



## TOWN COUNCIL

### Special Meeting

Town Hall

February 7, 2013

Immediately Following Public Hearing

At 6:05 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 Godwin and Sullivan and Councilwoman Natali. Councilmen Bennett and Wendell were not in attendance. Also present were Town Manager Heather Arcos, Treasurer Kim Coates, Harbor Master Smitty Dize, Chief Charles Brown and Town Clerk Libby Hume. There were 4 members of the public, including Mr. Eyre Baldwin of South Port Investors, in attendance.

#### **PUBLIC COMMENTS**

There were no public comments to be heard nor any written comments submitted prior to the meeting.

#### **ORDER OF BUSINESS**

##### *A. Bids for Easements on Tax Parcel 83A3-10:*

Heather Arcos stated that one bid was received and proceeded to read the bid proposal from South Port Investors, LLC as follows:

The bid was for "\$100 to acquire an easement on, under and across portions of tax parcel 83A3-10 on the harbor bottom to extend 100' west of tax parcel 83A3-12 and 70' north of tax parcel 83A3-19. This easement shall continue for a period of 40 years or so long as the Bidder leases or owns the adjacent parcels 83A3-12 and 83A3-19 and used in connection with Bidder's boat repair and other business activity on these adjacent parcels which will create jobs, promote capital investment, increase local tax revenues and stimulate the local economy of the Town of Cape Charles."

Mayor Sullivan asked if there were any further bids to be offered. Being that there were no further bids offered, Mayor Sullivan declared the bidding closed.

##### *B. Granting of Easements on Portions of Tax Parcel 83A3-10:*

Heather Arcos stated that South Port Investors, LLC currently leased five parcels of Town property. South Port's plans had evolved and the leases require amendment to allow for currently planned uses. Easements were also needed to recognize encroachment on the harbor bottom of Parcel 10 for lift facility piers, floating dock piles and similar equipment. The proposed encroachment would be up to 100' west of Parcel 12 and 70' north of Parcel 19. The granting of such easements on public property was governed by the Code of Virginia §§ 15.2-1800 and 2100. A public hearing was held pursuant to § 15.2-1800 and the Town advertised the proposed easement for public bids pursuant to § 15.2-2100. The easement must be granted by an ordinance. An advertisement was placed in the January 23<sup>rd</sup> and 30<sup>th</sup> issues of the Eastern Shore News and placed on the Town's website along with a copy of the ordinance. One bid was received from South Port Investors, LLC. There were no comments heard at the public hearing and no comments were submitted in writing prior to the public hearing. Heather Arcos recommended Council discussion on whether to enact Ordinance 20130207 granting the easements on portions of Parcel 10 as presented.

**Motion made by Councilman Sullivan, seconded by Councilwoman Natali, to adopt Ordinance 20130207 – Granting Easements on Town Property (Tax Parcel 83A3-10). Mayor Sullivan read Ordinance 20130207. The motion was approved by unanimous roll call vote. Roll call vote: Bannon, yes; Godwin, yes; Natali, yes; Sullivan, yes.**

*C. Amendment of South Port Leases:*

Heather Arcos stated that the two leases of five parcels of Town property to South Port Investors, LLC contained language that described the permitted uses on previous preliminary site plans. South Port's plans had since evolved and the leases required amendment to allow for currently planned uses which were consistent with South Port's conditional use permit which was approved on January 10, 2013 subject to approval of the lease amendments. Amendments had been negotiated, primarily to refine language based on the current site plan to: i) standardize language concerning permitted uses, acquisition rights and lease termination; ii) recognize encroachment, via easements, on the harbor bottom of Parcel 10 for lift facility piers, floating dock piles and similar equipment; and iii) delete liquidated damages provisions associated with closure of the former wastewater treatment plant. Council had previously reviewed the details of the proposed amendments which, except for the easements on the harbor bottom, did not extend the time nor enlarge the territory of the existing leases.

Mayor Sullivan asked Council if they had the opportunity to review the lease amendments which were included in the agenda packet and if they had any questions. There were none.

**Motion made by Councilman Sullivan, seconded by Vice Mayor Bannon, to adopt Resolution 20130207 – Approving (I) The Second Amendment to Lease Agreement Between Municipal Corporation of Cape Charles and South Port Investors, LLC, and (II) The Fifth Amendment to Lease Agreement Between Municipal Corporation of Cape Charles and South Port Investors, LLC. Mayor Sullivan read Resolution 20130207. The motion was approved by unanimous roll call vote. Roll call vote: Bannon, yes; Godwin, yes; Natali, yes; Sullivan, yes.**

*D. Cape Charles Memorial Library:*

Heather Arcos stated that since the last update, a lot had been completed at the new Library. Several rooms had been plastered and painted and the exit and emergency lights had been installed. The work in the bathroom for ADA compliance should be completed this week. The carpet had been ordered and installation was scheduled for next Friday. The new book shelving had been finalized and would be ordered after Council's decision this evening. April 1<sup>st</sup> was the target date for moving. The front portion of the second floor would be used for document storage which would save the Town approximately \$2,400 annually. \$68,420.05 from the Library CD was transferred to the Local Government Investment Pool (LGIP) designated for the Library. In addition to the CD, \$922 was received from the recycling of the safety deposit boxes and \$970.75 was received from auctioning surplus furniture and items from the former bank building amounting to a total of \$70,312.80. Council reviewed a spreadsheet showing the dollars spent or allocated on the new Library which showed amounts totaling \$54,399.34. Heather Arcos asked that the \$70,312.80 be allocated for the Library fund and authorization be given for her to administer the funds accordingly. Council would be kept apprised of all expenditures.

**Motion made by Vice Mayor Bannon, seconded by Councilman Godwin, to authorize the Town Manager to allocate the \$70,312.80 for the purpose of the Library. The motion was approved by unanimous roll call vote. Roll call vote: Bannon, yes; Godwin, yes; Natali, yes; Sullivan, yes.**

*E. 2013 Harbor Rate Schedule:*

Harbor Master Smitty Dize stated that the last rate review and increase to the Harbor Rate Schedule was in March 2011. Prior to that, the rates were last increased in 2009. With the

current inflation and debt service, Smitty Dize stated that he felt the proposed rate increases were fair. Smitty Dize briefly reviewed the proposed rate changes.

Councilwoman Natali asked for an explanation of the new fee for bait. Smitty Dize responded that the 1¢ fee was added because his software would not accept zeros and it was necessary to track the weight being brought into the Harbor. Heather Arcos explained that there was a threshold for weight for possible assistance in future projects and it also helped the Army Corps of Engineers. Smitty Dize added that the more tonnage brought into the Harbor, the more assistance the Town could qualify for.

Councilwoman Natali asked if Smitty Dize had spoken to any of his boating customers regarding the rate increase. Smitty Dize responded that the boaters expected the increase last year with all the new amenities offered at the Harbor.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to approved the proposed Rate Schedule changes as presented. The motion was approved by unanimous roll call vote. Roll call vote: Bannon, yes; Godwin, yes; Natali, yes; Sullivan, yes.**

*F. Harbor Rules and Regulations:*

Smitty Dize stated that the current version of the Harbor Rules and Regulations were adopted by the Town Council on February 10, 2011. Since that time, a number of upgrades had been made to the Harbor's facilities and updated rules were needed. Smitty Dize reviewed the various changes but the majority of time was spent reviewing the changes to the Waiting List. Smitty Dize explained that several years ago, the waiting list procedures were changed giving preference on the waiting list to Town residents. Some people had been on the waiting list for certain sized slips since 2002. Letters were sent out periodically to individuals on the waiting list to verify that they were still interested in a slip. There was some discussion regarding Town residents getting preferential placement on the waiting list since they paid taxes to the Town, but Council agreed to defer to Smitty Dize's preference.

**Motion made by Vice Mayor Bannon, seconded by Councilman Godwin, to approve the proposed changes to the Harbor Rules and Regulations as discussed. The motion was approved by unanimous roll call vote. Roll call vote: Bannon, yes; Godwin, yes; Natali, yes; Sullivan, yes.**

Smitty Dize distributed copies of proposed signage at the Harbor listing the various businesses in the Harbor area with depictions of their locations on a map. Councilwoman Natali liked the look of the proposed sign and stated that similar signage be developed showing the other businesses in Town. Councilwoman Natali suggested several changes to uniformity.

*G. Police Car Replacement Financing:*

Mayor Sullivan stated that on December 26, 2012, an accident occurred during inclement weather causing severe damage to the 2008 Ford Crown Victoria police vehicle. The insurance company deemed it a total loss and payment of \$11,400 had been received. Chief Brown was requesting a 2013 Dodge Charger to replace the 2008 Ford at a cost of \$23,145. The insurance proceeds would be used towards the purchase of the new vehicle. Council reviewed the financing options provided by Treasurer Kim Coates. Staff's recommendation was to apply to USDA Rural Development to finance the balance of \$12,486.60 for the new vehicle at a fixed rate of 3.12% for three years with annual payments of \$4,162.20. The first annual payment would be included in the FY 2013-2014 budget.

There was some discussion regarding salvaging the equipment in the 2008 Ford for use in the new vehicle. Chief Brown stated that all salvageable equipment had been removed and would be installed in the new vehicle. Chief Brown added that his goal was to get the police vehicles

on a five-year replacement plan. After five years, the vehicles typically had approximately 65K miles and could still be sold for a decent amount at auction. Each additional year, the value was reduced considerably and maintenance costs increased for transmissions, etc.

Heather Arcos clarified that the action tonight was just to apply for the loan. The Town could have the loan approval by the February 21<sup>st</sup> Town Council Regular Meeting for a vote to proceed with the purchase of the vehicle.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to authorize the Town Manager to submit a loan application to the USDA Rural Development in the amount of \$12,486.60 for the purchase of a new police vehicle as discussed. The motion was approved by unanimous vote.**

**Motion made by Councilwoman Natali, seconded by Councilman Sullivan, to adjourn the Town Council Special Meeting. The motion was approved by unanimous vote.**

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Mayor Sullivan

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Town Clerk