



**TOWN COUNCIL
Regular Meeting
Civic Center
January 15, 2015
6:00 p.m.**

At approximately 6:00 p.m. Vice Mayor Bannon, having established a quorum, called to order the Regular Meeting of the Town Council. In addition to Vice Mayor Bannon, present were Councilmen Bennett, Brown and Godwin, and Councilwoman Natali. Mayor George Proto arrived at 6:10 p.m. Councilman Wendell was not in attendance. Also in attendance were Interim Town Manager Bob Panek and Assistant Town Clerk Amanda Hurley. The Department Heads were in attendance as well as four members of the public.

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

RECOGNITION OF VISITORS/PRESENTATIONS:

Dixon Tucker, Virginia Department of Health

Mr. Tucker presented the 2013 Water Fluoridation Quality Award to Designated Operator in Charge Patrick Christman. Mr. Tucker continued to state that the staff of Cape Charles were consistent in their diligence in maintaining optimal levels of fluoridation in its drinking water.

Kerry Allison, Executive Director of the Eastern Shore Virginia Tourism Commission

Ms. Allison presented 2014/2016 Marketing Blueprint PowerPoint presentation (please see attached).

Councilman Godwin and Vice Mayor Bannon were in agreement that the ESVTC had done a great job.

Bob Panek asked what the criteria was for determining top events. Ms. Allison stated that the list of top ten events wasn't ready yet, but top events were marketed as arts and culture or events that built regional presence that were distinctive and unique to the area.

Joan Natali asked if there were any plans or projections for originating entities to obtain the transient occupancy tax numbers. Ms. Allison stated that the data could be found on the state website, but it took over a year to receive the numbers back and went on to state that she would pass the data on to the town once received.

PUBLIC COMMENTS:

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

CONSENT AGENDA – APPROVAL OF AGENDA FORMAT:

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

CONSENT AGENDA – APPROVAL OF MINUTES:

The Town Council reviewed the minutes of the December 18, 2014 Regular Meeting, the January 8, 2015 Work Session and the January 8, 2015 Executive Session.

Motion made by Councilman Bennett, seconded by Councilman Brown, to approve the minutes from the December 18, 2014 Regular Meeting, the January 8, 2015 Work Session and the January 8, 2015 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 December 31, 2014 which showed the Total Cash on Hand of \$1,902,209 (an increase of \$700,045 due to tax payments coming in), the Total Cash Held in Reserve was \$1,365,691 and the Total Cash – All Accounts was \$3,267,900. 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 Councilman Brown, 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) Interviews for the Town Planner position were held on December 17 and 19, 2014. The new Planner, Larry DiRe, would be starting February 2, 2015. Mr. DiRe had a Master's in Public Administration and had been a Town Administrator/Manager for a number of localities and taught urban planning at the college level; ii) The Planning Commission met on January 6, 2015 to review the public input regarding the Comprehensive Plan. They would be doing a final review so the draft could be finalized at their January 12th Regular Meeting. Dates would be discussed for a joint work session with the Town Council to review the proposed changes in preparation for a joint public hearing; iii) The Historic District Review Board met on December 16, 2014 and approved the application for 1 Mason Avenue, the former Northampton Hotel. The building was a contributing structure with a proposed use as a hotel/restaurant; iv) A Board of Zoning Appeals public hearing and meeting was held on January 7, 2015 to review an application for exception from the Chesapeake Bay Preservation Area Overlay District Resource Protection Area (RPA) requirements for holes 4 and 5 of the Bay Creek Nicklaus Golf Course which had sustained substantial erosion from various storms and must be reinforced to prevent further loss. That section of the golf course was now within the RPA governed by Article VII – Chesapeake Bay Preservation Area Overlay District of the Cape Charles Zoning Ordinance. The exception request was granted.

C. *Code Enforcement:*

Code Official Jeb Brady reported that every five years, the Eastern Shore Hazard Mitigation Committee met monthly at the Eastern Shore Community College. FEMA required a regional plan for localities to participate in to be eligible for funding. It would take a year and a half for the plan to be finalized.

Councilman Brown questioned why there was such an increase in enforcement fees this year from last year. Jeb Brady stated that many properties had changed hands so back taxes and enforcement fees were being paid.

Jeb Brady attended the Bay Creek Builder's Guild and learned that they had a larger marketing budget and were hoping to double what they did last year.

Town Harbor:

Harbor Master Smitty Dize reported that he spoke with Ed Lewis of the Waterman's Memorial and Mr. Lewis stated that he hoped to have the memorial established before March.

Smitty Dize also added that he had been invited by Virginia Institute of Marine Science to the College of William and Mary's working waterfront meeting in Richmond on January 29th.

Bob Panek pointed out that there had been many great comments on the Harbor's Facebook page about the Dropping of the Crab Pot. Smitty Dize stated that the event was well attended with approximately 400-500 people.

Cape Charles Memorial Library:

Librarian Ann Rutledge reported that the Library was distributing library cards every week. There were still large groups of children attending story time despite the cold weather and almost 75 people attended the library one day last week.

Police Department:

Police Chief Jim Pruitt reported that he would be meeting with Bay Creek residents on January 31, 2015 at 10:00 a.m. regarding enforcement in the Bay Creek neighborhood.

Mayor Proto and Councilman Bennett congratulated Jim Pruitt on his one year anniversary as Police Chief.

Public Utilities/Public Works Departments:

Public Utilities/Public Works Director Dave Fauber reported the following: i) There was a water leak at the corner of Bay and Randolph Avenues as a result of a broken O-ring; and ii) There was an issue at the Plum Street pump station, but it had been resolved.

Councilman Bennett stated that every month it seemed like water production was less than wastewater production. Dave Fauber stated that the inflow and infiltration from rain water could be the cause of this and went on to state that the manhole covers were being looked into for repairs, but so far there were not many needing repair.

Councilman Brown commended Dave Fauber on the nice looking Public Works maintenance yard.

Recreation Department:

Recreation Coordinator Jen Lewis reported that she sent event listings to Allan Burns with the Eastern Shore of Virginia Tourism Commission and encouraged organizations to send their event information to the Town as there had been several instances where misinformation was received from other sources.

OLD BUSINESS

A. *Public Service Authority/Regional Wastewater Update:*

Bob Panek stated that at the December 15, 2014 meeting, the PSA Board authorized the Chairman to amend the engineering contract with Hurt & Proffitt to evaluate the Bayview wastewater treatment system and the possibility of its use as the treatment option for the Southern Node, Phase I project. The next meeting of the PSA subcommittee would be scheduled after the initial draft of a PSA-Cape Charles agreement was available. There was some discussion on the capacity of the Bayview wastewater treatment plant.

NEW BUSINESS:

A. *Grounds Maintenance Contract Award:*

Dave Fauber stated that Eastern Shore Landscape Management, Inc. (ESLM) had been the grounds maintenance contractor for the past 6 years. The original contract was signed in 2008

and was extended, as allowed by the contract, for two subsequent years. In 2011 ESLM was once again awarded the contract which was extended another 2 years. An Invitation for Bids was published November 26, 2014 with proposals due December 16, 2014. ESLM was the sole bidder with mowing services and maintenance costs comparable to last year's prices.

Councilman Bennett questioned why the Town seemed to receive a lot of one bid contracts and asked if there was something the Town could do to attract more bidders. Dave Fauber stated that bids could remain open longer, but most of the contractors who bid were the ones Dave Fauber called directly even though bids were advertised in the Eastern Shore News, Eastern Shore Post and on the Town's website.

Motion made by Councilman Bennett, seconded by Vice Mayor Bannon, to authorize the award of the Grounds Maintenance Service Contract, including the maintenance of Central Park to Eastern Shore Landscape Management, Inc. The motion was approved by unanimous vote.

B. Flood Plain Ordinance – Set Public Hearing:

Bob Panek stated that the Planning Commission had been working on the draft Flood Plain Ordinance and the Town was under the impression that it was to be completed by May 18, 2015. However, the State had given the incorrect date and the Town was required to adopt an updated Flood Plain Ordinance by March 2, 2015 and submit it to the FEMA Regional Office for approval. The adopted measures would be reviewed by the FEMA Regional Office and the Town would be notified when the measures were approved.

Motion made by Councilman Brown, seconded by Councilman Bennett, to schedule a joint public hearing and meeting with the Planning Commission on February 3, 2015. The motion was approved by unanimous vote.

C. Virginia Port Authority Aid to Local Ports Grant Request:

Every year during the General Assembly session, staff met with the Virginia Port Authority (VPA) staff to ask informally for grant funds to be authorized to continue to improve the Harbor as part of the Harbor Redevelopment Plan. A date had been set for February 20, 2015. The VPA required a letter signed by the Mayor by March 1st to officially request a new grant or carryover an existing grant. The VPA Board typically considered requests in May, with approved funding becoming available in July.

Last year, the VPA approved a carryover of \$500K that the Town requested for Phase 3 of the offshore breakwaters and \$75K for the inshore wave attenuator and docks. This carryover was necessary because local matching funds were not available.

The VPA also awarded the Town a new grant of \$255K for a wave attenuator. This was requested as part of a proposed marine terminal project, but not authorized as such.

Previously, the VPA's policy required a 25% local funding match for projects costing \$500K or less, but a 50% match for anything greater than \$500K. This requirement made Phase 3 of the offshore breakwaters unaffordable for the Town, as the project was estimated to cost about \$860K (\$430K local match). Recently, however, the VPA had adopted an amended policy that all grants would require only a 25% match. This dropped the local match for Phase 3 of the offshore breakwaters to \$215.2K.

Councilman Bennett proposed moving forward with a breakwater and Bob Panek stated that it would be addressed in the mid-year budget review.

Motion made by Councilman Bennett, seconded by Councilman Brown, to authorize the Mayor to send a letter to the VPA requesting carryover of the currently authorized grants. The motion was approved by unanimous vote.

D. Library HVAC Contract Award:

Staff published an IFB for the design and installation of the Library Second Floor HVAC on December 10, 2014. Proposals were due and opened on January 8, 2015. The Herbert Senn Co., Inc. was the sole bidder. The price was well within the budget and left ample funds for updating the electrical to handle the HVAC system.

Motion made by Councilman Brown, seconded by Councilman Bennett, to authorize the award of the Library Second Floor HVAC Contract to The Herbert Senn Co., Inc. The motion was approved by unanimous vote.

MAYOR AND COUNCIL COMMENTS

Councilwoman Natali wished everyone a happy new year and pointed out that the Town was doing well financially and thought it was nice of the VPA to change their local funding match percentage.

Councilwoman Natali invited everyone to the Epiphany Party which would be held January 17, 2015 at 6:30 p.m. and invited volunteers to help set up the Fire House at 1:00 p.m.

Councilman Godwin stated that he was pleased with what was going on in the Town so far.

Vice Mayor Bannon stated that the article about little towns in the A&N Electric Cooperative magazine was one of the best.

Mayor Proto wished everyone a happy new year and reminded everyone of the upcoming budget review. Mayor Proto was pleased with the direction the Town was going.

ANNOUNCEMENTS

- January 16, 2015 – Town Offices Closed in Observance of Lee-Jackson Day
- January 17, 2015 – Epiphany Party at Cape Charles Fire House
- January 19, 2015 – Town Offices Closed in Observance of Martin Luther King Jr. Day
- January 28, 2015 – VML Day at the Capital, Richmond
- February 5, 2015 – Town Council Work Session, 6PM
- February 16, 2015 – Town Offices Closed in Observance of Presidents’ Day
- February 19, 2015 – Town Council Regular Meeting, 6PM

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

Mayor Proto

Assistant Town Clerk

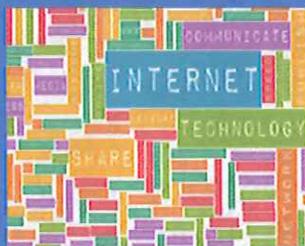
2014/2016 Marketing Blueprint

Eastern Shore of Virginia Tourism Commission



Fall 2014

MARKETING BASELINE



2

Key Data

- 3.5 Million CBBT Crossers
- 90% of Travelers Plan Online
- Planning: 52% Own Experience/
Friends, Family
- Pinterest: Fast Growing for Travel/Leisure
- Images Key to Travel/Leisure
- Mobile Platform Essential

Key Product Areas

- History = 34%
- Outdoors/Nature = 31%
- Shopping = 30%
- Beach = 20%
- Dining/Wine = 19%

Source: Virginia Tourism Corp.

Also Space, Artisan Trail,
Virginia Oyster

Key Demographics

- 39% = 45 to 64
- 33% = 25 to 44
- 22% = 65 plus

Source: Virginia Tourism Corp

Traveler Origin/Planning

- #1, Virginia
- #2, Pennsylvania
- #3, North Carolina
- #4, New York
- #5, New Jersey

Source: ESVATC Welcome Center

STRATEGY



Strategic Pathways

- Digital Presence
Deep & Broad, Dominate Search Results
- New Markets/Products
Multi Gen, Expand 25 to 44, Girlfriends,
Culinary, Arts, Support Partnership Formation, Shoulder
Season Growth
- Packages/Deals/Itineraries
High Media & Consumer Demand, Simplifies Trip Planning
- Better, More Engaging Information
Across Channels, Interactive Maps, Itineraries, Top Ten
Events, Short Videos, Pinterest Boards

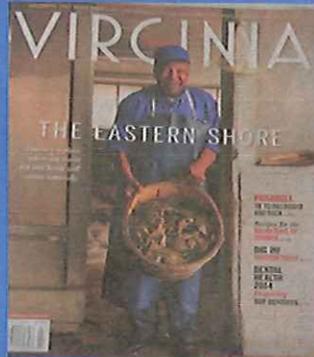
TACTICS



Action

- Content Marketing
- New Consumer Email
- New Social Media Channels
- Top Events, Itineraries
- Leverage – Artisans Trail, Virginia Oyster
- Targeted Advertising: VTC Coop/SEM, Facebook Boost, Facebook PPC, Pinterest

KPIs



Tax Revenue Increase

- Region: \$241,063,863 in 2013
- 3.8% Increase YOY '12 to '13
- Highest increase in VA
- State Average = 1.4%

Source: VTC/US Travel Association: Travel Economic Impact (Expenditures (food, lodging, transport, purchases, entertainment, recreation), Payroll, Employment, Direct Travel Related Tax Receipts)

Signals of Intent to Travel

- Website Visits: +48% YOY
- Social Media Engagement: Adding 1000 K/month FB Likes
- Guide Orders: Up 20%
- Newsletter Sign Ups: 1500 Since Sep Start
- % New Website Visitors: (65 to 80%)
- View Stay on Website: Top 5 Page 6 Months

Earned Social Media

Measure Engagement

Facebook

- Likes
- Shares
- Comments

(New: Instagram, Pinterest, YouTube)

Earned Mainstream Media

- **Washington Post, June**
Virginia's Eastern Shore: A natural fit for summer
- **Forbes, July**
Forget The Hamptons, Chincoteague Island Is The Place To Be This Summer
- **Virginia Living, July/August**
Cover & six page photo essay about the Eastern Shore
- **Martha Stewart Living, July/August**
Blue Sky Lavender Farm
- **Coastal Living**
Named Chincoteague Happiest Seaside Town

INDUSTRY PROGRAM



Industry Strategy

- Marketing Plan Visibility
- Industry Email 1x Quarter
- Annual Tourism Summit, Workshops
- Dashboard (KPIs)
- Strategic Planning



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

CASH POSITION

<u>Cash on Hand</u>	<u>11/30/2014</u>	<u>12/31/2014</u>	<u>Increase/(Decrease)</u>
Shore Bank Checking Account	\$ 802,705.34	\$ 1,502,741.55	\$ 700,036
LGIP Account 1 - Unrestricted	\$ 97,389.74	\$ 97,398.15	\$ 8
LGIP Account 2 - Unrestricted	\$302,070	\$302,070	\$ -
Total Cash On Hand	\$ 1,202,165	\$ 1,902,209	\$ 700,045

<u>Restricted and Reserved Cash Balances</u>	<u>11/30/2014</u>	<u>12/31/2014</u>	<u>Increase/(Decrease)</u>
Shore Bank Savings Account - Facility Fees Reserved (Utilities)	\$139,011	\$139,029	18
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	\$1,268	\$1,373	105
US Bank - Reserved per VRA Interest Free Loan Requirements	\$257,581	\$257,582	1
Total Cash Held in Reserve	\$ 1,365,567	\$ 1,365,691	\$ 124
Total Cash - All Accounts	\$ 2,567,732	\$ 3,267,900	\$ 700,168

DEBT SERVICE

<u>Next Debt Service Payments:</u>	<u>Due Date</u>	<u>Amount</u>
VML VACO 2006B I	1/20/2015	\$26,963.75
VML VACO 2010D	2/5/2015	\$155,437.78

REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY15
GENERAL						
REVENUES	886,238	1,581,664	1,894,994	313,330	3,707,715	51.11%
EXPENDED	198,006	920,728	1,105,775	185,046	3,707,715	29.82%
NET	688,232	660,936	789,220	128,283	0	
PUBLIC UTILITIES						
REVENUES	116,568	702,277	858,037	155,760	1,648,921	52.04%
EXPENDED	95,507	676,833	747,261	70,428	1,648,921	45.32%
NET	21,061	25,444	110,776	85,332	0	
HARBOR						
REVENUES	50,036	561,116	513,111	(48,005)	1,157,987	44.31%
EXPENDED	47,809	552,188	541,419	(10,769)	1,157,987	46.76%
NET	2,227	8,928	(28,308)	(37,237)	0	
SANITATION						
REVENUES	14,715	87,107	89,203	2,096	171,800	51.92%
EXPENDED	14,523	67,542	69,666	2,124	171,800	40.55%
NET	192	19,565	19,537	(28)	0	

FY 2015 Capital Improvement Project Tracking Report

As of:
12/31/2014

<u>General Fund</u>	FY15 Status or Start Date	Percent of Completion	FY15 Budgeted	FY15 QTR 1 Expended	FY15 QTR 2 Expended	FY15 QTR 3 Expended	FY15 QTR 4 Expended	FY15 YTD Expended	(Over)/Under Budget
Dump Truck	January 2015	100%	\$ 30,000	\$ -	\$ 34,574	\$ -	\$ -	\$ 34,574	\$ -
Cape Chas Multi-Use Trail Phase 2	Start - January 2015	0%	\$ 1,570,000	\$ 24	\$ 3,414	\$ -	\$ -	\$ 3,438	\$ 1,566,562
Library Building HVAC 2nd Floor	February or March 2015	0%	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Furniture and Equip - Civic Center	Complete-December	85%	\$ 18,925	\$ 13,895	\$ 2,098	\$ -	\$ -	\$ 15,993	\$ 2,932
New Phone System	January or February 2015	0%	\$ 11,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,213
Replacement Police Vehicle	Completed in November	100%	\$ 23,200	\$ -	\$ 25,326	\$ -	\$ -	\$ 25,326	\$ (2,126)
Shore Scan Products	Complete December or January	100%	\$ 8,200	\$ 6,188	\$ 2,013	\$ -	\$ -	\$ 8,200	\$ -
Pine Street Parking Design	Began August 2014	28%	\$ 10,000	\$ 1,273	\$ 1,554	\$ -	\$ -	\$ 2,828	\$ 7,172
<i>subtotal</i>			\$ 1,681,538	\$ 21,379	\$ 68,979	\$ -	\$ -	\$ 90,358	\$ 1,595,754
Water Fund									
Keck wells Engineering & Construction	Began August 2104 Start pending Bay Creek's acknowledgement	39%	\$ 60,000	\$ 7,995	\$ 15,604	\$ -	\$ -	\$ 23,599	\$ 36,401
Automatic Flush (1/5)		0%	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Truck (48%)	NLT February	0%	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500
<i>subtotal</i>			\$ 77,500	\$ 7,995	\$ 15,604	\$ -	\$ -	\$ 23,599	\$ 53,901
Sewer Fund									
Truck (52%)	NLT February	0%	\$ 8,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,100
Pump Station Redesign Engineering	Spring 2015	0%	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Manhole Rehab	April or May 2015	0%	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000
<i>subtotal</i>			\$ 138,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,100
TOTAL		6%	\$ 1,897,138	\$ 29,374	\$ 84,583	\$ -	\$ -	\$ 113,957	\$ 1,787,755

MUNICIPAL CORPORATION OF CAPE CHARLES
December 31, 2014

YTD 2014 Real Estate Tax Collections

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

	as of 12/31/15		as of 1/12/15	
Total Budgeted	\$	1,073,856	\$	1,073,856
Total Bills Mailed	\$	1,140,276	\$	1,140,276
Total Collected	\$	<u>1,049,578</u>	92%	\$ <u>1,053,477</u> 92%
Amount Due	\$	90,698		\$ 86,798

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

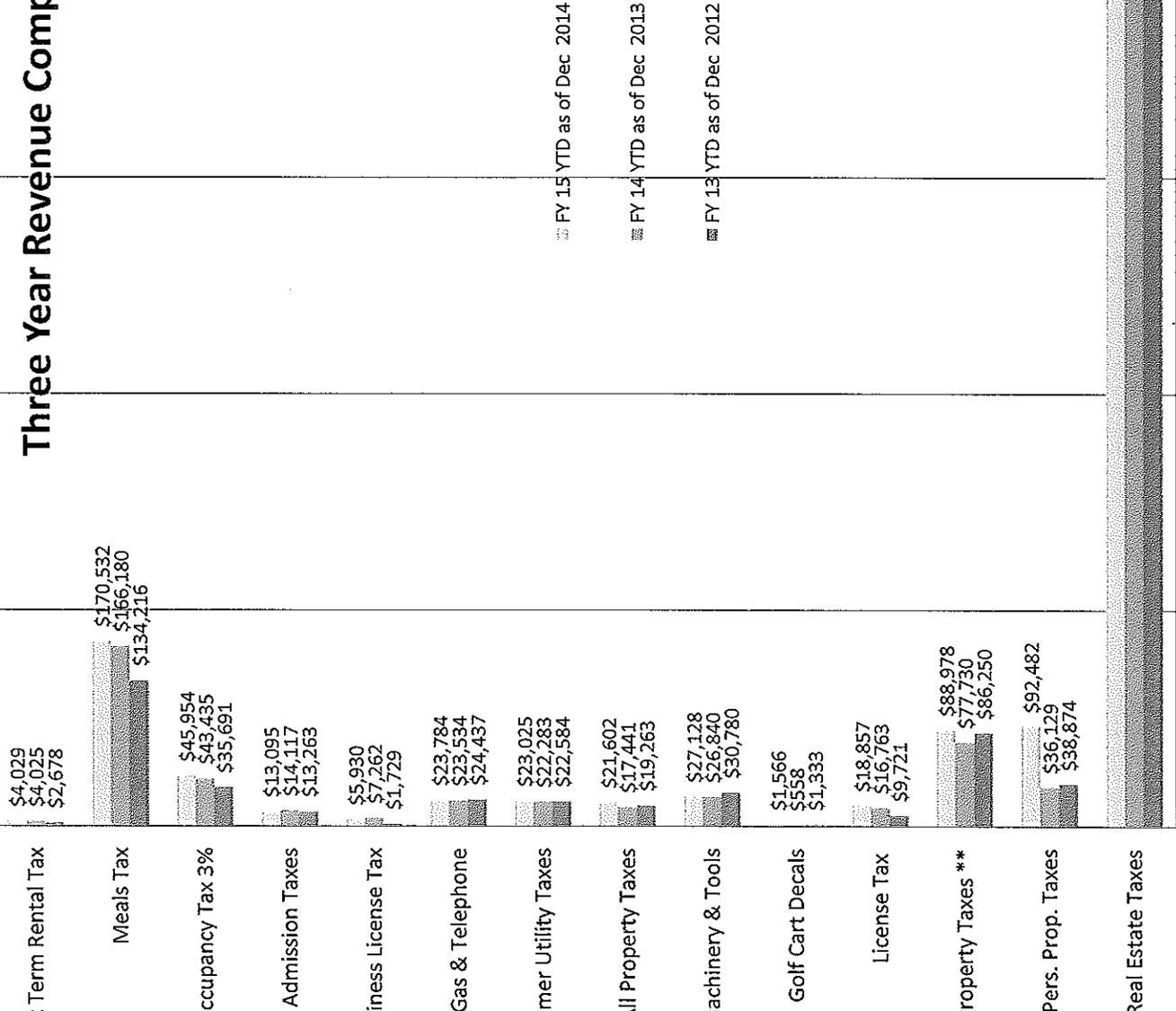
Total Personal Property Value	\$	13,577,500
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	as of 12/31/15		as of 1/12/15	
Total Budgeted FY14	\$	160,000	\$	160,000
Total Bills Mailed	\$	173,147	\$	173,147
Total Adjustments	\$	(6,125)	\$	(6,150)
Total Collected	\$	<u>134,964</u>	78%	\$ <u>136,712</u> 79%
Amount Due	\$	32,058		\$ 30,284.73

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

	as of 12/31/15		as of 1/12/15	
Total Budgeted FY 2015	\$	125,000	\$	125,000
Total Collected	\$	<u>114,085</u>	91%	\$ <u>114,624</u> 92%
Amount Anticipated/Over	\$	10,915		\$ 10,376

Three Year Revenue Comparison



\$0 \$200,000 \$400,000 \$600,000 \$800,000 \$1,000,000 \$1,200,000