



Final Report

Town of Cape Charles, Virginia

Organization Management Review

September 1, 2014

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Mission Statement

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.



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LETTER OF TRANSMITTAL

September 1, 2014

The Honorable George Proto, Mayor
And Members of the Town Council
Town of Cape Charles
2 Plum Street
Cape Charles, Virginia 23310

Re: Organizational Review

Dear Mayor Proto and Members of the Town Council:

With this letter, we are transmitting the Review of Organizational, Management and Staffing Issues as outlined in our proposal to the Town of Cape Charles. This study includes an examination of such things as current staffing patterns in the Town, span of control, organizational issues and other recommendations to improve existing operations.

The consultant team's findings are based on interviews conducted with the Town Manager, members of the Town's management staff and various reports and documents provided to us by the Town. Drawing upon the local government experience of the consultant team's members, we submit for your consideration a series of recommendations. These recommendations represent what we believe, in our professional judgment, to be in the long-term best interest of the Town of Cape Charles.

The consultant team expresses our thanks to Town Manager Heather Arcos, the members of the management staff, and other Town employees who helped us coordinate meetings and provided us with requested information. We also appreciate the willingness of members of the Town Council to take time from their busy schedules to meet with us. It has been a privilege for Springsted Incorporated to serve the Town of Cape Charles and we hope that we may continue to serve Town of Cape Charles in the future.

Respectfully submitted,

John A. Anzivino

John A. Anzivino, Senior Vice President
Client Representative to the Town of Cape Charles

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1. Introduction

As part of its classification and compensation engagement with the Town of Cape Charles, Springsted was asked to review classification and compensation issues, organizational and management issues, particularly those related to the Town's staffing patterns and current and future staffing levels. The Town's Classification and Compensation system has been provided in a separate document, but is integral to, and has served as, a basis for portions of this study.

Cape Charles has witnessed rapid change in recent years. Major changes which have occurred include:

1. The Town's population now exceeds an estimated year-round population of 1,000, per the 2010 Census, and continues to grow.
2. The population grows to approximately 3,000 during the summer months with the influx of visitors and second homeowners.
3. Continued Town growth and a constant migration of newcomers, many of whom have markedly different expectations regarding the level of public services provided.
4. New commercial development in the form of downtown business growth and an increased focus on providing a higher level of services to visitors to Cape Charles.

To review the impact of these changes, the consultant team interviewed the Town Manager and the management staff. Interviews were conducted to elicit responses on a number of organizational and management dimensions, among them a review of the Town's vision for the future; the Town's mission, goals, and governance processes; Council priorities; management processes; operational issues; and staffing. Through these interviews, we also learned about the dynamics of the Council-staff working relationship and the interrelationships of the Town Manager and the Town's management team, which is comprised of key staff such as the Assistant Town Manager, Town Clerk, Police Chief, Public Works/Public Utilities Director and other key staff. Our analysis of the information obtained from these interviews is presented and that discusses ways to improve the Town Council, the Town Manager, the Town's management staff, and the Council-staff relationship. Based on a discussion of our findings, we present recommendations for consideration by the Town Council, the Town Manager and the management staff.

2. Findings

A. Town Staff

The consultant team conducted interviews with key Town staff available during our visits and visited several work sites to conduct field visits to learn more about the Town's operations. Staff contacted included:

- Town Manager, Heather Arcos
- Police Chief, Jim Pruitt
- Library Manager, Ann Rutledge
- Public Works/Public Utilities Director, David Fauber
- Public Works Foreman, Peter Leontieff
- Water and Wastewater Operators
- Code Enforcement Officer, Jeb Brady
- Treasurer, Debbie Pocock
- Harbor Master, Smitty Dize
- Town Planner/Planning and Zoning Administrator, Rob Testerman
- Recreation and Community Events Coordinator, Jen Lewis
- Town Clerk, Libby Hume

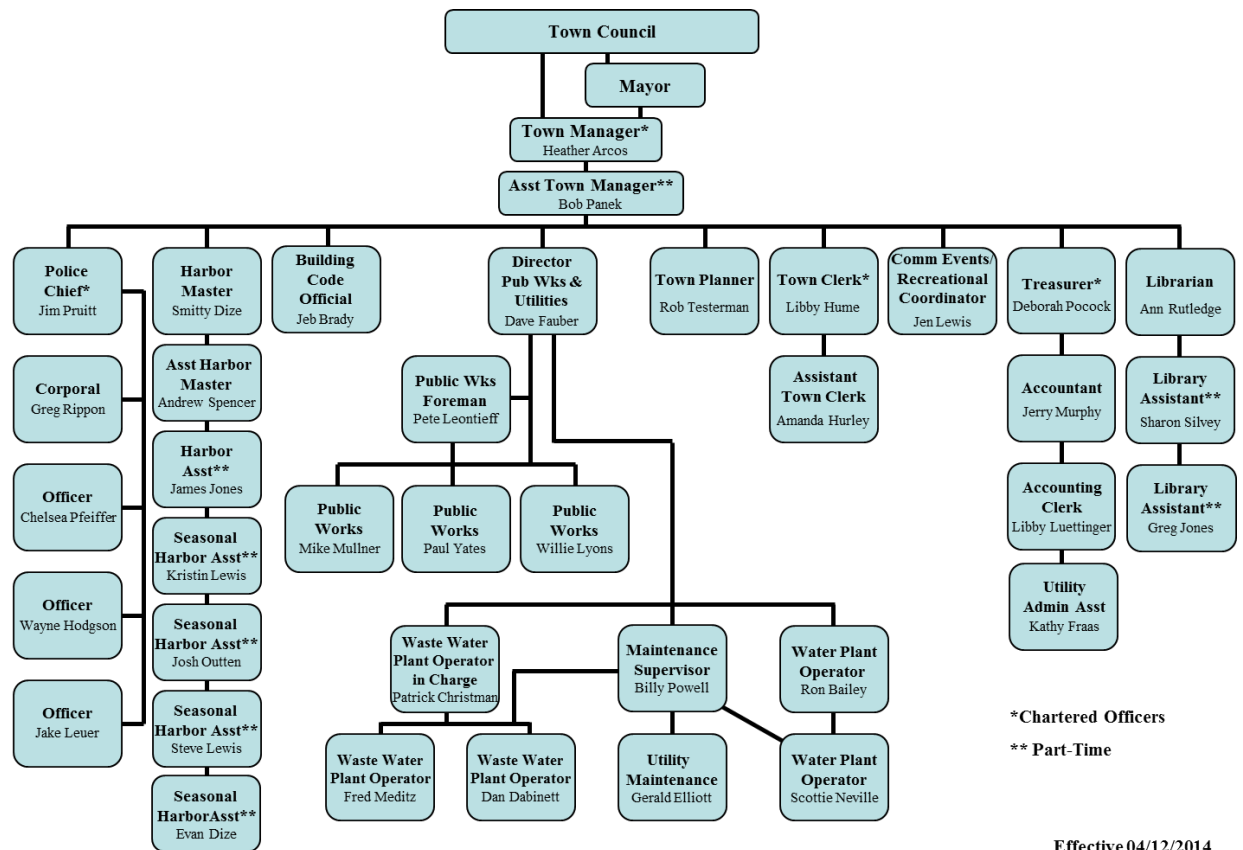
From these conversations and visits, we appreciated the deep and abiding commitment each member of Town staff expressed for the small town charm of Cape Charles and their dedication to the community, its citizens and visitors who make the Town what it is. We came to see Cape Charles as a special place and recognized that its friendly, small town atmosphere was clearly an important Town asset.

The 'Findings' are summarized in the following sections.

B. Town Manager

The Town Manager is the administrative and executive head of the Town organization and serves at the pleasure of the Town Council. Under the current organizational structure, the Town's employees (30 full-time, four (4) year-round part-time and four (4) seasonal part-time) are generally organized into: Administration, Finance, Police, Public Works and Utilities, Recreation and Community Events, Library, Harbor, Planning and Zoning, and Code Enforcement functions. The Town Manager is responsible for personnel actions (hiring, etc.) for all employees with the exception of the Town Clerk, Police Chief and Treasurer, who are appointed by the Town Council. The Manager is supported by the Clerk who provides administrative/management services. The organizational chart provided clearly defines reporting relationships and based upon our interviews and understanding of the organization, the reporting structure appears to be clear and concise.

Town of Cape Charles Organizational Chart



*Chartered Officers
** Part-Time

Effective 04/12/2014

The Manager's function includes:

Carrying out all responsibilities for daily operations as outlined in the Town's Charter and Code. In Cape Charles the Manager's functions under the Town Charter include:

"The town manager shall be the executive officer of the town, and shall be responsible to the town council for the proper administration of the town government. It shall be the duty of the town manager to:

- (a) Attend all meetings of the town council, with the right to speak but not to vote.
- (b) Keep the town council advised of the financial condition and the future needs of the town and of all matters pertaining to its proper administration, and make such recommendations as may seem to him desirable.
- (c) Prepare and submit the annual budget of the town council and be responsible for its administration after its adoption.
- (d) Prepare in suitable form for publication and submit to the town council at the next regular meeting following the end of each fiscal year, a concise, comprehensive report of the financial transactions and administrative activities of the town government during the immediately preceding fiscal year.
- (e) Present adequate financial and activity reports as required by the town council.

- (f) *Arrange for an annual audit by a certified public accountant, the selection of whom shall be approved by the town council.*
- (g) *Perform such other duties as may be prescribed by this Charter, or required of him in accordance therewith by the town council, or which may be required by the chief executive officer of a town by the general laws of the Commonwealth.*

All employees of the town, except those appointed by the town council, pursuant to this Charter or the general laws of the Commonwealth, shall be appointed and may be removed by the town manager, who shall report each appointment or removal to the town council at the next meeting thereof following any such appointment or removal. The town council shall designate by ordinance a person to act as town manager in the case of the absence, incapacity, death or resignation of the town manager, until his return to duty or the appointment of his successor. Until such time as the town council appoints any such town manager the duties and powers outlined herein shall be given [to] the mayor, or such other person as may be designated by the town council. All employees and officers of the town, including those appointed by the town council, shall be under the management control and supervision of the town manager.”

C. Police Department

The Police Department includes staffing for a Chief (promoted to the position in January 2014) and four (4) officers who had handled approximately four hundred eighty six (486) calls in the January – July time frame of this year with twenty (20) hour coverage provided when a full complement of officers is available. Typical calls involve use of illegal drugs, driving under the influence/drunk in public, domestic violence, larceny and a range of other types of crimes found in small towns. The Department has a mutual aid agreement with the Sheriff’s Department and both agencies provide assistance to one another on an as-needed basis. In addition, the State Police provide assistance during major investigations and are available on an as needed basis.

Staffing in the Department is supplemented as needed, for special events and in cases of staff vacancies, by officers affiliated with the Northampton County Sheriff’s Department.

Shifts are configured as follows:

Cape Charles Police Department Shift Configuration	
Shift	Staffing
7 am – 5 pm	Day Patrol Officer
5 pm – 3 am	One Night Patrol Officer (Summer Coverage)
4 pm – 2 am	One Night Patrol Officer (Winter Coverage)
3 am – 7 am	On Duty Day Patrol and Chief Takes Calls on an As-Received Basis
Chief	8 – 5 pm with Full Staff

Shifts are configured to allow staff to have two (2) weekends off per month. Each officer works ten (10) hour shifts for eight (8) days straight with six (6) days off and officers typically work 160 – 170 hours per month.

The Department provides patrol, event security, with several large events per year and a basic level of investigation for crimes committed within the Town. Communications (dispatch) is handled by Northampton County and the Chief is the Department's Field Training Officer, with a Police Officer now involved in the certification process. The Chief essentially serves as the primary administrator ensuring chain of custody for evidence, record-keeping, etc.

The Department has experienced significant turnover in officers and is provided only nominal support for preparation of administrative reports and correspondence.

D. Library

The Town owns and provides the majority of funding for the Cape Charles Memorial Library, and has an agreement with the Eastern Shore Public Library System for a number of services. The Library Board works closely with the Librarian and helps oversee the operations of the Library. The Friends of the Cape Charles Memorial Library provides additional funding support. The Library averages approximately 1,000 users per month with much heavier utilization during summer months. The Library is staffed with a Manager (who has a Master's of Library Science) and two (2) part-time library assistants. The Library also manages a computer lab with ten (10) computers all available for public use. The Library offers a full range of programming for children and provides a wide range of services for summer visitors and part-time vacation residents.

E. Public Works and Utilities

The Public Works and Public Utilities Departments are managed by a Director who oversees daily operations and is responsible for submitting utilities reports to designated state and federal agencies, preparing correspondence, maintaining permits and submitting new applications and applications for update, oversight for engineering and capital projects. The Director also researches purchases of equipment and serves as the primary contact for FEMA grants and holds a pesticide application license for the Town.

The Utilities function in Cape Charles includes a wide range of functions typically found in municipalities. The Public Utilities Department includes the water and wastewater plants. The Public Works Department maintains the Town's sidewalks and rights of way, public buildings, flower beds and planting areas, the Town's beaches, Harbor area, fishing pier, and Central Park, cleans the streets and public buildings, supports the utility crew (through maintenance of a pump station when needed and performing monthly meter reads) and cares for all municipal vehicles and equipment.

The Public Utilities Department is divided into two (2) divisions, Water and Wastewater, and a large amount of cross-training in a variety of functions take place to ensure that functions are carried out.

Public Works

The Public Works function in Cape Charles includes a wide range of functions typically found in municipalities. The Public Works employees are managed by a Foreman and their primary responsibilities include maintaining the Town's

alleys, sidewalks and rights of way, public buildings, flower beds and planting areas, the Town's beaches, fishing pier, Central Park and Harbor area, picking up bulky items, leaves and limbs, cleaning and maintaining the streets and facilities, supporting the utility crew (through maintenance of a pump station when needed, performing monthly meter reads, and assistance in repairing broken lines and routine maintenance when needed) and caring for and carrying out basic maintenance on all municipal vehicles and equipment. The Public Works staff also assists in the set-up and take-down for all events in the Town. At the time of discussions with staff the Department had vacancies for one (1) Public Works employee, creating additional workload for existing employees.

Public Utilities

The Public Utilities Department is divided into two (2) divisions, Water and Wastewater, and provides drinking water for the Town's citizens and visitors and treats sewage in accordance with state and federal permit requirements. Cross-training in a variety of functions takes place to ensure that functions are carried out.

The water system consists of two (2) operators and a staff person who works to maintain the Town's distribution system. Operators work at an up-to-date water treatment facility which utilizes groundwater as the Town's primary source of water. The Town's water treatment operations are rated at a capacity of 140,000 gallons per day, while the Town's wastewater treatment plant is rated at 250,000 gallons of treatment capacity per day and is treating at about half of rated capacity. Staff maintains both systems internally with operators having clearly defined maintenance assignments. Significant repairs are contracted out.

The Town's wastewater treatment system consists of an Operator in Charge and two (2) Operators who oversee a state of the art wastewater treatment plant. They are supported by a staff person to maintain the collections system. As required by law, the Public Works/Public Utilities Director serves as the Laboratory Director for the wastewater treatment plant, a function which is often contracted out by smaller entities.

F. Code Enforcement

The Code Enforcement Officer function in Cape Charles currently consists of one Building Official who is certified to review and approve all building plans under adopted state and local codes and ordinances. The Building Official also conducts fire inspections of commercial structures, conducts erosion and sediment control field inspections (the Planning and Zoning Administrator serves as plan review and approving authority) and performs administrative duties for enforcement of the Town's nuisance ordinances (tall grass, abandoned/junk vehicles, etc.). The Code Enforcement Officer receives all building plan applications, reviews the plans, issues the permits and conducts inspections. He is fully certified in all plan review and inspection areas (Certified Building Official, Fire Inspector I and II, all residential, commercial (except electrical), zoning and property maintenance).

Activity and staffing in the Department has been typical with fluctuations in the intensity of activity based upon economic conditions. In previous years, the Department functioned with a Property Maintenance Inspector and a

Combination Inspector as well as the Code Official, but in early 2009, the Department was reduced to one (1) employee.

The Building Official is typically in the office during the morning to receive permit applications and complete administrative work. Inspections are typically conducted in the afternoons and the Building Official is available for meetings and responds to requests for information and meetings by phone when in the field, often interrupting other duties to return to the office when needed.

The Public Works/Public Utilities Director also has an appropriate level of certifications to conduct inspections in the absence of the Code Enforcement Officer, but lacks authority and certifications to approve plans.

As indicated in the following table activity levels have increased while staffing has decreased.

Code Enforcement Comparison Analysis				
FY	FY 06	FY 07	FY 10	FY 13
Personnel	Code Official Combination Inspector Property Maintenance Inspector	Code Official Combination Inspector	Code Official Combination Inspector	Code Official
Permits Issued	555	464	200	257
Permits/Employee	185	232	100	257
New Construction Inspections	1956	1131	434	324
Fire Inspections	0*	0*	92	92
E&S Inspections	700	500	432	432
Property Maintenance Inspections **	400	400	400	400
Inspections/Employee	1019	1016	679	1248
*Fire Inspection Program was not implemented until FY 10 (no charge)				
**Property Maintenance Inspections include grass enforcement				

G. Finance Department

The Town Treasurer is responsible for administrative functions related to the Town's finances which include purchasing (general oversight for a decentralized system), budget administration, payroll, accounts payable/receivable, benefits, cash management, interfund transfers, bond/debt administration, investments, oversight for collection of delinquencies, issuance of occupational licenses, capital improvement fund accounting, collection of revenues and monitoring four (4) funds established for various functions of Town government. The Department functions with a Treasurer (appointed in April of 2014), an Accountant, and Accounts Payable and Utilities Clerks. Many functions within the Department are still performed manually such as issuance of business licenses, collection and recording of taxes, transient occupancy taxes and other various taxes, requiring significant amounts of time.

The Department has limited financial policies and written procedures established and staff are relatively new which has created significant work for the Treasurer. Training regarding the accounting software has begun and will be ongoing in order to utilize the full capabilities of the software.

H. Harbor

The Harbor Master's function includes oversight of all functions related to a working commercial harbor including: scheduling and maintaining one hundred twenty six (126) slips for a variety of commercial and pleasure craft, serving as liaison with appropriate agencies as a port of refuge and port of entry, maintaining a fueling system as a designated clean marina, collecting fees from both commercial operations utilizing the facility and pleasure boats who visit the harbor on a short term basis. The Harbor Master is also responsible for serving as liaison with construction companies on all projects related to harbor operations, and serving as liaison with a wide variety of harbor related federal and state agencies (Coast Guard, VMRC Police, Game and Inland Fisheries, etc.) The Harbor is staffed with a Harbor Master and two (2) employees who are highly active during spring, summer and fall and busy during the winter. Four (4) additional seasonal part-time employees are hired during the summer months. As an enterprise fund, the Harbor function is responsible for operations and maintenance of all facilities and activities at the harbor.

The Harbor Master is supported by one (1) full-time and one (1) part-time staff member.

I. Planner

The Town Planner/Planning and Zoning Administrator handles all planning and zoning enforcement activities for the Town. The Planner provides staff support services for the Planning Commission, which meets monthly, and provides support as the Commission deals with issues including zoning ordinance amendments, conditional use applications under the Town's zoning ordinance and rezonings. In addition, the Planner is responsible for staffing the Board of Zoning Appeals, which meets on as needed basis, the Historic District Review Board, the Harbor Area Review Board and the Wetlands Board concerning permits required under the various Town Codes. The Planner also works with property owners in meeting the requirements of the Chesapeake Bay Act and the state mandated erosion and sediment control program. In addition, the Planner is assigned to regional planning committees related to transportation planning. The Planner is supported by the Town Clerk who provides support for report and correspondence preparation and required board/commission minutes.

J. Town Clerk

The Town Clerk provides the sole support for all administrative functions in the Town and assists the Town Manager in the day-to-day operations. She is supported by an Assistant Clerk and works with the Town Council, Planning Commission and all other Town Boards, taking minutes and providing support services. Staff also answer the majority of incoming phone calls and directs the calls from citizens, visitors and others, drafts correspondence for the Town Manager and department heads, conducts research for procurement functions, administers the Town's credit cards, assists in the budget process and prepares and administers the Town Clerk and Legislative budgets, responds to Freedom of Information Act requests (over one hundred (100) in 2013 and thirty (30) as of our discussion in 2014), performs human resources duties for the Town, and handles all legal notice provisions as established by the Code for assigned agencies. The Clerk drafts and disseminates all Town communications via the Town's electronic newsletter The Gazette, notices, and flyers, etc., and maintains the Town website. The Clerk drafts the ordinances, resolutions and

proclamations and records all as required by law after adoption by the Town Council and is the custodian of the Corporate Seal of the Town and is the officer authorized to use and authenticate it. The Clerk works with the Town Council to ensure the proper updating of the Town Code and with the Planner regarding the updates to the Town's Zoning Ordinance and Comprehensive Plan. Notary services are also provided to the Town and its residents.

K. Recreation and Community Events Coordinator

The Recreation and Community Events Coordinator's function is to develop activities and programs for the Town leveraging existing community recreational and cultural resources which include Central Park, the Library and other Town facilities to meet the needs of the children, teens, adults and seniors of the Town. The Coordinator also provides planning and coordination for recreational and community events within the Town. Currently the Coordinator organizes the majority of Town-sponsored events and participates in coordinating thirty (30) to forty (40) additional events per year ranging from the Tall Ships Festival to private events for weddings, reunions and various fundraisers which utilize Town facilities. Major events include the Blessing of the Fleet, July 4th celebration and Clam Slam. Activities and events are designed to bring the community together as a whole and showcase the various facilities the Town has to offer.

The Coordinator assists in providing a list of activities for the Town's website, maintains various forms of social media and utilizes a significant number of volunteers, but appears to be carrying the load without significant stress.

3. Conclusions and Recommendations

Conclusions

It is evident in working with the Town of Cape Charles that recent Town Councils and administrative leadership have worked hard to make the Town a more vibrant community with a high level of services and activities for citizens and visitors. In meeting with staff it became evident that the Town staff were good, hardworking employees and, in most cases, proud to be employees of the Town of Cape Charles. Many have been Town employees for numerous years and have grown in their positions with limited training or administrative support and direction. During our visits with the Town's department heads staffing issues now and in the future were a concern. In some cases, we heard that the Town of Cape Charles needed additional staff to carry out current functions. In our work in local governments around the Commonwealth and throughout the country, this is a common theme, often because staff is not well-trained, equipment is not adequate or procedures are not well organized. Staffing levels, as noted, are determined by services provided, citizen and community demand and, finally, the ability or desire to pay staff a competitive wage in harmony with the community's goals and vision. However, in examining some nearby localities with similar populations, some assumptions may be drawn relative to staffing levels in Cape Charles.

The Town of Cape Charles is unique. Many communities of similar size do not:

- Have a significant influx of visitors annually which creates spikes in demands for service
- Operate sophisticated utility systems
- Maintain a public beach
- Operate a 'working' commercial/recreational marina/harbor
- Maintain and staff a library
- Operate an inspections department

Based upon our experience with comparable communities and analysis of their staffing patterns, the Town of Cape Charles does not appear to be experiencing a shortage of staff based upon the benchmark communities analyzed at this time, with the exception of the administrative support function. In examining the Town, with the information provided, it appears that there is a lack of internal support which has led to inefficiencies such as department heads preparing their own reports, conducting research and carrying out ministerial functions such as receiving applications for various activities, etc. Within the time provided to examine these issues, it becomes clear that the Town has a desire to:

- Maintain what it has; and
- Build for the future

Recommendations

- 1. Technology improvements for Finance and Treasurer's functions-** Based upon our analysis of the Town's staffing functions we believe that the Town needs to evaluate its finance software capabilities. Many functions in the Department are now carried out manually, requiring additional time for staff to check and recheck manual systems. Providing software will not reduce the need for current staff, but will

improve work flow and allow current staff to take on more responsibility as demand increases.

2. **Administrative Support** – The Town provides a minimum level of administrative support for professional staff. Currently the Town Clerk and an Assistant Town Clerk provide support for all department heads and the Town Manager requiring the department heads to prepare their own documents, answer phones and conduct administrative support functions. In addition, the workload for both the Clerk and Assistant Clerk are significant and require considerable extra time to ensure primary responsibilities are carried out to the Mayor and Council's, Town Manager's and department heads expectations. Based upon our analysis we believe the following positions are warranted immediately:
 - **Administrative Assistant** – It is envisioned that a new Administrative Assistant should be hired to provide support for the Police Department, Planner/Zoning Administrator and Public Works and Utility Director. Currently the Chief and officers are preparing their own reports, answering the telephone and filing reports and other correspondence, removing them from their primary duties of protecting the Town's citizens. In addition, both the Planner/Zoning Administrator and Public Works and Utility Director currently have limited administrative support provided by the Clerk's function, limiting their ability to perform functions relative to field work and customer service. Timeframe for action: FY 2016
 - **Permits Assistant** - The Building Official prepares his own reports and correspondence. In addition, when the Building Official is in the field, citizens and permit applicants have no one to contact to answer simple questions, fill out permit applications or obtain approved permits. This has restricted access to the building permit application process and led to delays in projects being approved and applications being taken. It is recommended that a new Permits Assistant position be created and filled. The position would be assigned to the Building Official, and would assist in building permit application processing, zoning and erosion and sediment control permit applications and departmental correspondence. Timeframe for action: FY 2016
3. **Police Officer** – The Town is currently working to provide a high level of visibility for police officers as they work to ensure a safe town for citizens, business owners and visitors. It is recommended, given the current shift schedule and continuing turnover in the department, that a new Police Officer be provided to fill in gaps in coverage, relieve the Chief of some patrol duties allowing him to plan, direct and train staff more frequently. Timeframe for action: FY 2016.
4. **Assistant Town Manager** – The Town currently employs a part-time Assistant Town Manager to handle special project administration. The Assistant Manager should also be responsible for day-to-day operations and other required responsibilities. Retention of a part-time Assistant

Manager on a continuing basis is recommended with assignment of grant application and management and project management responsibilities.

5. **Additional Staffing Demands** – Cape Charles is a community which is working hard to become a destination point, holding many special events which draw people into the community. With the nature of the events and seasons when events occur (typically Spring through Fall), a demand is also placed upon the Town to more aggressively maintain the appearance of the Town, plan and implement the events in a safe and professional manner and carry them out in a manner which entices visitors to return due to the quality of the experience they encounter. In discussions with staff it appears that there will be both an immediate and long-term basis to identify a pool of part-time laborers who can assist the Town in assisting with maintenance of facilities and grounds, setting up and breaking down for events and providing services (bathroom cleaning and maintenance, trash removal, etc.) during major events. It is recommended that the Town work toward identifying a reliable pool of candidates to fill these roles and to ensure existing staff may focus on primary duties.

By providing these staff, the Town will allow professional staff to provide a greater level of service to issues they should be dealing with, and eliminate clerical duties which are carried out less efficiently due to the department heads lack of training in this particular area.

We encourage the Town Council, the Town Manager, and the Town's management staff to consider these recommendations as the building blocks for a multi-year approach for building and serving community needs.