



# TOWN COUNCIL

## Retreat

January 28, 2011

Town Hall

8:00 AM – 4:00 PM

- 8:00 a.m. - 8:15 a.m. Breakfast  
Call to Order & Opening Comments by Mayor Sullivan & Heather Arcos
- 8:15 a.m. - 8:45 a.m. FY 2010/2011 Budget – 6-Month Update of Revenue & Expenses
- 8:45 a.m. - 9:00 a.m. Break
- 9:00 a.m. - 12:00 p.m. Town Council Priorities from Comprehensive Plan  
Other Projects / Priorities  
Council Priorities – Future  
5-Year Capital Improvement Plan
- 12:00 p.m. - 12:30 p.m. Lunch
- 12:30 p.m. - 1:30 p.m. Future Facility Fee Analysis – Water and Wastewater
- 1:30 p.m. - 2:00 p.m. Keck Property Future / Vision
- Possible / Permitted Uses
- 2:00 p.m. - 2:15 p.m. Comprehensive Plan Update
- 2:15 p.m. - 2:30 p.m. 25 MPH on Route 642 (Old Cape Charles Road)
- 2:30 p.m. - 2:45 p.m. Break
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- 2:45 p.m. - 3:00 p.m. Technology and Tourism Zones
- 3:00 p.m. - 3:30 p.m. Other Issues:
- Old School
- 3:30 p.m. - 3:45 p.m. Recap of Retreat Items / Action Items
- 3:45 p.m. - 4:00 p.m. Upcoming Work Session Topics & Prioritization
- Future plans for Cape Charles Memorial Library
  - Town Code Modifications:
    - Technology and Tourism Zones
    - Golf Cart Ordinance
    - Animal Ordinance
    - Nuisance Ordinance
  - FY 2011/2012 Budget Review
- 4:00 p.m. Adjourn

**TOWN OF CAPE CHARLES  
BUDGET REVENUE SUMMARY  
COMPARISON OF 6 MONTH ACTUALS TO BUDGET  
FISCAL YEARS 2011, 2010, 2009**

Retreat  
8:15 am - 8:45 am

	FY 2011			FY 2010			FY 2009		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
<b>GENERAL FUND BY</b>									
GENERAL PROPERTY TAXES	1,183,887	1,207,603	23,716	1,152,850	1,190,850	38,000	993,114	1,158,836	165,722
OTHER LOCAL TAXES	187,109	341,500	154,391	203,207	352,400	149,193	185,773	391,482	205,709
BUILDING PERMITS, PRIVILEGE FEES	21,820	60,336	38,516	22,448	83,500	61,052	37,235	108,289	71,054
FINES & FORFEITURES	13,483	11,000	(2,483)	5,232	9,000	3,768	5,633	11,000	5,367
USE OF MONEY & PROPERTY	570	5,000	4,430	1,730	21,164	19,434	10,026	37,063	27,037
CHARGES FOR SERVICES	2,090	1,500	(590)	2,417	2,000	(417)	2,049	4,500	2,451
RECOVERED OPERATING COSTS	9,000	15,500	6,500	35	15,500	15,465	15,856	15,500	(356)
REVENUES FROM THE COMMONWEALTH	479,143	1,105,348	626,205	111,092	1,271,864	1,160,772	132,801	473,178	340,377
LOAN PROCEEDS	0	159,000	159,000	1,761	8,850	7,089	0	0	0
MISCELLANEOUS REVENUES	0	0	0	0	0	0	3,269	6,500	3,231
<b>GENERAL FUND TOTALS</b>	<b>1,897,102</b>	<b>2,906,787</b>	<b>1,009,685</b>	<b>1,500,772</b>	<b>2,955,128</b>	<b>1,454,356</b>	<b>1,385,757</b>	<b>2,206,348</b>	<b>820,591</b>
<b>PUBLIC UTILITIES</b>									
WATER SALES, PENALTIES	240,487	530,334	289,847	240,187	494,186	253,999	224,733	495,416	270,683
SEWER SALES, PENALTIES	316,585	612,751	296,166	291,168	552,687	261,519	220,839	453,191	232,352
FACILITY AND CONNECTION FEES	44,000	100,000	56,000	12,451	100,000	87,549	30,141	80,500	50,359
USE OF MONEY & PROPERTY	211	0	(211)	136	0	(136)	1,031	0	(1,031)
MISCELLANEOUS REVENUES	1,784	0	(1,784)	6,460	0	(6,460)	63	0	(63)
<b>GRANTS FROM THE COMMONWEALTH</b>	<b>761,966</b>	<b>11,062,900</b>	<b>10,300,934</b>	<b>314,570</b>	<b>3,022,000</b>	<b>2,707,430</b>	<b>2,000</b>	<b>600,000</b>	<b>598,000</b>
<b>GRANTS FROM FEDERAL GOVERNMENT</b>	<b>1,467,088</b>	<b>3,000,000</b>	<b>1,532,912</b>	<b>129,910</b>	<b>1,605,000</b>	<b>1,475,090</b>	<b>0</b>	<b>0</b>	<b>0</b>
BAY CREEK ANNEXATION RECEIPTS	0	0	0	0	0	0	0	2,087,000	2,087,000
FUND BALANCE TRANSFER	0	0	0	0	30,428	30,428	0	66,056	66,056
<b>LOAN PROCEEDS</b>	<b>0</b>	<b>537,100</b>	<b>537,100</b>	<b>705,000</b>	<b>2,853,000</b>	<b>2,148,000</b>	<b>0</b>	<b>3,500,000</b>	<b>3,500,000</b>
<b>PUBLIC UTILITIES FUND TOTALS</b>	<b>2,832,121</b>	<b>15,843,085</b>	<b>13,010,964</b>	<b>1,699,882</b>	<b>8,657,301</b>	<b>6,957,419</b>	<b>478,807</b>	<b>7,282,163</b>	<b>6,803,356</b>
<b>HARBOR FUND</b>									
GRANTS FROM THE COMMONWEALTH	260,487	100,000	(160,487)	25,375	500,000	474,625	90,469	100,000	9,531
FINANCING PROCEEDS	0	0	0	0	0	0	0	1,500,000	1,500,000
REVENUE FROM SALES & SERVICE	198,246	2,087,185	1,888,939	211,696	429,580	217,884	172,140	826,120	653,980
<b>HARBOR FUND TOTALS</b>	<b>458,733</b>	<b>2,187,185</b>	<b>1,728,452</b>	<b>237,071</b>	<b>1,074,580</b>	<b>837,509</b>	<b>262,608</b>	<b>2,426,120</b>	<b>2,163,512</b>
<b>SANITATION FUND TOTALS</b>									
SANITATION FUND TOTALS	93,273	188,702	95,429	89,973	178,704	88,731	83,940	178,206	94,266
<b>TOTAL TOWN REVENUE BUDGET</b>	<b>5,281,229</b>	<b>21,125,759</b>	<b>15,844,530</b>	<b>3,527,698</b>	<b>12,865,713</b>	<b>9,338,015</b>	<b>2,211,113</b>	<b>12,092,837</b>	<b>9,881,724</b>

**TOWN OF CAPE CHARLES  
BUDGET EXPENSE SUMMARY  
COMPARISON OF 6 MONTH ACTUALS TO BUDGET  
FISCAL YEARS 2011, 2010, 2009**

Retreat  
8:15 am - 8:45 am

GENERAL FUND BY DEPARTMENTS	FY 2011			FY 2010			FY 2009		
	ACTUAL	BUDGET	VARIANCE	ACUTUAL	BUDGET	VARIANCE	ACUTUAL	BUDGET	VARIANCE
MAYOR & TOWN COUNCIL	4,318	8,483	4,165	2,820	5,783	2,963	3,878	6,948	3,070
TOWN CLERK	42,974	88,246	45,272	38,332	81,249	42,917	39,301	86,258	46,957
TOWN MANAGER	229,683	893,031	663,348	240,099	965,020	724,921	210,028	411,567	201,539
FINANCE	70,748	184,350	113,602	80,119	151,273	71,153	92,995	193,113	100,119
POLICE	179,854	319,314	139,460	165,478	312,506	147,028	187,316	348,648	161,332
CODE ENFORCEMENT	34,747	79,193	44,446	33,029	76,458	43,429	78,445	155,588	77,143
PUBLIC WORKS	474,333	1,100,919	626,586	175,635	1,136,533	960,898	226,773	795,604	568,831
PARKS & RECREATION	29,047	56,799	27,752	17,732	56,811	39,079	13,407	28,876	15,470
LIBRARY	41,036	84,042	43,006	41,569	76,841	35,272	39,224	79,940	40,715
TOWN PLANNER	52,461	92,410	39,949	40,268	90,404	50,136	41,108	99,806	58,699
<b>GENERAL FUND TOTALS</b>	<b>1,159,201</b>	<b>2,906,787</b>	<b>1,747,586</b>	<b>835,081</b>	<b>2,952,878</b>	<b>2,117,797</b>	<b>932,474</b>	<b>2,206,348</b>	<b>1,273,874</b>
<b>PUBLIC UTILITIES</b>									
<b>DEPARTMENTS</b>									
ADMINISTRATION	33,111	73,443	40,332	38,286	77,773	39,487	39,786	100,241	60,454
WATERWORKS	219,632	650,257	430,625	156,669	673,342	516,673	211,104	1,262,738	1,051,635
WASTEWATER	3,315,835	15,070,074	11,754,239	827,208	7,858,953	7,031,745	589,361	5,872,441	5,283,080
METER & BILLING	24,068	49,311	25,243	23,019	47,233	24,215	23,264	46,743	23,478
<b>PUBLIC UTILITIES FUND TOTALS</b>	<b>3,592,646</b>	<b>15,843,085</b>	<b>12,250,439</b>	<b>1,045,181</b>	<b>8,657,301</b>	<b>7,612,120</b>	<b>863,515</b>	<b>7,282,163</b>	<b>6,418,648</b>
<b>HARBOR FUND TOTALS</b>									
	419,234	2,187,185	1,767,951	283,796	1,074,580	790,784	230,977	2,426,120	2,195,143
<b>SANITATION FUND TOTALS</b>	<b>78,072</b>	<b>188,702</b>	<b>110,630</b>	<b>77,514</b>	<b>178,704</b>	<b>101,190</b>	<b>102,277</b>	<b>178,206</b>	<b>75,929</b>

**Town Council Priorities - From Comprehensive Plan  
(adopted 6/2009)**

**Retreat  
9:00 am - 12:00 pm**

Priority	Notes	Ranking
Prepare and maintain a rolling 5-year CIP	In progress.	
Water & Wastewater Plan Improvements	In progress.	
Business Development. Create Economic Development Committee.		
Future Land Use Plan - Boundary Adjustment	Working with Cheriton & County.	
Establish a Corridor Overlay for Routes 184 & 642	Working with County.	
Continue Alley Easement & Ownership Project	In progress.	
Explore Public Works locations	Purchased Parry property in 4/2010	
Work to eliminate substandard housing in Town		
Work with non-profits to aid property owners who cannot repair their homes		
Comprehensive Review of Town Code	Ongoing. Have been reviewing by section as needed.	
Continue development of a Recreation Program	Completed first year. Do's and Don't's	
Continue Support of Chamber of Commerce & Tourism	Ongoing.	
Establish a Town Community Center	20 computers placed in CCCS for community center. Included in Broadband grant.	
Develop Town Parking Solutions		
Promote Water & Energy Conservation		
Research Chesapeake Bay Meteor Impact Interpretive Center		
Research more cooperative agreement with County Sheriff & more flexible Police Schedule	Scheduling a meeting with the Sheriff Doughty to discuss.	

**Other Projects / Priorities**

**Retreat**

9:00 am - 12:00 pm

Priority	Notes	Ranking
Gazette - Done on a monthly basis. Continue?	Ongoing	
Conduct a Total Compensation Study for all positions, including Mayor and members of Council, Commissions and Boards.		
Review and update the current Personnel Policies, Rules and Regulations.	Started and ongoing	
Develop and Implement a procurement manual, as required by the Town Code.		
Request for Proposals and complete negotiations to contract with a local attorney.	Do annually. Current contract with Paul Watson.	
Bay Creek Communications Cable TV Channels		
Discussion / review of vacant commercial properties		
Doggie Park Location		
Recycling Options		
Promotional ideas (signage, magazine ads, brochures, etc.)		
Welcome package for new residents	In Process	
Guide to starting and expanding a business in Town		
Investigate possibility of Town licensing dogs & cats (if does not require residents to license pet with both Town & County)	County requires annual license (\$5 - \$10).	
Recording & ways to share/publish Town meetings (TC, PC, HDRB, HARB, etc.)		
Hump maintenance	In Process	

Please come prepared to discuss your priorities.

CAPITAL INVESTMENT PLAN

	Project	Total Cost	2010/11	2011/12	2012/13	2013/14	2010/15	2015/16	2016/17	2017/18	2018/19
	<b>UTILITIES</b>										
*	WWTP Replacement	\$19.2M	\$1.9M	\$3.3M					\$375K		
	WWTP Addition Expansion	\$6M								\$3M	\$3M
*	WWTP Reuse	\$3.8M			\$800K					\$200K	\$800K
*	WW Collection & FMPS	\$1.2M	\$655K	\$485K							
	WTP Expansion	\$10M									
*	New Wells - Connection	\$500K	\$150K	\$250K							
	New Pretreatment System	\$150K		\$150K							
	New Control Panel	\$100K		\$100K							
	<b>GENERAL FUND</b>										
	Tree Planting Plan	\$50K		\$10K	\$10K	\$10K	\$10K	\$10K			
* VDOT	Randolph Roundabout	\$750K									
*	Trail Master Plan	\$5M	\$83K								
* VDOT	Fig Street Crossing	\$750K									
* VDOT	Parking Plans - Bay Ave.	\$15K									
	Corridor Overlay	\$5K									
	Blight Remediation	\$150K									
*	Alternate Energy Plan	\$1M									
*	Night Sky LED Lights (300)	\$360K									
	Sidewalk Repair Plan	\$200K		\$20K	\$20K	\$20K	\$20K	\$20K			
	Beach Sand Plan	\$150K	\$20K	\$30K							
**	Old HS Plan	\$1.7M									
**	Public Works Yard	\$30K	\$30K	\$30K							
	Public Works Pickup Truck	\$20K	\$20K								
*	Repair All Pump Sta.	\$800K	\$200K								
	WWTP Site Reclamation										
	<b>HARBOR FUND</b>										
*	Offshore Breakwaters	\$3M									
*	Harbor Redev. Bath Houses	\$700M		\$700M							
*	Harbor Redev. Marina	\$1.2M	\$1.2M								

\* Grants Related  
 \*\* Income Funded  
 \* VDOT VDOT TEA 21 Possible  
 In progress

January 20, 2011

Future Facility Fee Analysis – Wastewater - 2011 Update

Growth Rate – January 2010 estimates slipped 2 years.  
Build Out – 30 years.

WWTP Estimates

.25 MGD - \$19.2M, less \$14.0M grants = \$5.2M (incl. re-use mod and closure)  
.50 MGD expansion - \$5.0M  
.75 MGD expansion - \$10M (significant site work, electrical and structural)  
Expansion estimates escalated 3%/year from 2010/2011 baseline  
Planned 2.5% recapitalization every 5 years for plant modernization

Re-use Estimates

FY 2013 – pipeline to Bay Creek and potential modifications to lake system  
FY 2015 – reject effluent storage at WWTP  
FY 2028 – expand reuse capacity – additional pipeline, storage, possibly RIBs

Force Mains and Pump Station

FY 2011 – Phase 1 – new Mason Ave. and Fig St. force mains  
FY 2012 – Phase 2 – new Mason Ave. Pump Station  
Estimates are net of \$0.7M EPA grant

Overall Assumptions

No additional grant funding.  
No payment under Annexation Agreement  
No regionalization  
NPV discount rate of 5%

Implications/Considerations

Lower net cost estimate principally due to higher grant yield for WWTP (73% vs. 40%)  
Much uncertainty continues to exist  
Economic recovery and growth rate  
ROM estimates for WWTP capacity expansion  
Near term re-use: need for lake system modifications or dedicated storage?  
Long term re-use: additional capacity needed beyond lake system?  
Regionalization would accelerate need for capacity expansion  
Annexation Agreement payment and/or additional grants would reduce net cost  
Suggests reduction of current facility fee from current \$13,150 to \$9,000  
Issue partial refund for the few fees paid



January 20, 2011

Future Facility Fee Analysis – Water - 2011 Update

Growth Rate – January 2010 estimates slipped 2 years.  
Build Out – 30 years.

WTP Estimates

- .50 MGD - \$250K 2 Keck wells, \$250K connect to plant, \$150K pretreatment system
- 1.0 MGD expansion - \$10.0M – replicate existing plant on site, plus wells
- 1.5 MGD expansion - \$10M
- Expansion estimates escalated 3%/year from 2010/2011 baseline
- Planned 2.5% recapitalization every 5 years for plant modernization

Overall Assumptions

- No grant funding
- No payment under Annexation Agreement
- Developers responsible for storage capacity expansion as part of distribution system
- No regionalization
- NPV discount rate of 5%

Implications/Considerations

- Much uncertainty continues to exist
  - Economic recovery and growth rate
  - ROM estimates for WTP capacity expansion
  - Additional well sites and distance to plant?
  - Regionalization (unlikely) would accelerate need for capacity expansion
  - Annexation Agreement payment and/or grants would reduce net cost
- Suggests increase of facility fee from current \$5,100 to \$6,100

Combined affect of wastewater and water:

	<u>Current</u>	<u>Potential</u>
Wastewater	\$13,150	\$ 9,000
Water	<u>5,100</u>	<u>6,100</u>
Total	\$18,250	\$15,100

Note: Connection fees of \$875@ are additive to the above facility fees.



## Keck Property – Future Planning

IN December of 2009 the Town of Cape Charles acquired ownership of the approximately 15 acres known as part of the Keck Property or Martin Farm along Old Cape Charles Road. The proffers in the deed contain the following requirements:

1. The Town shall use the property for public purposes
2. Residential and Commercial uses are prohibited
3. The property is zoned RE but we can rezone it but 1 and 2 still apply
4. The Town shall keep it for 15 years
5. We can construct buildings or structures and store heavy equipment but-
  - a. The Town shall maintain a 100 foot setback on the west, south and borders
  - b. The Town shall plant a Class III vegetated buffer along the west, south and eastern boundaries of the property. This is approximately 3000 lineal feet.
  - c. A Class III buffer is composed of trees that grow to +40 feet tall and evergreen plants that screen the view of buildings, structures or equipment.

The Town is already using the property for public purposes. During the last year we have installed new water wells (2) for future production as well as test wells (3-4). These wells are located in the northwest corner of the property along the tree line. The wells will be connected to the water treatment plant in the near future.

What will be needed to move ahead? There are no utility services on the property other than the electric line supplying service to the wells. The ground is currently planted by a local farmer. This is a non-conforming use that is "grandfathered" on the property until such time as farming is suspended for a period of four years. The RE zone allows non-commercial tilling of the land, single family dwellings, accessory buildings if you have a main building, public utilities (wells), and single family homes. The zone also has conditional uses such as parks and playgrounds, churches and schools.

If the Town wishes to use the property in ways other than those listed above, rezoning would be required. The proper zone would depend on the use(s) desired.

The following items are required for certain uses:

1. Leave it "as is". No additional work is required.
2. Use the property for one of the conditional uses on a small scale, only entrance improvements would be required.
3. Use the property for larger scale recreation a new entrance would be required and some facilities such as water, sewer and electrical.
4. Buildings, structures or vehicle storage would require the Class III buffer to be constructed.

## Comprehensive Plan Update

The Comprehensive Plan for the Town of Cape Charles was adopted in June 2009. While the Code requires review every five years, a review of some sections should be started sooner as a result of new information from the Census, recent economic changes and the rezoning of county land on the eastern boundary of the Town. This land has partially been rezoned to Town Edge.

Recent discussion with the Town of Cheriton on boundary adjustment along with the Eastville application has led to renewed interest by both the County and Town to implement the plans set forth in the Annexation Agreement. Listed below are factors involved:

1. The Town of Cheriton continues to talk about a boundary adjustment that could stretch into the area identified in the Annexation Agreement. This area along Rt. 13 should carry a special zone to protect the area from inappropriate development as identified in the Annexation Agreement.
2. The Town of Eastville recently applied for a boundary adjustment and was denied.
3. The Town of Cape Charles opened discussions with the Town of Cheriton so that commercial development along a possible Rt. 13 border would be developed in the most beneficial way. A boundary adjustment coordinated with Cheriton is one possible way to assure this protection.
4. The landowners covering almost one fourth of the Cape Charles boundary adjustment area signed petitions of non-support for the boundary adjustment.
5. The County Planning Commission has engaged the Cape Charles Planning Commission to discuss the Town Edge Zone and the Cape Charles Corridor Overlay District. The two commissions had good discussion on the subjects. The Town Edge zone really needs clarification and definition.
6. The County is starting their Comp Plan review and the Town could review its sections related to these areas. We could have both comp plans in agreement on the overlay area and the Rt. 13 "special zone" area.

For these reasons a discussion on the review of some portions of the Comp Plan are appropriate at this time. It may be appropriate to engage an outside consultant to work with the Town over the next year.

## 25 MPH on Rte. 642 / Cart Path Future

During the past couple of years the Town has been trying to complete golf cart route from the Historic District to the Golf Community at Bay Creek. As you know, this has been problematic because the stretch of Old Cape Charles Road (642) has a speed limit higher than 25 mph. Golf Carts are not allowed on highways with speed limits over 25 mph.

The Town, et al, has been working with VDOT to lower the speed limit with marginal success. VDOT has conducted speed studies on this road on multiple occasions and each time the study shows an 85<sup>th</sup> percentile of vehicles drive far above the 25 mph requested limit.

Speed is not the only issue for VDOT on this stretch of highway. There is a 90 degree turn with very limited visibility in both directions. The road is also regularly travelled by large trucks hauling steel and cement to the industrial area and hauling extra -long concrete beams out of the industrial area to Route 13. These factors raise the safety bar at any speed but especially between a semi-tractor trailer and a golf cart.

Letters have been written to the local Delegate the General Assembly along with petitions from local citizens asking for a reduction in the speed limit to 25 MPH so that the road can be used by golf carts. The Delegate recognized the VDOT studies and other pertinent code sections for road responsibility. The Code of Virginia does have some section that gives localities the opportunity to set speed limits but the responsibility for road maintenance goes with it.

Staff began work with VDOT to build a cart path in the western ROW between Bayshore Road and Bay Creek. After some study by VDOT a conclusion was reached that the 642 ROW is only 30 feet. This caused the focus to shift from VDOT and the Town to Town and Bay Creek only. Staff has worked with Bay Creek to plan a path from Bayshore Road to the Golf Community adjacent to the VDOT ROW but not on it. The Town has presented a plan for a Tourism Infrastructure Grant and will make its presentation on February 9, 2011. The contractor for the Waste Water Treatment Plant has just installed piping in this location and the ground is ready to smooth and finish. Bay Creek would construct a portion of the path on their property south of 642. Construction in the spring will be the next step.

The Town also works with VDOT on all our street issues such as parking, closings, maintenance and the Trail Project. TEA-21 projects like the Cape Charles Multi-Use Trail are approved and administered by VDOT. Staff would like to see the money and effort put towards the path construction rather than continued pressure for VDOT to lower the speed limit. They did lower the speed limit between Bay Creek entrance and the hump to 35 as a good first step to increase the safety of the road.

## Technology and Tourism Zone

The Council asked the Planning Commission to investigate the use of a Technology Zone for the Town of Cape Charles. The Commission studied all the zones in the state, reviewed papers written by staff and others on the cost and value of such a zone and reported the results to Council. During the research Tourism Zones came to light and the Commission recommended the possible adoption as well.

In order for the Commission to take the next step, a direction is needed from Council. The following areas need to be addressed for the creation of a Technology and/or Tourism Zone:

1. Should the Town adopt both a Tourism and Technology Zone?
2. What is the geography of such a zone(s)?
3. Who is the target business for the zone(s)?
4. What are we willing to offer as an incentive?
  - a. Will it be enough to attract the targeted business?
  - b. How will the results be measured?
5. Should existing businesses be part of the incentive process?
  - a. Incentives for growth and/or new jobs?

There some bills before the legislature that may make adjustments to the BPOL Tax. The majority of these bills would allow a locality to choose the basis for that tax as gross sales or Virginia Taxable income. HB57 would not allow any new locality from imposing a BPOL tax if it is not imposed one as of 1-1-10.