TOWN COUNCIL
Work Session
Cape Charles Civic Center
November 30, 2023
6:00 PM

At 6:30 p.m., Mayor Adam Charney, having established a quorum, called to order the Work Session of the Town Council. In addition to Mayor Charney, present were Vice-Mayor Bennett, Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Also in attendance were Town Manager John Hozey and Town Clerk Libby Hume. There was one member of the public in attendance.

ITEMS FOR DISCUSSION:

A. *FY 2024 Mid-Year Budget:*
John Hozey explained that the mid-year budget documentation was not yet ready due to some technical issues, but provided an overview as follows:

General Fund Revenue: The General Fund revenue looked good. We were ahead of schedule for real estate and personal property taxes, transient occupancy tax, and business licenses. At the time of budget adoption, we showed a budget surplus which was appropriated into the Fund Balance. We would likely have an additional Fund Balance transfer.

Expenditures: i) The Beachfront Master Plan was a big project and would be done in phases. The subcommittee narrowed the bidders down to three who were interviewed. The committee agreed on their consultant of choice and the cost was estimated at about $100K to $120K. There was some funding included in the Professional Services budget line, but an additional $60K was needed which could be pulled from other budget line items. He felt that the $60K would be made up with the increase in revenue.

Capital Fund: There was a sizable amount of unappropriated funding in the Fund Balance. He planned to transfer about $120K to fund existing projects that had been approved by Council.

Utility Fund: We had budgeted conservatively, and he felt that existing projects could be funded by the Facility Fee Reserve. He added that the Facility Fee Reserve draw could be reduced with the mid-year budget adjustment.

Harbor Fund: It looks like the Harbor Fund would break even. He noted that the current management agreement would expire at the end of December. The original agreement was for three years with no increases. It was his intent to extend the agreement by one year with some minor adjustments. The contractor was requesting some relief with the 3% credit card fees which totaled about $35K last year. The rates would be adjusted to cover that expense and the cost would be split 50% to the consumer, 25% to the Town and 25% to the contractor.

There was some discussion regarding the percentage charged by their credit card processing service in comparison to other companies. John Hozey would look into other credit card processing companies which charged lower rates.

Other – Potential Fee Waivers for Non-Profits: The town manager did not have the authority to waive fees, but the Town was constantly being asked for fee waivers from non-profit organizations. The Council had approved waiving all fees for the Cape Charles Rosenwald School Restoration Initiative. A new request was received from the Cape Charles Rotary Club for a waiver of signage fees ($50 per sign) for their history tour. Another one was expected for the

$500 permit fee for St. Charles Catholic Church's roof project. He would like Council consideration for a blanket waiver for local non-profit organizations so each request did not have to go to Council for approval. It was not a lot of money so if Council agreed, he would like to bring back a policy statement for Council approval during the mid-year budget adjustment.

Councilman Grossman noted that Emmanuel Episcopal Church was planning to build new ramps so they would be coming in for permits soon.

After much discussion a general consensus was reached to waive the first $750 in fees and anything over that would be presented to Council.

Due to the holidays, the mid-year budget work session would be held on January 4, 2024. A special meeting would be held on February 1st for a public hearing and action on the budget amendment. The survey results would also be reviewed during the meeting.

B. *2023 Citizen Survey Questions:*
John Hozey went on to review the draft 2023 Community Strategic Plan Citizen Survey questions. The first eight questions were the same each year and included questions regarding residency, employment and town services. The remainder of the questions were discussed as follows:

Question #9 was related to short-term rental (STR) regulations and asked the respondents if they 1) supported; 2) did not support; or 3) had no opinion or were undecided about limiting or capping the total number of STRs to current numbers.

The question was revised removing the reference to capping at "current numbers." It was also preferred to include all STRs with Cape Charles, not limiting it to just the historic district.

Question #10 asked respondents to rank a number of recurring local events to get an idea of the events that had the most local support. There was much discussion regarding the relevancy of this question, and it was suggested that the question be replaced with one asking about parking issues, other than the reverse-angle parking on Mason Avenue which could not be changed. Vice Mayor Bennett stated that the question needed to be framed in a way that the answers were meaningful. It was suggested that a committee be formed to review the issues and provide their recommendations, similar to the STR committee. Councilman Grossman suggested adding a broad question such as "What issues regarding parking needs to be addressed?" and let the respondents fill in the blanks.

John Hozey stated that this was a perfect opportunity to review the Town Priorities list and went on to review Appendix B from the 2023 Community Strategic Plan which listed the ongoing Town Priorities List. Items shown in "blue" were basically done or taken as far as could be taken at this time, and staff was also working on the first two new items (#10 & 11) related to short-term rental regulations and the beachfront master plan. (Please see attached.)

Question #11 was an open-ended question asking about other pressing issues needing to be addressed in 2024. All were in agreement with this question.

Question #12 was asked each year and related to how respondents stayed informed of town happenings, with the choices being Facebook, Gazette, Nixle, Town website, Weekly staff reports, Word of mouth, Watch meetings on Facebook, Newspapers, Cape Charles Happenings, Mirror, and Other. There was some discussion regarding this question: i) Mayor Charney stated that he still received comments from residents saying that they were not aware of a particular issue or event, so we could possibly ask respondents what other methods of communication would they like; ii) Councilwoman Holloway thought that the Town's communications were heavy on the electronic level and there were a lot of residents who did not use Facebook or computers. There

was a gap that needed to be addressed; iii) Councilman Butta suggested installing a kiosk in Strawberry Street Plaza where notices could be posted.

John Hozey informed Council that he had delayed the mailing of the utility bills for a week so a hard copy of the survey could be included. He would finalize the survey for inclusion in the utility bills which would be mailed tomorrow, December 1. He and Julie Pruitt would work on getting the electronic version of the survey out by Monday, December 4. The response deadline would be January 12, 2024. Everyone was encouraged to share the link.

Other:
Councilwoman Holloway asked for discussion regarding alternate bathrooms in the business district. There was much discussion as follows: i) John Hozey stated that as soon as information was received from Cape Charles Main Street regarding their alternate recommendation, it could be reviewed, adding that his biggest concern was to not repeat our mistake with the silver bullet which was not built for heavy commercial use. We needed to ensure that whatever was decided upon would hold up for continued use, and reminded all that every dollar spent on this temporary facility would reduce the amount available for the permanent solution; ii) Councilwoman Holloway stated that the ARPA tourism grant funding needed to be allocated by the end of December and spent in 2024, and she did not want to lose $30K from this grant; iii) Councilman Butta suggested a permanent pre-fab unit which would not require local contractors and could be used instead of the planned building. Councilwoman Holloway stated her preference for a temporary unit for now; iv) Councilman Grossman liked Councilman Butta's recommendation and suggested obtaining cost information for review as it would likely be less costly than the planned building; v) John Hozey stated that the unit being discussed would replace the silver bullet, but if it was a larger unit, would affect the lease with Canonie.

John Hozey informed the Council that an executive session would be held immediately following the December 21st Town Council regular meeting to meet with Canonie.

John Hozey added an apology for providing incorrect information at the November 16th Town Council meeting related to the rezoning request. He felt bad about the error, but in his past experience, an affirmative vote of the majority of the entire Council was needed for a motion to pass, not just those present during the meeting. He went on to state that Mike Sterling gave a presentation to the Council in 2018 and rules of order were adopted. At that time, the Town Council chose a higher standard to require a majority of all Council rather than a simple majority which was required by the State of Virginia, for all items not covered by the Code of Virginia. In 2021, he updated this document, combining the Code of Ethics policy as well. He copied the entire paragraph from Mike Sterling's document but deleted this one statement based on his past experience. Fortunately, this Council worked well together with no divisiveness. He informed Eyre Baldwin of the issue and Mr. Baldwin was very happy to hear the news.

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

The work session was adjourned at 7:11 p.m.

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Mayor Adam Charney

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Town Clerk

Appendix B
Ongoing Town Priorities List

BLUE: still in progress from previous work periods and require additional time to complete; All items in blue are being worked concurrently with resources applied in in the following order:

1. **Finalize the sale of our water/wastewater utilities**
   a. **Compile/file application for the VA State Corporation Commission**
   b. **Complete appraisals**
   c. **Effectuate closing and transfer of assets** waiting on SCC approval

2. **Align Zoning Ordinances with new Comprehensive Plan (consultant currently under contract)**
   currently under review by TC & PC
3. **New Municipal Center and Library building sale/upgrades** taken as far as possible at this time

4. **New Downtown Restroom and Visitors Center** taken as far as possible at this time

5. **Trail Project – Phase 3 – Peach Street** in progress

6. **Connect Keck Wells to WTP (workforce housing/withdrawal permit)**
   finalizing design & working on easements so can go out to bid
7. **Work with developers/agencies to facilitate workforce housing**
   Taken as far as possible at this time. Project stalled due to construction costs. Working with NH Cty also.
8. **Negotiate and develop settlement agreement for Preserve Communities' liabilities under the Annexation Agreement (associated with utility sale)** Completed

9. **Address trailer parking on public streets concern** Completed

New items to be started as soon as time/resources are available:

10. Develop short-term rental regulations/ordinances
11. Develop beachfront master plan (beach, dunes, boardwalk, LOVE sign area, bathhouse, etc.)
12. Develop harbor/RR area conceptual master planning and new design guidelines
13. Pursue development of shared revenue agreement with the County
14. Develop a plan to address coastal resiliency, to include RAFT recommendations