



TOWN COUNCIL

Work Session

Town Hall

September 11, 2012

6:00 PM

At 6:00 p.m., Mayor Dora Sullivan, having established a quorum, called to order the Work Session of Town Council. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Sullivan, Veber and Wendell and Councilwoman Natali. Councilman Godwin arrived at 6:05 p.m. Also present were Town Manager Heather Arcos, Assistant Town Manager Bob Panek, Town Planner Tom Bonadeo, Code Official Jeb Brady, Treasurer Kim Coates, Librarian Ann Rutledge, Police Chief Charles Brown, Officer Jim Pruitt and Town Clerk Libby Hume. There were 12 members of the public in attendance.

Mayor Sullivan announced the business for the evening would be to get an update on the Bank of America building and associated properties.

Town Manager Heather Arcos gave a brief recap of the events leading up to the purchase of the Bank of America building and associated properties as follows: i) On July 12, 2012, Town Council was contacted by Bank of America representatives with a purchase price of \$200K for the Bank of America building and associated properties; ii) Prior to this offer, after receiving notification of the impending closure of the Bank of America branch effective March 2012, Staff actively reached out to representatives of the Bank of America, including their president, and our State legislators; iii) The Bank of America advertised for bids which were due on June 8, 2012 and the Town Council did not put in a bid for the property; iv) On July 19, 2012, Town Council held a special meeting in consideration of the offer from the Bank of America for the Town to purchase the properties and voted five to one to adopt Resolution 20120719 authorizing the Town Manager to move forward and finalize a purchase and sales contract for the purchase of the Bank of America building and associated properties and for the Mayor to execute the final negotiated contract; v) On July 26, 2012, the contract was executed by the Mayor and a \$20K non-refundable earnest money deposit, which amounted to 10% of the purchase price, was paid; and vi) The Town's 30-day due diligence period would end on September 14, 2012. The purpose of tonight's work session was for staff to report to Council regarding: i) the physical inspection of the building and associated properties; ii) review of the various reports submitted by the Bank of America; iii) the status of the library configuration; and iv) the financing of the Bank of America property acquisition.

Code Official Jeb Brady reviewed his inspection reports for the following areas of the building: i) Foundation – The foundation appeared to be in good repair with the exception of the basement area located in the rear of the structure. Water intrusion appeared to be coming from a chimney stack that was in use as the exhaust for the two boilers used to heat the building. Due to the age of the building, it was not an uncommon occurrence for any building with a basement in the Town but it was of major importance to repair this issue because the basement was the foundation and played a major role in the structural stability of the building. The heating system was in the basement and the system would not last with the major flooding that was possible. Jeb Brady's recommendations were to fix the water intrusion issues at an estimated cost of \$10K. The basement walls should be flood proofed at an estimated cost of \$40K. It was important to protect the mechanical systems and structural stability of the building but it did not need to be done immediately. A minor issue would be the addition of a dehumidifier at an estimated cost of \$1K; ii) Exterior – The exterior of the building had been maintained in a very good condition. The sidewalks were in good condition. The blacktop parking lot at the rear of the building was in good shape. The handicapped accessible ramp on the front of the building was more than

adequate to accommodate the building's use as a library. All doors and windows were in good repair with the exception of one window on the west side which had a crack on the top of the window. The rear door could be used as a second means of egress for the library. Jeb Brady recommended that the one window pane be replaced at an estimated cost of \$500; iii) Roof – The visual inspection of the roof showed that it had been maintained properly with repairs done in a timely fashion. The secondary roof on the east side of the building, which was lower than the main roof, posed a problem. A mini-split mechanical system was installed on this roof to keep the space conditioned where the ATM was installed. Water was standing in the corner where the unit was installed. Jeb Brady stated that he was unable to determine whether the weight of the unit caused the pooling of the water but the concern was that the longevity of the roofing system was greatly reduced due to the standing water. This issue needed to be addressed as a priority to keep the water from deteriorating the roofing membrane. Jeb Brady recommended repairing the standing water issue at an estimated cost of \$5K and purchasing a maintenance plan from a roofing company; iv) Interior – The first and second floor loft area was well maintained and could be in move-in condition depending on the use of the building; v) Building Safety – A number of upgrades were made to the building to comply with fire regulations. Some additional items would need to be done with the change of use from a Business Use to an Assembly Use and the increased occupant load as follows: a) A second means of egress needed to be in place for a library use with an occupant load of 50 or more people. There was a door at the rear of the structure that could be used but the door must be changed to an out swinging door and exit signs needed to be installed; b) Due to bank security reasons, there were three doors from the main entrance to the floor area. At least one door should be removed to allow for a smoother exit should an emergency occur; and c) The balcony railing on the second floor loft area posed a great safety risk due to the height of the railings at 32" from the floor. The current building code required all railings in a commercial setting be a minimum of 42" from the floor. Jeb Brady recommended that tables could be placed along the entire balcony railing for computers, etc. so as not to allow access to the railing edge, or the height of the top rail could be increased; vi) Electrical – The electrical on the first floor and second floor loft area was in good working order and safe condition. Chapman Electric performed a walkthrough and recommended that the Town begin making upgrades to the system on an annual basis as financially possible. If any of the panels failed, they could not be repaired and replacement would be the only solution. There was also an issue that the old wiring could not support the computers. New wiring would need to be installed in the area where the computers would be located. Tom Bonadeo stated that new wiring was installed in some areas of the building to accommodate the tellers' equipment and computers; vii) Plumbing – The plumbing systems appeared to be operational and there were two small bathrooms on the first floor that were used by bank employees. A break room on the second floor loft area had one sink in operable condition. B&B Plumbing and Heating performed a walkthrough. Most of the plumbing was under the concrete slab so any moving of the bathrooms could be a major cost due to the necessity to remove some of the concrete floor. Either of the existing bathrooms would have adequate space to retrofit it with a handicapped toilet and sink. Currently, each of the sinks was supplied by hot water heaters installed in the bathrooms. The heaters would have to be removed to comply with ADA regulations and Jeb Brady suggested the installation of on-demand hot water heaters; and viii) Heating & Air Conditioning – The heating and air conditioning systems appeared to be operational. The heating system consisted of two oil-fired boilers forcing hot water through radiators. The air conditioning system was a condensing system that forced cold water through the wall units on the first floor. B&B Plumbing and Heating performed a walkthrough. The heating system was well maintained but there were concerns with the location of the boiler system in the basement. As long as there were no major flooding issues and routine maintenance was performed, the system should perform as designed for a good while. The air conditioning system seemed to perform as designed. The mini-split system installed in the front of the building for the old ATM space was in a safe, operating condition. Jeb Brady's recommendations were as follows: a) Installation of a unisex handicapped bathroom for general public use at an estimated cost of \$2,500; b) Removal of the bank teller stations and installation of new carpet at an estimated cost of \$2K; c) Installation of upgraded

wiring for the designated computer areas at an estimated cost of \$3K; d) The second floor loft railing needed to be brought into compliance at an estimated cost of \$2K; e) One of the entry doors needed to be removed. This would be done by volunteers at no expense; and f) Installation of an out-swinging door and exit signage for the second means of egress at a cost of \$1K. Jeb Brady stated that all cost figures were guesstimated high because of the short timeframe of due diligence and quotes were not able to be obtained.

Jeb Brady went on to review some items for consideration as follows: i) The current storage area on the second floor loft area should be cleaned up, painted and trimmed to be used as meeting space and/or computer space; ii) The entire building had been closed up for several months and professional cleaning was recommended as the building was very musty; iii) The ATM wall should be removed from the main entrance area to utilize the mechanical system for the vestibule area; and iv) The alley easement should be put in place to allow access to all the commercial properties up to Watson's property.

Jeb Brady concluded by summarizing the necessary work prior to move-in as modification to the existing bathroom for a unisex, handicapped configuration, removal of the bank teller stations, wiring upgrades for computers, second floor balcony railing modification, removal of one entrance door, and installation of out-swinging door and exit signage for second means of egress at an estimated cost of \$10,500. Near-term work consisted of the replacement of window pane on the west side, repair of the standing water issue on the first floor roof, and repairs to the basement water intrusion and waterproofing of the walls at an estimated cost of \$56,500.

There was some discussion regarding the basement, water intrusion which mainly seemed to occur when it rained, and the alleyway. There was also some discussion regarding locations of the computer lab, the possibilities for the third floor and the installation of an elevator. Tom Bonadeo stated that a 10' x 10' column for an elevator could be constructed at the rear of the building and would take up only one parking space.

Councilwoman Natali mentioned that the operational and utility costs and the cost for insurance also needed to be considered.

There was some discussion regarding the existing furniture which would convey with the property. The furniture had been inventoried and much of the furniture could be utilized by the Library and staff, but the excess furniture would be sold.

Town Planner Tom Bonadeo gave an overview of the various building and property reports provided by the Bank of America. The reports received were as follows: i) ARCADIS Phase 1 ESA showed asbestos only in the floor tile and tile mastic. The deed confirmed the property boundaries and easements. The underground oil tank was rated "tight" and did not leak; ii) 1997 Asbestos Survey confirmed that an asbestos abatement was done in 1987 probably to remove pipe insulation and no remains were found; iii) 2004-2007 HVAC Maintenance Records was a repair history of work performed during those years; iv) 2006 Roof Inspection report confirmed the installation dates and type of roof material and showed the life expectancy should extend until 2020; v) 2005 Exterior Repairs Project Documents showed the repair and maintenance efforts performed on the exterior of the building including window replacement, historic window repair and painting with the removal of asbestos-containing caulk and limestone work; vi) Exterior Photos taken prior to the exterior maintenance project; vii) 2001-2012 Chiller and Boiler PM Data was a list of preventative maintenance done during the time period; viii) 2004 Deed Copy was for the building, adjacent parking lot and two additional lots – four parcels total; ix) 2005 UST Report showed the underground storage tank (UST) to be tight in accordance with the EPA test requirements; x) 2007 UST Registration Information showed the UST was registered with DEQ in 1999; xi) 2001-2004 HVAC Equipment Replacement Project covered the replacement of the chiller and the addition of the HVAC for the ATM area. The chiller provided cold water for

the air conditioning system; xii) 2006-2011 Floyd Energy Bills showed average fuel oil bills of \$3,600 per year with a monthly average of \$300 when annualized. Heather Arcos added that the Town paid about \$3K per year for the current Library for propane; and xiii) 2006-2012 Delmarva and ANEC Bills showed an average of \$585 per month for 2011. Since March 2012, when the bank moved, the bills were \$200 or less per month with the air conditioning still running but all other equipment removed. Heather Arcos stated that the Town currently budgeted \$3,500 for electricity for the Library.

Mayor Sullivan stated that she was impressed with the amount of the utility bills for an old building of that size, especially compared to the bills for the current Library.

There was some discussion regarding the square footage of the building and locations for the books, etc.

Tom Bonadeo informed the Council that he had spoken to Mr. Leon Parham who had agreed to assist the Town as an unpaid consultant. Heather Arcos added that she had contacted Mr. David Moore, who had given a presentation to the Eastern Shore Public Library for the new facility in Accomack County, but had not heard back from him as yet.

Tom Bonadeo pointed out the location for the alleyway and there was some discussion regarding adequate access for emergency vehicles, trash and delivery vehicles.

Heather Arcos noted that the two additional lots on Randolph Avenue were previously designated for parking by the former Real Estate Committee.

Heather Arcos also informed the Council that Librarian Ann Rutledge was working on a space configuration and was working closely with the Library Board and Friends of the Cape Charles Memorial Library. There was a USDA grant available for Library equipment and the request to apply for this grant would be reviewed at the September 13th Regular Town Council Meeting.

Heather Arcos went on to review the financing of the Bank of America property acquisition stating that at the July 19th meeting, Council adopted by resolution a budget amendment to reallocate \$219,236.37 from the Water/Wastewater Fund to General Fund. This money was part of the bond and was to be used for the connection of the new wells. Bond Counsel reviewed the acquisition of the Bank of America property and determined that it was in the description of limitations of the bond. All the projects included in this bond had been completed with the exception of the well connections. The Town had not yet received a permit from the DEQ to connect the wells. The two additional wells were required due to projected growth and included a build out of all of the Bay Creek development, the Tavi property, the Gallagher property, and South Port property. The wells would still be connected in the future, but there was not a need to do so at this time. The current permit was for 360K gallons per day (GPD) and the average daily usage during May through August was 149K GPD. The highest single usage day was July 6, 2012 with 211K GPD.

Discussion continued regarding the anticipated tap fees of \$52K from Echelon Resources, \$44K from Bay Creek for the Beach Club, and \$72K for six potential residences in the Bay Creek development totaling \$168K which was over half of the money being reallocated. Heather Arcos listed other areas where funds could be reclassified as follows: i) \$2,400 for Bay Storage; ii) \$19,857 for the part-time position for the Code Enforcement Department which had been cut; iii) \$15K for the painting and repairs to the current Library building; iv) \$10K for street light repairs which would be deferred; v) \$10K for the Downtown Streetscape project which were for benches, etc.; and vi) \$10K in contributions to the Library. These amounts totaled \$66,057. Heather Arcos added that she and Treasurer Kim Coates would be looking at other areas of the budget where costs could be saved.

There was some discussion regarding the possible uses of the current Library building for meeting space, recreational space and/or a Library Annex. Heather Arcos stated that a public information meeting would be scheduled for a later date to get public input.

Tom Bonadeo asked Council to give him a call if anyone wanted to review the Bank of America reports.

Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to adjourn the Town Council Work Session. The motion was approved by unanimous consent.

Mayor Sullivan

Town Clerk