



TOWN COUNCIL
Regular Meeting
Cape Charles Civic Center
August 21, 2014
6:00 PM

At approximately 6:00 p.m. Mayor George Proto, having established a quorum, called to order the Regular Meeting of the Town Council. In addition to Mayor Proto, present were Vice Mayor Bannon, Councilmen Bennett, Brown, Godwin, Wendell and Councilwoman Natali. Also in attendance were Town Manager Heather Arcos, Assistant Town Manager Bob Panek, and Town Clerk Libby Hume. The majority of the Department Heads were in attendance as well as 7 members of the public.

Councilman Bannon gave the invocation which was followed by the recitation of the Pledge of Allegiance.

RECOGNITION OF VISITORS / PRESENTATIONS

A. *Presentation of Certificates of Commendation*

Mayor Proto presented to the following for their hard work and heroic actions in the aftermath of the tornado at Cherrystone Campground on July 24, 2014: Chief Jim Pruitt, Corporal Chelsea Pfeiffer, Peter Leontieff, Michael Mullner, Willie Lyons, Jeb Brady and the Cape Charles Volunteer Fire Company.

B. *Ed Lewis, Eastern Shore of Virginia Waterman's Memorial*

Mr. Lewis thanked Council for their ongoing support of the proposed Waterman's Memorial by granting the easement at the Cape Charles Harbor and reported on the following: i) \$1,200 was raised during the Clam Slam and to date, a total of \$25,985.29 had been raised; ii) The pedestal for the lighthouse would be octagonal in shape and would be constructed of concrete with granite on the exterior. It would cost approximately \$15K but he was hopeful that Bayshore Concrete would be able to donate the concrete for the project; iii) The wall which would be engraved with the names of the lost watermen would be constructed of black granite and was estimated at \$45K. This could possibly be reduced by constructing the wall of concrete and covering it with granite, similar to the pedestal; iv) The paver bricks would cost approximately \$5K; v) The bronze statue was estimated at \$28K - \$30K. He was planning to contact Mr. Turner of Turner Sculptures in Melfa as well; and vi) A cost estimate had not been determined yet for the lighthouse which would be constructed of steel. He was hoping to have the steel donated; vii) The estimated total for the project currently stood at \$95K. He was also looking for assistance to apply for possible grants. Mr. Lewis stated that construction would begin soon and his goal was to have the memorial completed in time for the 2015 Clam Slam Festival.

PUBLIC COMMENTS:

Larry Veber, 507 Tazewell Avenue

Mr. Veber addressed Council regarding the following: i) He complimented Council for taking the high road through the events over the past several years, thanked Council for everything they did for the best interests of the Town and asked them to keep up the good work; ii) He had been living in the Town for 27 years and this summer was the best ever due to the improvements made by the Council and staff; and iii) The Town could not have gotten everything done without volunteers. Mr. Veber recommended a possible program to recognize the volunteers as ambassadors of Cape Charles and have them participate in the parade or present them with plaques of appreciation.

Veann Duvall, 110 Tazewell Avenue

Ms. Duvall commended Councilwoman Natali for suggesting signs on the beach and asked Council to consider lifeguards at the beach during the summer months to ensure the safety of the beachgoers.

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 Proto asked if anyone had any changes to the agenda and stated that, hearing no objections, the agenda format was approved as presented by unanimous consent.

CONSENT AGENDA – APPROVAL OF MINUTES:

The Town Council reviewed the minutes of the July 14, 2014 Executive Session, July 17, 2014 Regular Meeting, the July 31, 2014 Work Session and the July 31, 2014 Executive Session.

Councilwoman Natali noted a typographical correction to the July 17, 2014 Regular Meeting minutes.

Motion made by Councilman Brown, seconded by Councilwoman Natali, to approve the minutes from the July 14, 2014 Executive Session, July 31, 2014 Work Session and July 31, 2014 Executive Session as presented and the July 17, 2014 Regular Meeting as amended. The motion was approved by unanimous vote.

DEPARTMENT REPORTS:

C. Treasurer's Report:

Treasurer Deborah Pocock reviewed the Treasurer's report dated July 31, 2014 which showed the Total Cash on Hand of \$1,195,441, the Total Cash Held in Reserve was \$1,322,741 and the Total Cash – All Accounts was \$2,518,182. Deborah Pocock went on to review the Debt Service, Revenues vs. Expenditures, the Capital Improvement Projects, the 2013 Real Estate Tax Collections, the Year-to-Date (YTD) 2013 Personal Property Tax, Machinery and Tools Tax and 2014 License Tax Collections, and the YTD Prior Year Real Estate Tax, Personal Property Tax, Interest and Penalty Collections. The 3-Year Revenue Comparison Graph was inadvertently omitted from the report and would be emailed to Council.

Motion made by Councilman Brown, seconded by Councilman Bennett, to accept the Treasurer's Report as submitted. The motion was approved by unanimous vote.

B. Planning Commission and Boards:

Town Planner Rob Testerman reported the following: i) The erosion and sediment control plans and site plan for the Cape Charles Lofts had been approved. The DEQ informed the Town that a Virginia Stormwater Management Plan permit was not necessary so the developer could move forward with the bonds and payment of fees for the land disturbance permit; ii) On August 25th, the Planning Commission would be holding their Comprehensive Plan Meeting and a Special Meeting regarding the Floodplain Ordinance; iii) The Historic District Review Board (HDRB) met on August 19th and approved a renovation to a single family home at 328 Randolph Avenue with minor changes. An application was just received for a new home on Jefferson Avenue and would be reviewed by the HDRB in September; and iv) He had enrolled in several certification classes regarding Stormwater management and would begin the classes in October.

C. Other Departmental Reports:

Code Official Jeb Brady reported the following: i) Construction was moving along. Three more house plans were under review and there was a potential for four more in the next several months; ii) The new owner of the hotel on Mason Avenue was anxious to move forward with

their plans for renovations; iii) People were looking at the old gas station on Mason Avenue for multiple uses; and iv) The house on Jefferson Avenue had been demolished and cleaned up with grass growing on the lot.

Councilwoman Natali asked about the status of the yogurt bar. Jeb Brady responded that he had reached out again to notify the owners that their permits were due to expire but had not received any response. He would try to get the owners to at least weather in the building but he would step in, if necessary, to ensure the safety of the building. The building was currently not a safety hazard.

Harbor Master Smitty Dize was not in attendance. Mayor Proto stated that if Council had any questions regarding the Harbor report, they should contact Smitty Dize directly.

Librarian Ann Rutledge reported the following: i) The 2014 Summer Reading Program began on June 23 and 201 children signed up. This was the 12th year for the program with only 38 children signing up that first year; ii) Ann Rutledge read comments from their Guest Book; and iii) It was a wonderful summer with a large number of tourists using the Library under the honor system. Much of the increase in customers was due to the location of the Library on Mason Avenue.

Vice Mayor Bannon stated that Ron West presented a great program regarding the ferries that ran from Little Creek to Cape Charles. Ann Rutledge added that 35 adults attended the program and thanked Mr. West. Councilwoman Natali asked that the program be scheduled again for those that were unaware of the program and would like the opportunity to attend.

Police Chief Jim Pruitt reported the following: i) Officer Jake Leuer would be graduating from the academy tomorrow, August 22nd, at 4:00 p.m.; and ii) Both of the newer police vehicles had been striped.

Councilwoman Natali thanked Chief Pruitt for including more detailed information in his monthly report, such as the 11 underage drivers stopped on golf carts in July and how the issue was handled by the officers.

Public Utilities/Public Works Director Dave Fauber stated that he did not have anything additional to report than what was included in his monthly report to Council.

Councilman Wendell stated that the smell from the wastewater treatment plant over the past weekend was embarrassing to the Town and asked if there was anything else that could be done regarding the odor issues. Dave Fauber responded that staff was actively pursuing avenues to resolve the issues. The grinder pump for the Mason Avenue station was due to come in on August 29th and should help. Councilman Wendell continued regarding the odor. Dave Fauber added that the Mason Avenue pump station could be relocated to alleviate much of the problem. This could be a possible discussion for the future.

Mayor Proto stated that the STAR Transit bus stop had been completed and added his thanks to the Public Works crew and Tom Bonadeo who helped with the project.

Recreation/Community Events Coordinator Jen Lewis stated that she did not have anything to add to her monthly report.

Town Manager Heather Arcos reported the following: i) A \$2,800 contract had been signed with Land Studio regarding the two parcels behind the Library for public parking, alley access, and sanitation needs in the commercial district. \$10K was included in the FY 2015 budget for this purpose; ii) A 4x4 Ford truck was ordered for the Police Department to replace the 2010 Dodge Charger. The truck was purchased under a State contract using a loan and grant funding from

the USDA Rural Development. The remainder of the balance would be paid from the FY 2015 budget. It would take about 10-12 weeks for the new vehicle to come in.

OLD BUSINESS

A. *PSA/Regional Wastewater*

Assistant Town Manager Bob Panek stated that the first PSA subcommittee meeting was held on July 29, 2014. Councilman Brown and Councilwoman Natali were in attendance as the Town's representatives on the subcommittee. Before proceeding to draft an agreement between the PSA and the Town, the subcommittee agreed to get updated cost estimates for processing and the Town representatives expressed their desire to obtain concurrence from Council before proceeding. Council reviewed an updated PSA analysis regarding rate per gallon which showed the total price per gallon at \$0.01187.

There was much discussion regarding the PSA and the proposed regional wastewater system, the possible pros and cons, maintenance of the system, the rate to be charged to the PSA, the possible reduction of costs to the Town's citizens which would amount to \$4 or \$5 per month, and adherence to the Town and County's Comprehensive Plans.

Motion made by Councilman Brown, seconded by Vice Mayor Bannon, to proceed with the negotiations to draft an agreement with the PSA.

Mayor Proto stated that Council needed to know the elements of the agreement and suggested a work session for further Council discussion for items to be in the agreement and rate structure.

Councilman Brown responded that he thought tonight's discussion was not to set the rate structure but to get a consensus regarding acceptance of the County's sewage. Bob Panek stated that the County was waiting for the Town's response regarding moving forward with an agreement and the rate.

Councilman Brown amended his motion, seconded by Councilwoman Natali, to table the vote and further discussion to a work session, to be scheduled for the next available date, in order to establish a rate. The motion was approved by unanimous vote.

Motion made by Councilman Bennett, seconded by Councilman Brown, to have the Town Manager convey this decision to the PSA. The motion was approved by unanimous vote.

B. *Town Code Modifications – Commercial Facility Fees – Schedule Public Hearing*

Bob Panek stated that Council held several work sessions to review commercial facility fees from other localities along with their methods of determining fees. A comparison of the current and proposed facility fees for different types of businesses was provided to Council along with the proposed modifications to Town Code §§ 70-35 and 71-42 and proposed Ordinance 20140918-Revising Water and Sewer Connection Charges.

Motion made by Councilman Bennett, seconded by Vice Mayor Bannon, to schedule a public hearing on September 18, 2014 regarding the proposed modifications to the Town Code.

Councilman Bennett expressed his concern regarding the increased costs for high volume users such as restaurants and hotels and asked that the Planning Commission expedite their discussions and process regarding the Tourism Zone. Councilwoman Natali stated her agreement. Bob Panek stated that the discount factor in the formula could also be adjusted. Councilman Bennett asked for revised numbers with the discount factor changed to 50% and 60% be provided to Council for review prior to the public hearing.

The motion was approved by unanimous vote.

NEW BUSINESS:

A. *Building Code Board of Appeals*

Heather Arcos stated that the Building Code Board of Appeals consisted of five members each serving five-year terms who met as needed to hear appeals concerning the Uniform Statewide Building Code and proceeded as follows: i) Bruce Brinkley currently served on the Board and his term was due to expire on September 10, 2014. Mr. Brinkley had expressed his desire to continue his service on the Board for another term; and ii) Steve Michel, whose term was due to expire on September 10, 2017, resigned from the Board leaving one vacancy. On July 14, 2014, Council reviewed applications from interested citizens and held interviews for the available positions. Council requested staff contact Mr. Paul Skolnick, who had applied for the Harbor Area Review Board, to confirm his agreement to serve on the Building Code Board of Appeals. Mr. Skolnick agreed to serve on this Board but also requested to be named as an alternate to the Harbor Area Review Board in the case of a future vacancy.

Motion made by Councilman Bennett, seconded by Vice Mayor Bannon, to reappoint Bruce Brinkley for another term and appoint Paul Skolnick to complete Mr. Michel's unexpired term. The motion was approved by unanimous vote.

There was some debate regarding the naming of alternates to the Town's boards which could help fill future vacancies and save Council time with interviewing candidates.

Motion made by Councilwoman Natali, seconded by Councilman Brown, to name Paul Skolnick as an alternate to the Harbor Area Review Board. The motion was approved by majority vote with Councilmen Bennett and Wendell opposed.

B. *2015 Virginia Aid to Localities – Fire Program*

Heather Arcos stated that each year, the Virginia Fire Programs Fund provided financial assistance to cities, counties and incorporated towns by offering a variety of grant opportunities. \$10K was included in the FY 2014-2015 budget. The 2015 Fire Programs Fund Disbursement Agreement must be signed in order to receive the Aid to Locality funding.

Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to authorize the Town Manager to execute the FY 2015 Fire Programs Fund Disbursement Agreement. The motion was approved by unanimous vote.

MAYOR AND COUNCIL COMMENTS

Councilwoman Natali did not have any additional comments.

Councilman Godwin commended Ms. Susan Bauer for her hard work and achievement in obtaining a 501C status for the Rosenwald School.

Vice Mayor Bannon commented as follows: i) He asked staff to keep moving toward finalizing guidelines for the use of the Civic Center. The Cape Charles Band was looking for a place to practice and the Civic Center would be an ideal facility; ii) He expressed his concern regarding the number of pedestrians crossing the road at Bay and Mason Avenues and asked the Police Department to consider obtaining "Pedestrian Crossing" signs; and iii) He had lived in Cape Charles for 27 years and the Town had improved greatly over the last 10 years but added that more trees needed to be planted to make the Town even more appealing.

Councilman Bennett stated that this was Heather Arcos' last Council meeting and thanked her for 10 years of outstanding service to the Town and wished her the best in her new job.

Councilman Brown stated that Town could be missing income due to the number of rental properties in Town not paying transient occupancy tax (TOT) and asked the Treasurer and Code Official to compile a list of rental properties to confirm payment of the TOT and to pursue those

other properties that were not paying. Debbie Pocock responded that Jake Thornes, the intern, had been researching this issue and driving through Town to identify vacation rental properties. Almost \$900 had been collected due to his research.

Councilman Wendell commented as follows: i) He agreed with Councilman Bennett's sentiments regarding Heather Arcos and added that she would do well in her father's business; ii) In the search for a new town manager, Council should consider a requirement for the successful candidate to live in Town; iii) The Harbor for the Arts Festival was successful and there was a lot of activity in the Town. This year was the second year for the 2-year grant. The Town would probably be approached to continue funding the festival in future years and he would like to see it continued, but the Town needed to obtain the financial information regarding the festival to discuss possible funding for the future; and iv) He spoke in response to Mr. Veber's earlier comments during the Public Comment period.

Heather Arcos stated that she was proud to work for the citizens of Cape Charles and added that she grew up in Town and saw the growth and infrastructure from the 1990s to the present. She was proud of the accomplishments of the Town Council and the department heads and added that the employees were the backbone of everything that had been done. She would miss everyone but added that she would remain involved in the happenings in Town.

Mayor Proto commented as follows: i) He thanked Heather Arcos adding that it had been a pleasure to work with her and wished her success in her new career. The Town would miss her and it would be difficult to fill her shoes; and ii) The Town experienced another tragedy with the drowning of the young boy who was swimming with his aunt. The people of this Town came together to comfort the family. Staff, especially the Police Chief, officers and County officers, did their best with the search and rescue. He hoped that nothing like this happened again in the Town.

ANNOUNCEMENTS

- September 1, 2014 – Town Offices closed for Labor Day.
- September 4, 2014 – Town Council Work Session, 6:00 PM.
- September 18, 2014 – Town Council Regular Meeting.

Motion made by Councilman Brown, seconded by Vice Mayor Bannon, to adjourn the Town Council Regular Meeting. The motion was approved by unanimous vote.

Mayor Proto

Town Clerk

MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
July 31, 2014

CASH POSITION

Cash on Hand	6/30/2014	7/31/2014	Increase/(Decrease)
Shore Bank Checking Account	\$603,583	\$596,157	(7,426)
LGIP Account 1- No longer restricted - Utilities	\$97,349	\$97,357	8
LGIP Account 2 - Unrestricted	\$501,885	\$501,927	42
Total Cash On Hand	\$ 1,202,817	\$ 1,195,441	\$ (7,376)

Restricted and Reserved Cash Balance	6/30/2014	7/31/2014	Increase/(Decrease)
Shore Bank Checking Account - Facility Fees Reserved (Utilities)	\$96,597	\$96,597	0
Shore Bank Savings Account - Police Funds	\$1,231	\$1,231	0
LGIP Account 2 - Restricted for USDA loans	\$7,483	\$7,483	0
PNC Account- 2013 Bond Proceeds - Principal	\$958,993	\$958,993	0
PNC Account- 2013 Bond Proceeds - Interest	\$753	\$854	100
US Bank - Reserved per VRA Interest Free Loan Requirements	\$257,582	\$257,584	1
Total Cash Held in Reserve	\$ 1,322,639	\$ 1,322,741	\$ 102
Total Cash - All Accounts	\$ 2,525,457	\$ 2,518,182	\$ (7,275)

DEBT SERVICE

Next Debt Service Payments:	Due Date	Amount
2013 PNC Bank	9/1/2014	\$29,322.25
2011 Dodge Charger-final payment	9/23/2013	\$6,429.06

CREDIT CARD FEES

General Fund Tax and Utility Credit Card Payment Receipts	MTD	YTD
Credit Card Payments Received	\$15,232.65	\$15,232.65
Credit Card Fees Paid	\$518.21	\$518.21
Fees as a Percent of Collections	3.40%	3.40%

REVENUE VS. EXPENDITURES

<u>FUND</u>	<u>CURRENT MONTH</u>	<u>PRIOR YEAR-TO-DATE</u>	<u>CURRENT YEAR-TO-DATE</u>	<u>INCREASE/ (DECREASE) YTD</u>	<u>ANNUAL BUDGET</u>	<u>% REALIZED/ EXPENDED FY14</u>
GENERAL						
REVENUES	76,832	158,204	76,832	(81,373)	3,707,715	2.07%
EXPENDED	233,944	147,577	233,944	86,367	3,707,715	6.31%
NET	(157,112)	10,627	(157,112)		0	
PUBLIC UTILITIES						
REVENUES	159,604	116,334	159,604	43,270	1,648,921	9.68%
EXPENDED	113,364	79,775	113,364	33,588	1,648,921	6.88%
NET	46,240	36,559	46,240		0	
HARBOR						
REVENUES	137,451	161,242	137,451	(23,791)	1,157,987	11.87%
EXPENDED	148,748	50,826	148,748	97,922	1,157,987	12.85%
NET	(11,297)	110,416	(11,297)		0	
SANITATION						
REVENUES	15,559	17,544	15,559	(1,984)	171,800	9.06%
EXPENDED	154	610	154	(456)	171,800	0.09%
NET	15,405	16,934	15,405		0	

FY 2015 Capital Improvement Project Tracking Report

As of: July 31, 2014

	FY15 Budgeted	FY15 QTR 1 Actual Expended	FY15 QTR 1 Actual Expended	FY15 QTR 1 Actual Expended	FY15 QTR 1 Actual Expended	FY15 YTD Actual Unaudited
General Fund						
Dump Truck	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
Cape Chas Multi-Use Trail Phase 2	\$ 1,570,000	\$ -	\$ -	\$ -	\$ -	\$ -
Library Building HVAC	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
Furniture and Equip - Civic Center	\$ 18,925	\$ 13,506	\$ -	\$ -	\$ -	\$ -
New Phone System	\$ 11,213	\$ -	\$ -	\$ -	\$ -	\$ -
Replacement Police Vehicle	\$ 23,200	\$ -	\$ -	\$ -	\$ -	\$ -
Shore Scan Products	\$ 8,200	\$ 6,612	\$ -	\$ -	\$ -	\$ -
Pine Street Parking Design & Construction Plans	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
<i>subtotal</i>	\$ 1,681,538	\$ 6,612	\$ -	\$ -	\$ -	\$ -
Water Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Keck wells Engineering & Construction	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
Automati Flush (1/5)	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
Truck (50%)	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -
<i>subtotal</i>	\$ 77,500	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Fund						
Truck (50%)	\$ 8,100	\$ -	\$ -	\$ -	\$ -	\$ -
Pump Station Redesign Engineering	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -
Manholes	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -
<i>subtotal</i>	\$ 138,100	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 1,897,138	\$ 6,612	\$ -	\$ -	\$ -	\$ -

**MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S NOTES
July 31, 2014**

YTD 2013 Real Estate Tax Collections December 2013-July 2014

Total Land Value	\$	206,709,800	
Total Improvement Value	\$	<u>203,219,700</u>	
Total Real Estate Value	\$	409,929,500	
as of 7/31/14			
Total Budgeted	\$	1,073,856	
Total Bills Mailed	\$	1,140,276	
Total Collected	\$	<u>1,070,822</u>	94%
Amount Due	\$	69,454	

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

Total Personal Property Value	\$	13,783,200	
as of 7/31/14			
Total Budgeted FY14	\$	160,000	
Total Bills Mailed	\$	162,208	
Total Adjustments (will increase)	\$	(1,916)	
Total Collected	\$	<u>128,911</u>	79%
Amount Due	\$	31,380	

FY 2015 YTD Prior Year Real Estate Tax, Personal Property Tax, Interest and Penalty Collections

as of 7/31/14			
Total Budgeted FY 2015	\$	85,000	
Total Collected	\$	<u>9,289</u>	11%
Amount Due	\$	75,711	

Three Year Revenue Comparison

Penalty & Interest - Miscellaneous Taxes

Short Term Rental Tax

Meals Tax

Transient Occupancy Tax 3%

Admission Taxes

Business License Tax

Electric, Gas & Telephone

Consumer Utility Taxes

Penalties & Interest - All Property Taxes

Machinery & Tools

Golf Cart Decals

License Tax

Personal Property Taxes **

Prior Yr Real Estate & Pers. Prop. Taxes

Real Estate Taxes

■ YTD July FY 14
 ■ YTD July FY 13
 ■ YTD July FY 12

\$0 \$5,000 \$10,000 \$15,000 \$20,000 \$25,000 \$30,000 \$35,000 \$40,000 \$45,000

