



**TOWN COUNCIL
Regular Meeting
Civic Center
August 18, 2016
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 and Buchholz, and Councilwomen Natali and Sullivan. Also in attendance were Town Manager Brent Manuel, Assistant Town Manager Bob Panek, Treasurer Deborah Pocock, Planner Larry DiRe, and Town Clerk Libby Hume. The majority of the Department Heads were in attendance as well as 10 members of the public.

Mayor Proto called for a moment of silence followed by the recitation of the Pledge of Allegiance.

RECOGNITION OF VISITORS / PRESENTATIONS:

Mayor Proto read Proclamation #20160818 in Memory of Alice Brinkley Brown.

Motion made by Vice Mayor Bannon, seconded by Councilman Brown, to adopt Proclamation 20160818 in memory of Alice Brinkley Brown. The motion was approved by unanimous vote.

PUBLIC COMMENTS:

Bert Turner, Eastville, VA

Mr. Turner stated that he was representing Cherrystone I, LLC regarding the purchase of the harbor property. Cherrystone I, LLC was asking for a rezoning of the property from Harbor District to Industrial M-2 for operations of a port facility, material storage, and other uses which were all included in the application package. M. Turner introduced the other members of the project team in attendance as Jim Gunn, Furlong Baldwin, Eyre Baldwin and Dan Brown who were there to answer any questions.

Bill Prickett, 210 Tazewell Avenue

Mr. Prickett addressed the Council regarding the Concerts in Central Park which were sponsored by the Citizens For Central Park (CCP). The concerts were going well with close to 2K people attending so far this summer. There were three more concerts this season. The concerts provided something for everyone and were free to the audience, but CCP had to pay for the performers. People thought the Town of Cape Charles was funding the concerts but that was not the case. CCP funded the concerts through fundraising efforts and donations raised at various events. Mr. Prickett stated that CCP would like to continue the concerts for 2017 and asked the Town Council to think about how the Town could possibly help fund the concerts. The concerts fit in well with the recreational use of the park and tourism and benefited the tourists and the residents of Cape Charles and Northampton County. Mr. Prickett concluded by stating that CCP might present a formal request for funding and he asked Council for their consideration and thoughts about how they could help with funding.

There were no other 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 July 18, 2016 Joint Public Hearing with the Planning Commission, the July 21, 2016 Regular Meeting, the August 2, 2016 Executive Session and the August 2, 2016 Work Session.

Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to approve the minutes from the July 18, 2016 Joint Public Hearing with the Planning Commission, the July 21, 2016 Regular Meeting, the August 2, 2016 Executive Session and the August 2, 2016 Work Session as presented. The motion was approved by majority vote with Councilwomen Natali and Sullivan abstaining since they were not in attendance at the July 18, 2016 Joint Public Hearing and the July 21, 2016 Regular Meeting.

DEPARTMENT REPORTS:

A. *Treasurer's Report:*

Treasurer Deborah Pocock reviewed the Treasurer's report dated July 31, 2016 which showed the Total Cash on Hand of \$2,178,065, the Total Cash Held in Reserve was \$1,358,655 and the Total Cash – All Accounts was \$3,536,720. Deborah Pocock went on to review the Debt Service, Revenue vs. Expenditures, the FY 2017 Capital Improvement Project Tracking Report, the YTD 2016 Real Estate, Personal Property, Machinery and Tools Tax & 2016 License Tax Collections, the YTD Prior Year Real Estate Tax, Personal Property Tax, Interest and Penalty Collections and the Three Year Revenue Comparison.

Motion made by Councilwoman Natali, 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 Larry DiRe reported that the Wetlands and Coastal Dunes Board met on July 27, 2016. That meeting was continued until the additional report from the Virginia Institute of Marine Sciences was received. The report arrived on August 16 and the continued meeting was scheduled for August 25, 2016 at 6:00 p.m.

C. *Other Departments:*

Code Enforcement:

Code Official Jeb Brady stated that he did not have anything to add to his written report. There were no questions from Council.

Cape Charles Memorial Library:

Librarian Ann Rutledge stated that it had been a great summer and this week was the last week of the summer programs.

Harbor:

Harbor Master Charlie Farlow reported the following: i) The Harbor had a number of issues with their computer system and some information had been lost. Staff was working with Chesapeake Bay Communications to resolve the issues; ii) The Harbor and Shanty were having ongoing issues with the sewage pumps. The Harbor crew had had to pump sewage for two to five days to keep it from overflowing. The Shanty purchased their own pump and it failed and had to be shut down. The old pump was being repaired. After the repair, the Town would have two spare pumps on hand ready for installation. There were a total of six similar pumps in the area. There was much discussion regarding this issue; iii) He was working with Deborah Pocock regarding a QuickBooks upgrade; iv) There were a number of ways for staff to input data regarding transient boaters – by foot or by boat. Several staff members were inputting the data differently which caused the incorrect reporting. Council stated that the Harbor Master needed to review the report and if the numbers were incorrect, the report should not be sent to Council. Mayor Proto asked Council to review the monthly report and contact Charlie Farlow with any questions; and v) The transient numbers were in line or better than past years. There were some vacant transient slips during the week but they were booked on weekends.

Vice Mayor Bannon stated that a comment was received last month stating that the Harbor was nice but needed to have washers and dryers. Charlie Farlow agreed and stated that he was working on a proposal. There were a number of things that he would like to do and he would be prioritizing the projects and requesting urgent items, such as the fuel system, to be done in the very near future.

Police Department:

Chief Jim Pruitt stated that he did not have anything to add to his written report but showed Council the plaque which was presented to the Cape Charles Volunteer Fire Company (CCVFC) in recognition of the work done on the flag pole at the fire house. Jeb Brady added that VFIS, a provider of insurance, education and consulting services to emergency service organizations, saw the photographs on Facebook and awarded the plaque to the CCVFC.

Public Utilities/Public Works Departments:

Town Manager Brent Manuel stated that Public Works/Public Utilities Director Dave Fauber was out of town. There was some discussion regarding the submitted report as follows: i) The wastewater production exceeded water production by over 500K gallons; ii) The report referenced task order 4 but did not describe what the task order was for; iii) The report contained information regarding the addition of chloramines to drinking water but Dave Fauber decided several months ago that this was not worth pursuing. It should be removed from the report; iv) The Public Works report showed a section for Man Hours per Project/Task but the numbers had been blank since Pete Leontieff left in April. If the numbers were not being tracked or unnecessary, this section needed to be removed from the report; v) There were a number of other fields on the reports that were routinely left blank. These fields should be removed; and vi) Council had asked for a plan to determine when the Keck Wells needed to be connected. This report had not yet been provided and the issue needed to be resolved.

Recreation Department:

Brent Manuel stated that Recreation Coordinator Jen Lewis was unable to attend.

Vice Mayor Bannon asked for information regarding the circus that was scheduled to come to town in September. Councilwoman Natali stated that she had received notification that the circus had to change their schedule due to the recent flooding and would not be able to come to town this year.

OLD BUSINESS

A. Town Council Representative to Library Board

Former Councilman Godwin was the Town Council representative to the Library Board until the expiration of his term on June 30, 2016. Another representative from Council needed to be appointed to serve on the Board. This item was reviewed at the July 21, 2016 Town Council Regular Meeting but the appointment of the Council representative was postponed to the August meeting due to the absence of two Council members.

Motion made by Councilwoman Sullivan, seconded by Councilman Bennett, to appoint Vice Mayor Bannon as the Council representative to the Library Board. The motion was approved by unanimous vote.

B. Zoning Map Amendment Application – Parcel 83A3-11-2

Larry DiRe stated that a Planning Commission and Town Council Joint Public Hearing was held on August 15, 2016. The Planning Commission discussed the application and unanimously recommended Council approval of the zoning map amendment.

Mayor Proto invited Mr. Bert Turner to speak.

Mr. Turner stated that Cape Charles was very unique and this property was important to his client for the proposed marine terminal and boatyard. Being situated between Bayshore

Concrete and South Port, the site provided access to the harbor, the Chesapeake Bay and railroad and would be very useful. He hoped the Council would agree to the rezoning.

Motion made by Councilman Bennett, seconded by Councilwoman Natali, to approve the zoning map amendment as presented. The motion was approved by unanimous vote.

C. *Conditional Use Permit Application – Parcel 83A3-11-2*

There was some discussion regarding the conditional use permit (CUP) application as follows: i) clarification of language regarding structures, other than buildings, exceeding 50 feet; and ii) storage of commercialized bulk and cargo and whether any items stored, such as grain, could become hazardous and what precautions were being taken.

Mr. Turner stated that the applicant had no plans to build any structures over 50 feet so that item could be removed from the CUP application.

Motion made by Councilwoman Natali, seconded by Councilman Buchholz, to approve the conditional use permit with the removal of item number 23-Structures, other than buildings, exceeding 50 feet, from the specific portion of the application. The motion was approved by unanimous vote.

NEW BUSINESS:

A. *Re-appointment to Building Code Board of Appeals*

Brent Manuel stated that the Building Code Board of Appeals consisted of five individuals each serving five-year terms and met as needed to hear appeals concerning the Uniform Statewide Building Code. Matthew Brown currently served on the Board and his term would expire on September 10, 2016. Mr. Brown expressed his interest in continuing his service on the Board for another term.

Motion made by Councilman Bennett, seconded by Councilwoman Natali, to re-appoint Matthew Brown to the Building Code Board of Appeals for another five-year term. The motion was approved by majority vote. Councilman Brown abstain from the vote explaining that Matthew Brown was his son.

B. *Planning Commission Representative to the Harbor Area Review Board*

Larry DiRe stated that Article IX, §§ 9.7 and 9.8 of the Cape Charles Zoning Ordinance addressed the appointment and membership term of the Harbor Area Review Board (HARB). The HARB consisted of seven members, including two Planning Commission representatives. Councilwoman Natali served as one of the Planning Commission representatives until July 21, 2016 when the Town Council appointed Councilman Buchholz as the council representative to the Planning Commission. The Planning Commission discussed this issue at their August 15, 2016 Regular Meeting and the second Planning Commission representative to the HARB, Dennis McCoy, stepped down from the HARB. The Planning Commissioners recommended the appointments of Commissioners Dan Burke and Keith Kostek as the Planning Commission representatives to the HARB.

Motion made by Councilwoman Natali, seconded by Councilman Brown, to appoint Commissioners Dan Burke and Keith Kostek as the Planning Commission representatives to the Harbor Area Review Board. The motion was approved by unanimous vote.

C. *FY 2017 Budget Re-appropriation*

Deborah Pocock informed Council that two projects, the Virginia Retirement System actuarial study for the Town's police officers and the Southern Software Financial Management System implementation, budgeted in FY 2016 would not be completed until fall of FY 2017. The Town Code required that the funding for a project that overran its projected fiscal year be re-appropriated in the following fiscal year. It was lawful for Council to re-appropriate or otherwise amend the budget by up to 1% without public notice. The aggregate amount requested, \$41,069, fell within the allowable boundaries.

There was some discussion regarding the financial management software which should be implemented in early to mid-October. The implementation would be done in phases beginning with the utility portion.

Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to approve the re-appropriation of \$41,069 for FY 2017 in order to complete both projects as discussed. The motion was approved by unanimous vote.

D. VML/VACo Finance Refinancing

Deborah Pocock stated that, at the July meeting, Council approved the Town Manager to authorize VML/VACo to search for cost-saving refunding opportunities for both the Series 2006 bonds and the Series 2013 bonds. VML/VACo returned a bid for consideration that would save a total of \$153,666 in interest, net of refunding costs. The proposal would also insure that the interest rate would remain constant throughout the term of the bonds. There would be no prepayment penalty.

Motion made by Councilman Brown, seconded by Councilman Bennett, to adopt Resolution 20160818 of the Town Council of the Town of Cape Charles, Virginia Authorizing the Issuance and Sale of Its General Obligation Refunding Bonds, Series 2016A and 2016B, and Approving the Execution and Delivery of Certain Documents Prepared in Connection Therewith.

Mayor Proto moved for adoption of Resolution 20160818 as noticed and forewent the reading of the resolution. Resolution 20160818 was adopted by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Brown, yes; Buchholz, yes; Natali, yes; Sullivan, yes.

Vice Mayor Bannon asked Assistant Town Manager Bob Panek for an update on the Cape Charles Trail project.

Bob Panek reported the following: i) The contractor was installing the storm water drainage system on Peach Street. The east side between Jefferson and Washington Avenues were completed today and included the replacement of two laterals in conflict with the drainage system. The contractor would be shifting to the west side of the same block tomorrow and it would take a couple of days to complete. The contractor would then move on to the block between Jefferson and Madison Avenues. The northern block would drain to the BMP on the Bay Creek property; and ii) The concrete crew would be back in the next two weeks to pour the trail from Fig to Peach Streets as well as driveways and the median strip on the northern block of Peach Street. This work would follow the storm water crew.

There was some discussion regarding the length of time North Peach Street would be blocked and allowance for limited parking. The Town would accommodate anyone needing access but the road work on North Peach Street was estimated to take another two months to complete.

MAYOR AND COUNCIL COMMENTS

Councilman Bennett commented as follows: i) He asked if anything had been done regarding Ms. Kathleen Coalter's concerns which were submitted and read at the July meeting and whether a reply had been sent. A mechanism needed to be implemented to respond to citizen comments; ii) The minutes of the July meeting stated that a resolution needed to be adopted and sent to VDOT to amend the Cape Charles Trail phases. He asked whether a resolution had been drafted yet. Bob Panek responded that a work session was needed first to determine what Council wanted the next phase to be; iii) Last month, he asked for a detailed plan regarding the Virginia Main Street program and asked when it would be ready. Brent Manuel responded that a report was ready and would be discussed at a future work session; iv) Two sets of Council agenda packets were sent for each meeting. The first one on the Friday prior to the meeting and the second one just prior to the meeting. He stated that the meeting date was changed to accommodate deadlines and allow staff

more time to complete the monthly reports. Staff needed to do better to get all materials in the first packet.

Councilwoman Natali commented as follows: i) It would be nice for Council to receive a notification when a new employee was hired or when an employee was moved to another position. It would also be good to include in the Gazette; ii) The Citizens for Central Park were sponsoring another Concert in the Park on Saturday night; and iii) The Friends of the Cape Charles Memorial Library were hosting their final Lunch & Learn this Saturday at noon. Mr. Art Schwarzschild would give a presentation on art and science.

Councilmen Brown and Buchholz, Councilwoman Sullivan, Vice Mayor Bannon and Mayor Proto had no further comments.

Mayor Proto proceeded to read the Announcements.

ANNOUNCEMENTS:

- August 20, 2016 – Concert in Central Park – Dharma Initiative, 7:00 p.m.
- August 23, 2016 – Mayor’s Office Hours, 6:00 p.m. – 7:00 p.m.
- September 4, 2016 – Concert in Central Park – Delmarvalous Dolls, 7:00 p.m.
- September 5, 2016 – Town offices closed in observance of Labor Day.
- September 8, 2016 – Town Council Work Session, 6:00 p.m.
- September 10, 2016 – Concert in Central Park – Kasey Rae Band, 7:00 p.m.
- September 13, 2016 – Mayor’s Office Hours, 2:00 p.m. – 3:00 p.m.
- September 15, 2016 – Town Council Regular Meeting, 6:00 p.m.
- September 27, 2016 – Mayor’s Office Hours, 6:00 p.m. – 7:00 p.m.

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

Mayor Proto

Town Clerk

PROCLAMATION 20160818
IN MEMORY OF ALICE BRINKLEY BROWN

WHEREAS, on behalf of our community, we wish to record our deep sorrow over the passing of Ms. Alice Brinkley Brown on August 1, 2016; and

WHEREAS, Alice Brown's life was dedicated to the best interests of the community. She began her teaching career in 1948 at the Eastville School and taught at various schools in the Town of Cape Charles and Northampton County. She worked through integration and retired in 1987; and

WHEREAS, she was fundamental in forming Camp Chataqua, a social club with the purpose of helping the youth on the Eastern Shore succeed in life; and

WHEREAS, she began her public service on the Cape Charles Planning Commission in 1976 before her election to the Town Council in 1980. She served on the Town Council until 1992 when she was elected Mayor and became the Town's first female and first African-American Mayor. She remained Mayor until 1996; and

WHEREAS, during her tenure on the Town Council and as Mayor, she strived to make Cape Charles a better place to live. She was involved with the development of the Sustainable Technologies Eco-industrial Park and the annexation agreement with Brown and Root, the establishment of the Town park, improvement of the harbor, implementation of a transportation system to aide people in commuting up and down the shore; and

WHEREAS, the Town of Cape Charles is deeply indebted to Alice Brown for giving her service with such devotion, earning the respect, admiration and friendship of all the citizens of our community through her professional leadership and dedication;

NOW, THEREFORE, by virtue of the authority vested in me as Mayor of the Town of Cape Charles, I, George Proto, in recognition of Alice Brown's many contributions to our community and its citizens, hereby express the Town's deep appreciation for her service to our community and extend to her family our sincere sympathy upon her passing.

Adopted by the Town Council of Cape Charles on this 18th day of August, 2016.

Mayor George Proto

ATTEST:

Town Clerk

**MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
July 31, 2016**

CASH POSITION

<u>Cash on Hand</u>	<u>6/30/2016</u>	<u>7/31/2016</u>	<u>Increase/(Decrease)</u>
Shore Bank Checking Account	\$ 922,918	\$ 702,100	\$ (220,818)
Shore Bank Money Market Account	\$ 1,077,695	\$ 1,078,123	\$ 428
LGIP Account 1 - Unrestricted	\$ 97,773	\$ 97,814	\$ 42
LGIP Account 2 - Unrestricted	\$ 299,895	\$ 300,027	\$ 132
Total Cash On Hand	\$ 2,398,281	\$ 2,178,065	\$ (220,216)

<u>Restricted and Reserved Cash Balances</u>	<u>6/30/2016</u>	<u>7/31/2016</u>	<u>Increase/(Decrease)</u>
Shore Bank Savings Account - Facility Fees Reserved (Utilities)	\$234,589	\$234,589	0
Shore Bank Checking Account - Police Funds	\$431	\$431	0
LGIP Account 2 - Restricted for USDA Police Vehicle loans	\$10,875	\$10,875	0
PNC Account- 2013 Bond Proceeds - Principal	\$848,917	\$848,917	0
PNC Account- 2013 Bond Proceeds - Interest	\$5,693	\$6,095	403
Shore Bank Checking Account - E-Summons Revenue Reserved	\$165	\$165	0
US Bank - Reserved per VRA Interest Free Loan Requirements	\$257,582	\$257,584	1
Total Cash Held in Reserve	\$ 1,358,251	\$ 1,358,655	\$ 404
Total Cash - All Accounts	\$ 3,756,532	\$ 3,536,720	\$ (219,812)

DEBT SERVICE

<u>Next Debt Service Payments:</u>	<u>Due Date</u>	<u>Amount</u>
2010C General Obligation & Revenue Bond	10/5/2016	\$128,791

CERTIFICATE

The undersigned Clerk of the Town Council of the Town of Cape Charles, Virginia (the "Council"), hereby certifies that:

1. Upon notice duly given, a meeting of the Council was duly called and held on August 18, 2016 (the "Meeting").

2. Attached hereto is a true, correct and complete copy of a resolution (the "Resolution") of the Council entitled "Resolution of the Town Council of the Town of Cape Charles, Virginia, Authorizing the Issuance and Sale of its General Obligation Refunding Bonds, Series 2016A and 2016B, and Approving the Execution and Delivery of Certain Documents Prepared in Connection Therewith," as recorded in full in the minutes of the Meeting and duly adopted by a majority of the members of the Council present and voting during the Meeting.

3. A summary of the members of the Council present or absent at the Meeting, and the recorded vote with respect to the Resolution, is set forth below:

Member Name	Voting				
	Present	Absent	Yes	No	Abstaining
George Proto, Mayor	<u> X </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Chris Bannon, Vice Mayor	<u> X </u>	<u> </u>	<u> X </u>	<u> </u>	<u> </u>
Steve Bennett	<u> X </u>	<u> </u>	<u> X </u>	<u> </u>	<u> </u>
Charles Brown	<u> X </u>	<u> </u>	<u> X </u>	<u> </u>	<u> </u>
Andrew Buchholz	<u> X </u>	<u> </u>	<u> X </u>	<u> </u>	<u> </u>
Joan Natali	<u> X </u>	<u> </u>	<u> X </u>	<u> </u>	<u> </u>
Dora Sullivan	<u> X </u>	<u> </u>	<u> X </u>	<u> </u>	<u> </u>

4. The Resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the Town of Cape Charles, Virginia, dated August 18, 2016.

Clerk, Town of Cape Charles, Virginia

(SEAL)

**RESOLUTION 20160818
OF THE TOWN COUNCIL
OF THE TOWN OF CAPE CHARLES, VIRGINIA,
AUTHORIZING THE ISSUANCE AND SALE OF ITS GENERAL
OBLIGATION REFUNDING BONDS, SERIES 2016A AND 2016B, AND
APPROVING THE EXECUTION AND DELIVERY OF CERTAIN
DOCUMENTS PREPARED IN CONNECTION THEREWITH**

August 18, 2016

WHEREAS, the Town Council of the Town of Cape Charles, Virginia (the "Town") has determined that it is necessary and advisable to borrow money and issue its general obligation refunding bonds to finance the refunding of its \$1,795,000 General Obligation Public Improvement Bond, Series 2006, its \$1,201,000 General Obligation Refunding Bond, Series 2013A, and its \$1,019,000 General Obligation Public Improvement Bond, Series 2013B (collectively, the "Outstanding Bonds"), together with related administrative and financing costs (collectively, "the Project");

WHEREAS, the staff of the Town have utilized the services of the Virginia Municipal League/Virginia Association of Counties' ("VML/VACo") Finance Program to solicit proposals from banking institutions and received a proposal from Pinnacle Public Finance, Inc., a Delaware corporation (the "Lender") to loan money to the Town and to purchase the Bonds (as defined below) and the Lender has indicated its willingness to purchase such Bonds in accordance with the terms of the Bond Purchase Agreements between the Lender and the Town (the "Agreements"), the forms of which have been presented to this meeting;

NOW, THEREFORE, BE IT RESOLVED AND ORDAINED by the Town Council of the Town of Cape Charles, Virginia:

1. Authorization, Issuance, Use and Sale of the Bonds. Pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), and without regard to any requirements or restrictions contained in any charter or special act of the Town, the Town Council hereby authorizes the issuance and sale of its general obligation refunding bonds in the aggregate principal amount not to exceed the amounts set forth below to provide funds to refund all of the Outstanding Bonds, whereby funds will be used to pay accrued interest thereon and the outstanding principal of such bonds, and to pay issuance and finance costs incurred in issuing the Bonds (as hereafter defined).

2. Approval of Plan of Finance. The Town Council hereby accepts the proposal of the Lender to purchase the Town's Bonds on the terms set forth in the Lender's proposal dated August 8, 2016 and as further amended. The Mayor and the Town Manager, either of whom may act, are

authorized to arrange for the issuance of the Bonds. The Bonds shall be issued on the terms set forth in this Resolution and on such additional terms, not inconsistent with this Resolution, as the Mayor or the Town Manager may approve, such approval to be evidenced conclusively by the execution and delivery of the Bonds.

3. Authorization of Bond Purchase Agreements. The forms of the Agreements and the Bonds (collectively, the “Loan Documents”), each of which has been submitted to this meeting, are hereby approved. The Mayor and the Town Manager (each an “Authorized Signatory”) are each authorized to execute the Loan Documents in substantially such forms, with such completions, omissions, insertions and changes (including of dates) not inconsistent with this Resolution as may be approved by the Mayor and the Town Manager, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Bonds to the Lender shall be upon the terms and conditions of the Agreements. The proceeds of the Bonds shall be applied in the manner set forth in the Agreements and related documents. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Agreements.

4. Bond Details. The Bonds shall be issued as single, fully registered bonds, shall be designated “General Obligation Refunding Bond, Series 2016A” (the “2016A Bond”) and “General Obligation Refunding Bond, Series 2016B” (the “2016B Bond” and, together with the 2016A Bond, the “Bonds”), shall each be numbered R-1, and shall be in substantially the forms of Exhibit A to this Resolution, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing such Bonds. The Town Council authorizes the issuance and sale of the Bonds on such terms as shall be satisfactory to the Mayor or the Town Manager; provided however, that (a) the 2016A Bond (i) shall be in a principal amount not to exceed \$980,000, (ii) shall mature no later than August 1, 2026, and (iii) shall bear interest on the outstanding principal balance thereof at an annual rate of interest not to exceed two and one-tenths percent (2.10%) (provided that interest may be payable at a rate in excess thereof upon a determination of taxability or default as provided in the related Agreement), and (b) the 2016B Bond (i) shall be in a principal amount not to exceed \$2,185,000, (ii) shall mature no later than February 1, 2034, and (iii) shall bear interest on the outstanding principal balance thereof at an annual rate of interest not to exceed two and one-half percent (2.50%) (provided that interest may be payable at a rate in excess thereof upon a determination of taxability or default as provided in the related Agreement). Subject to the preceding terms, the Town Council further authorizes either the Mayor or the Town Manager to (1) determine the final principal amounts of the Bonds and (2) to establish the maturity dates and principal amortization schedules (including the principal installment dates and amounts, if any) for the Bonds in such manner as the Mayor or the Town Manager shall determine to be in the best interest of the Town. The Mayor or the Town Manager’s approval of the final terms, purchase prices, interest rates, any make whole provisions on prepayment, maturity dates and amortization schedules of the Bonds shall be evidenced by the execution and delivery of the Bonds, and no further action shall be necessary on the part of the Town so long as such provisions are within the limits prescribed in this Resolution. The principal of and premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America.

5. Payment and Redemption Provisions. The principal of and premium, if any, and interest on the Bonds shall be payable as set forth in the Bonds and the Agreements. The Town may, at its option, redeem, prepay or refund the Bonds upon the terms set forth in the Agreements.

6. Preparation of Printed Bonds; Mutilated or Destroyed Bonds. Upon the reasonable request of the registered owner and upon presentation of one or both of the Bonds at the office of the Registrar (as hereinafter defined), the Town shall arrange to have prepared, executed and delivered in exchange as soon as practicable a Bond in printed form in an aggregate principal amount equal to the unpaid principal of the related Bond. The Bonds may be executed by manual or facsimile signature of the Mayor, with the Town's seal affixed thereto and attested by the Town Clerk; provided, however, that, if both such signatures are facsimiles, no Bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. A typewritten Bond surrendered in any such exchange shall be canceled. If a Bond has been mutilated, lost or destroyed, the Town shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the Town shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Town in connection therewith and, in the case of a lost or destroyed Bond, (a) has filed with the Town evidence satisfactory to the Town that such Bond was lost or destroyed and (b) has furnished to the Town satisfactory indemnity.

7. Pledge of Full Faith and Credit. The Bonds shall each be a general obligation of the Town for which the full faith and credit of the Town is hereby irrevocably pledged for the payment of principal of and interest and premium, if any, on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the Town Council shall levy and collect an ad valorem tax, over and above all other taxes authorized or limited by law, on all locally taxable property in the Town sufficient to pay when due the principal of and interest on the Bonds and all other payment obligations under the Agreements.

8. Appointment of Registrar and Paying Agent; Transfer. The Town Treasurer is appointed as Registrar and Paying Agent for the Bonds. The Bonds may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Registrar. Such transfer shall be made in the registration books kept by the Registrar upon presentation and surrender hereof and the Town shall execute, and the Registrar shall authenticate, if necessary, and deliver in exchange, a new Bond having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rate, and registered in such name as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the Town, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Town Manager may designate a successor Registrar and/or Paying Agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bonds. Upon registration of transfer of the Bonds,

the Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Registrar and/or the Paying Agent.

9. Tax Provisions. The Town covenants that it shall not take or omit to take any action the taking or omission of which will cause either of the Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the “Code”), or otherwise cause interest on either of the Bonds to be includable in the gross income of the registered owner thereof under existing law. Without limiting the generality of the foregoing, the Town shall comply with any provision of law that may require the Town at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of either of the Bonds, unless the Town receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on either of the Bonds from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The Town shall pay any such required rebate from legally available funds.

10. Other Actions. All other actions of Town officials in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds are hereby ratified, approved and confirmed. The Town officials are hereby authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds pursuant to this Resolution and the Agreements.

11. Constitutional Authority and Severability. The Bonds shall be issued under the provisions of Article VII, Section 10(a) of the Constitution of Virginia (other than Subsection (2) thereof). The principal of and interest on the Bonds shall be payable from ad valorem taxes to be levied without limitation as to rate or amount on all property in the Town subject to taxation, to the extent other funds of the Town are not lawfully available and appropriated for such purpose. If any court of competent jurisdiction shall hold any provision of this Resolution to be invalid and unenforceable, such holding shall not invalidate any other provision hereof.

12. Effective Date; Applicable Law. This Resolution shall take effect immediately. The Town Council elects to issue the Bonds pursuant to the provisions of the Act.

Mayor, Town of Cape Charles, Virginia

ATTEST:

Clerk, Town of Cape Charles, Virginia

Form of Bonds

Interest on this bond is intended by the issuer hereof to be exempt from gross income for federal income tax purposes.

REGISTERED

DATED DATE

R-1

September 1, 2016

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

TOWN OF CAPE CHARLES, VIRGINIA

\$978,000

**GENERAL OBLIGATION REFUNDING BOND
SERIES 2016A**

THE TOWN OF CAPE CHARLES, VIRGINIA (the "Locality"), for value received, acknowledges itself indebted and promises to pay to **PINNACLE PUBLIC FINANCE, INC.** (the "Lender"), and its registered assigns or legal representative, the principal amount of:

NINE HUNDRED SEVENTY-EIGHT THOUSAND DOLLARS (\$978,000)

on or before August 1, 2026, together with interest on the outstanding principal amount of this Bond. Principal of this Bond shall be payable annually, and interest hereon shall be payable in semi-annual installments, all in the amounts and on the dates set forth in Schedule I attached hereto and further subject to the provisions of the Bond Purchase Agreement dated as of September 1, 2016 (the "Agreement"), between the Lender and the Locality. The interest rate and interest amount accruing and payable may change from the amounts set forth in the Schedule I effective as of the date that the interest on this Bond is no longer deemed exempt from gross income for federal income tax purposes, all as set forth in the Agreement.

If any installment of principal of and interest on this Bond is not paid to the registered owner of this Bond on its due date, the Locality shall pay to the registered owner a late payment charge in an amount equal to five percent (5%) of the overdue installment. Principal and other sums hereunder are payable in lawful money of the United States of America without the requirement of presentation or surrender of this Bond, except with respect to the final payment of principal.

Subject to the provisions of the Agreement, so long as this Bond is held by the Lender or its registered assigns or legal representative, interest is payable by (i) check or draft mailed to the registered owner of this Bond at the address that appears on the registration books kept by the Locality's Treasurer, who has been appointed registrar and paying agent, or any successor bank or trust company (the "Registrar") or (ii) by wire transfer of funds pursuant to instructions provided by the Purchaser to the Paying Agent. In case any payment date on this Bond shall not be a Business Day (as defined below), then payment of principal, premium, if any, and interest need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such

payment date. "Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia. If an Event of Default has occurred and is continuing under the Agreement, the unpaid principal amount of this Bond shall bear interest at the Default Rate, as defined in the Agreement.

This Bond has been authorized by a resolution adopted by the Town Council of the Locality on August 18, 2016 (the "Bond Resolution"), and is issued pursuant to the Constitution and the Public Finance Act of 1991 of the Commonwealth of Virginia, and the Agreement. Proceeds of this Bond will be used to provide funds to (a) refund the Locality's \$1,795,000 General Obligation Public Improvement Bond, Series 2006, as set forth in the Resolution and (b) pay the issuance and financing costs incurred in issuing this Bond.

The full faith and credit of the Locality are hereby irrevocably pledged for the payment of principal of and interest and premium, if any, on this Bond and the performance of the Locality's obligations under the Agreement. Unless other funds are lawfully available and appropriated for timely payment of this Bond, the Town Council of the Locality shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the Locality sufficient to pay when due the principal of and interest and premium, if any, on this Bond.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal provided for by this Bond, the Locality shall also pay such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Agreement.

This Bond may be prepaid or redeemed at the option of the Locality upon the terms and conditions set forth in the Agreement. Capitalized terms used herein and not defined shall have the meaning as set forth in the Agreement.

Transfer of this Bond may be registered upon the registration books of the Registrar. Prior to due presentment for registration of transfer of this Bond, the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal hereof and the exercise of all other rights and powers of the owner.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed, and this Bond, together with all other indebtedness of the Locality, is within every debt and other limitation prescribed by the Constitution and laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Locality has caused this Bond to be signed by the Mayor of the Locality and the seal of the Locality to be affixed hereto and attested by the Clerk of the Locality, and this Bond to be dated the date first above written.

(SEAL)

Mayor, Town of Cape Charles, Virginia

ATTEST:

Clerk of the Town of Cape Charles, Virginia

SCHEDULE I

**TOWN OF CAPE CHARLES, VIRGINIA
GENERAL OBLIGATION REFUNDING BOND
SERIES 2016A**

Rate of Interest: 2.10%*

Date	Payment	Interest	Principal	Balance
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[to be completed at closing]

Interest on this bond is intended by the issuer hereof to be exempt from gross income for federal income tax purposes.

REGISTERED

DATED DATE

R-1

September 1, 2016

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
TOWN OF CAPE CHARLES, VIRGINIA**

**\$2,183,000
GENERAL OBLIGATION REFUNDING BOND
SERIES 2016B**

THE TOWN OF CAPE CHARLES, VIRGINIA (the "Locality"), for value received, acknowledges itself indebted and promises to pay to **PINNACLE PUBLIC FINANCE, INC.** (the "Lender"), and its registered assigns or legal representative, the principal amount of:

**TWO MILLION ONE HUNDRED EIGHTY-THREE THOUSAND DOLLARS
(\$2,183,000)**

on or before February 1, 2034, together with interest on the outstanding principal amount of this Bond. Principal of this Bond shall be payable annually, and interest hereon shall be payable in semi-annual installments, all in the amounts and on the dates set forth in Schedule I attached hereto and further subject to the provisions of the Bond Purchase Agreement dated as of September 1, 2016 (the "Agreement"), between the Lender and the Locality. The interest rate and interest amount accruing and payable may change from the amounts set forth in the Schedule I effective as of the date that the interest on this Bond is no longer deemed exempt from gross income for federal income tax purposes, all as set forth in the Agreement.

If any installment of principal of and interest on this Bond is not paid to the registered owner of this Bond on its due date, the Locality shall pay to the registered owner a late payment charge in an amount equal to five percent (5%) of the overdue installment. Principal and other sums hereunder are payable in lawful money of the United States of America without the requirement of presentation or surrender of this Bond, except with respect to the final payment of principal.

Subject to the provisions of the Agreement, so long as this Bond is held by the Lender or its registered assigns or legal representative, interest is payable by (i) check or draft mailed to the registered owner of this Bond at the address that appears on the registration books kept by the Locality's Treasurer, who has been appointed registrar and paying agent, or any successor bank or trust company (the "Registrar") or (ii) by wire transfer of funds pursuant to instructions provided by the Purchaser to the Paying Agent. In case any payment date on this Bond shall not be a Business Day (as defined below), then payment of principal, premium, if any, and interest need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such payment date. "Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia.

If an Event of Default has occurred and is continuing under the Agreement, the unpaid principal amount of this Bond shall bear interest at the Default Rate, as defined in the Agreement.

This Bond has been authorized by a resolution adopted by the Town Council of the Locality on August 18, 2016 (the "Bond Resolution"), and is issued pursuant to the Constitution and the Public Finance Act of 1991 of the Commonwealth of Virginia, and the Agreement. Proceeds of this Bond will be used to provide funds to (a) refund the Locality's \$1,201,000 General Obligation Refunding Bond, Series 2013A, as set forth in the Resolution, (b) refund the Locality's \$1,019,000 General Obligation Public Improvement Bond, Series 2013B as set forth in the Resolution, and (c) pay the issuance and financing costs incurred in issuing this Bond.

The full faith and credit of the Locality are hereby irrevocably pledged for the payment of principal of and interest and premium, if any, on this Bond and the performance of the Locality's obligations under the Agreement. Unless other funds are lawfully available and appropriated for timely payment of this Bond, the Town Council of the Locality shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the Locality sufficient to pay when due the principal of and interest and premium, if any, on this Bond.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal provided for by this Bond, the Locality shall also pay such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Agreement.

This Bond may be prepaid or redeemed at the option of the Locality upon the terms and conditions set forth in the Agreement. Capitalized terms used herein and not defined shall have the meaning as set forth in the Agreement.

Transfer of this Bond may be registered upon the registration books of the Registrar. Prior to due presentment for registration of transfer of this Bond, the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal hereof and the exercise of all other rights and powers of the owner.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed, and this Bond, together with all other indebtedness of the Locality, is within every debt and other limitation prescribed by the Constitution and laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Locality has caused this Bond to be signed by the Mayor of the Locality and the seal of the Locality to be affixed hereto and attested by the Clerk of the Locality, and this Bond to be dated the date first above written.

(SEAL)

Mayor, Town of Cape Charles, Virginia

ATTEST:

Clerk of the Town of Cape Charles, Virginia

SCHEDULE I

**TOWN OF CAPE CHARLES, VIRGINIA
GENERAL OBLIGATION REFUNDING BOND
SERIES 2016B**

Rate of Interest: 2.50%*

Date	Payment	Interest	Principal	Balance
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[to be completed at closing]

REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY15
GENERAL						
REVENUES	84,246	39,263	84,246	44,983	3,782,198	2.23%
EXPENDED	279,961	305,985	279,961	(26,024)	3,723,535	7.52%
NET	(195,715)	(266,722)	(195,715)	71,007	58,663.00 surplus to harbor	
PUBLIC UTILITIES						
REVENUES	135,279	207,977	135,279	(72,697)	2,302,286	5.88%
EXPENDED	107,110	78,240	107,110	28,871	2,302,286	4.65%
NET	28,169	129,737	28,169	(101,568)	0	
HARBOR						
REVENUES	83,950	179,787	83,950	(95,837)	1,713,689	4.90%
EXPENDED	82,070	112,223	82,070	(30,153)	1,772,351	4.63%
NET	1,880	67,564	1,880	(65,684)	(58,662.00)	
SANITATION						
REVENUES	16,094	16,718	16,094	(625)	175,300	9.18%
EXPENDED	1,641	157	1,641	1,484	175,300	0.94%
NET	14,453	16,561	14,453	(2,109)	0	

FY 2017 Capital Improvement Project Tracking Report

As of:
7/31/2016

	<u>FY17 Status or Start Date</u>	<u>Percent of Completion</u>	<u>FY17 Budgeted</u>	<u>FY17 QTR 1 Expended</u>	<u>FY17 QTR 2 Expended</u>	<u>FY17 QTR 3 Expended</u>	<u>FY17 QTR 4 Expended</u>	<u>FY17 YTD Expended</u>	<u>(Over)/Under Budget</u>
<u>General Fund</u>									
Enterprise Management System (Finance)	budget reappropriation request	0%	\$ 36,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,069
Replacement Police Vehicle	In progress	0%	\$ 27,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,000
Police vehicle cameras & software	In progress	0%	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,600
Public Works Tractor	re-appropriated, in progress	0%	\$ 57,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,621
Mason Ave & Harbor Area Parking Improvements	Pending	0%	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Sidewalk Repair Program (VDOT grant 50%)	application phase	0%	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Strawberry Street Plaza Purchase/Improvements	Pending	0%	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
Cape Chas Multi-Use Trail Phase 2	In progress	4%	\$ 1,256,000	\$ 52,558	\$ -	\$ -	\$ -	\$ 52,558	\$ 1,203,442
<i>subtotal</i>			\$ 1,517,290	\$ 52,558	\$ -	\$ -	\$ -	\$ 52,558	\$ 1,464,732
<u>Water Fund</u>									
Utility Truck Body (shared)	pending	0%	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Walk Behind Leg Stacker	pending	0%	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Keck Well Connection (Grant dependent)	Application	0%	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
<i>subtotal</i>			\$ 530,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 530,000
<u>Sewer Fund</u>									
Utility Truck Body (shared)	pending	0%	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Pump Station Improvements	pending	0%	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
<i>subtotal</i>			\$ 215,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,000
<u>Harbor Fund</u>									
Jetty Improvements (Breakwater #4 deferred)	pending	0%	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Harbormaster Boat	pending	0%	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000
<i>subtotal</i>			\$ 312,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,000
TOTAL		2%	\$ 2,574,290	\$ 52,558	\$ -	\$ -	\$ -	\$ 52,558	\$ 2,521,732

MUNICIPAL CORPORATION OF CAPE CHARLES
July 31, 2016

YTD 2016 Real Estate Tax Collections

Total Land Value	\$	149,909,100	
Total Improvement Value	\$	197,322,878	
Additional Assessments	\$	<u>-</u>	
Total Real Estate Value	\$	347,231,978	
7/31/2016			
Total Budgeted	\$	1,098,777	
Total Bills Mailed	\$	-	
Total Adjustments	\$	-	
Total Collected YTD	\$	<u>3,227</u>	0%
Amount Due	\$	(3,227.17)	

**YTD 2016 Personal Property Tax, Machinery and Tools Tax,
 & 2016 License Tax Collections**

Total Personal Property Value	\$	-	
7/31/2016			
Total Budgeted	\$	163,000	
Total Bills Mailed	\$	-	
Total Adjustments	\$	-	
Total Collected YTD	\$	<u>31</u>	0%
Amount Due	\$	(31)	

**FY 2016 YTD Prior Year Real Estate Tax, Personal Property Tax,
 Interest and Penalty Collections**

7/31/2016			
Total Budgeted	\$	80,000	
Total Collected	\$	<u>5,017</u>	6%
Amount Anticipated/(Over)	\$	74,983	

Three Year Revenue Comparison

