TOWN COUNCIL
Work Session
Cape Charles Civic Center
October 26, 2023
6:00 PM

At 6:00 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 were no members of the public in attendance.

ITEMS FOR DISCUSSION:

A. *Status of Capital Projects:*

John Hozey provided a general update on the Fiscal Year 2024 Capital Project and the challenges being faced due to price escalations. Prices seemed to be stabilizing but now we were faced with the uncertainty of labor. There were not many skilled workers available, and on the shore, we had so few subcontractors that the bids were being increased. The issue was being exacerbated by all the residential construction going on. Staff was reaching out to local contractors to try to get some interest. Staff asked contractors who did not submit bids, what kept them from bidding. The majority stated that they did not know about the project although it was posted on the state procurement site, advertised, and the consultants also sent it out to all of their contacts. Bob Panek was talking to some contractors trying to develop a relationship with some of them and we were hopeful that we might have some that would be interested in bidding.

Councilman Buchholz suggested going through the Town's business license database and providing appropriate contractors with the bid advertisements.

Councilman Follmer added that most of the contractors/builders were so busy, with a backlog of work, they did not need to pursue other business.

<u>Municipal Center:</u>

The original design for the building was block, but it was redesigned using timber which would be similar to the construction of other projects and also slightly cheaper. $4.45M was budgeted for the municipal center but we were now expecting the cost to be about $6.8M. The plans and specifications by HBA were about 99% complete, but the project would not be advertised for bids until sufficient funding was available and a more favorable bidding climate developed, possibly in the spring or summer of 2024.

<u>Visitors Center:</u>

One bid was received which was extremely above the cost estimate, so the contract was not awarded. If we had three or four "Bob Paneks" we could be the general contractor and get things done faster with less cost. We could do the project in phases, with the sitework being first.

Mayor Charney stated that he had been talking to contractors who were looking to come in for the bigger projects, such as potential future projects with the Canonie property. He provided Bob Panek's contact information to some of these contractors so we could get on their radar.

John Hozey added that our approach was to see if we could garner some interest in the visitors center. If not, we would have to wait until after the sale of the public utilities and combine the visitors center and municipal center into a bigger project.

Councilwoman Holloway expressed her concern about the grants that were received for this project. Some grants were difficult to extend. The ARPA Tourism Grant for about $32K was one that would be difficult to extend, and the deadline was June 30, 2024. The funding from the ARPA Grant could be used for other projects, but it would be best utilized for the visitors center/downtown bathrooms.

John Hozey noted that funding was needed for the beachfront master plan. The Town received an estimate from the Berkley Group for $100K. If the ARPA Grant funding could be used for that project, it would be very helpful. Councilwoman Holloway would check to see if that would be possible.

Community Trail, Phase 3:
The contract was awarded in July but was slow getting off the ground due to VDOT's bureaucracy. The notice to proceed was finally issued on October 23, 2023. The silt fencing, tree protection, and traffic control measures were in place. The asphalt milling, vegetation removal and sidewalk demolition should begin next week. Bob Panek had sent several notices to the area businesses regarding the timeline and work involved. It was hopeful that the project could be completed by February 2024.

The light poles and installation were being contracted separately at a significant cost savings. Councilman Butta noted the numerous comments received about the number of lights proposed in the plan and hoped that number could possibly be reduced. John Hozey stated that the infrastructure was being installed by the contractor and we could decide what to do about the lighting afterwards. Councilwoman Holloway stated that we needed to ensure that we had that conversation before ordering the lights. Mayor Charney added that it was preferred to install lights that matched those along Mason Avenue. John Hozey noted the $10K cost savings by not having to move a utility pole.

Harbor Projects – Inshore Breakwater & Inner Harbor Bulkhead Repair:
The notice to proceed was issued on September 12, 2023, but the contractor had not yet mobilized due to delays in obtaining the materials and barge. Everything should be here next week so the project could begin. The bulkhead work only included phases 1 and 2 due to the high bids for phase 3. We would submit another Virginia Port Authority Aid to Local Ports Grant application next spring. If all goes well, the breakwater work should be completed by early December, and the inner harbor bulkhead should be done by January 2024.

Library Renovation (Town's portion):
$310K was budgeted for the job, but the two bids received were for $800K and $1.2M, so it was not brought to Council for a contract award. There was some immediate work needed to be done to the HVAC system. The existing oil-fired furnace was destroyed by flooding in the basement and one quote of $27K was received to replace the system. We were still waiting for a second quote. The existing air conditioning system was working so it would be replaced as needed. Bob Panek was talking to the developer about the remainder of the renovation work being incorporated into the larger building redevelopment project. It was estimated that the remainder of the work could be done for about $175K.

Keck Wells Pipeline & Finished Water Main:
The design and engineering were about 99% complete and we were hopeful to put the project out for bids in January. The current estimated cost was about $1.2M, and $1.15M was budgeted. We had available funds in the Facility Fee Reserve Account that could be used for this project.

There was some discussion about the sale price of the public utilities after this work was done, since it was not included in the appraisal. The Town's appraisal came in at $20M and Virginia American Water's appraisal came in at $19M. We were still waiting for the assessment from the State Corporation Commission. The SCC was here visiting the sites a few weeks ago. Mayor

Charney asked if the work needed to be done prior to the sale. John Hozey stated that although the Town did not have to do the project, the additional water was needed, and the Town had committed to Lance Marine for the planned workforce housing project. We were still trying to figure out how to pay for the sewer line to that parcel. There was much discussion regarding whether there was an immediate need to complete this project or if it could wait until after the sale.

John Hozey went on to state that there was about $800K in the General Fund reserves, about $700K in the Capital Improvement Project reserves, and about $1.3M in the Utility Fund reserves. We did have some resources, but not enough to cover everything.

B. *Communications Protocol:*
John Hozey reviewed the current methods of communication utilized by the Town. For routine matters, we had the website, Facebook, the Gazette, e-Notifications, and the newspaper. For emergency or time-sensitive matters, we also used Nixle. He went on to state that the Town did not have a formal communications policy, but for routine communications the department heads were considered the official spokesperson for their areas of responsibility. The Town Manager was the official spokesperson for town-wide policies/issues, and the Mayor was the official spokesperson for the Town Council. In his previous locality, the Clerk was the official spokesperson as she had specialized training to do so, but for Cape Charles, he was the spokesperson. For emergencies or critical situations, the Town Manager was the official spokesperson for all communications. If the Town Manager was not available, the Mayor would be the spokesperson after consultation with the applicable department head(s). It was important to note that whoever spoke for the Town, whether routine or otherwise, only factual information should be relayed.

There was much discussion as follows: i) Councilwoman Holloway stated that she would like to see this protocol in writing as well as inclusion in the onboarding process for new Council members. If a Council member were to be in a situation, they would not know what to do and it would be nice to have this in writing; ii) Councilman Follmer stressed the importance of not building a policy around one person, but a policy that could be followed in the future, with a new town manager; iii) Councilwoman Holloway noted a couple of situations where she found out information by reading the newspaper which was unacceptable for Council. A recent issue was the police chase which ended in Central Park. She was unaware of the situation. Citizens typically contacted members of Council to find out about instances of this nature. The previous mayor would call each Council member to notify them of things that were going on and she suggested that a "telephone tree" was needed so Council could be kept apprised of important situations or items; iv) Councilman Follmer commented that the initial messages related to the police chase were unfortunate because no information was provided. The messages just told people to go inside and stay inside which cause people to panic and word started going around that it was an active shooter situation; v) Councilwoman Holloway received a call asking who to contact to send out a Nixle and she did not know. This information also needed to be included in a written communication policy, along with the chain of command; vi) Councilman Butta agreed that it would be nice for Council to be provided the information even though they would not be the ones talking to the press. Council should not be learning about issues, etc. along with the rest of the public. John Hozey stated that he would create a group text to notify Council of any important issues, but if the issue required an immediate Nixle, Council might fight out from the Nixle message; vii) Mayor Charney mentioned the accident with the truck running into the bank building. He found out about it long after it happened and wished that Chief Pruitt would have notified him. Word on the street was that it was an attempted robbery; viii) Councilman Butta brought up the potential human bones being found on the beach, which was important enough that the Council should have been notified; ix) Councilman Follmer stated that the public safety issues especially needed to be shared with Council; x) So much went on and the Town Council needed to be informed of it and not find out on Facebook or other channels; xi) Councilwoman

Holloway added that she attended an emergency preparedness session at the VML conference and she did not feel that we had a handle on that. She felt that the Town Council needed to know who was on the emergency team or crisis incident team, especially after the recent shooting in Maine. Did the Town have a plan? What kind of training do our police officers go through to respond to this type of situation? There were a lot of good plans out there and we should request samples from other localities. We cannot keep thinking that Cape Charles is a tiny little town and nothing would ever happen here; xii) John Hozey stated that there was no plan and would never be one to cover everything. He went through all this while in Valdez and it was useless. An emergency cannot be micromanaged since no two were the same. The best emergency plan was to know what your resources were, what was available, and use your best judgement to handle it; xiii) Councilman Butta stated that communication and a public statement were necessary for possible medical concerns. A team was needed to write the information and a team to deal with certain portions of the emergency. John Hozey agreed but added that we did not have the capacity in Cape Charles and was unsure of the county's capacity.

There was much discussion about various scenarios. John Hozey stated his appreciation for initiating this conversation. He had been thinking about the what ifs and who would be the next in line to act as incident commander if he was not in town. It could be Jeb Brady or Katie Nunez. He would start thinking about it. He would also think about the flow of internal information, incident commander, communication protocols, etc. and put it in writing for inclusion in the employee handbook, and Town Council rules and guidelines.

Motion made by Vice Mayor Bennett, seconded by Councilman Grossman, to adjourn the Town Council Work Session. The motion was approved by unanimous vote.

The work session was adjourned at 7:52 p.m.

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Mayor Adam Charney

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Town Clerk

Status of FY 2024 Capital Projects

October 26, 2023

General Procurement Issues/Strategies

- We've already implemented Economic Material Price Adjustment clauses into our contract specifications to help insulate contractors from recent material cost escalations associated with supply chain disruptions caused by the pandemic, however

- Material costs have started to stabilize, and have been replaced by spikes in labor costs due to a shortage of skilled workers; made worse by increasing demand fueled by significant government funding for infrastructure projects, thus driving up the cost of smaller construction projects

- The Eastern Shore also lacks a robust subcontractor base. This has been exacerbated by the current pace of residential construction in and around Town. Cost is driven up significantly if a general contractor must bring subcontractors from across the Bay

- We are attempting to deal with this problem by courting local contractors who might have existing relationships with subcontractors. The test case will be the visitor's center/restrooms. If this proves successful, the same approach could be used for the municipal building

- The approach we have taken on the library renovation is to combine our smaller job with the larger library building redevelopment project to create a better economy of scale

- There is also some opportunity to break out portions of the projects for contracting directly with vendors and subcontractors by the Town; putting us in a type of GC role. However, these opportunities are very limited due to Town staff capacity

Projects Underway

Community Trail, Phase 3

- Contractor – Conrad Brothers of Virginia
- Notice to Proceed – October 23, 2023
- Silt fencing, tree protection, traffic control measures in place
- Asphalt milling, vegetation removal, sidewalk demolition next week
- Work scheduled to complete end of February 2024
- Minor cost savings of $10K achieved by not moving a utility pole
- Will need to contract separately for light poles ($31K est.) and their installation ($19K est.). Saves $30K from general contractor's bid alternate which was not awarded

Inshore Breakwater & Inner Harbor Bulkhead Repair

- Contractor – Marine Contracting Corporation
- Notice to Proceed – September 12, 2023
- Contractor not yet mobilized to site; Still waiting for some materials to barge over
- Breakwater work should be completed by early December
- Bulkhead work (Phases 1&2) should be completed by January 2024
- Could not award Phase 3 of bulkhead repair due to high bids. Will need to submit another VPA ALP request next spring and advertise for construction bids

Library Renovation

- Two bids received. Significantly above cost estimate. Contract not awarded
- Timing of improvements now complicated by need to provide heat to library space very soon. Existing oil-fired furnace destroyed due to basement flooding
- Will need to stick with existing HVAC system by installing new furnace. Main cooling components of existing system are in good shape. Wall mounted heat exchangers are obsolete but workable; we'll replace those as needed
- Plans & specifications are being revised to remove the new HVAC system – about 80% of the work. Remaining structural repair and architectural components (break room, restroom, etc.) will be incorporated into the larger Library Redevelopment project with City & Guilds. Cost (approx. $175K) will be netted out of the sale proceeds

Pending Projects

Keck Wells Pipeline & Finished Water Main

- Design & engineering by GHD 99% complete. Waiting for VAW to confirm need for well pumps with variable frequency drives to finalize plans & specifications
- VDH approval should take about a month after plans & specifications are finalized
- Hope to advertise for construction in January with contract award in February (if bids are reasonable)
- If awarded, should be completed by June 2024

Visitors Center & Restrooms

- One bid received. Extremely over cost estimate. Contract not awarded
- Plans & specifications provided to several local contractors to gauge interest in the project and obtain cost estimates before readvertising for bids
- Only one local contractor has expressed interest (that cost estimate is about 75% complete)
- Project will be readvertised when we feel there is a reasonable chance for a better bids

Municipal Building

- Plans & specifications by HBA 99% complete
- Project will not be advertised for bids until sufficient funding is available and a more favorable bidding climate develops, maybe spring/summer of 2024

Town Communications

Methods of Communication

Routine:

- Website
- Facebook
- Gazette
- E-notifications
- Newspapers

Emergency/Time Sensitive:

- Nixle

Communication Protocol

Routine:

- Department heads are considered the official spokesperson for their areas of responsibility
- Town Manager is the official spokesperson for Town-wide policies/issues
- Mayor is the official spokesperson for the Town Council

Emergencies/Critical Situations:

- Town Manager is the official spokesperson for all communications
- If TM unavailable, the Mayor will be the official spokesperson, AFTER close consultation with applicable department heads

NOTE: Whoever speaks for the Town, under any circumstance, should only relay factual information, not conjecture or opinion. The spokesperson's role should be to project a calm sense of confidence to the public, even when conveying critical or dangerous information. Skilled spokespersons do not get emotional or over-react.