TOWN COUNCIL
Regular Meeting
Cape Charles Civic Center
September 17, 2020
6:30 PM

At approximately 6:30 p.m. Mayor William "Smitty" Dize, having established a quorum, called to order the Regular Meeting and Executive Session of the Town Council. In addition to Mayor Dize, in attendance were Vice Mayor Bennett, Councilmen Bannon, Buchholz, Follmer and Grossman, and Councilwoman Holloway. Also, in attendance were Town Manager John Hozey via telephone, Treasurer Deborah Pocock and Town Clerk Libby Hume. There were several department heads, 14 members of the public physically in attendance, and 13 viewers on Facebook Live.

A moment of silence was observed followed by the recitation of the Pledge of Allegiance.

RECOGNITION OF VISITORS / PRESENTATIONS / RECOGNITIONS:

A. *Recognition of Employee Celebrating a Significant Anniversary*
   Mayor Dize recognized Human Resources Manager Jodi Outland for five years of service to the town effective September 21, 2020 and presented her with a certificate of appreciation.

PUBLIC COMMENTS:

Tim Wivell, 19444 Nu Lane, Waterman
Mr. Wivell addressed Council regarding the proposed harbor management agreement stating that he did not know why Council was considering outsourcing the management of the harbor to the Cape Charles Yacht Center (CCYC). He reviewed the posted agreement and did not see an improvement in the income and the financial reports showed the harbor making money. CCYC had no ties to the community. A short-term lease was proposed. Where would the Town be after that expired? Mr. Wivell added that he did not see any benefits to the management agreement. Mr. Wivell concluded by stating that he would still be here after CCYC left.

Hank Mayer, Citizens for Central Park
Mr. Mayer commented regarding the successful 2020 summer concerts in Central Park. (Please see attached.)

There were no other comments to be heard nor any comments received in writing prior to the meeting or during the public comment period.

CONSENT AGENDA

A. Approval of Agenda Format
B. Approval of Minutes:
   i. August 20, 2020 Public Hearing, Regular Meeting & Executive Session
   ii. August 27, 2020 Work Session
   iii. September 3, 2020 Public Hearing, Special Meeting, Work Session & Executive Session
C. Approval of July 31, 2020 Financial Report

Mayor Dize stated that he would like to amend the agenda removing items 11 and 12 as this evening's executive session was being canceled.

Motion made by Councilman Buchholz, seconded by Councilman Grossman, to approve the Consent Agenda as amended. The motion was approved by unanimous vote.

UNFINISHED BUSINESS:

A. *USDA Rural Development Loan Resolution:*

Treasurer Deborah Pocock stated that the Town applied for a 35% grant/65% loan from USAD Rural Development for General Fund projects as follows: i) police vehicle; ii) permit system software; iii) video surveillance system; iv) a portable ADA equipped restroom trailer; and v) grounds maintenance equipment for fiscal year (FY) 2021; vi) The application was approved, and the closing documents were being prepared. The grant amount was $48K and the loan amount was $90K. The amounts were rounded down and the Town would absorb the difference of $130; vii) Resolution 20200917 must be adopted to accept the grant and loan funding along with the terms for each of the funding sources.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to adopt Resolution 20200917 USDA Rural Development Loan Resolution as presented to fund the purchases as discussed. The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes.

NEW BUSINESS:

A. *Harbor Management Agreement:*

Town Manager John Hozey stated the following: i) In February 2020, the Town Council asked that the Town solicit for proposals for private management of the Town Harbor. This was not a decision to move toward private management but part of the Town's due diligence to see if there were any better options to improve the appearance, function and experience associated with the Town Harbor; ii) Three proposals were received from Oasis Marinas, F3 Marina and Cape Charles Yacht Center; iii) A proposal review committee, comprised of the town manager, mayor, vice mayor, the project manager, and a representative from the Cape Charles Yacht Club, was established and after careful consideration, the committee favored the Cape Charles Yacht Center's (CCYC) proposal as the one that seemed to have the bests chance for success; iv) Negotiations began to determine if a potential agreement was possible; v) On August 27, 2020 Council held a work session to solicit public comments, especially from the harbor stakeholders. Representatives from the Cape Charles Yacht Center were in attendance to address the comments and answer any questions; vi) The final agreement was included in tonight's meeting agenda packet and if approved by Council, the change in management would be effective January 1, 2021 and run for three years. The Town would retain ownership of the harbor and facilities and provide for an annual budget. CCYC would provide the labor and oversight to accomplish the annual Vision Statement within the approved budget. The first year's Vision Statement was also included in the meeting agenda packet and would be part of the agreement if approved; vii) As compensation for their services, CCYC would receive a portion of the generated gross revenue. This fee would increase for any portion of gross revenue that exceeded the prior year revenue, providing an incentive to grow the operation; viii) Since this is a new concept for both parties, we would work closely with CCYC in a good faith effort to try to make this work. After working for a period of time, some adjustments to the agreement might be necessary. Any adjustments would be presented to Council for approval.

Motion made by Councilman Grossman, seconded by Councilman Follmer, to proceed with the harbor management agreement and vision statement with Cape Charles Yacht Center as presented.

There was discussion as follows:

Councilman Follmer stated that he was more comfortable with this revised contract. He had worked with John Hozey to pull in other items to tighten the language. In their discussions, John Hozey had clarified a number of items such as the Town's expectations and costs borne by CCYC. If Council approved moving forward with the agreement, he wanted both the Town and CCYC to succeed and to do that we needed open communication and better understanding. An observation period was a good opportunity for us to reinforce our priorities such as protecting the heritage of the working harbor, maintenance, etc. He was not worried about the reduced financial projections for the first year. If we maintained a successful long-term relationship, the revenue would come later. He felt everyone was open to making adjustments along the way.

Councilman Grossman stated that he was looking at the agreement from the protection point of view for Cape Charles. He felt very comfortable with the agreement. The Town would own the property and continue to set the rates. He saw a synergy from this for improved marketing and the incentive arrangements to induce CCYC to perform. He expressed his concern regarding any conflict of interest with CCYC dockage and Town dockage. Council would evaluate the arrangement after a year and could decide to continue with or terminate the agreement. He felt comfortable with the remainder of the agreement.

Councilman Bannon had no comments.

Vice Mayor Bennett stated his agreement with the previous comments adding that there was risk on both sides. He felt the Town needed to take the risk at this point. The harbor had been losing money over the last three to four years. Having a management company to run the harbor in a way to improve the appearance, to induce people into coming here, and provide a better experience for boaters. The agreement could be terminated if it was not working. He did not think we could continue as we were. The management agreement was a first step and needed to be taken.

Councilwoman Holloway expressed her agreement with Vice Mayor Bennett adding that from the beginning, she was not looking at it as a money-making piece. A management contract allowed the Town to move forward. Everything would be evaluated after a year and either party could terminate. She stated that it was good to see some watermen in attendance this evening but wished they would have been in attendance at the stakeholders meeting. The stakeholders were very important and the reason this was being done.

Councilman Buchholz had no additional comments.

Mayor Dize stated that he did not want to do anything detrimental for the Town and its heritage. He went on to state his agreement that the management contract was a good first step. It would be evaluated after one year. There had been several things, other than money, going on at the harbor over the past three to four years that needed to be taken care of and he felt this arrangement would help with keeping the area cleaner and better maintained. He was hopeful that more boaters would be drawn here which would increase revenue. He thanked John Hozey and Bob Panek for all their work.

The motion was approved by unanimous vote.

TOWN MANAGER COMMENTS

John Hozey commented on the following:

i) He thanked Cape Charles Main Street (CCMS) for jumping in and doing all the work regarding the Community Development Block Grant. There was a lot of administrative work to be done in a short time and Karen Zamorski was working on it. Because of the timing for the paperwork, a Town Council special meeting would be held on October 1. Things were moving along well thanks to CCMS spearheading the project. He noted that Councilwoman Holloway might have more to add regarding this item.

ii) He received a call from Northampton County Administrator Charlie Kolakowski informing him that the CARES funding was approved by the Board of Supervisors and the Town would be receiving approximately $86K, similar to the last round. The funding was needed as COVID-19 expenses far exceeded the amount received during the first round.

iii) He was still working with VDOT regarding the Mason Avenue Parking issue. He had nothing specific to report this evening but will have more for the next meeting.

iv) He requested the clerk to put a closed session on tonight's agenda in the event it was needed. There was nothing new to report so the executive session was not needed tonight.

v) He would be back to work on September 23. Because of his travel, he intended to get a COVID-19 test as soon as possible upon his return and would be working from home until the results were received.

MAYOR AND COUNCIL COMMENTS

Councilmen Follmer and Bannon had no additional comments.

Councilman Grossman commented that the Northampton County sales tax for the schools would be a referendum on the ballot November 3. He looked at the actual ballot and noted two additional referendums – 1) a vehicle property tax exemption for disabled veterans; and 2) setting up a separate committee for voting districts which would take it out of the hands of the General Assembly.

Vice Mayor Bennett commented about the small flag that was flying beneath the American flag. When he asked about it, he was told that Mr. Tommy O'Connor donated the flag in remembrance of 9/11. That was an unbelievable day and he was sure that all remembered where they were that day. He appreciated Mr. O'Connor and that the Town celebrated the 9/11 remembrance.

Councilwoman Holloway commented as follows: i) A CDBG grant committee was formed consisting of Councilmen Grossman and Buchholz, Karen Zamorski, Deborah Pocock and Tom Weaver. They would administer the grant, set the application guidelines, etc. They would also review whether additional staff needed to be hired. Administrative costs were included as part of the grant. She was appreciative of the Town and the partnership with CCMS. It was amazing what this grant could do for the businesses; ii) The Rebuild Virginia Grant, which closed on August 20, had rigid stipulations. There was a recent announcement about some changes to be made to the stipulations which would be shared with the businesses; iii) Northampton County also had a grant program using CARES money. This was another opportunity for businesses, that went almost three months with nothing, to get more assistance; iv) She wanted to make sure the mosquito spraying gets back in the budget for next summer. Council made the decision earlier this year to see how things would go without mosquito spraying this summer. The mosquitoes were horrendous this year making it impossible for people to sit on their porches; and v) She also wanted to make sure that the issues of short-term rentals and golf carts be put back on the agenda. These were important items that were removed between town managers and needed to be brought back.

Councilman Buchholz commented as follows: i) He congratulated CCMS on obtaining the Virginia Main Street Community designation; and ii) He gave kudos to Planner/Zoning Administrator Allyson Finchum and John Hozey regarding incidents with zoning which came up earlier last week. John Hozey worked on it while he was on vacation. He saw Ms. Finchum in Town earlier and told her what a fantastic job she was doing and wanted everyone to reiterate it to her. We had a long road ahead of us with a lot of zoning and planning items that needed to be corrected. Some of our own laws needed to be addressed as well.

Mayor Dize agreed with Councilman Buchholz' comments. A lot of people put in many volunteer hours for CCMS over the last two to three years. The Governor's announcement made a lot of people happy. He thanked Councilwoman Holloway and Councilman Buchholz for their work.

Councilwoman Holloway noted that Libby Hume and Nan Bennett were the instigators in the creation of CCMS. Councilman Follmer added that he just received a Facebook memory that it had been five years since he and Libby Hume attended the first Virginia Main Street Workshop.

Mayor Dize continued to state that Mr. Tommy O'Connor had reached out to him about the 9/11 Remembrance flag. He and John Hozey researched it and felt it would be good to fly the flag a week prior to 9/11. Everyone old enough to have lived through the day remembered where they were. It was nice to see the flag flying beneath the American flag and he appreciated Mr. O'Connor thinking of the Town.

Mayor Dize read the announcements.

Motion made by Councilman Buchholz, seconded by Councilman Grossman, to adjourn the Town Council Regular Meeting. The motion was approved by unanimous vote.

The meeting adjourned at 7:04 p.m.

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Mayor Dize

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Town Clerk

Comments & Information Provided in Writing
September 17, 2020 Town Council Regular Meeting

Hank Mayer, Citizens for Central Park

GOOD EVENING, MY NAME IS HANK MAYER AND I'M CHAIRMAN OF CITIZENS FOR CENTRAL PARK

ON BEHALF OF THE BOARD, ITS MANY VOLUNTEERS, AND ESPECIALLY THE MANY INDIVIDUAL AND BUSINESS DONORS WHO HAVE SUPPORTED THE GROWING OF THE PARK,

I WOULD LIKE TO THANK THE TOWN OF CAPE CHARLES FOR ITS FINANCIAL CONTRIBUTION TO WHAT I FEEL WAS THE MOST IMPORTANT AND SUCCESSFUL HARBOR FOR THE ARTS SUMMER FESITIVAL CONCERT PROGRAM IN ITS 6 YR HISTORY.

WE'VE DISAGREED ON THE IMPORTANCE OF THE CONCERTS TO TOURISM AND LOCAL RESIDENTS,

BUT I FEEL THAT THIS SUMMER CLEARLY IDENTIFIED HOW IMPORTANT HAVING MUSIC IN THE PARK DURING THE SUMMER WEEKENDS IS TO BOTH RESIDENTS AND VISITORS.

WE HAD 300-350 PEOPLE AT 7 OF THE CONCERTS (1 WAS RAINED OUT) – IN SPITE OF THE COVID-19 DARK CLOUD HANGING OVER ALL OF US.

AND I'VE NEVER SEEN SO MANY PEOPLE IN THE PARK ON THE SATURDAY OF LABOR DAY WEEKEND – AND WITH EVERYONE DOING THEIR BEST TO ADHERE TO OUR POSTED 6 FT SOCIAL DISTANCING REQUEST.

MANY THANKS TO THE TOWN FOR YOUR FINANCIAL AND SENIOR STAFF SUPPORT, TO OUR GREAT LOCAL PRIVATE BUSINESS AND INDIVIDUAL SPONSORS, TO NORTHAMPTON COUNTY, AND TO THE MANY WHO ATTENDED THE CONCERTS OR LISTENED TO THE MUSIC FROM THEIR DECKS AND PORCHES.

WE WERE ABLE TO PULL TOGETHER THE ONLY OUTDOOR FREE PUBLIC SUMMER CONCERT PROGRAM ON THE VA EASTERN SHORE AND FOR MUCH OF THE LARGE HAMPTON ROADS AREA ACROSS THE BAY.

CCP BY WAY OF ITS NON-PROFIT STATUS AND LONG HISTORY OF SUPPORTING CENTRAL PARK, MAY APPEAR TO BE IN CHARGE OF THIS ANNUAL EFFORT, BUT THE REALITY IS THAT THESE CONCERTS ARE ORGANIZED, MANGED AND EXECUTED BY A SMALL GROUP OF INDIVIDUAL VOLUNTEERS WHO LOVE DOING THIS.

CCP PROVIDES A NON-PROFIT CONDUIT FOR THE FUNDRAISING, BUT INDIVIDUALS LIKE TIM RUSSELL, WHO VOLUNTEERED TO TAKE THE PROJECT ON THIS YEAR FOR THE VERY FIRST TIME, AND BILL PRICKETT, WHO TRIED TO STEP AWAY, BUT COULDN'T AFTER MANAGING THE PAST 2-3 YRS, AND THE MANY OTHER CCP AFFILIATED VOLUNTEERS ARE THE REAL HEROES.

SPEAKING FOR THEM AND OTHER CCP AFFILIATED VOLUNTEERS – WE WOULD LIKE TO DO IT AGAIN NEXT SUMMER.

THE TOWN HAS HISTORICALLY PROVIDED ABOUT 40% OF THE $18-20,000 OVERALL CONCERT BUDGET.

WE WILL RAISE THE OTHER 60% FOR A 2021 CONCERT PROGRAM, AND COLLABORATE WITH THE TOWN TO MAKE IT EVEN BETTER THAN THIS YEAR.

THANK YOU – AND CONGRATULATIONS TO CC MAIN STREET FOR ITS MAIN STREET DESIGNATION

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July 2020 Treasurer's Report

Page 1 – Cash Position

- A $90,000 principal payment was made on the Pinnacle 2016A loan.

Page 2 – Revenue vs. Expenditures

- Revenues and Expenditures are tracking much like July 2019 except for the Harbor, which had increases in dockage and fuel sales.

Page 3 – Capital Projects

- $33,890 was expended on light poles and utility mapping survey for phase I of the Harbor Rehab Project, which is a carryover from FY20.

Page 4 – Tax Collection Rate

- This page will return in November

Page 5 – Tax Revenue Trends

- Not surprisingly, tourism-based tax revenue shows a decrease but in most cases is close to that earned in July of 2018.
- BPOL collections are high due to the postponed due date.
- Harbor revenue is 71.3% higher July 2020 than it was July 2019.

MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
July 31, 2020

Cash on Hand	6/30/2020	7/31/2020	Increase/ (Decrease)
Atlantic Union Bank Checking Account	$1,238,062	$555,643	-$682,419
Atlantic Union Bank Money Market Account	$825,836	$1,426,309	$600,473
LGIP Account 1 - Unrestricted	$104,066	$104,094	$28
LGIP Account 2 - Unrestricted	$299,319	$299,409	$91
PNC SNAP Account - no longer restricted	$0	$0	$0
PNC SNAP Account Interest	$0	$0	$0
Total Cash On Hand	**$2,467,283**	**$2,385,456**	**-$81,827**

Restricted and Reserved Cash Balances	6/30/2020	7/31/2020	Increase/ (Decrease)
Atlantic Union Bank Savings Account - Facility Fees Rsrvd (Utilities)	$1,078,911	$1,079,003	$92
Atlantic Union Bank Checking Account - Police Funds	$431	$431	$0
LGIP Account 2 - Restricted for USDA loan covenant	$31,454	$31,454	$0
Atlantic Union Bank Checking Accnt - E-Summons Revenue Rsrvd	$2,792	$2,792	$0
US Bank - Reserved per VRA Interest Free Loan Requirements	$257,582	$257,584	$1
Wells Fargo 2010 Debt Service pass through account #300	$2,897	$2,898	$0
Wells Fargo 2010 Debt Service pass through account #308	$761	$761	$0
Total Cash Held in Reserve	**$1,374,829**	**$1,374,922**	**$93**
Total Cash - All Accounts	**$3,842,112**	**$3,760,378**	**-$81,734**

DEBT SERVICE

Net Debt as of Current Reporting Month End $7,118,668

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

July 31, 2020

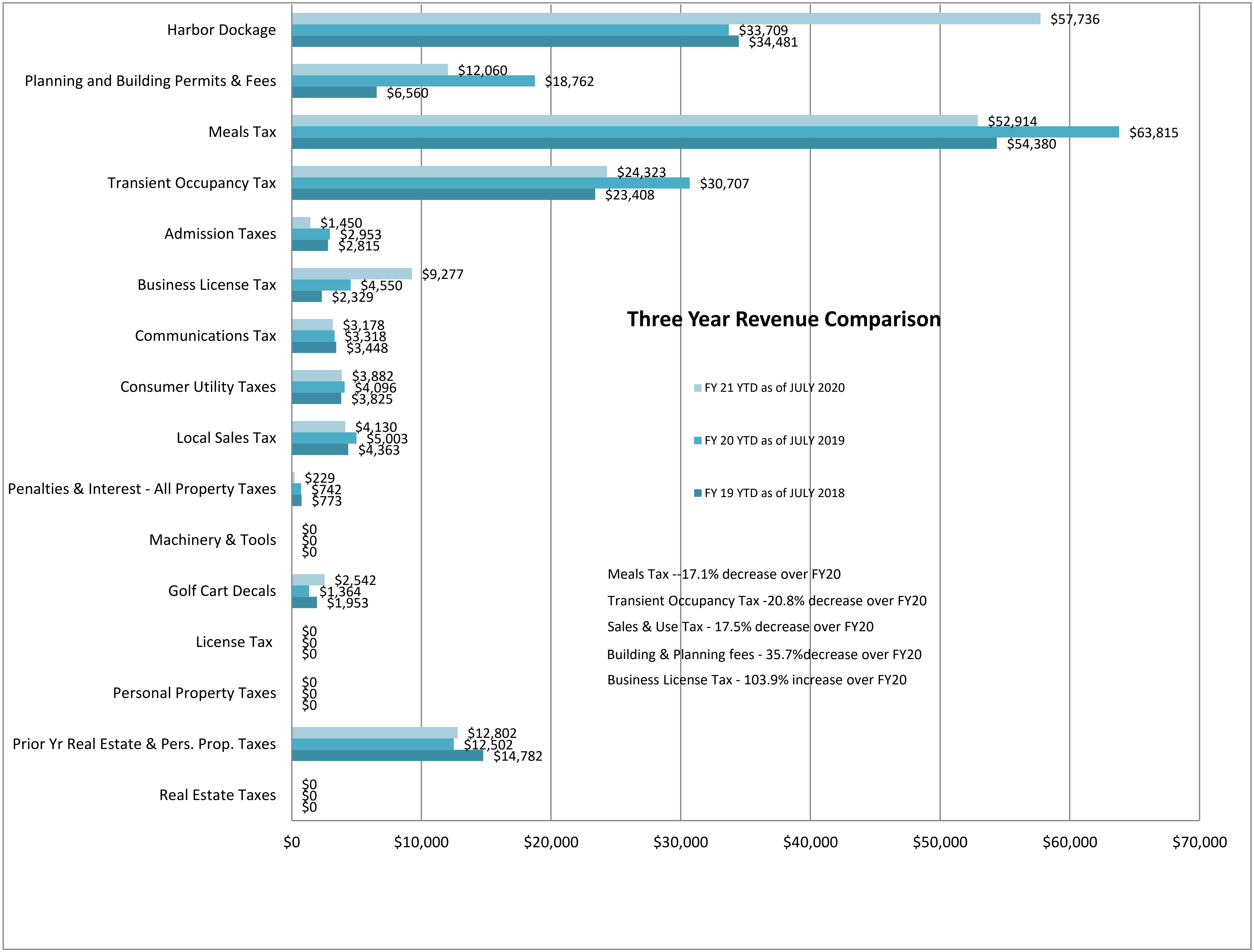
REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY19
GENERAL						
REVENUE - Operating	$128,317	$158,463	$128,317	$82,421.34	$3,580,706	3.58%
EXPENDED - Operating	$251,133	$284,217	$251,133	-$33,083.89	$2,805,563	8.95%
NET	**(122,816)**	**(125,754)**	**(122,816)**	**2,938**	**775,143**	
REVENUE - CAPITAL GRANTS & LOANS	0	0	0	0	813,867	0.00%
EXPENDED - CAPITAL PROJECTS & DEBT SVC	65,356	64,828	65,356	527	1,589,010	4.11%
TRANSFER TO HARBOR TO TRUE UP FUND BALANCE	0	**0**	0	0	0	
TOWN CONTRIB. & PENDING GRANTS	**(65,356)**	**(64,828)**	**(65,356)**	**(527)**	**(775,143)**	
PUBLIC UTILITIES						
REVENUE - Operating	158,023	158,360	158,023	(336)	1,689,134	9.36%
EXPENDED - Operating	52,859	60,873	52,859	(8,013)	1,146,690	4.61%
NET	**105,164**	**97,487**	**105,164**	**7,677**	**542,444**	
REVENUE - CAPITAL GRANTS, LOANS, & FACILITY FEES	42,400	54,068	42,400	(11,668)	169,600	25.00%
EXPENDED - CAPITAL PROJECTS,DEBT SVC, & FACILITY FEES	75,028	87,741	75,028	**(12,712)**	712,044	10.54%
TOWN CONTRIB. & PENDING GRANTS	**(32,628)**	**(33,673)**	**(32,628)**	**1,044**	**(542,444)**	
HARBOR						
REVENUE - Operating	179,458	110,330	179,458	69,128	1,060,080	16.93%
EXPENDED - Operating	135,516	84,641	135,516	50,874	692,473	19.57%
NET	**43,942**	**25,688**	**43,942**	**18,254**	**367,607**	
REVENUE - GRANTS & LOANS	0	0	0	0	375,765	0.00%
TRANSFERRED FM GEN FUND TO TRUE UP FUND BALANCE	0	0	0	(32,023)	0	
EXPENDED - Capital Projects, Debt Svc	55,836	32,023	55,836	87,859	743,372	7.51%
TOWN CONTRIB. & PENDING GRANTS	**(55,836)**	**(32,023)**	**(55,836)**	**(87,859)**	**(367,607)**	
SANITATION						
REVENUE	16,624	17,326	16,624	(703)	214,546	7.75%
EXPENDED	20,313	17,535	20,313	2,778	214,546	9.47%
NET	**(3,690)**	**(209)**	**(3,690)**	**(3,481)**	**0**	

FY 2021 Capital Improvement Project Tracking Report

As of: 7/31/2020	FY21 Status or Start Date	Percent of Completion	FY21 Budgeted	FY21 QTR 1 Expended	FY21 QTR 2 Expended	FY21 QTR 3 Expended	FY21 QTR 4 Expended	FY21 YTD Expended	(Over)/Under Budget
General Fund									
Police Vehicle	Pending	0%	$ 38,940	$ -	$ -	$ -	$ -	$ -	$ 38,940
Permit Department Software	Pending	0%	$ 7,000	$ -	$ -	$ -	$ -	$ -	$ 7,000
Public Works Shop Heaters	Pending	0%	$ 6,868	$ -	$ -	$ -	$ -	$ -	$ 6,868
Grounds Maintenance Equipment	Pending	0%	$ 22,240	$ -	$ -	$ -	$ -	$ -	$ 22,240
Portable ADA Equipped Restroom Trailer	Pending	0%	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ 35,000
Mason Avenue Re-striping	On Hold	0%	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ 15,000
Parking Lots (Mason & Harbor Shanty Area)	Pending	0%	$ 10,000	$ -	$ -	$ -	$ -	$ -	$ 10,000
Video Surveillance System	.	0%	$ 35,000	$ -	$ -	$ -	$ -	$ -	$ 35,000
Multi-Use Trail Phase 2 Closeout	Pending	0%	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ 200,000
subtotal			**$ 370,048**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 370,048**
Water Fund									
SCADA System	pending	0%	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ 15,000
Remote Read Water Meters - starter setup	pending	0%	$ 51,985	$ -	$ -	$ -	$ -	$ -	$ 51,985
Pickup Truck	pending	0%	$ 32,766	$ -	$ -	$ -	$ -	$ -	$ 32,766
subtotal			**$ 99,751**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 99,751**
Harbor Fund									
Inner Harbor Rehabilitation Phase I carryover	**in process**	**#DIV/0!**	**$ -**	**$ 33,890**	**$ -**	**$ -**	**$ -**	**$ 33,890**	**$ (33,890)**
Inner Harbor Rehabilitation Phase II	pending	0%	$ 118,470	$ -	$ -	$ -	$ -	$ -	$ 118,470
subtotal			**$ 118,470**	**$ 33,890**	**$ -**	**$ -**	**$ -**	**$ 33,890**	**$ 84,580**
Sanitation Fund									
Trash Can Replacements	on order	100%	$ 11,796	$ -	$ -	$ -	$ -	$ -	$ 11,796
subtotal			**$ 11,796**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 11,796**
TOTAL			**$ 600,065**	**$ 33,890**	**$ -**	**$ -**	**$ -**	**$ 33,890**	**$ 566,175**

***ITEMS WITH CURRENT MONTH ACTIVITY ARE IN BOLD PRINT**


Three Year Revenue Comparison
FY 21 YTD as of JULY 2020
FY 20 YTD as of JULY 2019
FY 19 YTD as of JULY 2018
Harbor Dockage $57,736 $33,709 $34,481
Planning and Building Permits & Fees $12,060 $18,762 $6,560
Meals Tax $52,914 $63,815 $54,380
Transient Occupancy Tax $24,323 $30,707 $23,408
Admission Taxes $1,450 $2,953 $2,815
Business License Tax $9,277 $4,550 $2,329
Communications Tax $3,178 $3,318 $3,448
Consumer Utility Taxes $3,882 $4,096 $3,825
Local Sales Tax $4,130 $5,003 $4,363
Penalties & Interest - All Property Taxes $229 $742 $773
Machinery & Tools $0 $0 $0
Golf Cart Decals $2,542 $1,364 $1,953
License Tax $0 $0 $0
Personal Property Taxes $0 $0 $0
Prior Yr Real Estate & Pers. Prop. Taxes $12,802 $12,502 $14,782
Real Estate Taxes $0 $0 $0
$0 $10,000 $20,000 $30,000 $40,000 $50,000 $60,000 $70,000
Meals Tax --17.1% decrease over FY20
Transient Occupancy Tax -20.8% decrease over FY20
Sales & Use Tax - 17.5% decrease over FY20
Building & Planning fees - 35.7%decrease over FY20
Business License Tax - 103.9% increase over FY20

USDA
Form RD 1942-47
(Rev. 12-97)

LOAN RESOLUTION (TOCC 20200917)
(Public Bodies)

FORM APPROVED
OMB NO. 0575-0015

A RESOLUTION OF THE Town Council

OF THE Town of Cape Charles
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

2020 DCI Police Vehicle, Public Works Equipment, Code Enforcement Software
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Town of Cape Charles
(Public Body)
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of
90,000.00
pursuant to the provisions of Va Code 15.2 ; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of $ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.

12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.

13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.

14. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:

(a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
(b) Repairing or replacing short-lived assets.
(c) Making extensions or improvements to the facility.

Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.

15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.

16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.

17. To accept a grant in an amount not to exceed $ 48,000

under the terms offered by the Government; that the Town Manager

and Mayor of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee

The vote was: Yeas 6 Nays 0 Absent 0 .

IN WITNESS WHEREOF, the Town Council of the Town of Cape Charles has duly adopted this resolution and caused it to be executed by the officers below in duplicate on this 17th day of September , 2020 .

(SEAL)

By William "Smitty" Dize

Title Mayor

Attest:

Town Clerk
Title