



TOWN COUNCIL

Special Meeting & Executive Session

March 3, 2022

Cape Charles Civic Center

6:30 PM

1. Call to Order
 - A. Roll Call
 - B. Establish quorum
2. Moment of Silence and Pledge of Allegiance
3. Public Comments on Agenda Items Only (3 minutes per speaker)
4. Special Meeting Order of Business:
 - *A. [Amendment to HBA Contract \(Architectural Services\)](#)
 - *B. [Consideration to Move to Negotiation Phase of Potential Utility Sale](#)
5. Town Manager Comments
6. Mayor & Council Comments (5 minutes per speaker)
7. Motion to go into Closed Session

Code of Virginia § 2.2-3711.A, Paragraph 3: Discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Specifically: Negotiating Strategy re: Potential Sale of the Water and Wastewater Utility Systems

12. Members of the Public Requested to Leave the Room
13. Invite Members of the Public back into the Room and Motion to go into Open Session
14. Motion to go into Open Session
15. Motion to Certify

Certification to the best of each member's knowledge (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.

16. Adjournment of Special Meeting and Executive Session

 TOWN OF CAPE CHARLES	AGENDA TITLE: Architectural Services Contract Amendment		AGENDA DATE March 3, 2022
	SUBJECT/PROPOSAL/REQUEST: Authorize contract amendment.		ITEM NUMBER: 4A
	ATTACHMENTS: None.		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): Bob Panek, Project Manager	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

At the September 16, 2021 meeting, Council authorized a contract with HBA initially in the amount of \$41,509 for Phase 1 architectural services (analysis of alternatives) for future office space. At the December 16, 2021 meeting, Council authorized two amendments: (1) environmental assessment work at the potential construction site, (2) add the library function to the analysis. These amendments brought the contract value to \$48,497. The FY 2022 budget includes \$130,000 for the project.

DISCUSSION:

Our working assumption is that divestiture of either the Municipal Building or Library Building would be desirable because of the significant cost of adding an elevator to both as part of renovation. HBA agrees with that assessment. Sale of either prime property on Mason Avenue would generate revenue to help fund renovation and/or new construction. The space needs assessment is almost complete, and it has become apparent that neither building alone is large enough to adequately accommodate all functions, even if a separate police station is built. The Civic Center is the only additional administrative building owned by the Town and should be added to the analysis to expand space allocation options. It is also prudent to get a professional condition report for long term maintenance planning regardless of its ongoing use.

HBA has provided a fee proposal of \$9,787 to perform a facility condition assessment of the Civic Center. This is reasonable when compared to the \$23,065 in the contract for the condition assessments of the Municipal and Library buildings.

This additional work would bring the contract value for Phase 1 to \$58,284. There is sufficient funding budgeted for the project to accommodate this.

RECOMMENDATION:

Staff recommends that Council authorize amendment of the HBA contract in the amount of \$9,787 to add the Civic Center to the Phase 1 analysis of alternatives.

 TOWN OF CAPE CHARLES	AGENDA TITLE: Consideration to move to the negotiation phase of the PPEA utility sale process		AGENDA DATE March 3, 2022
	SUBJECT/PROPOSAL/REQUEST: To provide direction in the PPEA utility sale process		ITEM NUMBER: 4B
	ATTACHMENTS: N/A		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): John Hozey, Town Manager	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

Since receiving our first unsolicited proposal to sell our water and wastewater utilities to a private utility company more than 18 months ago, the Town has been engaged in a lengthy process to determine if such a sale could be in the Town's best interest. With the help of a consultant specializing in this area, and much due diligence on the part of the Town, Virginia American Water (VAW) was selected as the utility company to move on to the public phase of the evaluation. Two Townhall meetings were recently held with VAW and our consultant to get public input.

ITEM SPECIFICS:

Should the Town wish to continue evaluating this concept, the next step in the process would be to begin detailed negotiations with VAW. Not until formal negotiations are completed, can we know the specifics necessary to determine if an actual sale would be in the Town's best interest. These negotiations would include, but not be limited to:

- Parameters associated with determining final sales price
- Committed capital for future investment
- Process and schedule for bringing rate cases to the State Corporation Commission (SCC)
- How to incorporate the Annexation Agreement into the transfer of assets
- Commitments on personnel
- Addressing process to improve water quality
- Future accountability to the Town

Once there is consensus on draft agreements, these documents will be made available for public inspection and comment prior to formal consideration by the Town Council.

RECOMMENDATION:

If after careful consideration of all interviews, materials, and public input received to date, the Town Council desires to move to the next phase of this PPEA process, staff requests that the Town Manager be provided direction to begin the negotiation phase with VAW.