague has established several reserve funds.

Item 3.



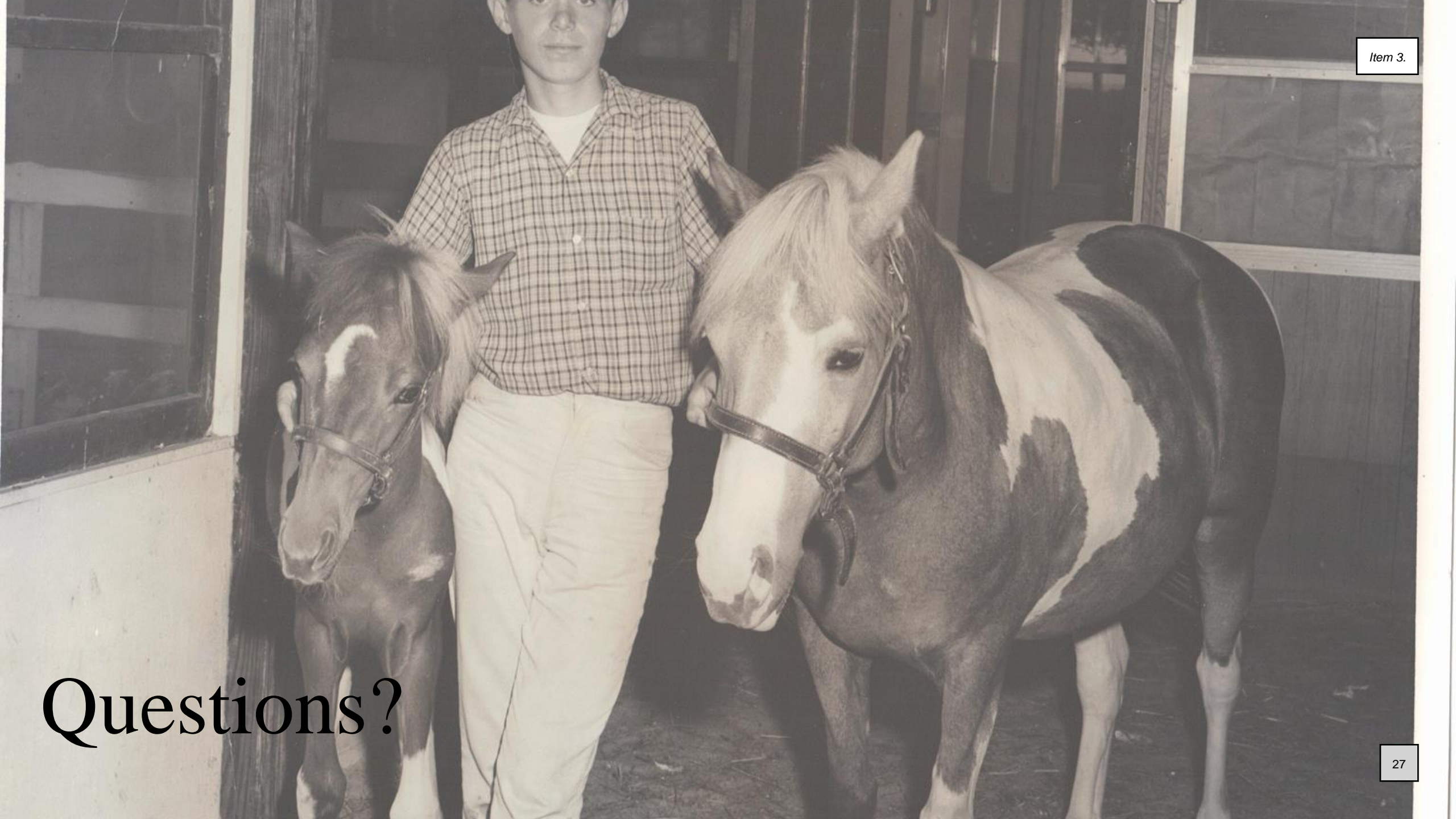
Reserves and Long-Term Savings

	<u>LGIP</u>	<u>Long Term Savings</u>
Harbor	\$ 133,185	\$ 141,925
Water	\$ 717,810	\$ 293,543
General Fund Savings		
- General	\$2,152,943	\$1,085,111
- ARPA	\$2,851,110	\$ 0
- Drainage	\$ 243,234	\$ 0
- Boat Ramp	\$ 0	\$ 0
- Land Acquisition	\$ 193,600	\$ 0
- Playground Equipment	\$ 0	\$ 0
- Beach/Rec/Tourism	\$ 954,481	\$ 0
- Beach Access Committee	\$ 22,000	\$ 0
- Retiree Prescriptions	\$ 38,127	\$ 0
- Mosquito Control	\$ 119,104	\$ 45,000
- <u>Mosquito Control Drainage</u>	<u>\$ 20,450</u>	<u>\$ 0</u>
Total General Fund Savings	\$ 6,595,049	\$ 1,130,111
Total All Reserve Accounts	\$ 7,446,044	\$ 1,565,579

as of May 1, 2024

FY24 Capital Improvement Project Highlights

1. **New Website Design \$20,000**
2. **Water Plant Filter Upgrades \$120,000**
3. **Public Sewer Collection System \$1,120,000**
4. **Water Meter Bonds \$103,028**
5. **High Rise Lift Pump, Water Plant \$30,000**
6. **Harbor Long Term Replacement Reserve \$54,000**
7. **Digital Communications Display \$35,000**



Questions?