



**TOWN COUNCIL  
Regular Meeting  
Civic Center  
February 18, 2015  
6:00 p.m.**

At approximately 6:00 p.m. Mayor 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 Treasurer Deborah Pocock, Harbor Master Smitty Dize and Assistant Town Clerk Amanda Hurley. The majority of 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:**

There were no visitors or presentations.

**PUBLIC COMMENTS:**

*Phil Goetkin – 602 Jefferson Avenue*

Mr. Goetkin explained that he and his wife, Diane, recently moved to Town from Northern Virginia and were very excited to be here and looked forward to getting involved with the Town.

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

Mayor Proto stated that item #8H Acquisition of Mason Avenue Parcel would be added to New Business and item #8B Manhole Rehabilitation Project would be removed.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to approve the agenda format as amended. The motion was approved by majority vote with Councilman Bennett opposed.**

**CONSENT AGENDA – APPROVAL OF MINUTES:**

The Town Council reviewed the minutes of the January 15, 2015 Regular Meeting, the January 20, 2015 Executive Session, the January 22, 2015 Executive Session, the February 3, 2015 Joint Public Hearing and Special Meeting with Planning Commission, the February 5, 2015 Budget Retreat and the February 5, 2015 Special Meeting.

**Motion made by Councilwoman Natali, seconded by Councilman Bennett, to approve the minutes from the January 15, 2015 Regular Meeting, the January 20, 2015 Executive Session, the January 22, 2015 Executive Session, the February 3, 2015 Joint Public Hearing and Special Meeting with Planning Commission, the February 5, 2015 Budget Retreat and the February 5, 2015 Special Meeting as presented. The motion was approved by unanimous vote.**

**DEPARTMENT REPORTS:**

**A. Treasurer's Report:**

Treasurer Deborah Pocock reviewed the Treasurer's report dated January 31, 2015 which showed the Total Cash on Hand of \$1,868,318 (a decrease of \$33,918 which was a normal fluctuation), the Total Cash Held in Reserve was \$1,365,007 and the Total Cash – All Accounts was \$3,233,326. 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 Councilwoman Natali, seconded by Councilman Brown, to accept the Treasurer's Report as submitted. The motion was approved by unanimous consent.**

*B. Planning Commission and Boards:*

Town Planner Larry DiRe reported the following:

i) The Planning Commission met on February 3, 2015 to hold a joint public hearing with Town Council regarding proposed modifications to the Cape Charles Zoning Ordinance, Article VI-Flood Plain District. Town Council approved the modifications and adopted the revised Flood Plain District Ordinance; ii) The Historic District Review Board (HDRB) convened a Special Meeting on January 27, 2015 for a previous Certificate of Appropriateness (COA) for 404 Jefferson Avenue that was not in compliance. The Board unanimously approved the modifications to the COA with some conditions. The February 17, 2015 HDRB meeting was postponed due to the weather. An alternate meeting date would be determined this week; and iii) The March 3, 2015 Planning Commission meeting would include review of the tourism zone and comments regarding the Comprehensive Plan from Ms. Elaine Meil of the Accomack-Northampton Planning District Commission. A joint work session with Town Council would be scheduled to review the final draft.

Councilwoman Natali informed everyone that the February 19, 2015 Northampton County Public Input meeting had been cancelled, but would be rescheduled at a later date.

There was some discussion regarding the tourism zone and Larry DiRe offered to share the information with anyone who was interested. Councilwoman Natali reminded everyone that the upcoming Planning Commission meeting was open to the public.

*C. Code Enforcement:*

Code Official Jeb Brady reported that last week, a site plan had been received for a multi-use commercial building on the south side of Mason Avenue and had been submitted to VDOT for their comments. The developer would be submitting conceptual drawings which would then be reviewed by the Harbor Area Review Board.

Jeb Brady also reported that 70 permits were issued last month and 105 new construction inspections had been completed.

Councilwoman Natali commented that she was impressed with the total construction year to date and the total permit fees. This year's permit fees had already exceeded last year's.

423 Plum Street was in the drywall phase of construction. Vice Mayor Bannon pointed out that there was a significant need for year round rentals.

*Town Harbor:*

Harbor Master Smitty Dize stated that there were no changes to his written report.

*Cape Charles Memorial Library:*

Mayor Proto stated that Librarian Ann Rutledge was not in attendance.

*Police Department:*

Police Chief Jim Pruitt reported that all police vehicles were equipped with Automated External Defibrillators. Northampton County would be replacing them on February 25, 2015.

Chief Pruitt and Corporal Pfeiffer would be attending a 40 hour in-service training the first week of March which had to be completed every two years. Corporal Pfeiffer and Officer Leuer would be attending training in a couple months.

Councilwoman Natali thanked Chief Pruitt for conducting the January 31, 2015 meeting with Bay Creek property owners. 20-30 people attended and Chief Pruitt answered all their questions.

*Public Utilities/Public Works Departments:*

Public Utilities/Public Works Director Dave Fauber reported that Public Works and Public Utilities were having a rough time with the extreme temperatures and had responded to a number of leaks around town. There was some discussion on the emergency numbers for water and wastewater issues. Meters would be read by the end of the week and if a residence appeared to have a leak, the water would be shut off.

Councilman Bennett pointed out the gap between total water produced and wastewater treated was continuing to increase. Groundwater intrusion didn't seem to be contributing to the issue. Dave Fauber stated that they would continue to look into the problem.

Mayor Proto asked when the manhole rehabilitation project would be completed and Dave Fauber stated that with the Town Council meeting being moved back and the inclement weather, he hadn't had a chance to review the bids.

*Recreation Department:*

Mayor Proto stated that Recreation Coordinator Jen Lewis was not in attendance.

**OLD BUSINESS**

There was no old business to discuss.

**NEW BUSINESS:**

*A. Reappointment of Historic District Review Board Member:*

Joseph Fehrer was currently the Chairman of the Historic District Review Board. His term expired January 8, 2015 and he had expressed interest in continuing his service on the Board for another term.

**Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to reappoint Mr. Joseph Fehrer to the Historic District Review Board for another five-year term. The motion was approved by majority vote with Councilman Wendell opposed.**

*B. FY 2014 Budget Re-Appropriation:*

Deborah Pocock stated that expenses related to the Compensation Plan were budgeted in FY14, however only \$7,200 of the \$30,000 was spent during the year. In FY15 the Town was billed for \$19,540, with an anticipated \$2,960 yet to be billed. The total requested to be re-appropriated into FY15 was \$22,500.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali to re-appropriate \$22,500 in order to satisfy the obligation that was contracted in FY14, but which was primarily payable in FY15. The motion was approved by unanimous vote.**

Deborah Pocock stated that there were several FY15 budgeted items that would cost less than anticipated, leaving a budget surplus that may be re-directed to other projects as desired by Council. In addition, Council approved a contingency fund in the FY15 budget which could be allocated to meet new funding needs in the current year. It was expected that there would be a combination of budget savings and available contingency funds of \$145,800 which may be re-directed to other projects that Council had shown an interest in funding in FY15. The savings were in the legal fees, beach sand replenishment and manhole repair project accounts.

**Motion made by Councilman Godwin, seconded by Vice Mayor Bannon, to re-allocate the funds for proposed projects as presented.**

Much discussion followed regarding the FY 2015 project proposals. Due to the uncertainty of the bids for the manhole repair project, it was felt that approval of the project as anticipated was premature.

**Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to amend Councilman Godwin's motion to approve the compensation study implementation as of March 1, 2015, purchase the Strawberry Street Plaza and make improvements to the leased parking area for a total of \$81,000. The motion was approved by majority vote with Councilman Bennett opposed.**

C. *Re-appropriation of Police Department's Forfeited Assets:*

Deborah Pocock stated that the Police Department had accumulated \$1,230.89 since 2012 which was considered a forfeited asset by the U.S. Department of Treasury and could only be spent to benefit the Police Department. Chief Pruitt had requested to use \$800 of the funds for equipment to outfit the newest police vehicle.

**Motion made by Councilman Godwin, seconded by Vice Mayor Bannon, to allow the budget to be amended to bring forward \$800 from the Police Forfeited Assets Bank Account in order to purchase equipment for the new police truck in FY2015. The motion was approved by unanimous vote.**

D. *Local Government Challenge Grant – Arts Enter:*

The grant application was due April 1, 2015 and the Town must confirm in writing to the Virginia Commission for the Arts Local Government Challenge Grant Council's decision to appropriate the matching funds by July 1, 2015. The local match of \$5K was included in the FY2015/2016 budget and the amount would be reviewed by Council at a future budget work session.

**Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to approve the submittal of the Local Government Challenge Grant application by the April 1, 2015 deadline. The motion was approved by unanimous vote.**

E. *Personnel Compensation*

The Council reviewed the proposed Pay Scale and Position Classification Plan. Fourteen full-time and two part-time employees would receive pay increases. The annual cost of implementing the recommendations was approximately \$39,000. During the FY 2015 Mid-Year Review, Council expressed a consensus to implement the plan effective March 1, 2015, at a cost of approximately \$13,000 in FY 2015. Funds were available in the FY 2015 budget to accomplish this. The full annual cost would be included in the FY 2016 budget. The new personnel compensation plan should ensure competitiveness in the labor market and would be effective in addressing personnel turnover rates.

**Motion made by Councilman Bennett, seconded by Councilwoman Natali, to approve the new Pay Scale and Position Classification Plan, effective March 1, 2015.**

Councilman Brown pointed out that there was no Code Enforcement Officer listed on the Position Classification Plan.

**Motion made by Councilman Bennett, seconded by Councilwoman Natali, to amend the motion to approve the new Pay Scale and Position Classification Plan, effective March 1, 2015, with the exception of changing Building Official to Code Enforcement Official. The motion was approved by majority vote with Councilman Wendell opposed.**

F. *2015 Town Harbor Rates*

Smitty Dize explained that the Harbor was proposing a new 3% credit card fee to be assessed for all credit card charges which would help offset the cost of credit card fees which was

approximately \$30,000 per year. A new rate for slip/storage based on an agreement with Chesapeake Marine Systems was also proposed. All recommended rates were base rates. The Harbor was also proposing to continue the 5% discount for Town residents and the 15% discount for commercial users. Smitty Dize proposed implementation of annual, semiannual and quarterly billing options vs. monthly billing for annual and seasonal slip holders which would result in a more stable revenue flow and minimize receivables management.

**Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to approve the proposed rates effective March 1, 2015. The motion was approved by unanimous vote.**

G. *Acquisition of Mason Avenue Parcel*

Strawberry Street Station, LLC offered to sell a 70' x 105' portion of their parcel to the Town for use as a public right of way for \$50,000 and offered to improve the parcel with pavers and landscaping at an additional cost of \$20,000.

Councilman Bennett expressed his opposition to the purchase stating that \$70,000 for a view shed was too expensive.

Councilman Wendell stated that the purchase of the parcel was a one-time opportunity to secure public access to the parking lot leased from Bay Coast Railroad and to provide a public area for future events, etc.

There was much discussion regarding the purchase of the parcel.

**Motion made by Vice Mayor Bannon, seconded by Councilman Godwin, to authorize the Interim Town Manager to conclude an agreement to acquire and improve the parcel as presented. The motion was approved by majority vote with Councilman Bennett opposed.**

**MAYOR AND COUNCIL COMMENTS**

Councilman Bennett stated that the acquisition of the Mason Avenue Parcel was a very poor decision and the way business was conducted was not handled well. There was no time to review the item before the meeting.

Vice Mayor Bannon stated that the Epiphany Party brought in \$6,400 and the Fire Department brought in about \$1,600.

Councilman Wendell stated that there should have been more effective negotiations between the Town and the developer of Strawberry Street Plaza, LLC during the variance process.

Mayor Proto asked everyone to drive safely and stay warm.

**ANNOUNCEMENTS**

- February 28, 2015 – February Freeze
- March 5, 2015 – Town Council Budget Work Session, 3PM
- March 12, 2015 – Town Council Budget Work Session, 6PM
- March 19, 2015 – Town Council Regular Meeting, 6PM

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

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Mayor Proto

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Assistant Town Clerk

**MUNICIPAL CORPORATION OF CAPE CHARLES  
TREASURER'S REPORT  
January 31, 2015**

**CASH POSITION**

<b>Cash on Hand</b>	<b>12/31/2014</b>	<b>1/31/2015</b>	<b>Increase/(Decrease)</b>
Shore Bank Checking Account	\$ 1,502,741.55	\$ 1,468,785.94	\$ (33,956)
LGIP Account 1 - Unrestricted	\$ 97,398.15	\$ 97,407.27	\$ 9
LGIP Account 2 - Unrestricted	\$302,096	\$302,125	\$ 29
<b>Total Cash On Hand</b>	<b>\$ 1,902,236</b>	<b>\$ 1,868,318</b>	<b>\$ (33,918)</b>

<b>Restricted and Reserved Cash Balances</b>	<b>12/31/2014</b>	<b>1/31/2015</b>	<b>Increase/(Decrease)</b>
Shore Bank Savings Account - Facility Fees Reserved (Utilities)	\$139,029	\$139,029	0
Shore Bank Checking Account - Police Funds	\$1,231	\$431	(800)
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	\$1,373	\$1,490	117
US Bank - Reserved per VRA Interest Free Loan Requirements	\$257,582	\$257,582	0
<b>Total Cash Held in Reserve</b>	<b>\$ 1,365,691</b>	<b>\$ 1,365,007</b>	<b>\$ (683)</b>
<b>Total Cash - All Accounts</b>	<b>\$ 3,267,927</b>	<b>\$ 3,233,326</b>	<b>\$ (34,601)</b>

**DEBT SERVICE**

<b><u>Next Debt Service Payments:</u></b>	<b><u>Due Date</u></b>	<b><u>Amount</u></b>
PNC Loan (New & Refinance)	3/1/2015	\$65,322.25

## 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 FY15</u>
<b>GENERAL</b>						
REVENUES	45,610	1,634,598	1,940,605	306,006	3,707,715	52.34%
EXPENDED	131,859	1,051,893	1,194,959	143,066	3,707,715	32.23%
NET	(86,249)	582,705	745,645	162,940	0	
<b>PUBLIC UTILITIES</b>						
REVENUES	150,869	827,693	1,008,906	181,213	1,648,921	61.19%
EXPENDED	91,866	735,831	830,169	94,338	1,648,921	50.35%
NET	59,003	91,861	178,736	86,875	0	
<b>HARBOR</b>						
REVENUES	20,015	573,084	533,126	(39,958)	1,157,987	46.04%
EXPENDED	46,172	622,348	587,394	(34,953)	1,157,987	50.73%
NET	(26,157)	(49,263)	(54,268)	(5,005)	0	
<b>SANITATION</b>						
REVENUES	15,755	102,099	104,958	2,859	171,800	61.09%
EXPENDED	14,356	68,152	84,022	15,870	171,800	48.91%
NET	1,400	33,947	20,937	(13,010)	0	

## FY 2015 Capital Improvement Project Tracking Report

As of:										
1/31/2015		<u>FY15</u>	<u>Percent of</u>	<u>FY15</u>	<u>FY15 QTR 1</u>	<u>FY15 QTR 2</u>	<u>FY15 QTR 3</u>	<u>FY15 QTR 4</u>	<u>FY15 YTD</u>	<u>(Over)/Under</u>
		<u>Status or Start Date</u>	<u>Completion</u>	<u>Budgeted</u>	<u>Expended</u>	<u>Expended</u>	<u>Expended</u>	<u>Expended</u>	<u>Expended</u>	<u>Budget</u>
<b>General Fund</b>										
Dump Truck		January 2015	100%	\$ 30,000	\$ -	\$ 34,574	\$ -	\$ -	\$ 34,574	\$ (4,574)
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	\$ 92	\$ -	\$ 16,085	\$ 2,840
New Phone System		January or February 2015	17%	\$ 11,213	\$ -	\$ -	\$ 1,869	\$ -	\$ 1,869	\$ 9,344
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
<b>subtotal</b>				<b>\$ 1,681,538</b>	<b>\$ 21,379</b>	<b>\$ 68,979</b>	<b>\$ 1,960</b>	<b>\$ -</b>	<b>\$ 92,319</b>	<b>\$ 1,589,219</b>
<b>Water Fund</b>										
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)		NLT February	59%	\$ 10,000	\$ -	\$ -	\$ 5,877	\$ -	\$ 5,877	\$ 4,123
Truck (48%)		NLT February	0%	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,500
<b>subtotal</b>				<b>\$ 77,500</b>	<b>\$ 7,995</b>	<b>\$ 15,604</b>	<b>\$ 5,877</b>	<b>\$ -</b>	<b>\$ 29,476</b>	<b>\$ 48,024</b>
<b>Sewer Fund</b>										
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	4%	\$ 100,000	\$ -	\$ -	\$ 4,041	\$ -	\$ 4,041	\$ 95,959
<b>subtotal</b>				<b>\$ 138,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,041</b>	<b>\$ -</b>	<b>\$ 4,041</b>	<b>\$ 134,059</b>
<b>TOTAL</b>			<b>7%</b>	<b>\$ 1,897,138</b>	<b>\$ 29,374</b>	<b>\$ 84,583</b>	<b>\$ 11,879</b>	<b>\$ -</b>	<b>\$ 125,836</b>	<b>\$ 1,771,302</b>

**MUNICIPAL CORPORATION OF CAPE CHARLES**  
**January 31, 2015**

**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 01/31/2015</b>		<b>as of 2/11/15</b>	
Total Budgeted	\$	1,073,856	\$	1,073,856
Total Bills Mailed	\$	1,140,276	\$	1,140,276
Total Collected	\$	<u>1,054,030</u>	92%	\$ <u>1,055,891</u> 93%
<b>Amount Due</b>	<b>\$</b>	<b>86,246</b>		<b>\$ 84,385</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 01/31/2015</b>		<b>as of 2/11/15</b>	
Total Budgeted FY14	\$	160,000	\$	160,000
Total Bills Mailed	\$	173,147	\$	173,147
Total Adjusted	\$	(6,179)	\$	(6,179)
Total Collected	\$	<u>135,727</u>	78%	\$ <u>136,200</u> 79%
<b>Amount Due</b>	<b>\$</b>	<b>31,241.05</b>		<b>\$ 30,767.96</b>

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

	<b>as of 01/31/2015</b>		<b>as of 2/11/15</b>	
Total Budgeted FY 2015	\$	125,000	\$	125,000
Total Collected	\$	<u>115,059</u>	92%	\$ <u>128,099</u> 102%
<b>Amount Anticipated/Over</b>	<b>\$</b>	<b>9,941</b>		<b>\$ (3,099)</b>

# Three Year Revenue Comparison

