



TOWN COUNCIL INFORMATIONAL WORK SESSION AGENDA DECEMBER 7, 2020

This meeting is being conducted virtually to limit health risks of COVID-19. To join via the web, please use the link <https://us02web.zoom.us/j/8697557180> Once connected by computer join via computer audio or by dial in with your unique Participant ID to join your audio and video. To view by phone dial (929) 205-6099 and enter the Meeting ID: 869-755-7180. *Participants should remain muted.* Direct meeting access links and meeting recordings are available at www.chesapeakebeachmd.gov.

I. Call to Order and roll call

II. Pledge of Allegiance

III. Work Session to discuss the following:

1. Process for zoning code review / recommendations / amendments
2. Water Park FY20 recap and FY21 forecasting
3. FY20 Budget reconciliation

IV. Council Lightning Round

V. Adjournment

8200 BAYSIDE ROAD, P.O. BOX 400 CHESAPEAKE BEACH, MARYLAND 20732

(410) 257-2230

(301) 855-8398

Chesapeake Beach Water Park - December 2020



COVID-19 Impact Summary

A summary of fiscal impacts due to the adjustment of operations in response to the COVID-19 pandemic. This report outlines preliminary options, for consideration, moving forward in the 2021 Season.

INTRODUCTION

The Chesapeake Beach Water Park is a self sustaining public asset, operating under a zero based budget with expenses matching revenues.

Per Resolution, R-20-3 the Mayor and Town Council limited access to the Park to Town and County guests only to limit the localized spread of COVID-19.

“

The Town Council remains focused on residents safety as we continue to plan for COVID-19 impacts. ”

Mayor Patrick "Irish" Mahoney

The alternative option considered was to keep the park closed to all, but it was recognized that this would be a disservice to the residents and would decrease localized employment opportunities. The Council's decision to open the park in a limited capacity provided employment for 180 local residents and safe local enjoyment for Town and County residents.

Safety being the first priority, through safe practices, and capacity restrictions, the park incurred (0) zero reported COVID instances.

In the 2020 season, the seasonal costs of operations were covered by the seasonal revenues; however, the seasonal costs did not cover the fixed costs. Fixed costs are the costs that the park incurs regardless of the status of the facility being open or closed. The annual fixed costs average \$700,000+.

The purpose of this report is to review the parks normal operation sales trends, review the impacts of the 2020 season and plan for the 2021 season; with the goal of reducing fiscal shortfalls and maintaining the Town Council's priority of safety and resident enjoyment.

Thank you,



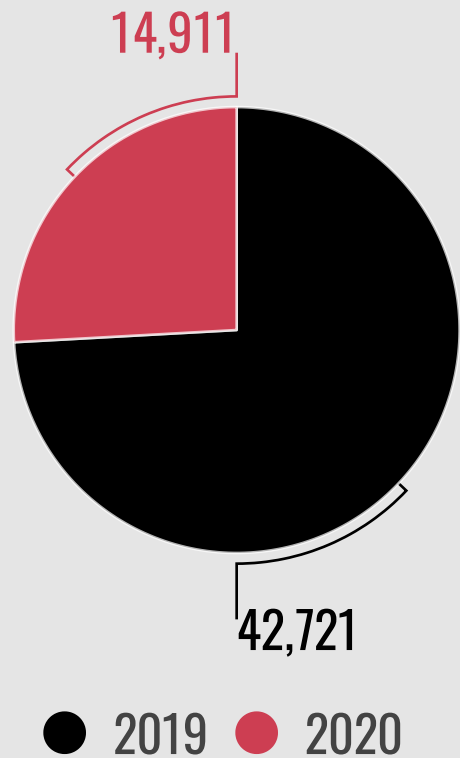
Holly Kamm Wahl
Town Administrator

QUICK STATS

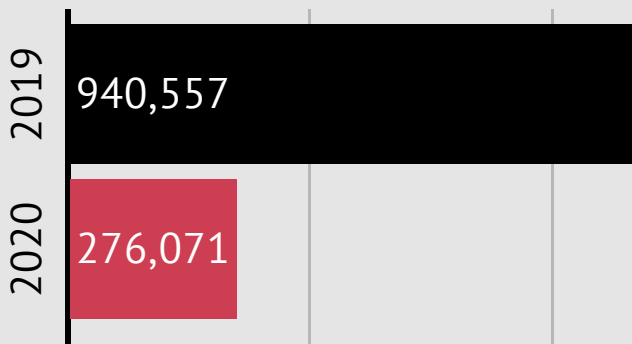
In the 2020 season, revenues decreased by (71%), a total decrease of (\$664,486).

The seasonal guest count decreased by 27,810 guests due to COVID-19 capacity restrictions. To account for the decrease in revenues, expenses were reduced. This resulted in a total seasonal cost reduction of (38%) a decrease of (\$283,346).

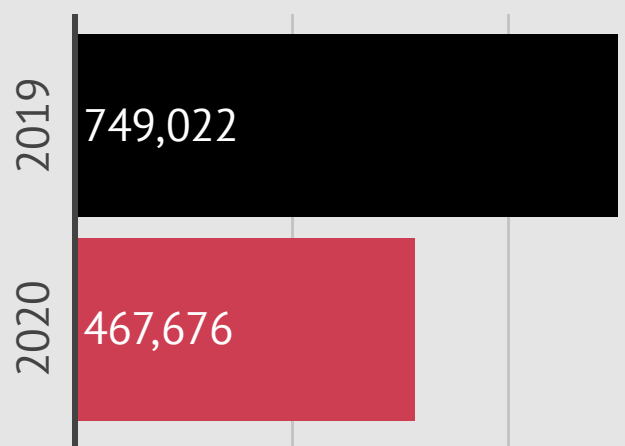
Guest Count



Revenues



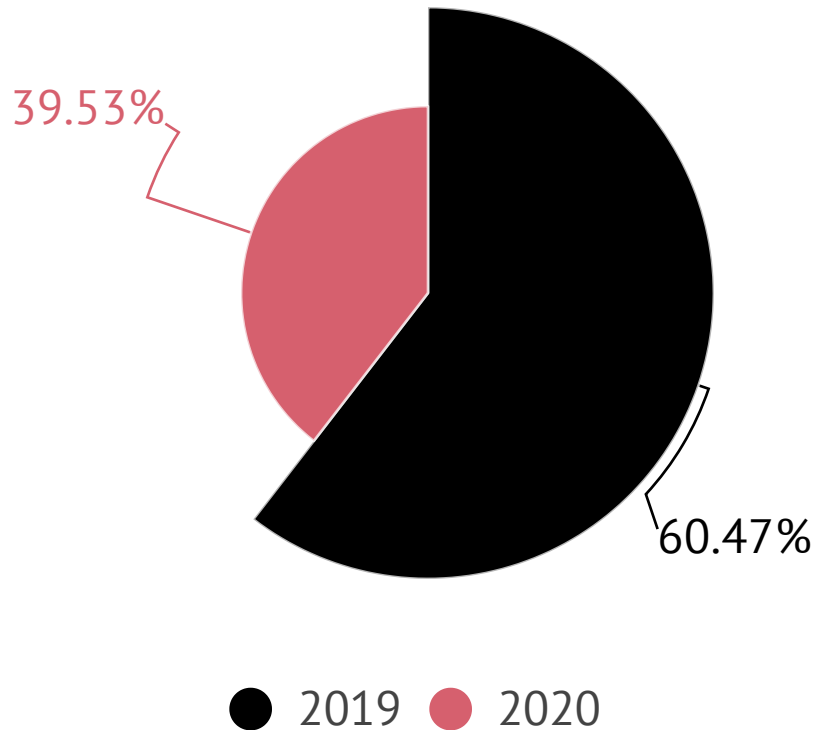
Expenses



QUICK STATS CONT.

Staff Coverage

In a regular season, the park averages 43 staff members during the weekdays and 52 on the weekends. During COVID-19, the Park was able to operate with an average of 34 staff members.



As shown in the chart above, staffing levels decreased greatly with the change in capacity.

Current Impact to Reserves is **-\$0**

This includes Water Park Reserves and General Fund Reserves.

Resident Satisfaction & Safety

Enjoyment by Town and County guests was at an all time high, thanks to the staff of the Water Park and the Town Council's decision to limit capacity during a time where residents felt it was unsafe to travel and appreciated the reduction of crowds in the Park. Staff continually monitored safety protocols to ensure guests felt safe and that they were safe. The decreased attendance level provided increased ability for lifeguards to conduct guest safety checks and water monitoring with clear view points of guests.



Safety Measures Implemented

1. **Virtual Interactions:** All orientations, interviews and employment training were conducted virtually, with the exception of our Lifeguards.
2. **Health Screenings:** Health questionnaires were required before entering the work place.
3. **Capacity:** Guest count decreased to 25% of legal capacity.
4. **Electronic Registration:** New electronic reservation system implemented to monitor attendance expectations.
5. **Contract Tracing:** Every guest entering the Park was registered for Health Department contract tracing.
6. **Sanitizing:** Sanitizing protocols within each department with frequency determined by guest count. Installed 25 sanitizing stations. Plexiglass sneeze guards at all point of sales.
7. **Online Food ordering:** Decreased lines, decreased contact.
8. **Mandatory Masks:** Enforced for all guests over the age of 5.

Key Lessons Learned

1. The Town Council's decision to open the park in a limited capacity provided local employment, local enjoyment with seasonal costs offset by seasonal revenues.
2. The legal capacity of the Park at **1,363** is too high for guest enjoyment, and safety protocols, regardless of a pandemic. The Park has self set its capacity at 800 for the last several years and will continue to monitor.
3. Decreasing capacity will increase local attendance.
4. Increasing capacity with local only restrictions will not increase attendance or revenues.
5. Spending patterns are different for local Guest vs. General Admission Guests.



2021 Recommendations

1. **Opening:** Plan to open on Memorial Day weekend 2021.
2. **Operations:** adjust operations based on scenarios following COVID -19 positivity rates and vaccine progress.
3. **Resident only benefits:** Provide resident only benefits such as having the park open only to Town/County residents on one or two days.



**Town of Chesapeake Beach
Treasurer's Report
Work Session
December 2020**

FY20 Budget Review - Summary

There were a total of 12 expense line items over budget for FY20. The breakdown for each fund was as follows

General Fund – 5 line items

Mitigation Fund – 0 line items

WRTP Fund – 3 line items

Utility Fund – 2 line items

Water Park Fund – 2 line items

The next couple of pages provides the additional detail on each budget line items that was over budget for FY20.

General Fund Budget

- Retirement (100-6000-602300) was over budget by \$7719.77. The FY20 budget was unfortunately planned approximately \$7,000 less than FY19 budget and should have been planned with a slight increase for FY20.
- Legal Counsel (100-6000-620600) was over budget by \$4,157.01. Charges that impacted the line item budget were the expenses associated with the Board of Appeals, Ethics Commission, Board of Elections and fees related to the Maloof property.
- Planning and Zoning (100-6000-621200) was over budget by \$4,973.31. The budget was impacted by the expense associated with bringing new Commission Members



up to speed on the comprehensive plan update as well as sea level rise mapping.

- IT Support (100-6000-621600) was over budget by \$4,646.84. The FY20 budget was impacted due to incremental expenses due to COVID-19.
- Landfill Tipping Fees (100-6500-684700) was over budget by \$1,147.86. This was due to a FY19 charge being expensed in FY20.

The total amount for the five line items in the General Fund is \$22,647. Underage in the Special Events line item will cover the five overages.

WRTP Fund Budget

- Land Tipping Fees (300-6975-684701) was over budget by \$33,683.91. Fees were unfortunately increased after the FY20 budget was passed and services were contracted by Town Council approval.
- Utilities line item (300-6975-687501) was over budget by \$20,255.09. The Utility bills increased once the ENR upgrade was completed and was not planned for accordingly.
- The Insurance line item (300-6975-780000) was over budget by \$17,139.10. This was due to the re-assessed value of our assets at the Treatment Plant after the completion of the ENR upgrade.

The total for the three transactions in the WRTP Fund is \$71,080. Underage in Chemicals **\$(58,000)**, Lab Analysis & Supplies **\$(6,730)** and Equipment Repair **\$(6,350)** will cover the three overages.

Utility Fund Budget

- Interest Expense (400-6900-625300) was over budget by \$727.20. The Town had administrative fees that are part of this line item that were not budgeted in FY20.



- Utilities (400-6900-687500) was over budget by \$468.81. This was just slightly over budget and there were no unexpected costs absorbed during the year.

The total for the two transactions in the Utility Fund was \$1,197. Underage in the Banking Fees line item will cover the two overages.

Water Park Fund Budget

- Retirement (500-6925-602300) was over budget by \$1,601.78. The line item was under planned for FY20. The FY20 budget was approximately \$2,200 lower than the FY19 plan.
- Professional Fees (500-6925-623900) was over budget by \$4,824.12. The reason for the over expenditure was some higher than anticipated legal fees for FY20.

The total for the two transactions in the Water Park Fund is \$6,427. Underage in the Utilities line item will cover the two overages.

The recommendations provided for all the funds will enable the Town to reconcile our line item budget for FY20.