



**TOWN COUNCIL  
Regular Meeting  
Civic Center  
December 18, 2014  
6:00 p.m.**

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 and Wendell, and Councilwoman Natali. Also in attendance were Interim Town Manager Bob Panek and Town Clerk Libby Hume. The Department Heads were in attendance as well as five members of the public.

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

**PUBLIC COMMENTS:**

*Malcolm Hayward, 121 Strawberry Street*

Mr. Hayward addressed Council regarding the December 11<sup>th</sup> public hearing held by VDOT regarding the industrial access road. He stated that the speed limit on the road was expected to be 40 MPH and golf carts were not permitted to travel on roads with speed limits above 25 MPH. He went on to state that VDOT's plans showed retention ponds over the area of the current golf cart path from the Bay Creek development to the hump. Mr. Hayward stated that with the Town being a golf cart-friendly community, residents and visitors travelled back and forth from the Bay Creek development into the historic district and requested assistance from Council in writing a letter to VDOT requesting either a reduced speed limit of 25 MPH for the distance between the Bay Creek entrance to the hump or some other accommodation for a golf cart path.

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

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

Councilwoman Natali asked to add discussion and action regarding a possible letter to VDOT in regards to the industrial access road and golf cart access.

**Motion made by Councilwoman Natali, seconded by Vice Mayor Bannon, to add “Letter to VDOT” as a new business item. The motion was approved by unanimous vote.**

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

**CONSENT AGENDA – APPROVAL OF MINUTES:**

The Town Council reviewed the minutes of the November 20, 2014 Regular Meeting, the December 4, 2014 Work Session, the December 4, 2014 Executive Session and the December 11, 2014 Executive Session.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to approve the minutes from the November 20, 2014 Regular Meeting, the December 4, 2014 Work Session, the December 4, 2014 Executive Session and the December 11, 2014 Executive Session as presented. The motion was approved by unanimous vote.**

## **DEPARTMENT REPORTS:**

### **A. *Treasurer's Report:***

Treasurer Deborah Pocock reviewed the Treasurer's report dated November 30, 2014 which showed the Total Cash on Hand of \$1,202,165 (an increase of \$449,162 due to tax payments coming in), the Total Cash Held in Reserve was \$1,365,567 and the Total Cash – All Accounts was \$2,567,732. Deborah Pocock went on to review the Debt Service, Revenue vs. Expenditures, the Capital Improvement Projects, the YTD 2014 Real Estate, Personal Property, Machinery and Tools Tax & 2015 License Tax Collections, the YTD Prior Year Real Estate Tax, Personal Property Tax, Interest and Penalty Collections, and the 3-Year Revenue Comparison Graph.

**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:***

Interim Town Manager Bob Panek reported the following:

- i) On December 11<sup>th</sup>, the Town received notification from the US Army Corps of Engineers (USACE) that the Final Supplemental Environmental Assessment had been completed and a Finding of No Significant Impact had been signed for the Cape Charles Harbor dredging project. The Town should see some activity soon; ii) Two applicants for the Town Planner position were interviewed on December 17<sup>th</sup>, and a third applicant would be interviewed tomorrow. The interview panel would be meeting next week to make a decision; iii) The Planning Commission held two Comprehensive Plan Public Input Sessions and would be meeting on January 6, 2015 to review and discuss the feedback received from the public. Once the draft was finalized, the Planning Commission would propose a joint work session to review the changes and schedule a joint public hearing to hear citizen comments; iv) The Historic District Review Board met on December 16<sup>th</sup>. Code Official Jeb Brady staffed the meeting and the Board approved an application for renovations to the former Northampton Hotel located at 1 Mason Avenue; and v) A Board of Zoning Appeals public hearing and meeting was scheduled for January 7, 2015 to review an application for exception for holes 4 and 6 of the Bay Creek Nicklaus Golf Course which sustained substantial erosion from various storms and must be reinforced to prevent further loss.

Mayor Proto asked about the status of the Tourism Zone. Councilwoman Natali stated that the Commissioners had been spending a majority of their time working on the Comprehensive Plan update and would probably revisit the Tourism Zone in the first quarter of 2015.

### **C. *Code Enforcement:***

Code Official Jeb Brady reported the former doctors' office located at 700 Extended Tazewell had been demolished. The property owner was planning to build houses on the lots. The house behind Chesapeake Properties on Randolph Avenue had also been demolished. The owner followed the proper channels to have the building, which was in very bad shape, demolished.

Councilwoman Natali asked whether there were any other buildings in town in bad shape. Jeb Brady stated that there were a few and added that he hoped to be able to review the issue with Council at a work session in early 2015. There was some discussion regarding the Town's cost to demolish a building and how the town would recover the expense. This topic was added to the Work Session list.

### ***Town Harbor:***

Harbor Master Smitty Dize reported that the Dropping of the Crab Pot was scheduled for 10:00 p.m. (midnight Greenland Time) on Mason Avenue across from the Cape Charles Memorial Library immediately followed by fireworks. He was working to get live music and refreshments.

Mayor Proto stated that he received a nice letter from a citizen regarding the Harbor lights and also the great job being done by the Public Works staff in keeping the Town looking nice.

*Cape Charles Memorial Library:*

Librarian Ann Rutledge reported that the 4<sup>th</sup> Annual Cape Charles B&B Association Cookie Trail was held over the weekend. Approximately 30 people participated and brought some nice donations of cash, DVDs, books, puzzles and games. She thanked the Cape Charles B&B Association.

Vice Mayor Bannon noted that Ms. Tammy Holloway of the Bay Haven Inn counted 75 visitors.

*Police Department:*

Police Chief Jim Pruitt reported that Corporal Chelsea Pfeiffer was working on the Neighborhood Watch program and would be starting with the businesses in Town. A survey was distributed to the businesses to obtain contact information and other pertinent information.

*Public Utilities/Public Works Departments:*

Public Utilities/Public Works Director Dave Fauber reported the following: i) The spike in the nitrogen levels was an issue with the supplemental carbon which was obtained from a new supplier. The issue was rectified by adding glycerin and the system was now back to normal. The problem caused the circulation pump to burnout and it was being rebuilt for about \$1,500. The supplier had agreed to pay half of the cost of repairs. In the future, the Town would purchase a product with a higher percentage of glycerin or straight glycerin when available; ii) The Town advertised for bids for the heating and air conditioning on the second floor of the library. A non-mandatory pre-bid meeting was held and bids were due the beginning of January; and iii) One bid was received in response to the Town's advertisement for ground maintenance bids. The bidder was Eastern Shore Landscaping Management which was our current provider. The bid was comparable to what the Town was currently paying. The contract award would be on the January Council agenda.

Councilman Bennett requested that the chlorination project for the Town's drinking water, which was estimated to cost about \$33K, be added to the Capital Improvement Plan.

*Recreation Department:*

Bob Panek stated that Community Events/Recreation Coordinator Jen Lewis was working an event at the Cape Charles Volunteer Fire Company. Mayor Proto added that Council members could contract Jen Lewis directly if they had any questions regarding her monthly report.

**OLD BUSINESS**

A. *Cape Charles Community Trail – Phase 2:*

Bob Panek stated that staff and the consultants met with VDOT representatives on December 2, 2014 to review the enhanced construction administration and inspection (CA&I) requirements specified by VDOT and the Federal Highway Administration. The requirements were greater than previously planned and added about \$100K to the project cost estimate which was now \$1.7M. The Federal share was \$1.36M and the Town share was \$0.34M which was within the funding budgeted for FY 2013 through FY 2015. VDOT anticipated issuing the approval to bid the project before Christmas. The bidding process should occur in January with contract award in February. Construction duration was estimated to be about eight months. There would be some carryover into FY 2016 and would be discussed during the mid-year budget review work session.

B. *Leased Parking Lot:*

Bob Panek stated that Council initially reviewed this issue at the November meeting and requested two changes to the original lease as follows: i) Clarification of language concerning the change in the Consumer Price Index (CPI) – rent could either increase or decrease; and ii) Clarification of paragraphs 11 and 13 concerning tenant property at the end of the lease term – either remove or retain, at tenant’s option. Bay Coast Railroad agreed to the changes requested by Council. The lease terms were: i) 20-year, renewable term; ii) Commencement date of January 1, 2015; iii) Rent of \$1,300 per year, adjustable up or down by percentage change in CPI; and iv) Tenant responsible for improvements to be removed or retained, at tenant’s option, at lease end. A rough estimate to fill some low spots, installation of bollards around electrical cabinets, perimeter marking, signage installation, etc. was about \$10K. This cost was not included in the current budget but adjustments could be made during the mid-year budget review.

**Motion made by Councilman Bennett, seconded by Councilwoman Natali, to authorize the Interim Town Manager to execute the lease with Bay Coast Railroad and proceed with preparation of the property for parking. The motion was approved by unanimous vote.**

**NEW BUSINESS:**

A. *Phone System Contract Award:*

Town Clerk Libby Hume stated that the Town’s current phone system was over 20 years old. The system had been discontinued and could no longer be supported. The current land lines coming into the building were old, degraded and offered poor quality. Funding in the amount of \$11,213 was included in the FY 2015 budget for a new phone system. By using a voice over internet phone (VOIP) system, the Town could terminate all land lines to all Town offices for an additional cost savings of approximately \$1K per month. The wastewater pump stations would maintain land lines until they could be upgraded and new monitoring technology was installed. At that time, those land lines would also be terminated. Quotes were obtained from three vendors – Chesapeake Bay Communications, Eastern Shore Communications and Votacall with total pricing for a three-year period ranging from \$21,519 to \$36,544.

There was much discussion regarding the differences in the quotes, reliability of the internet, faxing capability, and the addition of a termination clause to the contract in the event the service and equipment were not adequate for the Town and issues could not be resolved.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to authorize the Interim Town Manager to execute a contract, after the addition of a termination clause, with Eastern Shore Communications, the lowest bidder, for new telephone equipment and service. The motion was approved by unanimous vote.**

B. *Grand Illumination Sponsorship:*

Councilwoman Natali stated that the Citizens for Central Park (CCP) had sponsored the Grand Illumination for a number of years but all the work installing the lights was done by Town staff. The CCP was requesting that the Town assume the management of the event in the future with assistance from the CCP.

There was much discussion regarding the request, the various Town-sponsored events and the coordination of events.

**Motion made by Councilwoman Natali, seconded by Councilman Brown, to have the Town take over the sponsorship of the Grand Illumination event starting in 2015. The motion was approved by unanimous vote.**

C. *VDOT Industrial Access Road Letter:*

Mayor Proto stated that, per Mr. Hayward's request, the Town should submit a letter to VDOT regarding the accommodation of golf carts on the proposed industrial access road. Councilman Brown suggested a request to VDOT to designate the section of the access road from the Bay Creek development into the Historic District with a 25 MPH speed limit to allow golf carts to travel on the road.

Chief Pruitt expressed his concern regarding speeding traffic. The vehicles currently travelling on Route 642 routinely exceeded the 35 MPH speed limit, and by straightening the road, the speed would generally increase and he felt it would be a danger for golf carts.

There was much discussion regarding requesting VDOT to install speed bumps or an alternate golf cart path.

Bob Panek stated that the Town had lobbied in the past for the construction of the industrial access road and a request for a 25 MPH zone would possibly be at odds with the proposed road.

**Motion made by Councilwoman Natali, seconded by Vice Mayor Bannon, to submit a letter to VDOT requesting accommodations to allow golf carts to travel between Bay Creek and the historic part of town. The motion was approved by unanimous vote.**

**MAYOR AND COUNCIL COMMENTS**

Councilmen Brown and Bennett wished everyone a Merry Christmas.

Councilman Wendell commented on the following: i) It was good seeing the Mayor and some of the Council at the Northampton County Board of Supervisors (BOS) Meeting and suggested discussion at the next Council meeting regarding the possibility of adopting a resolution conveying the Town's recommendations regarding the proposed zoning changes to the BOS; ii) In regards to the Council work session with the USACE, he expressed his concern that so much sand was being shipped across the bay and added that he felt that the Town should keep some of the sand at a location in Town for future beach replenishment; and iii) He wished everyone a Merry Christmas.

Vice Mayor Bannon asked about the status of the Town Manager interviews. Libby Hume stated that she had not yet heard back from all the Council members regarding the available dates in January. There was some discussion regarding scheduling the interviews over two or three days.

Councilman Godwin commented on the following: i) He stated that he was puzzled regarding the lack of service from Verizon regarding the Town's current phone service. Libby Hume stated that in other areas of the state and country, Verizon had been selling off their land line services. Councilman Brown agreed with Councilman Godwin; and ii) He wished everyone a safe Christmas and a prosperous New Year.

Councilwoman Natali commented as follows: i) She wished everyone a Merry Christmas and happy holidays; and ii) She announced that the Epiphany Party was scheduled for January 17, 2015.

Mayor Proto commented as follows: i) The proposed Northampton County zoning issue would be placed on a future agenda and added that the Town should provide their opinion to the BOS; and ii) He stated that his first six months in office had been very good and attributed it to an outstanding staff and Town Council. He thanked everyone for their assistance; and iii) He wished everyone a Merry Christmas and happy holidays.

**ANNOUNCEMENTS**

- December 24, 2014 – Town Offices closing at noon for the Christmas Holiday.
- December 25-26, 2014 – Town offices closed for the Christmas Holiday.
- January 1-2, 2015 – Town offices closed for the New Year’s Holiday.
- January 8, 2015 – Town Council Work Session.
- January 15, 2015 – Town Council Regular Meeting.
- January 17, 2015 – Epiphany Party

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

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Mayor Proto

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Town Clerk

**MUNICIPAL CORPORATION OF CAPE CHARLES  
TREASURER'S REPORT  
November 30, 2014**

**CASH POSITION**

<b>Cash on Hand</b>	<b>10/31/2014</b>	<b>11/30/2014</b>	<b>Increase/(Decrease)</b>
Shore Bank Checking Account	\$ 353,575.71	\$ 802,705.34	\$ 449,130
LGIP Account 1 - Unrestricted	\$ 97,381.98	\$ 97,389.74	\$ 8
LGIP Account 2 - Unrestricted	\$302,045	\$302,070	\$ 25
<b>Total Cash On Hand</b>	<b>\$ 753,003</b>	<b>\$ 1,202,165</b>	<b>\$ 449,162</b>

<b>Restricted and Reserved Cash Balances</b>	<b>10/31/2014</b>	<b>11/30/2014</b>	<b>Increase/(Decrease)</b>
Shore Bank Savings Account - Facility Fees Reserved (Utilities)	\$139,011	\$139,011	0
Shore Bank Checking Account - Police Funds	\$1,231	\$1,231	0
LGIP Account 2 - Restricted for USDA Police Vehicle loans	\$7,483	\$7,483	0
PNC Account- 2013 Bond Proceeds - Principal	\$958,993	\$958,993	(0)
PNC Account- 2013 Bond Proceeds - Interest	\$1,170	\$1,268	99
US Bank - Reserved per VRA Interest Free Loan Requirements	\$257,588	\$257,581	(7)
<b>Total Cash Held in Reserve</b>	<b>\$ 1,365,475</b>	<b>\$ 1,365,567</b>	<b>\$ 92</b>
<b>Total Cash - All Accounts</b>	<b>\$ 2,118,478</b>	<b>\$ 2,567,732</b>	<b>\$ 449,254</b>

**DEBT SERVICE**

<b><u>Next Debt Service Payments:</u></b>	<b><u>Due Date</u></b>	<b><u>Amount</u></b>
VML VACO 2006B I	1/20/2015	\$26,963.75

## REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY15
<b>GENERAL</b>						
REVENUES	537,305	1,011,982	1,015,252	3,270	3,707,715	27.38%
EXPENDED	190,803	809,123	913,682	104,559	3,707,715	24.64%
NET	346,501	202,858	101,569	(101,289)	0	
<b>PUBLIC UTILITIES</b>						
REVENUES	133,258	597,503	741,469	143,966	1,648,921	44.97%
EXPENDED	60,348	619,227	646,513	27,286	1,648,921	39.21%
NET	72,910	(21,724)	94,956	116,680	0	
<b>HARBOR</b>						
REVENUES	35,798	510,474	463,075	(47,399)	1,157,987	39.99%
EXPENDED	48,337	525,437	492,921	(32,516)	1,157,987	42.57%
NET	(12,539)	(14,963)	(29,846)	(14,883)	0	
<b>SANITATION</b>						
REVENUES	14,875	70,672	74,488	3,816	171,800	43.36%
EXPENDED	13,637	53,422	55,143	1,721	171,800	32.10%
NET	1,238	17,250	19,345	2,095	0	

## FY 2015 Capital Improvement Project Tracking Report

As of:  
11/30/2014

	FY15 Status or Start Date	FY15 Budgeted	FY15 QTR 1 Expended	FY15 QTR 2 Expended	FY15 QTR 3 Expended	FY15 QTR 4 Expended	FY15 YTD Expended	Percent of Completion
<b><u>General Fund</u></b>								
Dump Truck	January 2015	\$ 30,000	\$ -	\$ -	\$ -	\$ -	-	0%
Cape Chas Multi-Use Trail Phase 2	Start - January 2015	\$ 1,570,000	\$ 24	\$ 1,061	\$ -	\$ -	1,085	0%
Library Building HVAC 2nd Floor	February or March 2015	\$ 10,000	\$ -	\$ -	\$ -	\$ -	-	0%
Furniture and Equip - Civic Center	Complete-November	\$ 18,925	\$ 13,895	\$ 1,936	\$ -	\$ -	15,831	84%
New Phone System	January or February 2015	\$ 11,213	\$ -	\$ -	\$ -	\$ -	-	0%
Replacement Police Vehicle	Completed in November	\$ 23,200	\$ -	\$ 25,326	\$ -	\$ -	25,326	100%
Shore Scan Products	Complete December or January	\$ 8,200	\$ 6,188	\$ 2,013	\$ -	\$ -	8,200	100%
Pine Street Parking Design	Began August 2014	\$ 10,000	\$ 1,273	\$ 1,161	\$ -	\$ -	2,435	24%
<b>subtotal</b>		<b>\$ 1,681,538</b>	<b>\$ 21,379</b>	<b>\$ 31,496</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,875</b>	
<b><u>Water Fund</u></b>								
Keck wells Engineering & Construction	Began August 2104 Start pending Bay Creek's acknowledgement	\$ 60,000	\$ 7,995	\$ 4,939	\$ -	\$ -	12,934	22%
Automatic Flush (1/5) Truck (48%)	NLT February	\$ 10,000 \$ 7,500	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	- -	0% 0%
<b>subtotal</b>		<b>\$ 77,500</b>	<b>\$ 7,995</b>	<b>\$ 4,939</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,934</b>	
<b><u>Sewer Fund</u></b>								
Truck (52%) Pump Station Redesign Engineering Manhole Rehab	NLT February Spring 2015 April or May 2015	\$ 8,100 \$ 30,000 \$ 100,000	\$ - \$ - \$ -	- - -	0% 0% 0%			
<b>subtotal</b>		<b>\$ 138,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>TOTAL</b>		<b>\$ 1,897,138</b>	<b>\$ 29,374</b>	<b>\$ 36,435</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,809</b>	<b>3%</b>

**MUNICIPAL CORPORATION OF CAPE CHARLES**  
**November 30, 2014**

**YTD 2014 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 11/30/14</b>		<b>as of 12/10/14</b>		
Total Budgeted	\$	1,073,856	\$	1,073,856	
Total Bills Mailed	\$	1,140,276	\$	1,140,276	
Total Collected	\$	<u>313,468</u>	27%	<u>\$ 1,009,738</u>	89%
<b>Amount Due</b>	<b>\$</b>	<b>826,808</b>		<b>\$ 130,537</b>	

**YTD 2014 Personal Property Tax, Machinery and Tools Tax, & 2015 License Tax Collections**

<b>Total Personal Property Value</b>	<b>\$</b>	<b>13,577,500</b>
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	<b>as of 11/30/14</b>		<b>as of 12/10/14</b>		
Total Budgeted FY14	\$	160,000	\$	160,000	
Total Bills Mailed	\$	173,147	\$	173,147	
Total Adjustments	\$	(409)	\$	(6,068)	
Total Collected	\$	<u>53,186</u>	31%	<u>\$ 132,557</u>	77%
<b>Amount Due</b>	<b>\$</b>	<b>119,552</b>		<b>\$ 34,522.46</b>	

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

	<b>as of 11/30/14</b>		<b>as of 12/10/14</b>		
Total Budgeted FY 2015	\$	125,000	\$	125,000	
Total Collected	\$	<u>104,498</u>	84%	<u>\$ 122,577</u>	98%
<b>Amount Anticipated</b>	<b>\$</b>	<b>20,502</b>		<b>\$ 2,423</b>	

# Three Year Revenue Comparison

