



**TOWN COUNCIL  
Regular Meeting  
Civic Center  
November 17, 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 and Councilmen Brown and Buchholz, and Councilwomen Natali and Sullivan. Councilman Bennett arrived at 6:01 p.m. 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 Department Heads were in attendance as well as five 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 a letter that was sent to the Cape Charles Farmers Market from the Foodbank of Southeastern Virginia and the Eastern Shore. (Please see attached.)

**PUBLIC COMMENTS:**

*Jane McKinley, 526 Tazewell Avenue*

Ms. McKinley began by stating that she was a new resident of Cape Charles and loved the town and everything about it, especially the walkability. Ms. McKinley went on to share her concern regarding inflammatory signage placed in the public space after the election. She found the sign to be very offensive and spoke to the store owner. She stated that she understood that the town did not have any jurisdiction in the VDOT right-of-way but she wanted her concern on record. She hoped that the town could take the opportunity to explore a relationship with VDOT regarding signage in the public rights-of-way, especially if the signage could be offensive to residents, visitors, and guests.

Mayor Proto welcomed Ms. McKinley to the town and suggested that she come to his office hours to discuss the matter further.

Town Clerk Libby Hume read a letter submitted by Mr. Henry Mayer representing Arts Enter Cape Charles. (Please see attached.)

There were no other comments to be heard nor any other 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 October 13, 2016 Work Session, the October 20, 2016 Regular Meeting, the October 25, 2016 Joint Meeting with the Northampton County Board of Supervisors and the November 3, 2016 Work Session.

Councilwoman Natali noted a typographical change on page 2 of the October 13, 2016 Work Session minutes.

**Motion made by Councilwoman Natali, seconded by Councilman Bennett, to approve the minutes from the October 13, 2016 Work Session as amended, and the October 20, 2016**

**Regular Meeting, the October 25, 2016 Joint Meeting with the Northampton County Board of Supervisors and the November 3, 2016 Work 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 October 31, 2016 which showed the Total Cash on Hand of \$2,000,256, the Total Cash Held in Reserve was \$1,359,579 and the Total Cash - All Accounts was \$3,359,836. Deborah Pocock went on to review the Debt Service, Revenue vs. Expenditures, the FY 2017 Capital Improvement Project Tracking Report, and the Three Year Revenue Comparison.

Councilwoman Natali asked Ms. Pocock to include a line item in future reports showing current debt incurred by the town.

**Motion made by Councilman Bennett, seconded by Councilman Buchholz, 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 the following: i) The Wetlands & Coastal Dune Board met on November 14 and approved the town's application for a stormwater outfall at the beachfront. No comments were received from other agencies; ii) An application was received for review by the Board of Zoning Appeals. A meeting was scheduled for December 5 at 10:00 a.m. The public hearing notice would be published on November 18 and agendas would be posted on November 28; iii) An application was received for the Harbor Area Review Board. A meeting was scheduled for November 29 at 6:00 p.m. and agendas would be posted on November 21; and iv) The December Historic District Review Board meeting date was changed to December 13 at 5:00 p.m. from December 20.

**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.

***Harbor:***

Harbor Master Charlie Farlow reported the following: i) The Town Harbor Focus Group would have five members representing the Town Harbor staff, an annual/seasonal slip holder, a commercial waterman, a Town Council representative, and a Town administration representative. Council could appoint a representative at the December meeting; and ii) The Virginia Department of Health offered the town a pump out boat which would be able to service the entire harbor.

***Cape Charles Memorial Library:***

Librarian Ann Rutledge stated that she did not have anything to add to her written report.

Councilwoman Natali thanked her for adding the prior year totals to the spreadsheet.

***Police Department:***

Chief Jim Pruitt stated that he interviewed candidates for the police officer position and would be making a decision after the Thanksgiving holiday.

***Public Utilities/Public Works Departments:***

Public Utilities/Public Works Director Dave Fauber reported the following: i) The stormwater outfall was approved but the U.S. Army Corps of Engineers was reviewing the information and he was awaiting their approval; ii) Pete Leontieff was re-hired to fill the vacancy in the Public Works department; iii) The Public Works crew was working on the repairs to the Central Park gazebo; iv) The wastewater treatment plant was having internet issues and possible issues with

the SCADA system; and v) The issue discussed at the October meeting regarding the parking lot by the Shanty had been taken care of. There was much discussion regarding the condition of the skateboard park and Council instructed Mr. Fauber to have the unsafe equipment fenced off.

*Recreation Department:*

Community Events/Recreation Coordinator Jen Lewis stated she reached out to all the businesses and organizations in town and compiled five pages of December activities which was forwarded to the Eastern Shore of Virginia Tourism Commission for their website. Tracy Outten was able to put everything together on a one-page poster.

**OLD BUSINESS**

A. *Addition to Town Code – Tourism Zone (Chapter 24)*

Larry DiRe stated that the Planning Commission reviewed tourism zone ordinances from localities around the state. Numerous public meetings were held with opportunities for public comment. The proposed tourism zone ordinance had also been reviewed by legal counsel. Council reviewed the draft ordinance at a work session on October 13. There was some discussion regarding the effective date of the ordinance.

**Motion made by Councilman Buchholz, seconded by Councilwoman Natali, to adopt Ordinance 20161117 to Add Cape Charles Town Code Sections 24-1 Through 24-7 – Tourism Zone Ordinance to the Town Code with the effective date retroactive to January 1, 2016.**

**Mayor Proto moved for adoption of Ordinance 20161117 as noticed and forewent reading of the Ordinance. The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Brown, yes; Buchholz, yes; Natali, yes; Sullivan, yes.**

B. *Cape Charles Community Trail Update*

Bob Panek updated the Council on the trail project as follows: i) A slight issue was discovered with the stormwater installation where the structure to tie into was too small; ii) The contract was working on curbing and guttering on Peach Street; iii) The electrical contractor installed the conduit on the east side of Peach Street; iv) The project was still within the 5% contingency. Unless another huge surprise was discovered, the project cost should be within budget; and v) The project was about 35% completed. The planting might have to be deferred until spring depending on the weather.

C. *Follow-Up Items from October Meeting*

i. *Response to October Public Comments Question*

Brent Manuel stated that he and Chief Pruitt spoke to Ms. Duvall regarding the number of police officers and she seemed satisfied with the response.

ii. *Status of Wetlands Board Beach Recommendations*

Brent Manuel stated that the status of the work regarding the beach recommendations were discussed at the November 14 Wetlands & Coastal Dune Board meeting and the Board members seemed to be satisfied with the progress. The town hired a contractor to implement the majority of the recommendations. The sprigging was delayed by the U.S. Army Corps of Engineers to mid-December. The recommendations were being prioritized and the work was moving forward.

iii. *Status of Hiring New Public Works Crew Member*

Brent Manuel stated that Dave Fauber addressed this item during his department report.

iv. *Main Street Initiative Timeline*

Brent Manuel stated that an ambitious implementation timeline had been developed. The board application and job description had been provided to Council for review. He and Libby Hume were working to develop a new page on the town's website and a special Gazette was being drafted with links to the documents on the website.

There was some discussion regarding board members being Cape Charles residents or business owners. It was suggested that there should also be a member from the Northampton County Chamber of Commerce.

Councilwoman Natali asked whether there had been any follow-up regarding the comment last month stating that land in the former STIP property was being used as a rubbish dump. Mayor Proto asked that this item be added to the December meeting follow up items.

**NEW BUSINESS:**

*A. Northampton County Funding Request for FY 2018*

Deborah Pocock stated that each year, the town submitted a letter to Northampton County for a contribution request for the next fiscal year's budget. On November 4, the town received notification from the county to submit any funding assistant requests for FY 2018 by December 2, 2016. The town planned to request funding assistance as follows: i) Cape Charles Memorial Library and Computer Training Lab Operations - \$30K (FY 17 budget = \$132K); ii) July 4, 2017 fireworks display - \$8K of a \$15K budget; iii) Public Beach Safety Operations - \$10K of an anticipated \$30K budget; and iv) North Entrance Jetty - \$50K of a \$300K budget. The town would also request the county to continue its efforts to provide emergency services after the relocation of Riverside Shore Memorial Hospital and continued support for the Cape Charles Volunteer Fire Company.

There was some discussion regarding the request as follows: i) Justification of the projects and dollar amounts needed to be included in the request to the County; and ii) The town needed to ask the Eastern Shore Public Library for a list or the number of library card holders with addresses from Eastville to the south. This information would be good to include in future requests as justification for the funding request for the library. Mayor Proto stated that this issue would be added to the follow-up items.

**Motion made by Councilman Bennett, seconded by Councilman Buchholz, to approve submittal of the Northampton County Funding Request as discussed. The motion was approved by unanimous vote.**

*B. Fuel Services Contract Extension*

Brent Manuel stated on November 18, 2014, the town awarded a contract effective December 1, 2014 to Pep-Up, Inc. for all fuel services for the town. The contract was for one year with the option to renew for three additional years. This would be the second renewal. The current contract expired at midnight on November 30, 2016 and the town wished to exercise the right to renew the contract for another year at the current fuel prices.

**Motion made by Vice Mayor Bannon, seconded by Councilman Bennett, to authorize the mayor to execute a one-year contract extension with Pep-Up, Inc. to provide fuel services to the town. The motion was approved by unanimous vote.**

*C. Parking Lot Improvements*

Bob Panek stated that this report was a follow-up from the October 13 Council work session when Council discussed reprioritization of the trail project and parking improvements. Council directed that a plan be developed.

The town should be closing on the Strawberry Street Plaza property soon. The plaza would connect Mason Avenue to the leased parking area. The cost estimate for improvements to the leased parking lot was approximately \$18K and included head-in parking on the south side, two-way ingress/egress, view shed from the plaza and limited lighting. Patrick Hand agreed to install lighting on the back of his building as well.

The cost estimate for improvements for the Mason Avenue parking extension was approximately \$15K and included an improved east entrance to the lot and sidewalk to the plaza, access to the Strawberry Street Station parking from the entrance to save six spaces on

Mason Avenue. In order to fully implement the Mason Avenue parking extension, the lease would have to be amended allowing this new use and to increase the term from 20 years to 50 years. The longer term was necessary for the Commonwealth of Virginia to approve the Strawberry Street Station Condominium documents with access from leased property. Bay Coast Railroad was amendable to amending the lease.

The cost estimate for improvements to the Library parking lot was \$8.5K and included repair to the broken concrete at the entrance, relocation of the dumpsters off the pavement and landscape screening. This plan would improve traffic flow for the two lots, improve pedestrian access between the leased parking lot and the plaza, improve the location of the trash dumpsters, provide lighting for a portion of the leased lot, and save six parking spots on Mason Avenue by eliminating the new entrance to Strawberry Street Station.

The total estimate was \$41.5K which exceeded the \$30K included in the FY 2017 budget. To remain within the budgeted amount, certain elements could be deferred to FY 2018 or additional funds could be reallocated to the project in FY 2017.

There was much discussion regarding possible locations for the dumpsters, deferring the decision regarding lighting the leased lot until Mr. Hand had completed the building, current usage of the parking lot behind the library, and clean-up of shrubs and bushes.

**Motion made by Councilman Bennett, seconded by Councilwoman Natali, to approve the parking improvement plan as discussed, deferring the lighting until calendar year 2017, distributing the dumpsters throughout the town as appropriate to incur no additional cost to the town, and allocating approximately an additional \$2K to complete the parking plan. The motion was approved by unanimous vote.**

**Motion made by Vice Mayor Bannon, seconded by Councilman Buchholz, to amend the lease with Bay Coast Railroad as discussed to allow the new use and extend the term to 50 years. The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Brown, yes; Buchholz, yes; Natali, yes; Sullivan, yes.**

*D. Retirement Options for Law Enforcement Officers*

Deborah Pocock stated that Council had approved funding for a cost study for enhanced Virginia Retirement System (VRS) benefits for hazardous duty positions, which would cover the town's police officers. The officers would be eligible to retire at age 60 vs. 65 and the plan would supplement the income gap until the individual reached normal social security retirement age. The estimated increase in retirements cost to the town for the first year was \$23,395 for the 1.7% multiplier and \$25,884 for the 1.85% multiplier. There were benefits to the town for providing the enhanced benefits as follows: i) The town would be more competitive when hiring new officers and retaining existing staff; and ii) It should boost the morale of the officers knowing that the locality they serve provided for them should they become disabled and allowed for an earlier retirement from a physically demanding job. The election needed to be made by resolution and would become effective in FY 2018. The election could not be revoked in future years.

**Motion made Vice Mayor Bannon, seconded by Councilman Brown, to adopt Resolution 20161117, using the 1.85% multiplier, to provide the Cape Charles police officers retirement benefits equivalent to those provided to State police officers. Roll call vote: Bannon, yes; Bennett, yes; Brown, yes; Buchholz, yes; Natali, yes; Sullivan, yes.**

**MAYOR AND COUNCIL COMMENTS**

Councilwoman Sullivan commented as follows: i) Based on public comment this evening, she suggested that a friendly reminder be distributed, possibly on water bills, regarding proper placement of signage; ii) She expressed her concern regarding the number of dogs running loose which were not strays. There was so much fecal matter in and around the park. It was not a police matter but citizens could call animal control to report these issues. Mayor Proto stated that a notice

regarding dogs should be put on the water bills as well; and iii) She wished everyone a happy Thanksgiving and happy birthday to Bob Panek, Steve Bennet and anyone else with a November birthday.

Vice Mayor Bannon asked whether the town had a contract with Gary Wagner for sand removal. Dave Fauber stated that Gary Wagner would be removing sand from Bay Avenue and the town might contract with him for ongoing sand removal. Councilman Buchholz asked whether the job would be put out for bids.

Councilman Buchholz asked whether the town could remove signs in the public right-of-way. He understood that the town could not regulate content of a sign, but if it was on public property, it should be removed. Larry DiRe was not certain whether the town had an interagency agreement with VDOT. If the town had an agreement with VDOT, it would have the right to remove signage in the right-of-way. Larry DiRe continued to explain the Supreme Court decision in 2015 (Reid vs. Town of Gilbert, AZ) which struck down the town's ability to remove signage from the public right-of-way. As a result of this ruling, the town's sign ordinance needed to be revised. The Planning Commission would work on the town's sign ordinance after adoption of the updated Comprehensive Plan and Tourism Zone Ordinance. Mayor Proto asked Larry DiRe to pursue an agreement with VDOT and to provide Council an update on the sign ordinance update in three months.

Councilmen Bennett and Brown and Councilwoman Natali had no further comments.

Mayor Proto wished everyone a happy Thanksgiving and proceeded to read the Announcements.

**ANNOUNCEMENTS:**

- November 23, 2016 – Town offices closing at noon for Thanksgiving holiday
- November 24-25, 2016 – Town offices closed for Thanksgiving holiday
- November 29, 2016 – Mayor's Office Hours, 6:00 p.m. – 7:00 p.m.
- December 1, 2016 – Town Council Work Session, 6:00 p.m.
- December 3, 2016 – Grand Illumination of Central Park, 6:00 p.m.
- December 6, 2016 – Joint Public Hearing with the Planning Commission and Town Council, 6:00 p.m.
- December 10, 2016 – Town Council Strategic Planning Work Session, time to be determined.
- December 13, 2016 – Mayor's Office Hours, 2:00 p.m. – 3:00 p.m.
- December 15, 2016 – Town Council Regular Meeting, 6:00 p.m.
- December 23-26, 2016 – Town offices closed for Christmas holiday
- December 27, 2016 – Mayor's Office Hours - Canceled

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

The meeting adjourned at 7:31 p.m.

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Mayor Proto

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Town Clerk

November 17, 2016 Town Council Regular Meeting  
Information/Comments Submitted in Writing



The Foodbank of Southeastern Virginia  
and the Eastern Shore is a proud member of:



2015-2016 Board of Directors

Officers

President

Paul Finch

PF&A Design

Vice President

Lisa Cuba

Hampton Roads Bankshares

Secretary/Treasurer

William Jesse Owens

Dominion For Rent and Dominion Homes Media

Immediate Past President

Kenneth J. Thomas

Kraft Foods Global, Inc.

Retired

Board Members

Melissa Boldt

A&N Electric Cooperative

E. Bernard Boone, III

Seniora Virginia Beach General Hospital

Darius Davenport

Crenshaw, Ware & Martin, PLC

Coca Drewry

Church of the Lord Jesus Christ

Sandra Etheridge

Community At Large

Sharon Goodwyn

Hunton & Williams, LLP

Joanne K. Kinsey

Chesapeake Public Schools

Richard Kiley

Norfolk Southern Corporation

Tim Lockett

Sodelco - Virginia Wesleyan College

Cynthia Messer-Carey

US Trust, Bank of America

Leah E. Williams

YWCA South Hampton Roads

Honorary Life Members

David Brown

CMAS, LLC

Bruce Holbrook

Dixon Hughes Goodman, LLP

Peter M. Huber

Wifox & Savage

Carol Jarvis

Community At Large

Andy Kline

Payday Payroll

Susan Mayo

Community At Large

Dorcas Hodges Nelson

Community At Large

William Nusbaum

Williams Mullion

Marianne P. Scott

Community At Large

Marc Weiss

Wells Fargo Advisors, LLC

Ruth T. Jones Nichols

Chief Executive Officer

September 22, 2016

Cape Charles Farmers Market at the Museum

C/o Barbara O'Hare

P.O. Box 11

Cape Charles, VA 23310

Dear Barbara and Market Vendors:

We can't thank you enough for your recent donations totaling 166 pounds of produce to our Cape Charles Partner Agency, your donation will provided fresh produce to many of our clients in need. Your donation to the Foodbank helps us fill tummies and put smiles on the faces of individuals struggling with hunger.

Through donations like yours, we are able to supply much-needed food to our Partner Agencies and Programs such as food pantries, soup kitchens, shelters, Mobile Pantries and Child Nutrition Programs.

Please know your contribution has resounding impact here in our community. Our Board, staff, Partner Agencies, volunteers and recipients are grateful for your partnership in our mission. Thank you so much for believing in our work.

Sincerely,

Charmin L. Horton  
Branch Manager

Thank you so much!

P.S. September is Hunger Action Month™, when Feeding America and member food banks ask everyone to take action to fight hunger in their community, all month long. Will you help us by planning a food and fund drive, volunteering, or advocating?

The Foodbank of Southeastern Virginia is a 501(c)(3) nonprofit organization that maintains adequate books and records and are available to the IRS upon request (EIN#52-1219783). Also, a copy of our financial statement is available from the State Division of Consumer Affairs in the Department of Agriculture and Consumer Services upon request.

The Foodbank solicits qualities of food and grocery products which are in turn distributed to qualified 501(c)(3) charities and churches in Southeastern Virginia and on the Eastern Shore engaging in the feeding of the needy, ill or infants as prescribed by Section 2135 of the Tax Reform Act of 1976. Therefore, your donated items must be fit for human use and will be store properly and used as soon as possible.



Norfolk: 800 Tidewater Drive • Norfolk, VA 23504 • 757.627.6599

Eastern Shore: PO Box 518 • Tasley, VA 23441 • 757.787.2557

foodbankonline.org

**Henry J. Mayer**  
3025 Butlers Bluff Drive  
Cape Charles, Virginia 23310

November 10, 2016

Mayor Proto, Council persons Bannon,  
Bennett, Brown, Buchholz, Natali and Sullivan,  
and Town Manager Manuel

On behalf of Arts Enter Cape Charles, Citizens for Central Park and myself personally, I would like to again thank you for your support in authorizing a \$1,000 Partner commitment toward a proposed \$2,500 Virginia Tourism Leveraged Marketing Grant to support a proposed revival of the Harbor for the Arts Festival in 2017.

Unfortunately, it does not appear that I will be able to pull together the collaborative partnership that I envisioned as necessary to make a 2017 HFA Festival a success. After several weeks of brainstorming and a review of various plans and obligations, Arts Enter's Executive Director and Board Treasurer have come to the conclusion that it is not in a position financially to be an active partner with CCP and the Town's planned Main Street program. Thus we do not have the necessary three primary partners to submit an application for a VTC Leveraged Marketing Grant, and as a result we will not be able to utilize the \$1,000 match that you offered.

Citizens for Central Park is going forward with plans to host 8-9 Concerts in the Park in 2017 and have already booked the popular Afro-Cuban Tropikiimba Orquesta for June 24<sup>th</sup> partly funded by an Artist Touring Grant from the Virginia Commission for the Arts. The net cost to CCP for nine concerts will probably exceed \$10,000 and we would very much like to have the Town and County both support this major tourism program.

The Palace Theatre will continue to be CCP's backup in case of bad weather, and the two organizations will continue discussions toward jointly hosting a community-wide Festival with Main Street in the near future.

Thank you again for your support,



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

**CASH POSITION**

<b>Cash on Hand</b>	<b>9/30/2016</b>	<b>10/31/2016</b>	<b>Increase/(Decrease)</b>
Shore Bank Checking Account	\$ 642,339	\$ 822,438	\$ 180,099
Shore Bank Money Market Account	\$ 1,079,017	\$ 779,381	\$ (299,636)
LGIP Account 1 - Unrestricted	\$ 97,907	\$ 97,957	\$ 50
LGIP Account 2 - Unrestricted	\$ 300,320	\$ 300,480	\$ 160
<b>Total Cash On Hand</b>	<b>\$ 2,119,583</b>	<b>\$ 2,000,256</b>	<b>\$ (119,326)</b>

<b>Restricted and Reserved Cash Balances</b>	<b>9/30/2016</b>	<b>10/31/2016</b>	<b>Increase/(Decrease)</b>
Shore Bank Savings Account - Facility Fees Reserved (Utilities)	\$234,618	\$234,618	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	\$6,689	\$6,876	187
Shore Bank Checking Account - E-Summons Revenue Reserved	\$245	\$275	30
US Bank - Reserved per VRA Interest Free Loan Requirements	\$257,586	\$257,588	1
<b>Total Cash Held in Reserve</b>	<b>\$ 1,359,361</b>	<b>\$ 1,359,579</b>	<b>\$ 218</b>
<b>Total Cash - All Accounts</b>	<b>\$ 3,478,944</b>	<b>\$ 3,359,836</b>	<b>\$ (119,108)</b>

**DEBT SERVICE**

<b><u>Next Debt Service Payments:</u></b>	<b><u>Due Date</u></b>	<b><u>Amount</u></b>
No debt service payments are due until February 2017		

## REVENUE VS. EXPENDITURES

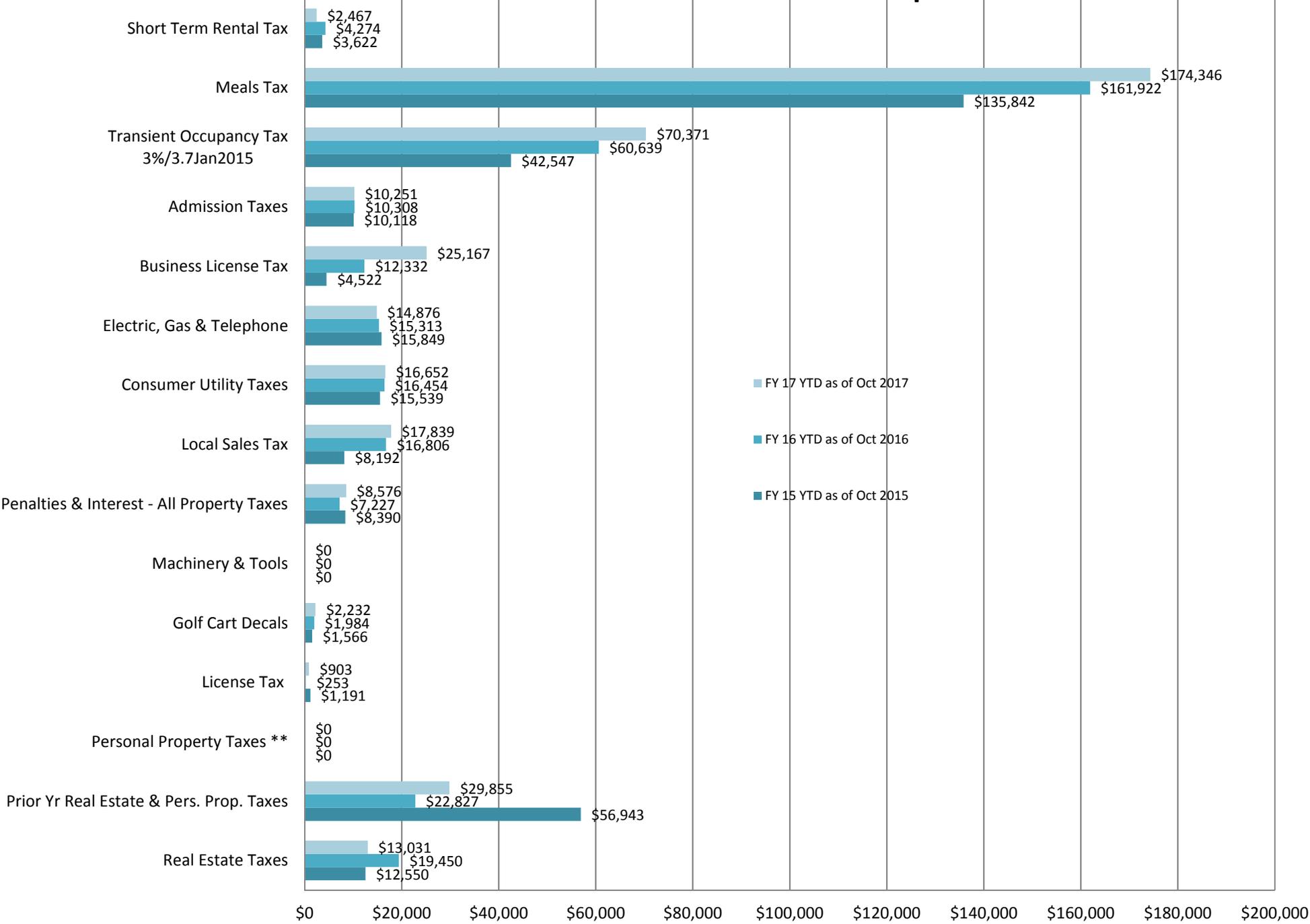
FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY17
<b>GENERAL</b>						
REVENUES	90,466	413,582	536,740	123,158	3,782,198	14.19%
EXPENDED	208,751	854,521	1,081,080	226,560	3,723,535	29.03%
NET	(118,285)	(440,938)	(544,340)	(103,402)	58,663.00 surplus to harbor	
<b>PUBLIC UTILITIES</b>						
REVENUES	159,753	644,011	567,769	(76,243)	2,302,286	24.66%
EXPENDED	202,291	502,227	471,591	(30,636)	2,302,286	20.48%
NET	(42,538)	141,784	96,177	(45,607)	0	
<b>HARBOR</b>						
REVENUES	49,889	402,498	230,880	(171,618)	1,713,689	13.47%
EXPENDED	44,164	408,048	280,492	(127,557)	1,772,351	15.83%
NET	5,725	(5,550)	(49,612)	(44,062)	(58,662.00)	
<b>SANITATION</b>						
REVENUES	15,430	62,606	62,446	(160)	175,300	35.62%
EXPENDED	14,321	44,535	45,152	617	175,300	25.76%
NET	1,109	18,070	17,294	(776)	0	

## FY 2017 Capital Improvement Project Tracking Report

As of:  
10/31/2016

	<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>
<b><u>General Fund</u></b>									
Enterprise Management System (Finance)	full implementation Dec 6th	0%	\$ 36,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,069
Replacement Police Vehicle	USDA application phase	0%	\$ 27,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,000
Police vehicle cameras & software	purchased	91%	\$ 10,600	\$ -	\$ -	\$ -	\$ -	\$ 9,640	\$ 960
Public Works Tractor	Ordered	0%	\$ 57,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,621
Mason Ave & Harbor Area Parking Improvements	Pending	6%	\$ 30,000	\$ -	\$ 1,864	\$ -	\$ -	\$ 1,864	\$ 28,136
Sidewalk Repair Program (VDOT grant 50%)	pre-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	27%	\$ 1,256,000	\$ 167,738	\$ 175,020	\$ -	\$ -	\$ 342,758	\$ 913,242
<b>subtotal</b>			<b>\$ 1,517,290</b>	<b>\$ 167,738</b>	<b>\$ 176,884</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 354,262</b>	<b>\$ 1,163,028</b>
<b><u>Water Fund</u></b>									
Utility Truck Body (shared)	pending	0%	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Walk Behind Leg Stacker	order in October	0%	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Keck Well Connection (Grant dependent)	USDA application phase	0%	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
<b>subtotal</b>			<b>\$ 530,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 530,000</b>
<b><u>Sewer Fund</u></b>									
Utility Truck Body (shared)	pending	0%	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Pump Station Improvements	pending	0%	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
<b>subtotal</b>			<b>\$ 215,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 215,000</b>
<b><u>Harbor Fund</u></b>									
Jetty Improvements (Breakwater #4 deferred)	engineering	5%	\$ 300,000	\$ 8,750	\$ 6,125	\$ -	\$ -	\$ 14,875	\$ 285,125
Harbormaster Boat	pending	0%	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000
<b>subtotal</b>			<b>\$ 312,000</b>	<b>\$ 8,750</b>	<b>\$ 6,125</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,875</b>	<b>\$ 297,125</b>
<b>TOTAL</b>		<b>14%</b>	<b>\$ 2,574,290</b>	<b>\$ 176,488</b>	<b>\$ 183,009</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 369,137</b>	<b>\$ 2,205,153</b>

# Three Year Revenue Comparison





## Municipal Corp. of Cape Charles

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

1. A meeting of the Council of the Town (the "Council") was duly called and held on June 16, 2016 (the "Meeting").
2. Attached hereto is a true, correct and complete copy of Ordinance 20161117 (the "Ordinance") of the Town entitled as recorded in full in the minutes of the Meeting, 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 foregoing Ordinance as set forth below:

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

4. The Ordinance 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 this 18<sup>th</sup> day of November 2016.

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Clerk of the Council  
Town of Cape Charles, Virginia

(Seal)

**ORDINANCE NO.: 20161117**  
**TO ADD CAPE CHARLES TOWN CODE SECTIONS**  
**24-1 THROUGH 24-7 – TOURISM ZONE ORDINANCE**

**WHEREAS**, Section 58.1-3851 of the Code of Virginia allows for the establishment of local tourism zones;

**WHEREAS**, a locality may grant tax incentives for up to twenty (20) years, and provide certain regulatory flexibility in a tourism zone for a period of up to ten (10) years;

**WHEREAS**, the Town Council of the Town of Cape Charles desires to enhance the expansion of tourism related businesses to benefit the Town as a whole;

**THEREFORE, BE IT ORDAINED** by the Town Council of the Town of Cape Charles this 17<sup>th</sup> day of November, 2016 that:

Sections 24-1 through 24-7 of the Cape Charles Town Code be added as follows, with the effective date retroactive to January 1, 2016:

**Chapter 24. -Tourism Zone**

Sec. 24-1. - Purpose.

The town council finds that the creation of a local tourism zone, with incentives for growth, as authorized by Code of Virginia, § 58.1-3851, as amended, will foster the town's development, maintenance and expansion of businesses engaged in the tourism industry, all of which would benefit the citizens of the town.

Sec. 24-2. - Administration.

This chapter shall be administered by the town manager or his or her designee (the "administrator"). The administrator shall be responsible for determining if a business qualifies as a qualified tourism business, and shall determine and publish the procedures for obtaining the benefits created by this chapter.

The application procedure is as follows:

- A. The business will submit a completed application with all required documentation. The application will list Applicant/Contact information and provide the required project information described below. The application will also contain a certification from the applicant that the business is in compliance with all town ordinances and has no outstanding debts to the town or delinquent taxes to the town or Northampton County. The application must be signed by the owner (if an unincorporated business), a duly authorized officer (if a corporation) or manager (if a limited liability company), or the general partner (if a partnership). Each person signing shall certify that he or she is fully authorized to sign the application on behalf of the business.
- B. Project Information requires a business plan or narrative which includes the following:
  - i. General description of the business's history, including its formation, the products and/or services it has provided, and any other significant activities.
  - ii. Description of the operation and/or financial relationships with any parent or subsidiary, and describe any changes in ownership that may occur as a result of this project.
  - iii. Detailed description of the actions the business will take that will qualify it for the credit.

- iv. Revenue projections for the 5 year term of the credit/incentives.
- v. Estimate of the amount of building and other town fees required to complete the capital investment plan.
- vi. Estimate of the increased assessed value of real property.
- vii. Estimate of the increased assessed value of business personal property or machinery and tools.
- viii. If facility and connection fees will be assessed as a result of the project, list the cost of those fees.
- ix. Number of full and part time jobs created.

Sec. 24-3. - Boundary area.

The entire area of the Town of Cape Charles is designated a tourism zone pursuant to Code of Virginia § 58.1-3851, as amended.

Sec. 24-4. - Definitions.

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Economic stimulus credits* means the incentive credits payable to a qualified tourism business as provided in section 24-6 of this chapter.

*Existing business* means a corporation, partnership, limited liability company, or sole proprietorship authorized to conduct business in the Commonwealth of Virginia, located in and actively engaged in the conduct of trade or business in the town prior to the adoption of this chapter.

*Full time job* means a full-time employee as defined according to the federal definition found in 26 US Code Subtitle D Chapter 43 Section 4980H, with reasonable allowances for holidays and vacations.

*New business* means a corporation, partnership, limited liability company or sole proprietorship authorized to conduct business in the Commonwealth of Virginia not previously located in the town that begins actively conducting business after the adoption of this chapter.

*Part time job* means an employee working a minimum of fourteen hours weekly and fewer than the number of hours required to meet the definition of full time job defined in this section.

*Qualified tourism business* means a new or existing business that has met the applicable qualifications set forth in section 24-5 of this chapter and that is engaged in provisioning services, concierge and accommodation services, conference center services, galleries, recreational facilities/services, entertainment, food services, day spas, specialty food stores, gift stores, special events/services, fishing, tourism-related communications, transportation, or any other similar activity deemed appropriate for a tourism zone as defined in another jurisdiction of the commonwealth and approved by that jurisdiction, and found as such by the administrator.

Sec. 24-5. - Qualifications.

To be eligible for economic stimulus credits a qualified tourism business must:

- A. Create and maintain a minimum of one (1) new full time or two (2) new part time jobs.
- B. Make a new verified capital investment of no less than \$2,000.00 in a building, building improvements, and/or in depreciable assets. A capital investment does not include the cost to purchase real property.
- C. Hold a current town business license and be current in all tax and utility bill obligations to the town, and all tax obligations to Northampton County.
- D. Be in compliance with all town ordinances.

Sec. 24-6. - Economic stimulus credits and enforcement.

- A. A qualified tourism business shall be eligible to receive the following economic stimulus credits:
  - i. A credit equal to 25 percent of the new or increased capital improvement tax paid to the town with a verified capital investment of not less than \$2,000.00 to a maximum of \$1,000,000.00 capital investment.
  - ii. A credit equal to 50 percent of the amount of the net increase in real estate tax paid to the town.
  - iii. A credit equal to 50 percent of the amount of BPOL tax paid to the town.
  - iv. For a qualified tourism business that maintains at least eighty-five (85) hours weekly of full time and part time staff employment, a credit of up to 50 percent of the facility and connection fees paid to the town.
  - v. A credit of up to 50 percent of the building permit fees paid to the town for the approved project.

- B. The economic stimulus credits shall be awarded according to a flat credit structure for taxes described in subparts (A)(i) through (A)(iii) above and a tiered structure for fees described in subparts (A)(iv) and (A)(v). The amount of economic development stimulus credits awarded for fees shall be determined by the administrator based on a qualified tourism business's application alignment with Section 24-5 (A) through (D) and all or some of the following criteria: preserves or enhances retail sales tax base; fills a vacant storefront; eliminates blight; prevents demolition by neglect; and increases payroll by at least forty-four (44) hours of full time and part time staff employment per week.

The administrator shall make an award recommendation to the town council for final approval. Following the decision of the town council, the administrator will send a letter to the applicant business stating the following:

- i. Whether the business qualifies for economic stimulus credits.
  - ii. If the business qualifies, the potential amount of the credit(s) and the period(s) over which the credit(s) will be awarded.
  - iii. The required actions for the business to remain qualified to receive the credit(s).
- C. No taxes, fees, or other charges shall be deemed waived by this chapter. All such taxes, fees, and charges shall be paid by the qualified business in full as and when due. Economic stimulus credits described in subparts (A)(i) through (A)(iii) above that are awarded to a qualified tourism business shall be paid annually, in arrears, for each year that the qualified business meets all eligibility criteria up to a maximum of five years. If a qualified business fails to meet all eligibility criteria in any given year, the economic stimulus credits for that year and all future years shall be forfeited. Economic stimulus credits described in subparts (A)(iv) and (A)(v) above that are awarded to a qualified business shall be paid upon verification by the administrator of the completion of construction of the improvements to which the applicable facility and connection fees and/or building permit fees relate.
- D. As a condition to receiving an economic stimulus credit, a qualified business agrees to provide such information and allow such inspections as the town deems reasonably necessary to verify the eligibility criteria and to ensure the qualified business's ongoing compliance therewith.
- E. Notwithstanding anything to the contrary in this chapter:

- i. An otherwise qualified tourism business shall lose its eligibility for economic stimulus credits, and shall repay any previously awarded economic stimulus credits, upon any of the following:
    - a) A violation by such business or, to the extent related to the operation of the business, by any of its principals or officers, of any statute, regulation, or order of the United States or the Commonwealth of Virginia or any department or agency thereof; or
    - b) A violation of any town ordinance that continues beyond the applicable cure period or, if none, a period of ten days.
  - ii. All economic stimulus credits are subject to the appropriation requirements of the Commonwealth of Virginia and the town.
- F. If a qualified tourism business leaves the town to conduct business in another location within three (3) years after the expiration of all incentive periods, it will be required to repay the town the total amount of economic stimulus credits received.

Sec. 24-7. - Non-waiver.

Unless expressly stated herein, this chapter shall not be construed to waive the requirement of any ordinances, regulations, and policies that require permits and approvals for land use, construction, and business operation. Additionally, unless stated otherwise herein, nothing in this chapter shall be construed as waiving the right of the town to enforce its ordinances, regulations, or policies or to collect taxes, fees, fines, penalties, or interest imposed by law or by ordinance.

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Adopted by the Town Council of Cape Charles on this 17<sup>th</sup> day of November, 2016.

\_\_\_\_\_  
Mayor George Proto

ATTEST:

\_\_\_\_\_  
Town Clerk



## Municipal Corp. of Cape Charles

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

1. A meeting of the Council of the Town (the “Council”) was duly called and held on November 17, 2016 (the “Meeting”).
2. Attached hereto is a true, correct and complete copy of Resolution 20161117 (the “Resolution”) of the Town entitled as recorded in full in the minutes of the Meeting, 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 foregoing Resolution as set forth below:

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

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 this 18<sup>th</sup> day of November 2016.

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Clerk of the Council  
Town of Cape Charles, Virginia

(Seal)

\*The language in this guide resolution has been written by VRS Benefits Counsel and is not subject to modification.

GUIDE RESOLUTION  
Political Subdivisions  
With retirement multiplier of 1.70% OR 1.85%  
Already in VRS

**CAPE CHARLES TOWN COUNCIL  
RESOLUTION 20161117**

Be it hereby resolved that the Town of Cape Charles, Virginia, a political subdivision currently participating in the Virginia Retirement System under Title 51.1, Chapter 1, Article 5 of the Code of Virginia, as amended, acting by and through its Town Council does hereby elect to have such employees of the Town of Cape Charles who are employed in positions as full time salaried Law Enforcement Officers and whose tenure is not restricted as to temporary or provisional appointment, to become eligible, effective July 1, 2017, to be provided benefits in the Virginia Retirement System equivalent to those provided for State police officers of the Department of State Police, as set out in Section 51.1-138 of the Code of Virginia, including the retirement multiplier of 1.85%, in lieu of the benefits that would otherwise be provided as such code has been or may be amended from time to time, and the Town of Cape Charles agrees to pay the employer cost for providing such employees such benefits.

Be it further resolved that Brent Manuel, Town Manager, and Libby Hume, Clerk, are hereby authorized and directed in the name of the Town of Cape Charles to execute any required contract in order that the above described employees of the Town of Cape Charles may become entitled to retirement benefits equivalent to those provided for State police officers of the Department of State Police. In execution of any contract which may be required the seal of the Town of Cape Charles shall be affixed and attested by the Clerk and, said officers of the Town of Cape Charles are hereby authorized and directed to do any other thing, or things, incident and necessary in the lawful conclusion of this matter. The Treasurer of the Town of Cape Charles be and is hereby authorized and directed and pay over to the Treasurer of Virginia from time to time such sums as are to be paid by the Town of Cape Charles and its employees for this purpose.

**CERTIFICATE**

I, Libby Hume, Clerk of the Town of Cape Charles, Virginia, certify that the foregoing is a true and correct copy of the resolution passed at a lawfully organized meeting of the Cape Charles Town Council held at the Cape Charles Civic Center, 500 Tazewell Avenue, Cape Charles, Virginia, at six o'clock p.m. on November 17, 2016. Given under my hand and seal of the Clerk of the Town of Cape Charles this 17th day of November 2016.

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Clerk of the Council