



**TOWN COUNCIL**  
**Regular Meeting**  
**St. Charles Parish Hall**  
**June 19, 2014**  
**6:00 PM**

At approximately 6:00 p.m. Mayor Dora Sullivan, having established a quorum, called to order the Regular Meeting of the Town Council. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Godwin, Sullivan, and Councilwoman Natali. Councilmen Bennett and Wendell were not in attendance. Also in attendance were Mayor-elect George Proto, Town Manager Heather Arcos, Treasurer Debbie Pocock, Code Official Jeb Brady and Town Clerk Libby Hume. The majority of the Department Heads were in attendance as well as approximately 10 members of the public.

A moment of silence was observed followed by the recitation of the Pledge of Allegiance.

**INSTALLATION OF NEW MAYOR AND COUNCIL MEMBERS/OATHS OF OFFICE**

Northampton County Circuit Court Clerk Traci Johnson administered the oaths of office to Mayor-elect George Proto, Councilman-elect Chris Bannon and Councilwoman-elect Joan Natali. Councilman-elect Charles "Sambo" Brown was sworn in on May 30, 2014. Their terms would be effective July 1, 2014.

**PUBLIC COMMENTS:**

*Dorie Southern, 104 Monroe Avenue*

Ms. Southern addressed the Council regarding the request from Charon Ventures. (Please see attached.)

*Heinz Sommer, 7 Kings Court*

Mr. Sommer began by thanking Treasurer Deborah Pocock for providing answers to his questions from the June 12, 2014 Town Council Budget Public Hearing as well as guiding him on how to locate financial information on the Town's website.

Mr. Sommer went on to ask the following questions: i) Why did the Town purchase vehicles rather than lease them? Leasing would assist with the cash flow; and ii) What was the total amount of contingency in the budget line items? Mr. Sommer stated that he could only identify two which were the contingency fund in the amount of \$120K and the Town Manager budget which included approximately \$200K in contingency. The two items combined would reduce the budget by about \$300K. The revenues generated by real estate taxes were approximately \$1.1M. The real estate taxes could be reduced by about 25%-30% without cutting any budgeted expenditures. Mr. Sommer explained that this would make the Town more attractive to potential home buyers and investors. There were currently about 2K building lots and more than 100 homes under market value in town, mostly in Bay Creek. The tax base would broaden substantially if these lots were sold and built upon and would help the town attract new businesses and assist existing businesses increase revenue and taxes to the benefits of Cape Charles.

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

**CONSENT AGENDA – APPROVAL OF AGENDA FORMAT:**

Mayor Sullivan stated that a new item would be added under New Business Item 8E – Gale Matter-Request for Variance.

**Motion made by Vice Mayor Bannon, seconded by Councilman Sullivan, to approve the agenda format as amended. The motion was approved by unanimous consent.**

**CONSENT AGENDA – APPROVAL OF MINUTES:**

The Town Council reviewed the minutes of the May 22, 2014 Regular Meeting, the June 5, 2014 Work Session, the June 5, 2014 Executive Session, and the June 12, 2014 Public Hearing.

**Motion made by Councilwoman Natali, seconded by Vice Mayor Bannon, to approve the minutes from the May 22, 2014 Regular Meeting, the June 5, 2014 Work Session, the June 5, 2014 Executive Session, and the June 12, 2014 Public Hearing as presented. The motion was approved by unanimous consent.**

**DEPARTMENT REPORTS:**

*C. Treasurer's Report:*

Treasurer Deborah Pocock reviewed the Treasurer's report dated May 31, 2014 which showed \$357,211 in the Shore Bank checking account, \$97,342 in the Local Government Investment Pool (LGIP) Account 1 for utilities, \$509,288 in the LGIP Unrestricted Account 2. Deborah Pocock continued her review of the Cash Position report regarding restricted and reserved cash balances which showed \$96,585 in the Shore Bank checking account for reserved facility fees, \$1,231 in the Shore Bank Savings Account for Police Funds, and \$257,581 in the US Bank reserve account per the VRA interest free Loan requirements. The PNC Account-2013 Bond Proceeds-Principal showed \$959,629 and the PNC Account-2013 Bond Proceeds-Interest showed \$636. \$42,065 of the bond proceeds was used for the new grinder for the wastewater treatment plant. The Total Cash on Hand was \$963,882, the Total Cash Held in Reserve was \$1,315,663 and the total of all accounts was \$2,279,545. The decrease in the Shore Bank checking account reflected a capital project payment of \$129K. Deborah Pocock went on to review the Tax Collection Comparison for Fiscal Years (FY) 2013 and 2014, the Revenues vs. Expenditures, the Capital Improvement Projects, the 2013 real estate tax collections, and the 2013 personal property tax, machinery and tools tax and 2014 license tax collections. A new item being reported this month was the percentage of fees for credit card payments which varied by .01% or .02% depending on the amount collected. Year-to-date the Town had paid \$6,099.96 in fees for \$202,076.27 in collections which amounted to 3%. The current total debt amounted to \$10.17M and all balances were scheduled to be paid off by 2034.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to accept the Treasurer's Report as submitted. The motion was approved by unanimous consent.**

*B. Planning Commission and Boards:*

Town Manager Heather Arcos stated that there was a new addition to the Town's family – Dylan Testerman was born this morning weighing in at 9.2 lbs. and 21" long. Rob Testerman would be out of the office for two weeks. Heather Arcos informed Council to contact her if there were any questions regarding the Planning Department report.

*C. Other Departmental Reports:*

Code Official Jeb Brady reported the following: i) 18 permits were issued so far this month; ii) Construction on 4 new homes would be starting within the next month with a potential for 2 more; and iii) There was a major fire on Jefferson Avenue at 2:00 AM last Wednesday morning. The house was a total loss and he was working with the insurance company to demolish the structure. Fortunately, no one was injured and the Red Cross was assisting the residents. He found out that there was a Red Cross representative living in Bay Creek.

Town Manager Heather Arcos reported the following: i) She read a portion of a letter from Mr. Ron West of the US Coast Guard Auxiliary expressing his appreciation of Chief Pruitt and Officer Pfeiffer for their assistance in fingerprinting applicants for the auxiliary (Please see attached); ii) The wage, compensation study and staff analysis was ongoing. A representative from Springsted was in Town for two days interviewing the department heads and staff and touring the Town's facilities. The study results would be presented to the Town Council at a work

session the end of July; and iii) The Tall Ships weekend went well. There were a lot of people in the Town over the weekend and no incidents were reported. A follow-up meeting would be scheduled later to discuss the weekend and any issues.

#### **OLD BUSINESS**

##### **A. *Eastern Shore of Virginia PSA – Appointment to PSA Subcommittee***

Heather Arcos stated that the Northampton County Board of Supervisors (BOS) formed an Eastern Shore of Virginia Public Service Authority (PSA) subcommittee to work with the Town regarding provision of wastewater service to the PSA. The BOS requested that two Council representatives be appointed to serve on the subcommittee. Council discussed this request at the May 22, 2014 meeting and Councilwoman Natali was appointed as one of the Cape Charles representatives. Councilman Wendell expressed his interest in serving on the subcommittee but Council was concerned regarding a possible conflict of interest since he owned property within the proposed regional wastewater service area and requested that Councilman Wendell obtain an opinion from the Commonwealth Attorney. Council decided to table the appointment of the second representative until the June meeting. Earlier this week, Councilman Wendell contacted the Clerk's office to inform the Council that he was no longer interested in serving on the PSA subcommittee. Councilman-elect Brown had also expressed an interest in serving on the subcommittee. The action tonight was to appoint the second Cape Charles representative to the PSA subcommittee.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, and unanimously approved to appoint Councilman-elect Brown as the second Cape Charles representative to serve on the PSA subcommittee.**

##### **B. *FY 2014-2015 Proposed Budget & Appropriation***

Heather Arcos stated that the public hearing on the proposed Fiscal Year (FY) 2014-2015 budget was held on June 12<sup>th</sup> pursuant to § 15.2-2506 of the Code of Virginia. There were seven members of the public in attendance and two citizens spoke. The two citizens were contacted after the public hearing and their questions were answered by staff. Heather Arcos went on to review the Summary of Capital Projects by Fund.

Deborah Pocock reviewed the questions asked by Mr. Heinz Sommer at the public hearing along with staff's responses to the questions as follows:

i) Would the Town or County adjust property assessments for 2015?

No, the County was using 2014 assessments for 2015, with the exception of new construction or partial construction, which the county was still working on assessing. The Town's total property assessment for FY 2014 was \$409,929,500.

ii) What were duplications of efforts between the Town and County (Planning, Code Enforcement and Police)?

There were no duplications. The County did not support the Town's zoning ordinances and code enforcement services. If they were asked to do so, they would charge for those services. The State of Virginia did fund one police officer position at about \$28K per year. The Town had its own zoning ordinances, and per the Annexation Agreement, we must have a Town Planner. If the Town were able to let it go, the County would bill us for planning services.

iii) Were 2014 figures in the budget reports given at the Town Council meetings and online actual or budget?

They were budget figures. The actual year-to-date numbers were given each month on the Treasurer's Report and were available online.

iv) What happened if funds were shifted from one budget line to another?

The Town Manager was given the authority to re-appropriate money from one fund to another with Council approval.

v) Please explain the increases in Departmental Budgets for FY 2015 over FY 2014.

Note: All departments would have salary increases of 2% due to the COLA adjustment.

Legislative: Increase was due to capital expenditures which were for the purchasing furniture and equipment for the new Civic Center.

Town Clerk: New scanning system for archiving records and scanning system maintenance.

Finance: Anticipated increase in contracted services such as auditor, credit card fees, accounting software maintenance, etc.

Public Works: The trail project (capital expenditure) as well as increased maintenance and utilities to new park restrooms, civic center and public infrastructure.

Town Manager: Capital expenditure – the purchase of a new phone system. Addition of Tourism initiatives to Town Manager’s budget was also new this year, for a total of \$68,700, the details of which were as follows:

Arts Enter .....	\$5,000
Eastern Shore Eventacular, Inc. (Tall Ships/Birding Festivals) .....	\$5,000
Cape Charles Business Association (Includes LOVE Display) .....	\$2,500
Eastern Shore Tourism Commission (Welcome Center, Rack Display) .....	\$15,000
Fireworks .....	\$10,000
Historical Society Welcome Center .....	\$5,000
Print Marketing – Virginia Travel Guide, Eastern Shore Travel Guide, Printing of four Welcome Center rack cards .....	\$10,980
Social Media Marketing – Cape Charles by the Bay .....	\$3,600
Website Maintenance/Hosting – Cape Charles by the Bay .....	\$5,400
Tourism Contingency .....	\$6,220

In addition, the Cape Charles Volunteer Fire Company contribution increased by \$6,400 to \$25K in FY 2015 and Legal Fees increased by \$15K. Debt Service for General Fund reflected an increase of \$31,156 due to a scheduled principle payment of \$21,293 for the 2010 General Obligation Bond and a 2013 PNC Bond principle and interest payment of \$9,863.

A general contingency fund of \$120,150 was added to the Town Manager budget this year.

Heather Arcos added the following: i) Transient Occupancy Tax would increase from 3% to 3.7% effective January 1, 2015; and ii) The water rate was decreased to \$31.15 as a result of refinancing the loan for the water tower. The wastewater rate increased to \$63.27 due to increased costs for maintenance and debt service. The trash service was outsourced to Davis Disposal and their pickup rate increased to \$13.50 for the next two years. The net amount of the utility bill remained unchanged at \$107.92.

**Motion made by Councilwoman Natali, seconded by Councilman Godwin, to adopt Resolution 20140619 Approving the Budget for Fiscal Year 2014-2015 and Making Appropriations for the Fiscal Year. Mayor Sullivan moved for adoption of Resolution 20140619 as noticed and forewent reading of the Resolution. The motion was approved by unanimous vote of the Council members in attendance. Roll call vote: Bannon, yes; Godwin, yes; Natali, yes; Sullivan, yes.**

C. *USDA Grant/Loan Resolution for New Police Vehicle*

Heather Arcos stated that Council authorized the application requesting grant and loan funding to the US Department of Agriculture – Rural Development (USDA RD) to purchase a new police vehicle. At the May 22, 2014 meeting, staff informed Council that the Town had been awarded a grant in the amount of \$8,100 and loan approval for \$15,100 for the purchase of a new 2014 Dodge Charger. The police vehicles were on a five-year rotation schedule for replacement. The total cost of the 2014 Dodge Charger, including equipment, was \$25,857, which was the state contract price. The total of the grant and loan proceeds amounted to \$23,200 and the difference of \$2,657 was included in the FY 2014-2015 Police Dept. budget. The USDA RD’s current interest rate was 4.125% for five years with an annual payment of \$3,404. The first annual payment would be due in FY 2015-2016 and there was no prepayment penalty under the guidelines of this loan. The interest paid by the Town, if financed for the full five years, would be \$1,920. A resolution was required stating Council’s agreement to abide by the covenants and

to execute the forms required by the USDA RD. The loan resolution was part of Resolution 20140619A.

**Motion made by Councilman Godwin, seconded by Councilman Sullivan, to adopt Resolution 20140619A to authorize the Town Manager to execute all applicable forms required by the USDA RD to purchase the new police vehicle. Mayor Sullivan moved for adoption of Resolution 20140619A as noticed and forewent reading of the Resolution. The motion was approved by unanimous vote of the Council members in attendance. Roll call vote: Bannon, yes; Godwin, yes; Natali, yes; Sullivan, yes.**

**NEW BUSINESS:**

*A. Charon Ventures Extension Request*

Heather Arcos stated that Charon Ventures, LLC was requesting an extension for the Cape Charles Lofts Project until December 31, 2015 and reported the following: i) The Interior Demolition & Structural Stabilization Permit was issued on May 20, 2014 and demolition should begin by the end of June; ii) Approval had been received from VDOT. All permits and certificates had been approved; iii) The Northampton County Tax Assessment Rehabilitation Application was approved on May 28, 2014; iv) Mr. Dave McCormack was estimating that the construction would last through July 1, 2015 with an additional month for punch list items and final clearing. An extension until December 31, 2015 was being requested to cover any unforeseen delays in the construction schedule. Councilman Bennett was in DC and unable to attend this evening but provided his input regarding this request and stated that he would be agreeable to a 15-month extension to September 30, 2015. No input was received from Councilman Wendell.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to follow Councilman Bennett's recommendation to approve an extension for Charon Ventures, LLC until September 30, 2015. The motion was approved by unanimous vote.**

*B. W. M. Schlosser Contract*

Heather Arcos stated that the attached Settlement Agreement and Release of Claims had been reviewed by legal counsel. The Town agreed to attempt to resolve the dispute through mediation to avoid the cost of a lengthy arbitration or other legal proceedings. W. M. Schlosser (WMS) had resolved the warranty items and a proposed settlement had been reached providing a revised final payment of \$114,500. With this final payment to WMS, the wastewater treatment project was completed about \$350K under budget.

**Motion made by Vice Mayor Bannon, seconded by Councilman Sullivan, to authorize the Town Manager to execute the Settlement Agreement and Release of Claims as discussed. The motion was approved by unanimous consent.**

*C. Town Council Meeting Location*

Mayor Sullivan stated that the Cape Charles Town Council regular meetings had been held in the Saint Charles Parish Hall since April 2008 due to the conversion of the former Council Chambers located at 2 Plum Street into office space. The Town had been renting the facility for \$100 per month. With the relocation of the Cape Charles Memorial Library into the former Bank of America building at 201 Mason Avenue, the former location at 500 Tazewell Avenue was now available for Town use. In April 2014, the Town Council renamed the building the Cape Charles Civic Center. Pursuant to Code of Virginia § 15.2-1416, a resolution needed to be adopted in order to change the location of the regular Council meetings.

**Motion made by Councilman Sullivan, seconded by Councilwoman Natali, to adopt Resolution 20140619B Moving the Location of Cape Charles Town Council Regular Meetings. Mayor Sullivan moved for adoption of Resolution 20140619B as noticed and forewent reading of the Resolution. The motion was approved by unanimous vote of the Council members in attendance. Roll call vote: Bannon, yes; Godwin, yes; Natali, yes; Sullivan, yes.**

D. *Town Council Representative to Library Board*

Mayor Sullivan stated that Vice Mayor Bannon had served as the Town Council representative to the Library Board for 14 years, but had announced his resignation from the Board effective June 30, 2014. The Library Board oversaw the Cape Charles Memorial Library and consisted of seven members, including the Town Council representative, and met on a monthly basis. The members served four-year terms.

Vice Mayor Bannon nominated Councilman Godwin to serve as the Council representative to the Library Board. Councilman Godwin agreed to serve on the Board.

**Motion made by Vice Mayor Bannon, seconded by Councilman Sullivan, to appoint Councilman Godwin as the Town Council representative to the Library Board. The motion was unanimously approved.**

E. *Request for Variance to Town Code § 66-4*

Code Official Jeb Brady stated that the residence at 614 Plum Street had severe water damage due to a faulty pipe in the house. The house was inspected on June 12<sup>th</sup> and determined to be in an unsafe and uninhabitable condition. On June 13<sup>th</sup>, Jeb Brady met with a contractor and insurance adjuster onsite to discuss what action would be required to alleviate the problems. Jeb Brady distributed photographs of the first floor interior of the house which showed the amount of damage. The entire first floor would be required to be gutted at a minimum. The work required a permit, but per Town Code § 66-4, a permit could not be issued until all back taxes were paid. The owner, Mr. Thomas Gale, had not paid taxes for five years and owed a total of \$2,763.67 which included \$580.89 in penalties. Mr. Gale requested a payment agreement for the delinquent taxes. Staff suggestion was for the owner, at a minimum, to pay half of the outstanding amount up front with the remainder payable on a monthly schedule to allow a permit to be issued for the demolition work only to keep the damage from getting worse. This was the only way to stop the mold from getting worse. The permit to complete the restoration to make the structure habitable would not be issued until all the taxes were paid in full. The house was less than 10 years old and was not a contributing structure to the Historic District.

**Motion made by Vice Mayor Bannon, seconded by Councilman Sullivan, to follow Jeb Brady's recommendation requiring payment of half of the outstanding balance prior to the issuance of a demolition permit. Upon payment in full of the delinquent taxes and penalties, a permit would be issued for reconstruction of the structure. The motion was unanimously approved.**

**MAYOR AND COUNCIL COMMENTS**

Mayor Sullivan began by stating that it was her hope that the new Mayor and Town Council would further discussion on the possibility of a standalone emergency facility because it would be a shame to let the three-year initiative dissolve. It was economic development and a plan needed to be put in place. Mayor Sullivan asked that it not be forgotten.

Vice Mayor Bannon stated that the Town Council had received a letter from a citizen regarding boats and jet skis on the beach. In 2006, Vice Mayor Bannon had discussed the issue with former Town Manager Tim Krawczel and Mr. Ron West had given advice at that time. The issue seemed to get worse every year and Vice Mayor Bannon agreed that something should be done.

Smitty Dize suggested designating an area with buoys for swimming.

Heather Arcos stated that something would be drafted for the next Town Council meeting.

Councilwoman Natali recommended getting started and not waiting for the next Town Council meeting since the summer season had already begun.

Smitty Dize stated that there had been discussion about designating an area on the north end of the beach to park boats.

Mayor Sullivan expressed her concern for the safety of swimmers around the boats and asked that something be done before an incident occurred.

Vice Mayor Bannon stated that it had been a pleasure to serve with Mayor Sullivan.

Councilman Sullivan stated that it had been an interesting four years and that it had been an honor to serve on the Town Council.

Councilman Godwin stated that Mayor Sullivan had done a great job and explained that she had good control of the Council, took care of business and was always on point. Councilman Godwin added that he felt that a very capable person was stepping in to take her place.

Councilwoman Natali stated that it had been a pleasure to work with Mayor Sullivan and Councilman Sullivan and went on to state that she appreciated the work sessions to be able to discuss issues before voting. Councilwoman Natali thanked Councilman Sullivan for his great memory and Mayor Sullivan for keeping the peace and added that they would be missed.

Mayor Sullivan explained the importance of working together and being open-minded. Mayor Sullivan wished the best of luck to Mayor-elect Proto.

Mayor-elect Proto stated that the Town had made much progress and felt that it should continue in a positive direction and concluded by wishing Mayor Sullivan much happiness.

#### **ANNOUNCEMENTS**

- July 3, 2014 – Town Council Work Session, 6:00 PM, Town Hall – tentative
- July 4, 2014 – Town Offices Closed in observance of Independence Day
- July 4, 2014 – Fireworks Display and Celebration
- July 5, 2014 – Cape Charles Volunteer Fire Company Seafood Festival
- July 17, 2014 – Town Council Regular Meeting in the Civic Center

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

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Mayor Sullivan

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Town Clerk

**Public Comments and Information Provided in Writing**  
**June 19, 2014**

*Dorie Southern, 104 Monroe Avenue*

Dear Mayor and Town Council,

Your agenda tonight includes consideration of another time extension to Charon Ventures to convert Cape Charles School into apartment units. Please consider the following:

1. The Historic District Review Board did not grant a certificate of appropriateness for the parking lot as proposed by Charon Ventures. That matter is still supposed to be reviewed by the HDRB, but the memo from the Town Manager attached to tonight's agenda states that "final approval" was granted by the Review Board. In fact, the only approval granted by the Review Board was for five specific requests by the developer. The developer has never requested permission to build a parking lot outside the front door of the building. If permission is not requested, does that mean no approval is required? The Town Planner should not allow that.
2. The Conditional Use Permit to allow an apartment house in an R-1 residential zone expired more than a year ago. In addition, the CUP was never issued to Charon Ventures, but instead to Echelon Resources. A new Conditional Use Permit should be applied for in the name of Charon Ventures before Town Council issues any further time extensions. This includes a public hearing. This is a Town Code requirement that should not be ignored.
3. The town told VDOT when it applied for the grant for the Multi-Use Trail that the front of the school would be the trailhead. Now the town has sold the trailhead as part of the school. That could create problems for the trail grant.
4. There is no record of the Historic District Review Board approving the removal of the historic features in front of the school, which include the flagpole and stanchions. There is also no record of a change of address of the school from 23 Park Row to 423 Plum Street. These actions should also have been documented, and could be issues of concern to the Virginia Department of Historic Resources.
5. The town has never issued a water bill to the owners of the school during the 18 months it has been private property. That is a loss to ratepayers of \$2,000 to date. Meanwhile, owners of other vacant buildings in town are required to pay a monthly bill. Why does the town not enforce its own Code?

Town Council should research these questions before granting any further extension to Charon Ventures. In fact, it is not too late to rule that the developer has not fulfilled his commitment, and must return the building and receive a refund of the \$10 paid. Then the school can be returned to public service as it was supposed to be when it was returned to the town by Northampton County more than 20 years ago.

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*District Staff Officer-Navigation Systems  
United States Coast Guard Auxiliary  
Fifth Coast Guard District Southern Region*

*5078 Lucas Trail  
Machipongo, VA 23405  
757- 678-0124 (H)  
rwest@esva.net*

From: DSO-NS 5SR  
To: Town Manager, Cape Charles  
Subj: Support by Police Department of Cape Charles  
Date: 18 June 2014

Heather,

I wanted to express my sincere appreciation for the support that Chief Jim Pruitt and Officer Chelsea Pfeiffer have provided to the Coast Guard Auxiliary, Flotilla 12-02 in recent weeks. One of my tasks is to insure that applicants for the organization complete a background check, including being fingerprinted. They have both gone out of their way to assist me in this endeavor. Chief Pruitt has assisted me in developing my skills in this area and both officers have assisted by fingerprinting some of my applicants on different occasions. He and Officer Pfeiffer have been extremely helpful and professional in every way. The Town of Cape Charles is very fortunate to have such fine officers on their Police Force.

Respectfully,

Ronald N. West  
Ronald N. West  
DSO-NS 5 SR

cc: Mayor, Town of Cape Charles  
Commander, Flotilla 12-02

**MUNICIPAL CORPORATION OF CAPE CHARLES**

**CASH POSITION**

May 30, 2014

<b>Cash on Hand</b>	<b>4/30/2014</b>	<b>5/31/2014</b>	<b>Increase/Decrease</b>
Shore Bank Checking Account	\$464,573	\$357,211	-\$107,363
LGIP Account 1- No longer restricted - Utilities	\$97,334	\$97,342	\$8
LGIP Account 2 - Unrestricted	\$509,288	\$509,330	\$42
<b>Total Cash On Hand</b>	<b>\$ 1,071,195</b>	<b>\$ 963,882</b>	<b>\$ (107,313)</b>

<b>Restricted and Reserved Cash Balance</b>	<b>4/30/2014</b>	<b>5/31/2014</b>	<b>Increase/Decrease</b>
Shore Bank Checking Account - Facility Fees Reserved (Utilities)	\$96,585	\$96,585	\$0
Shore Bank Savings Account - Police Funds	\$1,231	\$1,231	\$0
PNC Account- 2013 Bond Proceeds - Principal	\$1,001,694	\$959,629	-\$42,065
PNC Account- 2013 Bond Proceeds - Interest	\$520	\$636	\$117
US Bank - Reserved per VRA Interest Free Loan Requirements	\$257,587	\$257,581	-\$6
<b>Total Cash Held in Reserve</b>	<b>\$ 1,357,617</b>	<b>\$ 1,315,663</b>	<b>\$ (41,954)</b>
<b>Total Cash - All Accounts</b>	<b>\$ 2,428,812</b>	<b>\$ 2,279,545</b>	<b>\$ (149,267)</b>

**Tax Collection Comparison - May 31, 2014:**

<b>Tax Category</b>	<b>YTD FY 2013</b>	<b>YTD FY 2014</b>	<b>Increase/Decrease</b>	<b>% Change</b>
Admission Taxes	\$16,679.77	\$16,845.88	\$166.11	1%
Business License Tax	\$61,647.02	\$89,899.62	\$28,252.60	46%
Consumer Utility Taxes	\$45,327.65	\$42,700.60	(\$2,627.05)	-6%
Electric, Gas & Telephone	\$46,571.66	\$43,096.00	(\$3,475.66)	-7%
Golf Cart Decals	\$5,239.00	\$4,308.00	(\$931.00)	-18%
License Tax	\$10,271.25	\$18,221.84	\$7,950.59	77%
Machinery & Tools	\$30,780.00	\$26,840.00	(\$3,940.00)	-13%
Meals Tax	\$177,613.80	\$218,896.72	\$41,282.92	23%
Penalties & Interest - All Property Taxes	\$31,757.50	\$58,397.95	\$26,640.45	84%
Personal Property Taxes	\$87,538.75	\$82,324.17	(\$5,214.58)	-6%
Prior Year Real Estate & Personal Property Taxes	\$57,122.04	\$132,875.76	\$75,753.72	133%
Real Estate Taxes	\$1,047,413.07	\$1,063,309.33	\$15,896.26	2%
Short Term Rental Tax	\$4,288.32	\$4,342.01	\$53.69	1%
Transient Occupancy Tax 2%- Town of Cape Charles	\$27,380.09	\$31,347.11	\$3,967.02	14%
Transient Occupancy Tax 1% - Eastern Shore Tourism Commission	\$13,636.01	\$15,479.90	\$1,843.89	14%
<b>Total</b>	<b>\$ 1,663,266</b>	<b>\$ 1,848,885</b>	<b>\$ 185,619</b>	<b>11%</b>

**MUNICIPAL CORPORATION OF CAPE CHARLES**  
**TREASURER'S REPORT**  
**May 30, 2014**  
**REVENUE VS. EXPENDITURES**

<b>FUND</b>	<b>CURRENT MONTH</b>	<b>PRIOR YEAR-TO-DATE</b>	<b>CURRENT YEAR-TO-DATE</b>	<b>INCREASE/ (DECREASE) YTD</b>	<b>ANNUAL BUDGET</b>	<b>% REALIZED/ EXPENDED FY14</b>
<b>GENERAL</b>						
REVENUES	189,566	2,048,139	2,267,295	219,156	2,957,183	76.67%
EXPENDED	294,542	2,477,398	2,030,840	(446,558)	2,957,183	68.67%
NET	(104,976)	(429,259)	236,455		0	
<b>PUBLIC UTILITIES</b>						
REVENUES	126,217	1,895,466	1,411,133	(484,334)	1,496,082	94.32%
EXPENDED	82,390	1,640,973	1,314,329	(326,644)	1,496,082	87.85%
NET	43,827	254,493	96,804		0	
<b>HARBOR</b>						
REVENUES	122,279	843,311	808,932	(34,379)	2,566,869	31.51%
EXPENDED	79,828	982,105	962,249	(19,856)	2,566,869	37.49%
NET	42,451	(138,794)	(153,317)		0	
<b>SANITATION</b>						
REVENUES	13,039	165,109	157,317	(7,792)	160,452	98.05%
EXPENDED	14,209	129,235	140,334	11,099	160,452	87.46%
NET	(1,170)	35,874	16,983		0	

# FY 2014 Capital Improvement Project (CIP) History

May 30, 2014

	FY11	FY11	FY12	FY12	FY13	FY13	FY14	FY14
	actual	budgeted	actual	budgeted	actual	budgeted	actual	budgeted
General Fund			unaudited		unaudited		unaudited	
Cape Charles Multi-Use Trail	\$ 351,814	\$ 165,000	\$ 55,486	\$ -	\$ -	\$ -	\$ -	\$ -
Cape Chas Multi-Use Trail Phase 2	\$ -	\$ 433,026	\$ -	\$ 96,000	\$ 57,752	\$ 96,000	\$ 55,081	\$ 750,000
CBDG Broadband	\$ 207,410	\$ 512,300	\$ 254,742	\$ 209,703	\$ -	\$ -	\$ -	\$ -
Fishing Pier Old Section Replacement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,700	\$ 310,000
Gator 4WD with Sides	\$ -	\$ -	\$ 12,000	\$ 12,000	\$ -	\$ -	\$ -	\$ -
Civic Center Renovation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,243	\$ 40,000
Lots Block A, 1-7, Purchased	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Library Building	\$ -	\$ -	\$ -	\$ -	\$ 207,633	\$ 207,633	\$ -	\$ -
Pickup Truck - Public Works	\$ 20,437	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Works Building	\$ 28,293	\$ 30,000	\$ 36,277	\$ 24,795	\$ -	\$ -	\$ -	\$ -
Restrooms Central Park - Town Portion	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ -
Sidewalk - Connect from Heritage Acres	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,360	\$ 10,000
Street Sweeper	\$ -	\$ -	\$ -	\$ -	\$ 19,089	\$ 20,000	\$ -	\$ -
<b>subtotal</b>	<b>\$ 607,954</b>	<b>\$ 1,160,326</b>	<b>\$ 358,504</b>	<b>\$ 342,498</b>	<b>\$ 299,474</b>	<b>\$ 338,633</b>	<b>\$ 294,384</b>	<b>\$ 1,110,000</b>
Water Fund								
Asset Management System Software	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 1,200	\$ -
Control Panel	\$ -	\$ -	\$ -	\$ 120,000	\$ 114,809	\$ 120,000	\$ 3,178	\$ -
Generator New Water Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000
Infrastructure 2 Wells	\$ 120,906	\$ 280,000	\$ 26,650	\$ 325,000	\$ 5,083	\$ 117,367	\$ 4,150	\$ 60,000
Project Consultant/Management	\$ 3,060	\$ 4,613	\$ 2,576	\$ 3,339	\$ -	\$ -	\$ -	\$ -
Softener Media	\$ -	\$ -	\$ -	\$ -	\$ 24,750	\$ 50,000	\$ -	\$ -
Stainless Steel Racks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ -
Stainless Steel Walkway	\$ -	\$ -	\$ -	\$ -	\$ 9,950	\$ 10,000	\$ -	\$ -
Utility Trailer New (50% Cost)	\$ -	\$ -	\$ -	\$ -	\$ 1,433	\$ 2,500	\$ -	\$ -
Water Production Expansion	\$ 25,183	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>subtotal</b>	<b>\$ 149,149</b>	<b>\$ 304,613</b>	<b>\$ 29,226</b>	<b>\$ 448,339</b>	<b>\$ 156,025</b>	<b>\$ 324,867</b>	<b>\$ 8,528</b>	<b>\$ 105,000</b>
Sewer Fund								
Asset Management Design/Population	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 1,200	\$ -
Generator New Mason Ave	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ -
Generator Replacement Wastewater	\$ 45,000	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inflow & Infiltration Project	\$ 779,889	\$ 1,200,000	\$ 722,664	\$ 325,000	\$ -	\$ -	\$ -	\$ -
Project Consultant/Management	\$ 36,081	\$ 41,519	\$ 24,047	\$ 30,049	\$ -	\$ -	\$ -	\$ -
Pump Stations - Engineering Plum St - Waterworks - Backwash Vault	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,887	\$ 30,000
Utility Trailer	\$ -	\$ -	\$ -	\$ -	\$ 1,433	\$ 2,500	\$ -	\$ -
Vehicle New for Department	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -
WWTP Plant Construction (1)	\$ 9,721,278	\$ 13,041,519	\$ 3,620,370	\$ 6,100,000	\$ 1,233,024	\$ 1,783,944	\$ 105,946	\$ -
<b>subtotal</b>	<b>\$ 10,582,248</b>	<b>\$ 14,328,038</b>	<b>\$ 4,367,081</b>	<b>\$ 6,490,049</b>	<b>\$ 1,234,457</b>	<b>\$ 1,821,444</b>	<b>\$ 135,032</b>	<b>\$ 30,000</b>
Harbor Fund								
Bathhouses	\$ -	\$ -	\$ 343,300	\$ 343,977	\$ -	\$ -	\$ -	\$ -
Gator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000
Marina Inshore Floating Slips	\$ 1,540,370	\$ 1,643,977	\$ 75,378	\$ -	\$ -	\$ -	\$ 7,500	\$ 100,000
Offshore Breakwater Phase 1	\$ 122,485	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Site Work *	\$ -	\$ -	\$ 60,368	\$ -	\$ 1,711	\$ -	\$ -	\$ -
Surveillance Cameras	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Walkways West Dock *	\$ -	\$ -	\$ 62,043	\$ 20,000	\$ 720	\$ -	\$ -	\$ -
Wave Attenuators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
<b>subtotal</b>	<b>\$ 1,662,855</b>	<b>\$ 1,648,977</b>	<b>\$ 541,090</b>	<b>\$ 363,977</b>	<b>\$ 2,431</b>	<b>\$ 500,000</b>	<b>\$ 19,500</b>	<b>\$ 1,112,000</b>
<i>* Site Work and Walkways are funded by VPA grant ** Capital Project Carryover</i>								
<b>TOTAL</b>	<b>\$ 13,002,206</b>	<b>\$ 17,441,954</b>	<b>\$ 5,295,901</b>	<b>\$ 7,644,863</b>	<b>\$ 1,692,387</b>	<b>\$ 2,984,944</b>	<b>\$ 457,444</b>	<b>\$ 2,357,000</b>

**MUNICIPAL CORPORATION OF CAPE CHARLES  
TREASURER'S NOTES  
May 30, 2014**

**YTD 2013 Real Estate Tax Collections**

Total Land Value	\$	206,709,800
Total Improvement Value	\$	<u>203,219,700</u>
<b>Total Real Estate Value</b>	<b>\$</b>	<b>409,929,500</b>

	<b>as of 5/31/2014</b>		<b>as of 6/15/2014</b>		
Total Budgeted	\$	1,073,856	\$	1,073,856	
Total Bills Mailed	\$	1,140,276	\$	1,140,276	
Total Collected	\$	<u>1,063,309</u>	93%	<u>\$ 1,065,266</u>	93%
<b>Amount Due</b>	<b>\$</b>	<b>76,966</b>		<b>\$ 75,009</b>	

**YTD 2013 Personal Property Tax, Machinery and Tools Tax, & 2014 License Tax Collections**

<b>Total Personal Property Value</b>	<b>\$</b>	<b>13,783,200</b>
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	<b>as of 5/31/2014</b>		<b>as of 6/15/2014</b>		
Total Budgeted	\$	160,000	\$	160,000	
Total Bills Mailed	\$	162,208	\$	162,208	
Total Adjustments (will increase)	\$	(1,916)	\$	(1,916)	
Total Collected	\$	<u>127,386</u>	79%	<u>\$ 128,838</u>	79%
<b>Amount Due</b>	<b>\$</b>	<b>32,905</b>		<b>\$ 31,453</b>	

**YTD Prior Year Real Estate Tax, Personal Property Tax, Interest and Penalty Collections**

	<b>as of 5/31/2014</b>		<b>as of 6/15/2014</b>		
Total Budgeted	\$	67,000	\$	67,000	
Total Collected	\$	<u>191,274</u>	285%	<u>\$ 194,098</u>	290%
<b>Amount Due</b>	<b>\$</b>	<b>258,274</b>		<b>\$ 261,098</b>	

<b>Credit Card Payment Receipts</b>	<b>MTD</b>	<b>YTD</b>	<b>General Fund Taxes and Fees</b>
Credit Card Payments Received	\$ 15,803.17	\$ 202,076.27	
Credit Card Fees Paid	\$ 451.37	\$ 6,099.96	
Fees as a Percent of Collections	2.9%	3.0%	



*Municipal Corp. of  
Cape Charles*

The undersigned Clerk of the Council of the Town of Cape Charles, Virginia (the "Town"), hereby certifies that:

1. A meeting of the Council of the Town (the "Council") was duly called and held on June 19, 2014 (the "Meeting").
2. Attached hereto is a true, correct and complete copy of Resolution 20140619 (the "Resolution") of the Town entitled as recorded in full in the minutes of the Meeting, duly adopted by a majority of the members of the Council present and voting during the Meeting.
3. A summary of the members of the Council present or absent at the Meeting and the recorded vote with respect to the foregoing Resolution as set forth below:

<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Voting</u>		
			<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Dora Sullivan, Mayor	X				
Chris Bannon	X		X		
Steve Bennett		X			
Tom Godwin	X		X		
Joan Natali	X		X		
Mike Sullivan	X		X		
Frank Wendell		X			

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

Witness my signature and the seal of the Town of Cape Charles, Virginia this 19<sup>th</sup> day of June 2014.

---

Clerk of the Council  
Town of Cape Charles, Virginia

(Seal)

## RESOLUTION 20140619

### APPROVING THE BUDGET FOR FISCAL YEAR (FY) 2014/2015 AND MAKING APPROPRIATIONS FOR THE FISCAL YEAR

**WHEREAS**, the Council of the Town of Cape Charles has prepared a budget for FY 2014/2015 pursuant to Section 15.2-2503 of the Code of Virginia; and

**WHEREAS**, the budget has been advertised and a public hearing has been held pursuant to Section 15.2-2506 of the Code of Virginia; now

**THEREFORE BE IT RESOLVED**, by the Town Council of Cape Charles, this 19<sup>th</sup> day of June 2014 that the budget for FY 2014/2015 be approved as follows:

REVENUES	2014-2015	EXPENDITURES	2014-2015
<b>General Fund</b>		<b>General Fund</b>	
Real Estate Tax	1,073,856	Legislative	18,467
Personal Property Tax	90,000	Town Clerk	124,068
Prior Year Tax Collections	85,000	Town Manager	326,192
Motor Vehicle License Tax	18,000	Finance	205,810
Machinery & Tools Tax	30,500	Police	335,472
BPOL Tax	90,000	Code Enforcement	78,706
Admissions, Rentals, Transient Occ. Taxes	96,700	Public Works	423,096
Meals Tax	235,000	Parks & Recreation	58,802
Other Taxes	143,500	Library	118,432
Building Permits & Code Enforcement	78,800	Town Planner	66,601
Recovered Costs & Miscellaneous Income	154,535	Fire Department – State Pass Thru	9,800
Library Revenues	930	Debt Service	140,581
Financing Proceeds	314,000	Capital	1,681,538
Grants and Local/State/Federal Aid	1,296,894	Contingency Fund-General	120,150
<b>Total General Fund</b>	<b>3,707,715</b>	<b>Total General Fund</b>	<b>3,707,715</b>
<b>Sanitation Fund</b>	<b>171,800</b>	<b>Sanitation Fund</b>	<b>171,800</b>
<b>Harbor Fund</b>		<b>Harbor Fund</b>	
Operating Revenue	1,089,287	Operating	1,042,615
Harbor Event Proceeds	63,600	Debt Service	115,372
Grant Revenue	5,100	Capital	0
<b>Total Harbor Fund</b>	<b>1,157,987</b>	<b>Total Harbor Fund</b>	<b>1,157,987</b>
<b>Water/Wastewater Fund</b>		<b>Water/Wastewater Fund</b>	
Operating Revenue	1,381,521	Water Operations	325,149
Penalties and Late Fees	28,000	Wastewater Operations	509,680
Connection Charges	3,500	Meter & Utility Billing, Administration	118,737
Grant Revenue	0	Debt Service	433,855
Facility Fees	45,900	Capital	215,600
Financing Proceeds	190,000	Facility Fees moved to Reserve	45,900
<b>Total Water/Wastewater Fund</b>	<b>1,648,921</b>	<b>Total Water/Wastewater Fund</b>	<b>1,648,921</b>
<b>TOTAL REVENUES ALL FUNDS</b>	<b>6,686,423</b>	<b>TOTAL EXPENDITURES ALL FUNDS</b>	<b>6,686,423</b>

The following tax rates and user fees are established:

- Vehicle Tax \$31.00 per vehicle subject to Virginia State Registration (Trailers \$18.00) and Golf Cart Decal is \$31.00.
- Real Estate \$ .2759 per \$100; Personal Property Tax \$2.00 per \$100; Boat Tax \$0.01 per \$100
- Transient Occupancy Tax: 3% Monthly July 1, 2014-December 31, 2014 and 3.7% Monthly January 1, 2015-June 30, 2015; Meals Tax: 5% Monthly; Admissions Tax: 3% Quarterly; Short Term Rental Tax: 1% Quarterly
- Water Rate –Residential 0-2,000 gal.: \$31.15 minimum; 2,001 to 5,000 gal.: \$2.63 per 1,000; 5,001 to 10,000 gal: \$3.75 per 1,000; 10,001 to 15,000 gal: \$5.00 per 1,000; over 15,000 gal: \$7.50 per 1,000; Commercial 0-2,000 gal: \$31.15 minimum; 2,001-10,000 gal: \$2.50 per 1,000; 10,001-15,000 gal: \$3.75 per 1,000; over 15,000 gal: \$5.00 per 1,000
- Wastewater Rate –Residential 0-2,000 gal.: \$63.27 minimum; 2,001 to 5,000 gal.: \$4.11 per 1,000; 5,001 to 10,000 gal: \$5.85 per 1,000; 10,001 to 15,000 gal: \$7.80 per 1,000; over 15,000 gal: \$11.70 per 1,000; Commercial 0-2000 gal: \$63.27 minimum; 2,001-10,000 gal: \$3.90 per 1,000; 10,001-15,000 gal: \$5.85 per 1,000; over 15,000 gal: \$7.80 per 1,000
- Trash Collection Fee: \$13.50 per month; and

**BE IT FURTHER RESOLVED**, that pursuant to Section 15.2-2506 of the Code of Virginia, funds are appropriated from all sources of revenue for expenditures during the period July 1, 2014 through June 30, 2015 as follows:

General Fund - \$3,707,715  
 Sanitation Fund - \$171,800  
 Harbor Fund - \$1,157,987  
 Water/Wastewater Fund - \$1,648,921;

and that the Town Manager is authorized to transfer amounts among Funds with advance notification to the Town Council.

\*\*\*\*\*

Adopted by the Town Council of Cape Charles on June 19, 2014.

By: \_\_\_\_\_  
 Mayor

ATTEST:

\_\_\_\_\_  
 Town Clerk



*Municipal Corp. of  
Cape Charles*

The undersigned Clerk of the Council of the Town of Cape Charles, Virginia (the "Town"), hereby certifies that:

1. A meeting of the Council of the Town (the "Council") was duly called and held on June 19, 2014 (the "Meeting").
2. Attached hereto is a true, correct and complete copy of Resolution 20140619A (the "Resolution") of the Town entitled as recorded in full in the minutes of the Meeting, duly adopted by a majority of the members of the Council present and voting during the Meeting.
3. A summary of the members of the Council present or absent at the Meeting and the recorded vote with respect to the foregoing Resolution as set forth below:

<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Voting</u>		
			<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Dora Sullivan, Mayor	X				
Chris Bannon	X		X		
Steve Bennett		X			
Tom Godwin	X		X		
Joan Natali	X		X		
Mike Sullivan	X		X		
Frank Wendell		X			

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

Witness my signature and the seal of the Town of Cape Charles, Virginia this 19<sup>th</sup> day of June 2014.

---

Clerk of the Council  
Town of Cape Charles, Virginia

(Seal)

**RESOLUTION 20140619A  
OF GOVERNING BODY OF  
THE TOWN OF CAPE CHARLES**

The governing body of the Town of Cape Charles, consisting of seven members, in a duly called meeting held on the 19<sup>th</sup> day of June, 2014 at which a quorum was present RESOLVED as follows:

**BE IT HEREBY RESOLVED** that, in order to facilitate obtaining financial assistance from the United States of America, United States Department of Agriculture, Rural Development (the Government) in the purchase of a police vehicle and equipment to serve the community, the governing body does hereby adopt and abide by the covenants contained in the agreements, documents, and forms required by the Government to be executed.

**BE IT FURTHER RESOLVED** that the Town Manager of the Town of Cape Charles be authorized to execute on behalf of the Town Council the above-referenced agreements and to execute such other documents including, but not limited to, debt instruments and security instruments as may be required in obtaining the said financial assistance.

This Resolution, along with a copy of the above-referenced documents, is hereby entered into the permanent minutes of the meetings of this Board.

The Town of Cape Charles

By: \_\_\_\_\_

Attest: \_\_\_\_\_

**CERTIFICATION**

I hereby certify that the above resolution was duly adopted by the Town Council of the Town of Cape Charles in a duly assembled meeting on the 19<sup>th</sup> day of June, 2014.

\_\_\_\_\_  
Secretary/Clerk

USDA

Form RD 1942-47

(Rev. 12-97)

## LOAN RESOLUTION

(Public Bodies)

FORM APPROVED

OMB NO. 0575-0015

A RESOLUTION OF THE Town CouncilOF THE Town of Cape Charles

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Police Vehicle & Equipment

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Town of Cape Charles*(Public Body)*

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

\$15,100.00pursuant to the provisions of Virginia Code 15.2; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.





*Municipal Corp. of  
Cape Charles*

The undersigned Clerk of the Council of the Town of Cape Charles, Virginia (the "Town"), hereby certifies that:

1. A meeting of the Council of the Town (the "Council") was duly called and held on June 19, 2014 (the "Meeting").
2. Attached hereto is a true, correct and complete copy of Resolution 20140619B (the "Resolution") of the Town entitled as recorded in full in the minutes of the Meeting, duly adopted by a majority of the members of the Council present and voting during the Meeting.
3. A summary of the members of the Council present or absent at the Meeting and the recorded vote with respect to the foregoing Resolution as set forth below:

<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Voting</u>		
			<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Dora Sullivan, Mayor	X				
Chris Bannon	X		X		
Steve Bennett		X			
Tom Godwin	X		X		
Joan Natali	X		X		
Mike Sullivan	X		X		
Frank Wendell		X			

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

Witness my signature and the seal of the Town of Cape Charles, Virginia this 19<sup>th</sup> day of June 2014.

---

Clerk of the Council  
Town of Cape Charles, Virginia

(Seal)

**RESOLUTION 20140619B**

**MOVING THE LOCATION OF CAPE CHARLES  
TOWN COUNCIL REGULAR MEETINGS**

**WHEREAS**, the Cape Charles Town Council Regular Meetings are currently held on the third Thursdays of each month at Saint Charles Parish Hall; and

**WHEREAS**, with the relocation of the Cape Charles Memorial Library to its current location at 201 Mason Avenue, the former location at 500 Tazewell Avenue has been upgraded for ADA access and is available for Town use; and

**WHEREAS**, in April 2014, the Town Council approved renaming the building the Cape Charles Civic Center; now

**THEREFORE BE IT RESOLVED** by the Town Council of the Town of Cape Charles, Virginia, as required by § 15.2-1416 of the Code of Virginia, that effective July 2014, the Cape Charles Town Council Regular Meetings will be held at the Cape Charles Civic Center located at 500 Tazewell Avenue.

\*\*\*\*\*

Adopted by the Town Council of Cape Charles on June 19, 2014.

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Town Clerk