



**TOWN COUNCIL**  
**Work Session**  
Cape Charles Civic Center  
October 1, 2015  
Immediately Following Executive Session

At 6:28 p.m., Mayor George Proto, having established a quorum, called to order the Town Council Work Session. In addition to Mayor Proto, present were Vice Mayor Bannon, Councilmen Bennett, Brown and Wendell and Councilwoman Natali. Councilman Godwin was not in attendance. Also in attendance were Town Manager Brent Manuel, Assistant Town Manager Bob Panek, Town Planner Larry DiRe, Town Treasurer Deborah Pocock, Police Chief Jim Pruitt and Assistant Town Clerk Amanda Hurley. There were no members of the public in attendance.

Mayor Proto stated that the order of business for the evening would be to review the following: A. Town Harbor Discussion; B. Subdivision Ordinance; C. USDA Rural Development Loan.

A. *Town Harbor Discussion*

Town Manager Brent Manuel gave a brief update regarding the revenues and expenditures of the harbor and distributed the financial performance spreadsheet which included FY2011-FY2014. Assistant Town Manager Bob Panek discussed the investments made and reviewed the net with and without debt service. The net for FY2011, without depreciation, was (\$16,496), FY2012 was (\$17,637), FY2013 was (\$183,109) and FY2014 was (\$198,884). Harbor improvements started in FY2013 which increased the debt service substantially. FY2014 expenses included \$37K write off for bad debts.

Councilwoman Natali questioned whether the income from the Shanty was included in harbor revenues. Bob Panek stated that only the base lease of \$6K per year was included. Councilwoman Natali also questioned if the Shanty was charged for the maintenance of the parking lot. Bob Panek stated that most of the parking was for harbor slips and not much parking was required for the Shanty. The lease provision provided the required parking for the Shanty. Councilwoman Natali asked if the boats that came specifically for the Shanty were paying dockage fees. Bob Panek stated that the lease provided transients who patronized the Shanty the opportunity to provide a receipt from the Shanty to receive free docking. Councilwoman Natali asked if there was a quantifiable number for the amount of income the town could have received for this. Bob Panek stated there was not a number due to lax management which was being tightened up. There was much discussion regarding transient boater slips and fuel sales.

Brent Manuel stated that there were three options: i) the town could continue to own and operate the harbor; ii) the town could hold ownership with an outside vendor who would provide managerial services to the harbor; or iii) sell the harbor to a management company.

Councilman Wendell expressed his opposition to selling and losing control of the harbor and recommended interviewing and hiring a harbor master. Councilman Wendell suggested staff research what other localities similar to Cape Charles hired management companies.

Councilman Bennett stated that it was worth looking into a management company for the expertise they could provide with credentials and experience. Brent Manuel commented that a management company had marketing capabilities that would improve the harbor and increase business.

Vice Mayor Bannon was opposed to selling the harbor, but was in agreement with Councilman Bennett to explore other options.

Councilwoman Natali was opposed to selling the harbor and stated that she would resist hiring a management company until the town had put in place a harbor master with methods and procedures for running the harbor and managing the finances appropriately and that there were checks and balances in place.

Councilman Brown was opposed to selling the harbor or hiring a management company and went on to state that the finances needed to come through the Treasurer's office.

The consensus of the Town Council was to place an ad for Harbor Master as soon as possible.

B. *Subdivision Ordinance*

Town Planner Larry DiRe gave an overview stating that the final approval process in the zoning ordinance included a text discrepancy in Section 3.1 allowing the zoning administrator to approve, but in Section 6.8 allowing the governing body to approve. Larry DiRe stated that most subdivision approvals in other localities were done administratively unless they were on a large scale.

The Town Council recommended staff reword the ordinance and bring the proposal back to Town Council after review by the Planning Commission.

C. *USDA Rural Development Loan*

Treasurer Deborah Pocock stated that the town had applied for a 35% Grant/65% Loan for Capital Projects for FY 2016, but grant funding was denied. However, applications would be reconsidered after October 1<sup>st</sup>. There were several funding options available including the following: i) Wait until USDA Rural Development (USDA RD) announced awards in March. This was risky because there was a chance funding wouldn't be available for the area again; ii) appropriate funds for one or more of the projects in the current budget year, either from the general fund balance or from proceeds of the sale of the harbor property. Town Council may appropriate up to \$80,226 without a public hearing. The software company had agreed to reduce the initial down payment to accommodate the town's limitations; iii) appropriate the funds for one of the projects that Council deemed most urgent and wait for USDA RD funding levels to be announced before committing to the other two projects. Staff had prioritized projects in the following order: 1. Police Vehicle – 5 year replacement cycle was necessary to keep a reliable fleet; 2. Enterprise Management System – beneficial to start early as it could take 3-4 months to implement; 3. Public Works Tractor – desirable to obtain prior to next beach season, but not immediately needed; and iv) postpone one or more of the projects until FY 2017.

There was some discussion regarding the point of sale system at the harbor. Councilman Bennett stated that it was imperative that the Harbor install a financial system that integrated with the rest of the town.

There was much discussion regarding the police vehicle. Chief Jim Pruitt commented that he had had several issues with the Dodge Chargers with repairs and recall work.

The consensus of the Town Council was to commit to the police vehicle and enterprise management system and defer the tractor.

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

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Mayor Proto

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Assistant Town Clerk