



TOWN COUNCIL

Special Meeting

Town Hall

June 27, 2013

6:00 p.m.

At 6:00 p.m., Mayor Dora Sullivan, having established a quorum, called to order the Special Meeting of Town Council. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Bennett, Sullivan and Wendell, and Councilwoman Natali. Councilman Godwin was not in attendance. Also present were Assistant Town Manager Bob Panek, Treasurer Kim Coates, Town Clerk Libby Hume, Librarian Ann Rutledge, Police Chief Charles Brown, Officer James Pruitt and Officer Chelsea Pfeiffer. There were 6 members of the public in attendance.

Mayor Sullivan stated that the order of business for this evening was i) USDA Grant Award for Library Equipment; and ii) FY 2013-2014 Budget.

A. *USDA Grant Award for Library Equipment:*

Treasurer Kim Coates stated that in September 2012, the Town Council authorized a grant application submission to the USDA Rural Development (USDA RD) in the amount of \$25K to purchase equipment, furniture, shelving and other possible equipment needs for the Library. The grant covered equipment needs only, not rehabilitation of a building. The Town Manager received notification of the grant award in the amount of \$25K which required a Town Match of 25% for a total project cost of \$33,375. The match amounted to \$8,375 and would be paid from the Library CD funds which had a current balance of \$11,510. Items could be included in grant reimbursement if they were ordered after October 11, 2012. Staff was requesting adoption of a resolution to authorize the Town Manager to execute the appropriate forms to accept the USDA RD Grant award for Library equipment.

Motion made by Vice Mayor Bannon, seconded by Councilman Sullivan, to adopt Resolution 20130627A to authorize the Town Manager to execute the appropriate forms to accept the USDA RD Grant award.

Councilman Bennett stated that he would prefer to use money that was already spent to purchase equipment towards the match before spending any additional money from the CD fund. Kim Coates responded that the money from the grant would reimburse money spent from the CD fund so that additional funding would also be available for Library use.

Councilwoman Natali added that the Friends of the Cape Charles Memorial Library had raised \$20K to purchase furnishings and equipment for the Library as well.

Mayor Sullivan moved for adoption of Resolution 20130627A of the Governing Body of the Town of Cape Charles to accept the USDA RD Grant for Library Equipment as noticed and forewent reading of the Resolution. The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Natali, yes; Sullivan, yes; Wendell, yes.

B. *FY 2013-2014 Budget:*

Kim Coates stated that the total General Fund budget was \$2,957,183 which included \$1.1M for the Multi-Use Trail, \$986K of which would be reimbursed by grant funding. The General Fund Operations budget amounted to \$1,847,183 which was an increase of \$2,826 over the current FY budget. The Town Manager's budget included operating expenses for the Municipal building, annual fishing pier license, debt service and legal

fees. Additional expenses for this year were: i) Professional Services to review and update the Comprehensive Plan; ii) Utilities to maintain the old Library building; iii) Contributions for nonprofits was decreased by \$20,250 from FY 2012-2013; and iv) Support to the Cape Charles Volunteer Fire Company, Local Challenge Grant, July 4th Fireworks, and the NEA Our Town Grant. The water and wastewater services were funded by user fees and charges as opposed to general tax revenues. Each year, the Town reviewed projected expenses, numbers of connections, and results from previous years to determine the rate that must be charged to generate the revenue needed to provide these services. The main driver of the increase in the wastewater rate was the debt service on the new treatment plant. The total cost of this project was about \$19.2M and the Town was fortunate to obtain two grants to cover almost 73% (\$14M) of the cost. The remaining amount was being financed by a 20 year, no-interest loan provided by the Commonwealth of Virginia. The debt service associated with this loan comprised most of the wastewater rate increase. The water rate decreased by \$5.05, from \$39.55 to \$34.50. The wastewater rate increased by \$25.40, from \$35.45 to \$60.85. The sanitation rate decreased by \$1.43, from \$14.00 to \$12.57. The total utility fee would be \$107.92. The General Fund budget was 2,957,183, the Public Utilities budget was \$1,496,082, the Harbor Fund budget was \$2,566,869 and the Sanitation Fund budget was \$160,452 for a total FY 2013-2014 budget of \$7,180,586. Kim Coates went on to review the Capital Projects by Fund. For the General Fund i) The Cape Charles Multi-Use Trail at \$750K, \$600K would be reimbursed by grant proceeds with a Town match of \$150K; ii) The Fishing Pier Old Section Replacement at \$310K, \$288,300 would be reimbursed by grant proceeds with a Town match of \$21,700; iii) Handicap Access for old Library at \$40K; and iv) Sidewalk Connection from Heritage Acres at \$10K for a total expense of \$221,700. For the Public Utilities Fund: i) Engineering for Keck Wells Connection at \$60K; ii) Replacement Generator at \$45K; and iii) Engineering for the Plum Street Pump Station at \$30K for a total expense of \$135K. For the Harbor Fund: i) Floating Slip Section at \$100K, \$75K would be reimbursed by grant proceeds with a Town match of \$25K; ii) A new Gator at \$12K; and iii) Wave Attenuators at \$1M, all of which would be reimbursed by grant funding. The total expense for the Harbor projects amounted to \$37K and the total of all Capital Projects for FY 2013-2014 was \$393,700.

Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to adopt Resolution 20130627 Approving the Budget for Fiscal Year 2013-2014 and Making Appropriations for the Fiscal Year. Mayor Sullivan moved for adoption of Resolution 20130627 as noticed and forewent reading of the Resolution. The motion was approved by majority vote. Roll call vote: Bannon, yes; Bennett, yes; Natali, yes; Sullivan, yes; Wendell, no.

Chief Brown introduced new police officer Chelsea Pfeiffer who was formerly with the Department of Juvenile Services. Ms. Pfeiffer held a bachelor's degree in Criminal Justice and would be starting the police academy the end of July. Council welcomed Ms. Pfeiffer to the Town.

Motion made by Councilman Sullivan, seconded by Vice Mayor Bannon to adjourn the Town Council Special Meeting. The motion was approved by unanimous consent.

Mayor Sullivan

Town Clerk