TOWN COUNCIL
Special Meeting & Executive Session
Cape Charles Civic Center
June 24, 2021
6:30 PM

At approximately 6:30 p.m. Mayor William "Smitty" Dize, having established a quorum, called to order the Special Meeting and Executive Session of the Cape Charles Town Council. In addition to Mayor Dize, in attendance were Councilmen Buchholz, Follmer and Grossman, and Councilwomen Holloway and O'Brien. Vice Mayor Bennett was out of town on business and unable to attend. Also, in attendance were Town Manager John Hozey, Town Clerk Libby Hume, and police officers Juana Diaz and Andrew Spencer. There was one member of the public physically in attendance, and 18 viewers on Facebook.

Mayor Dize stated that he would like Council to amend the special meeting order of business to remove Item #3A FY 2022 Budget Update Prior to Adoption from the agenda as it was unnecessary.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to strike Item #3A from tonight's agenda. The motion was approved by unanimous vote.

PUBLIC COMMENTS (AGENDA ITEMS ONLY)
There were no citizens signed up to speak.

Town Clerk Libby Hume read five comments submitted in writing prior to the meeting. (Please see attached.)

There were no additional comments received in writing prior to the meeting nor during the public comment period.

SPECIAL MEETING ORDER OF BUSINESS:

B. *FY 2022 Budget Adoption:*
John Hozey stated that he had reviewed all the comments received at the June 17, 2021 public hearing and for tonight's meeting and addressed the comments as follows: i) There seemed to be a misconception by some that vacation rentals provided most of the revenue. Transient Occupancy Tax (TOT) amounted to about 7% of the total revenue, with real property taxes at over 40%. With the proposed General Fund increases, visitors and property owners were being asked to each bear half of the new burden. For the Capital Budget, visitors would assist at about 20% with residents at 80%. Overall, residents and property owners were bearing the majority of the burden; ii) Another recurring comment was the difference in the proposed tax rates for hotels/bed & breakfasts (B&Bs) and vacation rentals and that they were punitive, unfair and discriminative. He disputed these comments and explained that they were two different types of businesses with different impacts on the Town and its infrastructure. With the proposed tax rates and fees, the burden was more equitably distributed. On average, vacation home rentals had higher occupancy rates than hotels and B&Bs, which meant more people on the beach, using the public restrooms, etc. On average, vacation home rentals did not have onsite management and any problems fell on the Town. Hotels/B&Bs took care of any issues without a burden on Town staff. Vacation home rentals did not provide parking spaces for their guest who took up as many spaces on the street as needed. Hotels/B&Bs were required to have designated parking for their guests. Vacation home rentals generally included full kitchens and their guests, on average, did not eat out as much, so were not contributing as much in meals tax. The proposed rates and fees were not meant to be unfair or punitive but to be fairer. If the flat tax were to be eliminated, in order to get the same revenue, the TOT rate would have to be increased to 6.14%. The mean rate for Towns in Virginia was 5%. Should the TOT pass as proposed, it would become effective on January 1, 2022. There was still time to figure out any bumps in the road as far as

implementation and administration; iii) Comments were also made that the Town was overreacting to an unusual year. None of the tax rates were based on 2020 experience, but on extrapolation of 2019; iv) Comments were also received that the Town needed to cut the budget. These were very reasonable comments and was always the first thing to look at when putting a budget together. He took a very hard look at the budget looking for areas for growth and cuts. Prior to this year, everything in our budget was lumped together – pass-throughs, grants, reserves, etc. With everything mixed in together, it was difficult to see the real picture. This year, the Town was moving to a more transparent budget. All grants, debt service, etc. were pulled out and placed in specific funds so everyone could see the complete picture. On page 8 of the FY 2020 financial audit, the Town's auditors looked at the 2021 and 2020 budgets and noted 23% lower expenditures in 2021. The budget proposed for adoption today, added some expenditures back in. Last year, the budget was cut drastically since we did not know what to expect with the pandemic. It was not sustainable. The necessary expenditures were added back in to make the budget sustainable.

John Hozey informed Council that by law, the Town was required to post the proposed budget in advance in preparation of the public hearing. Following advertisement of the proposed FY 2022 budget, three minor changes were brought to light. i) The first involved notification that the budgeted American Rescue Plan Act (ARPA) funding would be received in FY 2021 versus FY 2022. This required a change in the FY 2022 budget presentation to recognize this funding as a re-appropriation from FY 2021 versus a new revenue in FY 2022; ii) The second change involved contractual work for the Historic District design guidelines that would no longer be possible in FY 2021. Staff requested that the $40K earmarked in FY 2021 also be re-appropriated for FY 2022 for the same purpose; iii) A key-entry error was found in the budget advertisement. In the grant pass-through line item of the Special Activity Fund, the amount listed was $17,500 and should have been $19,500. This error occurred only in the budget advertisement, not in the budget itself. The clerk drafted the adoption and appropriation Ordinance 20210624 using the budget advertisement as typically done, but unfortunately, it also included the error so needs to be amended as well.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to adopt Ordinance 20210624 – Approving the Budget for Fiscal Year 2021/2022 with Real Property, Transient Occupancy, and Meals Tax and Utility Rate Increases, and Making Appropriations for the Fiscal Year.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to amend the FY 2022 Special Activity Fund Revenue to reflect American Rescue Plan Act funding as a re-appropriation. The motion was approved by unanimous vote.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to amend the FY 2022 General Fund Revenue Re-appropriation line item to increase it by $40K, to increase the Management Consulting line item of the Town Manager's budget by $40K, and to adjust revenue and expenditure totals for the General Fund and the total budget accordingly. The motion was approved by unanimous vote.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to adjust the grant pass-through line item of the Special Activity Fund on Ordinance 20210624 from $17,500 to $19,500. The motion was approved by unanimous vote.

Mayor Dize thanked staff and Council for planning for the future with the strategic plan. We needed to get over the past. Council did a good job. Everyone worked together to spread the burden as evenly and fairly as possible. It was hard to do especially after the pandemic. He felt we were doing the best we could to make Cape Charles the best it could be for years to come.

Mayor Dize read comments submitted by Vice Mayor Bennett. "*Sorry, but I am out of town and will not make it back in time for tonight's meeting. I am in total favor of the budget and would ask that it be made clear that the budget increases are not primarily due to COVID, but to the previous* *many years of deficit spending without a corresponding tax increase. I believe the tax increases are being fairly distributed between residents and owners and our transient population*."

Mayor Dize stated there was a motion and second on the table to adopt Ordinance 20210624 and called for a roll call vote.

The motion was approved by unanimous vote. Roll call vote: Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes; O'Brien, yes.

TOWN MANAGER COMMENTS

John Hozey commented as follows: i) He met often with Cape Charles Main Street (CCMS) and we worked well together. The concept was raised that he should perhaps join the CCMS Board. The CCMS Board met and voted to offer him a seat on the Board. He would like to accept but wanted to ensure that Council had no problem with this. There were no issues or objections raised by Council; and ii) The announcements from the June 17, 2021 Council meeting agenda, showed a special meeting scheduled for July 1, 2021 if needed. He did not feel that a meeting was needed, so the next Council meeting would be on July 13, for the joint public hearing with the Planning Commission. The next regular meeting of Council would be on July 22.

MAYOR AND COUNCIL COMMENTS

Councilman Follmer stated that last week a new ordinance was passed regarding the historic district. It was an important piece of legislation and he wanted to flag that it reinforced what was already there and strengthened the demolition by neglect of structures. There were measures in place for the Town to take action. Practice in the past was not to pursue due to costs. He would like to see the Building Department to have Council's backing to do what was outlined in the ordinance and start procedures when needed. There were not a lot of neglected buildings in the Town, but he would like to see letters sent to the owners of the building at 422/424 Randolph Avenue in the near future. There were a few others needing to be addressed as well.

John Hozey responded that the Town did not have the staff capacity at this time but would move forward with this when possible.

Councilman Grossman added that two structures had recently been to the Historic District Review Board (HDRB) and received approvals. The blue house was scheduled to go before the HDRB in August.

Councilman Follmer concluded by stating that the structural integrity of the buildings needed to be protected.

Councilman Grossman commented that new criteria were added to the CCMS grant for small businesses and it was being opened back up allowing reimbursements for utilities. CCMS staff would reach out to businesses that received funding to see if they qualified for additional funding to get them closer to the $15K maximum. The grant manual was being updated and John Hozey would be presenting it to Council. After Council approval, additional application from previous recipients could be received.

John Hozey added that the grant review committee would be making the changes and he would report it to Council once they were adopted by the committee. Another significant change was the eligibility and the increase in the administrative budget.

Councilwoman O'Brien stated that i) The owners of Bailey's Bait & Tackle offered to extend space for an open invitation to Town Council for a meet and greet with the citizens. This would be a good post-COVID opportunity to meet with our constituents; and ii) The Randolph Avenue beach access looked great.

Councilman Buchholz and Councilwoman Holloway did not have any additional comments.

Mayor Dize stated that he sent an email to Nicole Jacques at the Cape Charles Yacht Center to let her know that the Harbor area looked nice and that he was appreciative of the maintenance being done. He appreciated seeing the boats in the harbor. She wrote back to him expressing her appreciation of him reaching out to her.

Motion made by Councilwoman Holloway, seconded by Councilman Buchholz, and unanimously approved to go into Closed Session in accordance with Section 2.2-3711-A of the Code of Virginia of 1950, as amended for the purpose of: Paragraph 7: Consultation with legal counsel pertaining to actual litigation, where such consultation or briefing in open meeting would adversely affect the litigating posture of the public body.

Specifically: David Fauber v. Town of Cape Charles

Mayor Dize asked the members of the public in attendance to leave the room and advised them that they would be invited back into the room at the conclusion of the executive session.

The members of the public and staff in attendance, with the exception of John Hozey, and Libby Hume, left the room.

Council went into executive session at 7:06 p.m.

John Hozey went outside to notify the members of the public of the end of the closed portion of the meeting. There were no members of the public waiting to return to the meeting.

Motion made by Councilman Buchholz, seconded by Councilman Follmer, to return to open session. The motion was approved by unanimous vote.

The open portion of the meeting resumed at 7:56 p.m.

Certification, to the best of each member's knowledge, that (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the public body. Roll call vote: Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes; O'Brien, yes.

Motion made by Councilman Buchholz, seconded by Councilman Grossman, to adjourn the Special Meeting and Executive Session of the Town Council. The motion was approved by unanimous vote.

The Special Meeting and Executive Session adjourned at 7:57 p.m.

Mayor Dize

Town Clerk

Comments & Information Provided in Writing
June 24, 2021 Town Council Special Meeting

Ryan and Jen Pattan
Subject: Opposed tax for vacation rental
Dear Council Members,
We would like to express our concerns over the proposed tax changes being considered.

As we understand it, the proposed tax treats Vacation Rentals different than Hotels and Bed & Breakfasts and is an unfair burden for owners and guests.

2020-2021 has been a record-setting year for our vacation rentals and the taxes to the town will be higher than ever before -- without a tax increase.

We support vacationers right to rent homes or hotels/B&B and to be able to come to Cape Charles year round and spend money in the town -- eat in the restaurants, shop in the shops. With more visitors, businesses can operate and provide services to the town and bring in additional tax revenue.

Vacation rentals are an important part of the community in Cape Charles. The vacation home owners association has stepped up in many ways over the last several years to support the community. The town should not do anything to send a message that the town is not supportive of these homes -- singling them out for a discriminatory tax would do just that.

Please don't vote to discourage vacation rentals by singling them out for special taxes.

Ryan and Jen Pattan
522 Strawberry Street

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Jennifer Jackson and Rachel C. Leyco
Subject: Feedback on Proposed Changes to TOT taxes and new Flat Rate tax on Hotels, B&Bs, and Vacation Rentals

Dear Mayor, Vice Mayor, and Town Council,

We own a duplex within the historic district of Cape Charles and wanted to write to provide our thoughts on the proposed changes to the transient occupancy taxes. We love this town and spend as much time as we can here at all times of the year. We value our friendships with many full-time residents of Cape Charles and the surrounding communities. We work hard to support the amazing local businesses in the area and give back to the town wherever we can. In our time here, we have seen the amazing growth in the town and also witnessed the drain on resources created by the town's popularity as a vacation destination and the increasing number of vacation rentals. Please know that we share the frustration and anger over visitors who create safety concerns by disregarding basic rules/laws and showing blatant disrespect toward us and our neighbors in town.

As we considered renting the other side of our duplex, we worked hard to generate interest amongst our own family and friends because we cared deeply that whoever stayed next door would respect both our home and the community we love so much. We provided information on the many local businesses we love to be sure our friends and family supported the economy. We have also built a strong system of support so that we could be responsive to our guest's needs even when we are not in town.

We both acknowledge the drain that recent growth has created on the town's resources and strongly support the need to address it. However, we would suggest that by applying such a significant tax increase across all vacation rentals, you are significantly impacting a portion of us who are very committed to working to get this right. We have noticed stepped up enforcement in town lately. Might we suggest that a better way of re-capturing revenue would be to levy significant fines on those who are actually breaking the rules (e.g., noise, underaged golf cart drivers, speeding, alcohol, parking, etc.) and/or the homeowners who rent to them? We feel it would be fair if we, as homeowners, were asked to pay a fine based on the irresponsible actions of one or more of our guests.

Please know that we care deeply about this town and making sure all Cape Charles residents feel safe and respected. We hope that the Council will consider alternative means of recouping the budget shortfall by focusing on directly addressing the negative elements that have accompanied the town's growth. We are at your disposal should there be any way that we could assist in these endeavors.

Respectfully,

Jennifer S. Jackson and Rachel C. Leyco
628/630 Madison Ave

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Ellen Moore
Subject: Budget and TOT

Dear Mayor and Town Council,

I own a condo at 300 Mason Avenue and am the proprietor of the Ellen Moore Gallery at 223 Mason Avenue. I first came to Cape Charles in 1990 and purchased the building at 203/205 Mason Avenue in 1995, and spent the next five years renovating it. I am proud to have been part of the decades-long effort that successfully revitalized this town.

As a business owner, I benefit from the tourists that stay at vacation rental homes, but I have also seen the additional needs generated by these small businesses during my decades here. I support your planned flat tax of $1 per night for B&B and hotel rooms and $4 per night for vacation rentals. It is only fair that this tax recoup some of the cost to town of addressing the issues created by the proliferation of vacation rentals – parking throughout town is an issue, as is the need for a system of regulations governing this booming business sector. The proposal doesn't discriminate against vacation homeowners, it collects this nominal amount from their guests, not the business owners themselves – and it is certainly more fair than increasing the property tax of everyone who lives here to resolve issues exacerbated by a few who, for the most part, do not.

While I realize it is not representative of the majority of vacation homeowners, many of whom I know and who share my appreciation of this town, I would like to revisit comments read last week by one vacation homeowner that demonstrates why we need to protect our town's character and charm with a bit more oversight of vacation rentals. Having been part of the decades-long effort to revitalize Cape Charles, I was offended at the suggestion that someone who came here in 2012 "discovered" our potential and that they, and those who came after, "saved" the town from ruin. If after 9 years they have not bothered to learn our history and recognize that they were standing on the shoulders of many who came before them, then they clearly have no idea what makes this town so special. I would be happy to share my thoughts with them about the true pioneers of the town's renaissance who began working with those native to Cape Charles to achieve the success we enjoy today.

Sincerely,
Ellen Moore

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Stuart Smith
Subject: Property Tax for FY22

First, thanks to Council and Staff for preparing the FY 22 Budget, certainly a lot of work.

The following remark is based on Manager Holsey's budget letter relative to the proposed FY 22 Property Tax increase: ***"So, the FY22 budget proposal also includes an increase to real property taxes of about $0.04 per $100 of assessed value"***
Source: Town Manager's FY22 Budget Letter

The statement above from the Town Manager is exactly true but a distraction and deflection with a significant lack of transparency.

What this letter didn't tell you is the actual proposed increase is 16%, from .2731 per $100 of assessed value to .3143 per $100. This is a massive increase especially considering the higher property valuations! The public deserves to be informed of actual rate changes without attempts to disguise the facts and without having to read detailed budget documents.

The reality is that we have a spending problem. By Manager Holsey's admission Council has been spending at 2% above revenue for many years. While it is true equalization has impacted Property Tax Revenue it increased from **$1,238,835 in 2012 to $1,408,353 in 2019.** Hardly unchanged.

Another fact that is being left out of the justification for the tax increase is the total revenue from all sources has increased 50% during the period 2012 to 2019! So spending hasn't been totally constrained by Property Tax revenues.

($2,087,384 in 2012 to $3,079,960 in 2019)
Source: Town Budget Data

The plain truth is Council needs to cut spending to get inline with expected revenues including budgeting below revenues for a few years to build up a reserve fund.

Here is my proposal: Reduce the budget tax increase for property tax to $.02 (an 8% increase) of the FY22 current request. Adopt a revised budget that is in balance with the $.02 level. And insure future spending is below projected revenue until an adequate reserve level is reached.

Stuart Smith
27 Kings CT

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Jo Ann Bawiec
Subject: June 24 Budget Meeting

I support the Transient Occupancy Tax.

Short term vacation rentals have a huge impact on our small town. The penetration of short term rentals changes the character and quality of life for those that have chosen to retire and or live here full time. It seems that for 5 months out of the year, the keys of our town are turned over to the tourist. Not all the benefits of this rise in tourism are positive for our community.

A few of the negative effects of short term rentals is an increase in noise, trash, parking issues and security / safety concerns. Neighbors that live full time, mostly look out for each other. If you live next to rental properties you don't know who will be coming or going on any given day. Quiet evenings on the front porch seem unlikely. Many rental properties could be considered mini hotels --- with 16 plus visitors at one time. Recently one rental property had 5 extended cab trucks with 3 boats pulled in for their stay. This has a great impact on a neighborhood.

These are just a few of the issues that affect the day to day operation of Cape Charles. Personnel resources seem to be maxed out. It seems that those with investment/rental properties should bear some of this additional expense.

I'd also like to see the Town of Cape Charles look proactively at other revenue sources. Cape Charles is not the first beach town to have parking issues. Other towns have moved to parking permits and paid parking as solutions. Rehoboth Beach is an example of a town that successfully implemented parking permits. It doesn't seem to have negatively impacted their tourism rates.

Parking permits could be tied to Personal Property tax. Let's first make sure everyone who is a resident is registered / paying their personal property tax. For example, for those that have their vehicles registered and are paying personal property tax, they would receive parking permits for their cars / boats / golf carts, etc. This would apply to full time residents. For those that are part time residents (non rental properties) - a small fee would apply to acquire a parking permit. For rental properties, transferable parking passes would be purchased for their guests with a maximum number of parking passes allowed per property. For day visitors, another fee. The time set for parking permits would be during the busiest time, May through September. This might also help get the many boats off the already crowded streets, some without even a VA registration.

There are options, the town leaders just needs to be proactive. We have many beach communities that have been able to work through the growing pains that Cape Charles seems to be going through now.

Jo Bawiec
Strawberry Street

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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 24, 2021 (the "Meeting"). Attached hereto is a true, correct and complete copy of Ordinance 20210624 (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.

2. 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:

			Voting		
Member Name	**Present**	**Absent**	**Yes**	**No**	**Abstaining**
William Dize, Mayor	X				
Steve Bennett		X			
Andy Buchholz	X		X		
Andrew Follmer	X		X		
Paul Grossman	X		X		
Tammy Holloway	X		X		
Ellen O'Brien	X		X		

3. 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 24th day of June 2021.

Clerk of the Council
Town of Cape Charles, Virginia

(Seal)

Municipal Building · 2 Plum Street · Cape Charles, Virginia 23310
(757) 331-3259 Fax (757) 331-4820

ORDINANCE 20210624

APPROVING THE BUDGET FOR FISCAL YEAR (FY) 2021/2022 WITH REAL PROPERTY, TRANSIENT OCCUPANCY, AND MEALS TAX AND UTILITY RATE INCREASES, AND MAKING APPROPRIATIONS FOR THE FISCAL YEAR

WHEREAS, the Council of the Town of Cape Charles has prepared a budget for FY 2021/2022 pursuant to Section 15.2-2503 of the Code of Virginia; and

WHEREAS, the budget has been advertised and a public hearing has been held pursuant to Section 15.2-2506 of the Code of Virginia; and

WHEREAS, pursuant to Section 58.1-3007 of the Code of Virginia, the increases in real property and other local tax and utility rates have been advertised and a public hearing has been held; now

THEREFORE, BE IT RESOLVED, by the Town Council of Cape Charles, this 24th day of June 2021 that the budget for FY 2021/2022 be approved as follows:

REVENUES	2021-2022	EXPENDITURES	2021-2022
General Operating Fund		**General Operating Fund**	
Real Estate Taxes	1,501,943	Legislative	43,612
Personal Property Tax	153,000	Town Clerk	96,156
Prior Year Tax Collections	87,050	Town Manager	492,836
Motor Vehicle License Tax	21,000	Finance	379,949
Machinery & Tools Tax	6,000	Police	580,852
BPOL Tax	200,000	Code Enforcement	144,843
Admissions, Short-term Rental, Transient Occupancy Taxes	308,876	Public Works	541,166
Meals Tax	550,000	Parks & Recreation	109,875
Other Taxes	99,511	Library	169,224
Building Permits, Code Enforcement & Planning Fees	145,300	Town Planner	270,325
Recovered Costs & Miscellaneous Income	89,650	Contingency Fund-General	50,000
Library Revenues	1,000	Cape Charles Main Street	80,000
Financing Proceeds	52,650	Fire Department	25,000
Grants and Local/State/Federal Aid	201,417	Funds transferred to Capital Fund	334,055
Appropriate from Fund Balance	0	Funds transferred to Debt Service Fund	258,614
Reappropriated for Carry-over Projects	159,110		
Total General Fund	**3,576,507**	**Total General Fund**	**3,576,507**
General Capital Fund		**General Capital Fund**	
Transfer from General Fund Revenue	334,055	Buildings and Improvements	130,000
Transfer from Sanitation Fund Balance	160,224	Infrastructure - Open Space & Parking	107,840
Grant Revenue	703,483	Streets and Walkways	929,922
Financing Proceeds	0	Stormwater System	30,000
General Capital Fund	**1,197,762**	**General Capital Fund**	**1,197,762**
General Debt Service Fund		**General Debt Service Fund**	
Transfer from General Fund Revenue	258,614	General Fund Debt Service	155,958
		Transfer to Harbor Fund for Debt Service	102,657
General Debt Service Fund	**258,614**	**General Debt Service Fund**	**258,614**
General Special Activities Fund		**General Special Activities Fund**	
DHCD Small Business Recovery Grant	300,000	DHCD Small Business Recovery Grant Payments	300,000
ARPA Grant First Tranche Estimate	0	ARPA Grant Expenditures	528,615
Pass Through Grants	19,500	Pass Through Grant Payments	19,500
Other Grants or Activity Funding	100,000	Other Activities	100,000
Reappropriation of FY21 ARPA Grant	528,615		0
General Special Activities Fund	**948,115**	**General Special Activities Fund**	**948,115**

Water/Wastewater Fund		**Water/Wastewater Fund**	
Operating Revenue	1,724,521	Water Operations	486,178
Penalties and Late Fees	3,500	Wastewater Operations	682,077
Grant Revenue	36,000	Meter & Utility Billing, Administration	84,156
Connection Fees	42,000	Debt Service	463,959
Financing Proceeds	68,751	Capital Projects	213,402
Facility Fees	254,400	Facility Fees moved to Reserve	254,400
Reappropriated from FY2021 Budget	55,000		
Total Water/Wastewater Fund	**2,184,172**	**Total Water/Wastewater Fund**	**2,184,172**
Harbor Fund		**Harbor Fund**	
Operating Revenue	832,500	Operating	518,894
Financing Proceeds	0	Management Fees	253,606
Grant Revenue	1,000	Capital Projects	61,000
Transfer from General Debt Service Fund	102,657	Debt Service	102,657
Total Harbor Fund	**936,157**	**Total Harbor Fund**	**936,157**
Sanitation Fund		**Sanitation Fund**	
Revenue from Operations	230,371	Operational Expenditures	230,371
Appropriate from Fund Balance	160,224	Transfer Sanitation Fund Balance to Capital Fund	160,224
Sanitation Fund	**390,595**	**Sanitation Fund**	**390,595**
TOTAL REVENUES ALL FUNDS	**9,491,922**	**TOTAL EXPENDITURES ALL FUNDS**	**9,491,922**

The following tax rates and user fees are established:

- Vehicle Tax $31.00 per vehicle subject to Virginia State Registration (Trailers $18.00) and Golf Cart Decal is $31.00.

- Real Estate $ .3143 per $100; Personal Property Tax $2.00 per $100; Boat Tax $0.01 per $100

- Transient Occupancy Tax: 3.7% monthly July 1, 2021 – December 31, 2021
  After January 1, 2022: 4.0% plus flat fee of: $1 per night (Hotels/B&Bs) or $4 per night (Residential Units)

- Meals Tax: 5.5% Monthly

- Admissions Tax: 3% Quarterly

- Short Term Rental Tax: 1% Quarterly

- Water Rate –Residential 0-2,000 gal.: $33.46 minimum; 2,001 to 5,000 gal.: $2.63 per 1,000; 5,001 to 10,000 gal: $3.75 per 1,000; 10,001 to 15,000 gal: $5.00 per 1,000; over 15,000 gal: $7.50 per 1,000; Commercial 0-2,000 gal: $33.46 minimum; 2,001-10,000 gal: $2.50 per 1,000; 10,001-15,000 gal: $3.75 per 1,000: over 15,000 gal: $5.00 per 1,000

- Wastewater Rate –Residential 0-2,000 gal.: $63.12 minimum; 2,001 to 5,000 gal.: $4.11 per 1,000; 5,001 to 10,000 gal: $5.85 per 1,000; 10,001 to 15,000 gal: $7.80 per 1,000; over 15,000 gal: $11.70 per 1,000; Commercial 0-2000 gal: $63.12 minimum: 2,001-10,000 gal: $3.90 per 1,000; 10,001-15,000 gal: $5.85 per 1,000; over 15,000 gal: $7.80 per 1,000

- Trash Collection Fee: $16.68 per month; and

BE IT FURTHER RESOLVED, that pursuant to Section 15.2-2506 of the Code of Virginia, funds are appropriated from all sources of revenue for expenditures during the period July 1, 2021 through June 30, 2022 as follows:

General Fund: $3,576,507
General Capital Fund: $1,197,762
General Debt Service Fund: $258,614
General Special Activities Fund: $948,115
Water/Wastewater Fund: $2,184,172
Sanitation Fund: $390,595
Harbor Fund: $936,157

and that the Town Manager is authorized to transfer amounts among Funds with advance notification to the Town Council.

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Adopted by the Town Council of Cape Charles on June 24, 2021.

By: ______________________________
Mayor William Dize

ATTEST:

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Town Clerk