TOWN COUNCIL
Regular Meeting
Cape Charles Civic Center
June 16, 2022
6:30 PM

At approximately 6:30 p.m. Mayor William "Smitty" Dize, having established a quorum, called to order the Regular Meeting 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 arrived at 6:38 p.m. Also, in attendance were Town Manager John Hozey, Interim Planner/Zoning Administrator Katie Nunez, Police Chief Jim Pruitt, Assistant to the Town Manager Julie Pruitt, and Town Clerk Libby Hume. There were 15 members of the public physically in attendance, and 24 viewers on Facebook.

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

RECOGNITION OF VISITORS / PRESENTATIONS:

A. *Recognition of Employees Celebrating Significant Anniversaries:*
Mayor Dize stated that there were three employees celebrating significant anniversaries that he would like to recognize.

Bob Panek was celebrating 15 years of service effective March 6, 2022, and had been in a lot of different roles with the Town including consultant, manager, and part-time project manager. He appreciated all the work Mr. Panek had done for the Town. Mr. Panek was not in attendance this evening, so the certificate was given to John Hozey.

Andrew Spencer celebrated 10 years of service effective April 3, 2022. Mr. Spencer was now a police officer but was hired initially for a position at the harbor. Officer Spencer was not in attendance, so his certificate was given to Chief Pruitt.

Dejohn Stratton celebrated 5 years of service effective June 5, 2022. Mr. Stratton was a member of the Public Works crew. Mayor Dize expressed his appreciation for all Mr. Stratton did to help keep the Town clean.

B. *Best of Virginia Presentation – Cape Charles Beach:*
Councilwoman Holloway, in her role as past president of Cape Charles Main Street, stated that earlier this week, 23 Best of Virginia awards were presented to businesses and other entities. The Cape Charles Beach won for Best Tourist Attraction. Councilwoman Holloway thanked the Public Works crew for the great job they did to help keep the beach clean. The award was presented to Mayor Dize.

PUBLIC COMMENTS: (3 MINUTES PER SPEAKER)

Tom Weaver, homeowner
Mr. Weaver began by thanking all involved in the budget process adding that it was a rigorous and time-consuming effort to put everything together. Mr. Weaver stated the following: i) He compared the numbers from FY 2021 to FY 2022-2023 and noticed some significant changes; ii) He asked whether there was anyone on the Town's staff who could pursue federal and state grants which were available to help the Town do specific things and suggested that it might be something Council might want to consider; iii) Health insurance was a significant expense and he asked about the percentage breakdown for the Town and employees. John Hozey responded that the Town paid for the employee at 100%, but not for dependents.

Mayor Dize stated that although the public comment period was not for open discussion, he wanted to respond to Mr. Weaver about grants. Grants were available for certain projects. When he was the harbormaster, grants were obtained for many of the harbor improvements. Bob Panek saved the Town a considerable amount of money by applying for grants for the wastewater treatment plant. The Town also received grants for the Community Trail project. Grants were good as a funding source but were not guaranteed and required staff time to administer.

Dianne Davis, homeowner
Ms. Davis addressed Council regarding the historic district and guidelines, consultation with Chief Pruitt regarding decisions affecting safety, and budgeting for sidewalks. (Please see attached.)

Tevya Griffin, president of the Cape Charles Rosenwald School Restoration Initiative (CCRSRI)
Ms. Griffin began by thanking the Council for the opportunity to speak then proceeded as follows: i) She thanked the Town for its continued support of the Rosenwald School, especially for the donation of adjacent property on Old Cape Charles Road. The property would be used for a parking lot as well as for recreation and open space. Recreational trails were being planned; ii) To date over $565K had been raised for phase 1 of the project which included demolition of interior items within the building, roof replacement, tree trimming and removal, historic window restoration, and temporary electrical service. Two bids were obtained for the roofing, and permits had already been obtained from the Town for the tree removal; iii) There was an opportunity through the Virginia Department of Housing and Community Development (DHCD) for an Industrial Revitalization Funds (IRF) grant. This year, each locality was permitted to apply for two projects, and she was hopeful that the Rosenwald School project could be one of the Town's projects. It could apply for up to $1M in funding, with no match required. Phase 2 of the project was estimated at $985K and could be covered by this grant. Phase 2 included framing, electrician roughing, HVAC, sprinkler system, a kitchen vent hood, fire suppression system, window installation, and other work. The IRF grant application submittal deadline was August 19, 2022. She believed the project met all the criteria for the grant and a Town Council resolution was needed; iv) She recognized Beth Walker, project manager; Dianne Davis, member of the CCRSEI Board and former student of the school; William Knight, CCRSI Board member; and Dave Wilcox, from the Global Skills Exchange, who was helping to identify potential uses for the building. CCRSRI was working with Mr. Wilcox regarding workforce development and training, and a commercial kitchen; v) CCRSRI saw the project as a multi-generational use facility which could help improve opportunities for the residents of Northampton County. They were also working with the Eastern Shore Community College which would have class space in the facility to provide education and employment opportunities.

Jim Altadonna, resident
Mr. Altadonna addressed the Council regarding the potential sale of the water and wastewater systems: i) Had anyone checked with the county regarding the assessed value of the infrastructure? ii) He had spoken with John Hozey and understood that although the Hampton Roads Sanitation District (HRSD) could now maintain water systems, they were limited to systems with up to 1K users. He asked Council to split the water and sewer systems so HRSD could take over the sewer service; iii) The Town outsourced trash and asked how many Town employees were moved to the private entity when this was done. How many employees would transfer to the company taking over the water and sewer services? Mayor Dize stated that this period was for Council to listen to public comments, not for engaging with discussion or debate with the public. Councilwoman Holloway noted that these questions had been discussed in previous meetings and suggested that Mr. Altadonna watch the video recordings; iv) If the water and sewer systems were outsourced, John Hozey's duties would be reduced so what role would he take on then?

Loraine Huchler, non-resident property owner
Ms. Huchler addressed Council regarding a new municipal building and the water and wastewater plants. (Please see attached.)

Town Clerk Libby Hume read comments submitted in writing from Mr. Sam Jones and Ms. Julie Jones. (Please see attached.)

There were no other comments to be heard nor any other comments received in writing prior to the meeting.

CONSENT AGENDA

A. Approval of Agenda Format
B. Approval of Minutes:
   i. May 5, 2022 Town Council Work Session
   ii. May 12, 2022 Town Council Work Session
   iii. May 19, 2022 Town Council Public Hearing & Regular Meeting
   iv. May 26, 2022 Town Council Work Session
   v. June 9, 2022 Town Council Public Hearing
C. Approval of April 30, 2022 Financial Report

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

UNFINISHED BUSINESS:

There was no unfinished business for review.

NEW BUSINESS:

A. *Adoption of Budget Management Policy:*
   Town Manager John Hozey stated that during the Fiscal Year (FY) 2023 budget development process, it was noted that there was no formal guidance from the Town Council delegating responsibility to the town manager regarding his authority to manage funds within the budget once the budget was adopted and appropriated. A Budget Management Policy was developed and reviewed during the budget work sessions allowing the town manager some discretion within set parameters to move money within funds to react in real time to unanticipated needs of the Town. The procedures were also reviewed by the Town's auditors who agreed that the policies were reasonable and prudent.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to adopt Resolution 20220616 Establishing a Budget Management Policy. The motion was approved by unanimous vote. Roll call vote: Roll call vote: Bennett, yes; Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes; O'Brien, yes.

B. *Adoption of FY 2023 Budget:*
   John Hozey stated that the Town Council held work sessions to develop the proposed FY 2023 budget. At the May 12, 2022 work session, it was determined that projected revenues were in excess of current and strategic requirements and there was a consensus to reduce the real estate tax rate by $.0985 per $100 to $.2159 per $100; and the personal property tax rate by 50% to $1.00 per $100. The proposed budget included $4M for the General Fund, $1.9M for the General Capital Projects Fund, $249K for the General Debt Service Fund, $919K for the General Special Activities Fund, $2.6M for the Public Utilities Fund, $1.1M for the Harbor Fund, and $442K for the Sanitation Fund. Contract support for trash collection increased over the last year requiring the increase of the trash collection fee by $1.60 for a total of $18.28 per month per receptacle. An updated schedule of building and zoning fees was included in this budget authorization. All other proposed rates and fees, including utility fees, were unchanged from FY 2022. The public hearing was held on June 9, 2022 with one comment received.

Motion made by Councilman Grossman, seconded by Councilman Follmer, to adopt Ordinance 20220616 Approving the Budget for Fiscal Year 2023 and Building, Planning and Zoning Fee Schedule, and Making Appropriations for the Fiscal Year. The motion was approved by

unanimous vote. Roll call vote: Bennett, yes; Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes; O'Brien, yes.

C. *Myrtle Landing Apartments Local Economic Development Authority Financing:*
John Hozey stated that Myrtle Landing Renewal LLC submitted an application requesting assistance from the Economic Development Authority of Northampton County and Towns (EDA) by the issuance of the EDA's revenue bonds in an amount not to exceed $10,250,000 to assist in financing or refinancing certain costs of acquisition, construction, rehabilitation, renovation and equipping of the Myrtle Landing Apartments. The EDA conducted a public hearing on April 19, 2022 regarding the request and adopted a resolution authorizing the issuance of the revenue bonds. The next step was for the Town to adopt Resolution 20220616B approving the issuance of the bonds as well.

Motion made by Councilman Grossman, seconded by Councilwoman O'Brien, to adopt Resolution 20220616B – Resolution of the Town Council of the Town of Cape Charles, Virginia with Respect to Economic Development Authority Financing for Myrtle Landing Renewal LLC. The motion was approved by unanimous vote. Roll call vote: Bennett, yes, Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes; O'Brien, yes.

D. *Zoning Map Amendment Application – 238 Randolph Avenue:*
Interim Planner/Zoning Administrator Katie Nunez provided an update regarding the Zoning Map Amendment Application for 238 Randolph Avenue for a conditional rezoning from Residential-1 to Commercial-1 as follows: i) a joint public hearing with the Planning Commission and Town Council was held on May 3, 2022 at which the applicant submitted a revised Proffer Statement along with a revised Site Plan prior to the start of the hearing; ii) At the close of the public hearing, the Commissioners requested clarification of the businesses and/or properties referenced in the Proffer Statement to be allowed propane delivery/access and trash collection/servicing. Members of the Commission indicated that some resolution was needed to continue to allow the essential services, such as trash collection and propane delivery, to be provided and particularly to see if there was a way to do so and leaving the lot as residentially zoned. The Commission requested staff to conduct research as to this possibility, such as a legal non-conforming consideration. Research was performed regarding use of the property and unfortunately, she was unable to find where the property met the non-conforming status for the entire length of time; iii) The Commission recommended the use of dumpsters for trash collection versus trash receptacles, adding that if the hotel was expanded, either the number of dumpsters or the frequency of dumping needed to be increased. The Commissioners also recommended changes to the landscaping and screening of the dumpster(s); iv) The Commissioners determined that golf carts were not an essential service of a hotel and recommended removal of the golf cart portion of the request; v) Katie Nunez stressed that proffers were voluntary from the applicant and the Town could not require proffers nor request changes to the proffers. David Gammino, the applicant, was reviewing the information from the Commissioners and stated that he would notify her within a week if he would be willing to make changes to his proffers. He had indicated that he would not be amenable to eliminating the golf carts.

There was some discussion as follows: i) Councilman Follmer stated that while golf carts might not be considered an essential hotel accommodation, Cape Charles was a golf cart town and if the hotel could not offer golf carts, visitors would rent them and need a place to park them. If the golf carts were not permitted to park behind the hotel, they would take up parking spaces along Mason Avenue and Mason Avenue was already too congested with inadequate parking. Councilwoman Holloway expressed her agreement with Councilman Follmer adding that charging the golf carts was also a big problem; ii) Councilman O'Brien asked about the zoning for the former Kool Eatz property. Katie Nunez responded that Cake Charles was currently in that location which was in the residential zoning district. That was a legal non-conforming use in the location since it had been in continuous commercial use for over 62 years, as a barber shop, ice cream shop, sandwich shop, etc. There was a break in commercial use for 238 Randolph Avenue which negated the non-conforming use provision; iii) Councilwoman Holloway thanked Katie Nunez for her significant research; iv) Councilman Grossman noted that if Mr. Gammino responded with his willingness to change his proffers, the matter would come directly to the Town Council versus going back to the Planning Commission.

This summary was provided for informational purposes only.

E. *Harbor Development Certificate Application – Gazebo at the Town Harbor:*
Katie Nunez stated that an application was submitted by John Hozey on behalf of the Town Council to the Harbor Area Review Board (HARB) for placement of a gazebo on Town Property (Tax Map #83A3-A-10) at the far east end of the harbor just as you enter Marina Road, adjacent to the Coast Guard station. The HARB met on May 27, 2022 and voted unanimously to recommend Council approval of a Harbor Development Certificate for the placement of a gazebo at the Town Harbor.

Councilwoman Holloway suggested installing electrical service to the gazebo during construction as it would most likely be used for future events. John Hozey responded that electrical would eventually be added. The project was being done in steps. An ADA ramp was being built. There was still a lot of work to be done but no additional money had been budgeted.

Motion made by Vice Mayor Bennett, seconded by Councilwoman Holloway, to approve the issuance of the Harbor Development Certificate for the placement of a gazebo at the Town Harbor as discussed. The motion was approved by unanimous vote.

F. *Town Facilities Design and Engineering:*
John Hozey began by stating that the Town went through a competitive process by the issuance of a Request for Proposals (RFP) and these items were included in the RFP as potential add-ons. He continued to state that, with the assistance of HBA, an analysis of alternatives was completed to address the many deficiencies of the current Town facilities housing the administrative, police, library and council chamber functions. Council selected Option 5 to construct a new building for all functions except the library which would remain at its current location and undergo renovations. During the budget work sessions, Council added the beach restroom into this project. Unfortunately, the quote for the beach restroom was not received in time for this staff report, but once received, a second amendment to the contract would be brought to Council for review. At that time, the restroom by the train car and the beach restroom would be grouped as a project in an attempt to have the restrooms completed before the 2023 summer season.

Motion made by Councilman Follmer, seconded by Councilman Buchholz, to authorize the town manager to execute change order 1 to the HBA contract for architectural services as presented.

Vice Mayor Bennett expressed his concerns as follows: i) It appeared that there were no cost estimates until 100% design was completed. He felt that there was a need for cost estimates at 60% to ensure that the project remained within budget. If it was over budget at that time, Council would have time to develop options; ii) The design schedule was fairly long for a relatively small project; iii) The overall fee did not look too out of line, but he felt the architectural component was excessive adding that the quote had a lot of architectural hours for a simple design; iv) The cost estimating consultant fee was extremely high especially if only one estimate was received.

Councilwoman Holloway asked how Vice Mayor Bennett's concerns would be addressed, adding that we were fortunate to have someone with his expertise on Council.

Councilman Grossman amended the motion to table the decision until the July regular meeting. Councilwoman O'Brien seconded the motion. The amended motion was approved by unanimous vote.

Mayor Dize commented that for years he had watched staff inhale diesel smoke and fumes from the fire engines and watched elderly and disabled individuals trying to get up the stairs in the Town Hall. He understood Ms. Huchler's comments, but the Town also needed to look out for the individuals who worked for the Town.

John Hozey noted that the first motion was still on the table for July.

G. *Code 4-3 – Adoption of State Law:*
John Hozey stated that in order to have the authority to enforce any new laws in the Commonwealth of Virginia, each year a new ordinance must be passed accepting any and all amendments to the provisions and requirements set by the Code of Virginia in matters of regulation of motor vehicles and traffic in the Town and any penalties for traffic violations.

Motion made by Councilman Follmer, seconded by Councilwoman O'Brien, to adopt Ordinance 20220616B to Adopt Amendments to the Code of Virginia § 46.2 and Title 16.1, Chapter 11, Article 9 (§ 16.2-278 et seq.) and Title 18.2, Chapter 7, Article 2 (§ 18.2-266 et seq.), if any, for Incorporation into the Cape Charles Town Code Chapter 42-Motor Vehicles and Traffic. Roll call vote: Bennett, yes, Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes; O'Brien, yes.

H. *Purpose for Accessory Dwelling Units:*
John Hozey stated that in November 2018, the Town adopted a zoning ordinance addressing Accessory Dwelling Units (ADU). On May 3, 2022, a joint public hearing with the Planning Commission was held, and on May 19, 2022, the Town Council considered a zoning text amendment to this ordinance as recommended by the Planning Commission and rejected the proposed text amendment. Since the initial ADU ordinance was adopted, there had been considerable turnover in staff as well as several new members on the Town Council. During this intervening time, the purpose and intent of the original ADU ordinance might have been misinterpreted or changed. Current staff understood that the initial purpose of the ADU ordinance was to address critically needed affordable long-term rental units, precluding Town approval of any building permit for an ADU if it was to be used just as a means to extend the capacity of the primary structure or for short-term rentals. However, property owners felt that once built, an ADU should be available for whatever use they wanted. Since homeowner expectations were at odds with the currently understood intent of ADUs, the Planning Commission attempted to clarify the initial ordinance and close any unintentional loopholes. Since the Town Council rejected the recommended amendment, it would seem prudent to get an updated vision and purpose for ADUs from the currently seated Town Council to provide to the Planning Commission.

There was much discussion as follows: i) Councilman Grossman stated his opinion that the Council could make their changes and approve the ordinance without the need to send it back to the Planning Commission. John Hozey responded that if Council had not voted down the motion, they could have amended and approved the ordinance, but since Council voted it down, it died and was no longer valid. It now had to go back through the process again; ii) Councilman Grossman noted the two items of contention last month were family usage of the ADU and the definition of a kitchen; iii) Vice Mayor Bennett stated that Councilman Follmer made a point about use of the ADU by family; iv) Councilman Follmer stated that he was not on Council at that time but he followed the deliberations and did not think that the Council wanted to be as restrictive with the intent; v) Councilman Buchholz noted that he was on the Planning Commission at the time and Council did not want to allow ADUs. Council's intent was to promote long-term rentals as affordable housing. Family use of the ADU was not discussed. In his opinion, family use should be by right; vi) Councilwoman O'Brien expressed her concern regarding enforcement of ADUs being used as short-term rentals. John Hozey responded that short-term rentals were advertised, and staff monitored the various sites searching for rental units; vii) There was also discussion about property owners living in the ADU and renting out the main house as a short-term rental, which was not Council's intent. Councilman Follmer stated that exceptions should be made for hardship cases where a spouse may have passed away, so the surviving spouse moved into the ADU and rented the main house as the only way to keep the property; viii) There was some discussion regarding the change in process from a conditional use permit (CUP) to an annual affidavit. Councilwoman Holloway added that her property received a CUP in the mid-1990s, and it conveyed with the house, but no one had checked on it since she had owned the property. Adding an annual affidavit made sense; ix) There was a consensus among Council to keep the 60-day stay requirement but also allow the property owners to have their family and non-paying friends stay in the ADU. There was some concern of property owners leasing the ADU for 60 days, but allowing the tenant to leave after a week or days in order to circumvent the requirement; x) The definition of a kitchen needed to be revised to require more than a sink and a microwave.

John Hozey asked Katie Nunez if she had any questions or needed any clarification of Council's intent since she would be taking this item back to the Planning Commission. Katie Nunez recommended keeping the CUP requirement in place and expressed her concern of allowing ADUs by right. If ADUs were permitted by right, and each house had an ADU with people living in them, additional regulations would be needed to address safety issues, etc.

Since Council had provided direction regarding their intent for an ADU, he did not think a motion was necessary. He felt that Councilman Grossman and Katie Nunez understood Council's goals and would be able to take this back to the Commissioners. He believed the new recommendation would be very similar to the initial one, but with a few tweaks.

TOWN MANAGER COMMENTS

John Hozey commented as follows: i) He and Deborah Pocock had already met with the CCRSRI. His initial reticence was the impact on staff to manage the grant, expecting something similar to the procedures for the Department of Housing and Community Development (DHCD) COVID grant. This grant was more streamlined and not as onerous on the Town. He and Deborah Pocock felt comfortable that staff could handle the administration. This item and resolution would be brought back to Council for action in July; ii) Dianne Davis had been talking to staff regarding crosswalks, which were not included in the last resolution adopted by Council for pedestrian signage. Ms. Davis was concerned with pedestrians crossing Fig Street and Randolph Avenue and asked for consideration of a request to VDOT for marked crosswalks. He thanked Libby Hume for her research and work done on this project. In looking at the information, multiple crosswalks might be needed. Unless there was an objection from Council, this item would also be added to the July agenda; iii) He was planning his summer vacation taking the last two weeks of July off but when he made his plans, he did not realize that the July meeting was on the 21st. He asked that he be able to join the meeting via conference call.

MAYOR AND COUNCIL COMMENTS

Councilwoman O'Brien commented as follows: i) She asked if it would be possible to tour the water and wastewater treatment plants as she had never been to them. She felt that it was important for Council to know about the operations since we would be going into negotiations regarding a potential sale. John Hozey stated that tours would be arranged; ii) She noted that a bike rack was laying on the ground by the Cape Charles Distillery, and a light fixture by Kelly's Tavern was crooked. She went on to thank the Public Works crew for all their work on Strawberry Street; iii) Public Works crew member Dejohn Stratton lost his home in a fire last night. Mr. Stratton and his wife were safe, and their pets were okay, but all their belongings were lost. Cape Charles Christian School was taking donations to help the family and she felt that we needed to help them get back on their feet.

Councilman Grossman commented as follows: i) He asked about the status of the capacity study. John Hozey responded that staff was reviewing some interim data but the completed study had not yet been received; ii) He was looking for the responses for the utility questions raised during the work session. John Hozey responded that he just received them; iii) Council approved a harbor development certificate earlier this evening and suggested consideration be given to revise the process to be more similar to the Historic District Review Board process where the Board approved the applications and Council only needed to review them if the Board's decision was appealed. In his opinion, the Town Council did not need to be reviewing and approving an application for a gazebo. John Hozey agreed that the process could be changed; iv) The contract for the Kiptopeke Inn was signed and the affordable housing project was moving forward. The old gas station building had been removed.

Councilman Follmer did not have any additional comments.

Vice Mayor Bennett stated that at a previous meeting, Councilwoman Holloway had commented that new signage was coming for the area at Route 13 and asked about the status of the signage.

Councilwoman Holloway responded to Vice Mayor Bennett and commented as follows: i) Cape Charles Main Street (CCMS) had plans for new signage at Route 13 as well as on Fig Street but needed to know who had the authority over the signs. CCMS would be happy to obtain grants to work on the signs but wanted to make sure that it would be appropriate for them to do so. The consensus among Council was that it would be fine for CCMS to take on the projects; ii) She and Councilman Buchholz were officially done with their duties on CCMS, although she had one more year on the board as past president; iii) CCMS had two Main Street signs that need to go up. They had been working with VDOT to get approval but having difficulty in identifying locations. They were trying to have one placed just before the Cape Charles Brewing Company and one along Cassatt Parkway by Bayshore Road; iv) CCMS applied for eight Northampton County Infrastructure grants and received over $83K. $25K for the restroom on Mason Avenue, $30K for work on the train car; $8K for Festive Fridays, $3.5K for the Love Run, $5K for benches and trash cans, $5K for a walking tour app, and $6K to reprint more copies of the map. The Eastern Shore of Virginia Tourism Commission (ESVTC) received $130K from the American Rescue Plan Act (ARPA) for tourism, which was different than the ARPA funding received for the COVID grant. This was strictly for tourism. Cape Charles would be receiving $50K from that grant from the ESVTC, which could be used for renovations on the train car for a welcome center; v) She thanked Deborah Pocock, Libby Hume and John Hozey for all the work getting the budget prepared. The residents only saw the end product, but it took hours of work to get there.

Councilman Buchholz also gave kudos to staff adding that he had been on Council for six years and the budget process got easier every year. It helped that we had good tracking of expenditures and that the various items had been separated into their own funds for better transparency.

Mayor Dize comments as follows: i) He began by stating that the Town Council provided oversight for town operations and set policies. If someone reached out to the Council, their concern might fall through the cracks. Using the Report a Concern feature on the Town's website was the fastest way to get things done. The Town had four appointed officials – John Hozey, Jim Pruitt, Libby Hume and Deborah Pocock – who handled the day-to-day operations. It might take staff some time to research an issue, but they were the ones to be contacted first. If they had been contacted and were unable to resolve an issue, then the Council could be contacted; ii) Next Tuesday, June 21st, was the last day to sign up to run for Mayor or Council for the November elections. If anyone was thinking about it, they should submit their paperwork; iii) To expand on Councilwoman Holloway and Councilman Buchholz's comments regarding the budget process, he added that with the development of a capital improvement plan and having everything available was a huge improvement from past years. He remembered that when he was the harbor master, Council held a three-day retreat, followed by weekly meetings to go over the budget requests, etc. It was nice to have things more streamlined.

Mayor Dize read the announcements. John Hozey stated that July 7th would not work for an executive session and proposed either June 28th or July 12th, adding that the joint work session with the Planning Commission was scheduled for July 12th and the executive session could be held afterwards. Council agreed to schedule the executive session to immediately follow the July 12th joint work session.

Councilwoman Holloway added that she just received word that CCMS had been awarded national accreditation from National Main Street. CCMS would draft a press release making the announcement.

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

The Regular Meeting adjourned at 8:11 p.m.

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Mayor Dize

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Town Clerk

June 16, 2022 Town Council Regular Meeting
Comments and Information Provided in Writing

Dianne Davis, resident/homeowner

I understand that we have hired a special company to redo our guidelines for the Historic District. With the structure of the new homes built here and the houses that have been renovated where is the historic district? We have all kinds of designs now in our town. A precedent was set when the Council approved renovations and homes that were denied by the Historic District Review Board. Later the HDRB was changing so often whereby one board disapproved a structure then another board came in and approved the same structure.

I think that we are wasting money for new guidelines because the damaged has been done, and we only have a few lots left. How can you say no to one person and approved the same thing for another person on a different occasion?

Questions

1. I know that you as the Council make the final decisions about many things that happen in this town. Do you communicate with Chief Pruitt in reference to the safety of our citizens walking, riding bicycles, scooters, etc. in town due to the increase in traffic in certain areas? Chief Pruitt and his staff are riding up and down these streets and avenues daily, and is aware of certain areas that could be dangerous because of the traffic in and out of town (especially this time of the year).

2 In reference to the budget, did you include anything in reference to sidewalks for the town?

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Loraine Huchler, non-resident/property owner

2022 06 16 Town of Cape Charles Budget Meeting
Loraine Huchler, P.E., CMC®, FIMC, huchler@verizon.net, 757-442-5308

Thank you for the opportunity to speak to the council – again. I suspect that you are ready to get this budget finalized, so I will thank you for your consideration in advance and get to the key points.

New Municipal Building. There's a request to expand the contract for the initial study to include architectural and engineering and bidding services for $584K. I was surprised that the town wouldn't conduct a competitive bid to ensure that they received the best value. What exactly is the value of a new town hall have for residents and property owners – the vast majority of stakeholders? A new town hall project is pure expense; it doesn't generate revenues or attract visitors or improve the quality of life for residents. I haven't seen any articles in the Gazette or the local newspapers discussing the benefits. I believe that building a new town hall at this time is not in the best interest of the stakeholders. I believe that a vote to approve this contract is essentially a vote to spend $4.5M (or more) for a project that is not in the best interest of the voters, residents, or business owners.

Water & Wastewater Plants. You can relax, my comments are not about the potential sale. It's about the risk of partially-treated sewage being discharged into the Bay due to continued failures of the membranes at the wastewater plant. This membrane bioreactor uses bacteria to break down harmful components to non-toxic compounds before releasing the treated water to the Bay.

In the May 26 work session, I heard about the continual failures of the structural components and deterioration of the membranes. In some cases, severe damage forces operators to abandon that section of the bioreactor, reducing the operating capacity until new membranes are available. Operating with fewer membranes increases the stress and shortens the life of the membranes.

The normal service life of these membranes is 8 to 10 years; the plant is 9 years old. The delivery time for new membranes is one year. The current budget shows replacement of 50% of the membranes in FY2025 and 2026. The Town Manager stated that the wastewater plant is "barely hanging on." When a membrane or the structural components fail, the operator must take time from regular duties to close valves one at a time to find the damaged component and remove it from service. Operators are not heroes; troubleshooting takes time and the risks of discharge violations and possible closure of the beach will continue to increase. And the wastewater plant is short-staffed by over 50%.

The town has spent placed the first down payment on one set of replacement membranes. Why won't the town purchase additional sets of membranes with the ~$309K of ARPA funds? I believe that minimizing the risks in the wastewater plant are a high priority and are in the best interest of a broad group of stakeholders. After all, none of want to be told to limit the number of flushes and showers, right?

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Sam Jones, resident

Mr. Mayor, members of the Town Council and Town Manager:

My name is Sam Jones and my wife Julie and I live at 538 Monroe Avenue.

Thank you for the thoughtful way you are considering the issue of Accessory Dwelling Units in Cape Charles. I offer several comments.

First, there have been some suggestions that use of Accessory Dwelling Units for other than long-term workforce housing will increase the population density of Cape Charles. I believe the Town addressed the density issue when it allowed both short-term and long-term rentals on a single property. In any event, it is hard to see how the use of ADU's for family and friends on holidays or vacations creates greater density than a long-term rental who may be there year-round.

Second, in his briefing document the Town Manager highlighted the following: "Promote accessory dwelling units to add diversity of housing types, while maintaining the neighborhood character and providing affordable housing options". At this point the interpretation of the current ordinance and the language in the draft ordinance rejected by the Town Council focus solely on the affordable/workforce housing issue. I believe this focus goes far beyond "Promoting ADU's to add to the diversity of housing units".

Finally, I give two examples of what can be considered "by right" use. Currently under consideration by the Planning Commission is a request by a homeowner to convert part of a garage to a home office with a bath and kitchen. Earlier this year, another homeowner requested approval to convert the upper floor of their garage to provide overflow space for family and friends on special occasions. I believe that both of these should be considered "by right" use of property and require only the appropriate building permits to move forward.

Please consider addressing these type of issues as you provide guidance back to the Planning Commission.

Thank you.

****

Julie Jones, resident

Good evening, Mayor Dize, Councilmen and Councilwomen, and Town Manager Hozey,

My husband and I reside at 538 Monroe Avenue, here in Cape Charles.

We split our time between the home in Cape Charles and our home in Williamsburg.

Williamsburg is also a tourist town, as well as home to The College of William and Mary, plus the people who are residents, and has some of the same issues currently facing the town of Cape Charles: specifically housing and parking.

Residents of the City of Williamsburg are issued parking stickers, because there are problems with students and tourists parking in residential areas, either because of proximity to their destination, or to avoid the cost of paid parking.

Williamsburg also has property owners who either rent out their accessory units or an entire house. In order to make these rentals affordable, sometimes a lot of students will try to cram into one house or ADU. This exacerbates the parking shortage and also increases the density and noise level. In response, the City of Williamsburg has put restrictions on the number of unrelated people who can occupy one dwelling.

In light of your current consideration of regulating ADUs in the Town of Cape Charles, I have two questions:
1) is there a limit as to the number of people who are allowed to occupy an ADU?
Is there any kind of fire regulation governing this, especially since these are typically small spaces? Do the people living long-term in an ADU have to be related, i.e. family, or could several unrelated people share an ADU?

2) is there a limit as to the number of vehicles that could be associated with an ADU? For that matter, is there a limit as to the number of vehicles associated with a short-term rental property? Parking is an ever-increasing problem, and it is frustrating, as a homeowner, to not be able to park in relative proximity to our home…for which we do pay considerable taxes.

Some visionaries in Williamsburg have begun to convert some of the old motels, of which there are many, into affordable apartments, to help meet the housing needs of the many people who are employed in jobs related to the tourist industry. The potential conversion of the Kiptopeke Inn to affordable apartments is similar to what is being done in Williamsburg.

Sam and I have been so blessed, since purchasing our home here in 2015, by the beauty and peaceful nature of this sweet little town. We are so appreciative of the time and energy each of you contribute, as well as the sacrifices you make, in your service to the Town of Cape Charles.

Sincerely yours,
Julie Jones

April 2022 Treasurer's Report

Page 1 – Cash Position

- Funds were transferred from the Money Market account to the operating account for the debt service payment of $120,587 on the VRA interest free wastewater plant loan.

Page 2 – Revenue vs. Expenditures

- No comment.

Page 3 – Capital Projects

- The sewer pod controller parts were purchased in the Fall but had been coded to repairs. The error was discovered and moved to the capital project account this month.
- A progress payment on the municipal center replacement was made.

Page 4 – Tax Collection Rate

- Real property tax collection is at 97% of billed and 100% of budgeted amount.

Page 5 – Tax Revenue Trends

- No comment.

MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
April 30, 2022

Cash on Hand	**3/31/2022**	**4/30/2022**	**Increase/ (Decrease)**
Atlantic Union Bank Checking Account	$422,175	$402,542	-$19,633
Atlantic Union Bank Money Market Account	$4,021,896	$3,946,995	-$74,901
LGIP Account 1 - Unrestricted	$104,301	$104,334	$33
LGIP Account 2 - Unrestricted	$295,709	$295,815	$106
Total Cash On Hand	**$4,844,081**	**$4,749,685**	**-$94,395**

Restricted and Reserved Cash Balances	**3/31/2022**	**4/30/2022**	**Increase/ (Decrease)**
Atlantic Union Bank Checking Account - Police Funds	$431	$431	$0
LGIP Account 2 - Restricted for USDA loan covenant	$35,810	$35,810	$0
Atlantic Union checking Accnt Library CD converted to cash	$11,131	$11,131	$0
Atlantic Union Bank Checking Accnt - E-Summons Revenue Rsrvd	$7,314	$7,468	$154
US Bank - Reserved per VRA Interest Free Loan Requirements	$257,587	$257,588	$1
Wells Fargo 2010 Debt Service pass through account #300	$2,899	$2,899	$0
Wells Fargo 2010 Debt Service pass through account #308	$762	$762	$0
Atlantic Union Money Market # ARPA CRF #5847	$528,712	$528,725	$13
Virginia Investment Pool Liquidity Acct#1 Facility Fees Rsrvd (Utilities)	$1,737,038	$1,737,610	$572
Virginia Investment Pool Liquidty Acct#2, Surety Bond Escrow Rsrvd	$595,245	$388,323	-$206,922
Total Cash Held in Reserve	**$3,176,929**	**$2,970,747**	**-$206,181**
Total Cash - All Accounts	**$8,021,009**	**$7,720,433**	**-$300,576**

DEBT SERVICE

Net Debt as of Current Reporting Month End (Excludes USDA vehicle and equipment loans)	$5,798,735

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

April 30, 2022

REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY22
GENERAL Operations						
REVENUE	$298,906	$2,973,524	$3,558,192	$584,668	$3,536,507	100.61%
EXPENDITURES	$229,941	$2,515,929	$2,516,445	$516	$3,536,507	71.16%
NET	**$68,965**	**457,596**	**$1,041,747**	**$584,152**	**$0**	
GENERAL Capital						
REVENUE	$3,151	$378,282	$52,408	-$325,874	$1,197,762	4.38%
EXPENDITURES	$21,429	$378,282	$64,554	-$313,728	$1,197,762	5.39%
NET	**($18,278)**	**$0**	**($12,146)**	**($12,146)**	**$0**	
GENERAL Debt Service						
REVENUE	$0	$121,110	$222,069	$100,959	$258,614	85.87%
EXPENDITURES	$0	$121,110	$222,069	$100,959	$258,614	85.87%
NET	**$0**	**$0**	**$0**	**$0**	**$0**	
GENERAL Special Activities						
REVENUE	$86,723	$0	$455,145	$455,145	$948,115	48.01%
EXPENDITURES	$98,150	$0	$458,259	$458,259	$948,115	48.33%
NET	**($11,427)**	**$0**	**($3,114)**	**($3,114)**	**$0**	

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

April 30, 2022

REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY22
PUBLIC UTILITIES						
REVENUE - Operating	$161,778	1,498,060	$1,588,917	$90,857	$1,825,021	87.06%
EXPENDITURES - Operating	$35,899	455,596	$459,599	$4,003	$993,224	46.27%
NET	**$125,879**	**1,042,463**	**$1,129,317**	**$86,854**	**$831,797**	
REVENUE - CAPITAL GRANTS, LOANS, DEBT SVC	$0	$0	$0	$0	$104,751	0.00%
REVENUE - FACILITY FEES	$63,600	$419,860	$511,493	$91,634	$254,400	201.06%
EXPENDED - FACIL FEES, CAPITAL PROJECTS,DEBT SVC	$184,187	$887,539	$995,061	$107,521	$936,548	106.25%
TOWN CONTRIB. & PENDING GRANTS	**($120,587)**	**($467,680)**	**($483,567)**	**($15,887)**	**($831,797)**	
HARBOR						
REVENUE - Operating	$103,292	$740,817	$631,115	-$109,702	$833,500	75.72%
EXPENDITURES - Operating	$119,329	$595,391	$540,819	-$54,571	$772,500	70.01%
NET	**($16,037)**	**$145,426**	**$90,295**	**($55,131)**	**$61,000**	
REVENUE - GRANTS & LOANS	$0	$10,586	$30,754	$20,167	$0	#DIV/0!
TRANSFERRED FM GEN FUND FOR DEBT SERVICE	$0	$0	$102,954	$102,954	$102,657	100.29%
EXPENDED - Capital Projects, Debt Svc	$0	$240,067	$143,054	-$97,013	$163,657	87.41%
TOWN CONTRIB. & PENDING GRANTS	**$0**	**($229,481)**	**($9,346)**	**$220,135**	**($61,000)**	
SANITATION						
REVENUE	$20,701	$169,779	$183,959	$14,179	$390,595	47.10%
EXPENDITURES	$42,460	$171,812	$176,120	$4,308	$390,595	45.09%
NET	**($21,758)**	**($2,033)**	**$7,838**	**$9,871**	**$0**	

FY 2022 Capital Improvement Project Tracking Report

As of: 4/30/2022	FY22 Status or Start Date	Percent of Completion	FY22 Budgeted	QTR 1 Expended	QTR 2 Expended	QTR 3 Expended	QTR 4 Expended	FY22 YTD Expended	(Over)/Under Budget
General Capital Fund									
Multi-Use Trails, Phase 3 Construction	Pending Fall 2022	1%	$ 929,922	$ 848	$ 5,876	$ -	$ -	$ 6,724	$ 923,198
Mason Avenue Parking, Planning & Construction	Suspended	0%	$ 34,240	$ -	$ -	$ -	$ -	$ -	$ 34,240
Storm Sewer Video-Mapping, Phase 2	Suspended	0%	$ 30,000	$ -	$ -	$ -	$ -	$ -	$ 30,000
Municipal Center Replacement	**In process**	**44%**	**$ 130,000**	**$ -**	**$ -**	**$ 36,401**	**$ 20,718**	**$ 57,118**	**$ 72,882**
Central Park Gazebo Upgrades	Pending	0%	$ 10,000	$ -	$ -	$ -	$ -	$ -	$ 10,000
Central Park Fountain	**In process**	**2%**	**$ 36,000**	**$ -**	**$ -**	**$ -**	**$ 711**	**$ 711**	**$ 35,289**
Public Trash Cans	Pending	0%	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ 25,000
Final Installation of Zipline	Completed	42%	$ 2,600	$ 1,100	$ -	$ -	$ -	$ 1,100	$ 1,500
subtotal	$ -		**$ 1,197,762**	**$ 1,948**	**$ 5,876**	**$ 36,401**	**$ 21,429**	**$ 65,654**	**$ 1,132,108**
Utility Fund -Water									
Water Tank Mixer/Power Vent (FY2021 carryov	Suspended	0%	$ 55,000	$ -	$ -	$ -	$ -	$ -	$ 55,000
Remote Read Water Meters - starter setup carr	Suspended	0%	$ 51,985	$ -	$ -	$ -	$ -	$ -	$ 51,985
(AMI/AMR Auto Read Water Meters - Phase 2	Suspended	0%	$ 20,000	$ -	$ -	$ -	$ -	$ -	$ 20,000
Utility Fund - Wastewater									
Washington Avenue Pump Station Rehab Phase	Suspended	0%	$ 39,151	$ -	$ -	$ -	$ -	$ -	$ 39,151
Sewer Pod Controller Upgrades Phase 1 of 5	**Completed**	**100%**	**$ 14,500**	**$ 14,500**	**$ -**	**$ -**	**$ -**	**$ 14,500.00**	**$ -**
subtotal	$ -		**$ 180,636**	**$ 14,500**	**$ -**	**$ -**	**$ -**	**$ 14,500**	**$ 166,136**
Harbor Fund									
Harbor Capital Evaluation Plan	Completed	0%	$ 40,100	$ -	$ -	$ 40,100	$ -	$ -	$ 40,100
Structural Piling Repair	Deferred	#DIV/0!	$ -	$ -	$ -	$ -	$ -	$ -	$ -
In-Shore Breakwater Repair	Pending	0%	$ 121,380	$ -	$ -	$ 68	$ -	$ 68	$ 121,312
subtotal	$ -		**$ 161,480**	**$ -**	**$ -**	**$ 40,168**	**$ -**	**$ 68**	**$ 161,412**
TOTAL	$ -		**$ 1,539,878**	**$ 16,448**	**$ 5,876**	**$ 76,569**	**$ 21,429**	**$ 80,222**	**$ 1,459,656**

*ITEMS WITH CURRENT MONTH ACTIVITY ARE IN BOLD PRINT

MUNICIPAL CORPORATION OF CAPE CHARLES
April 30, 2022

YTD 2021 Real Estate Tax Collections

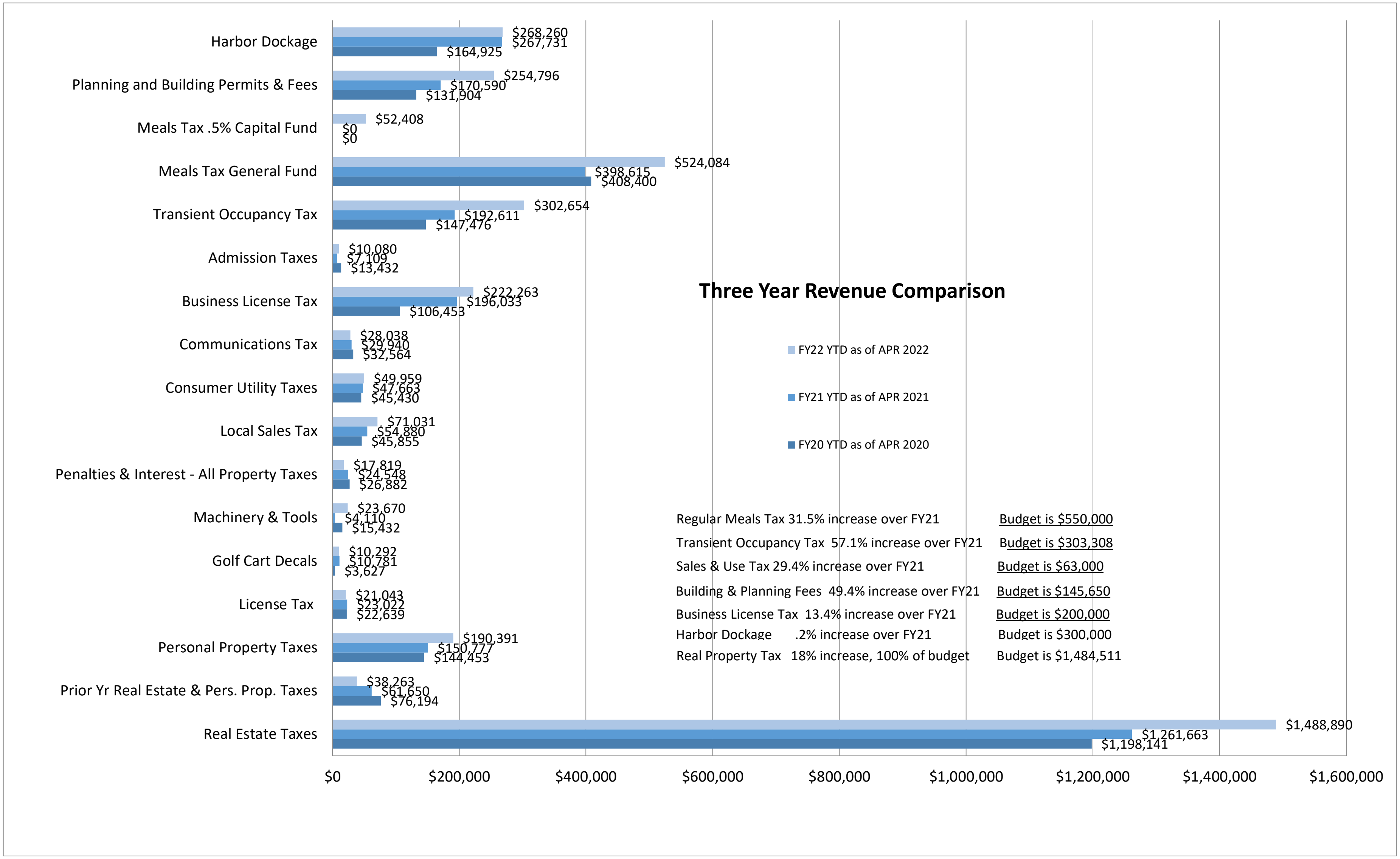
Total Taxable Land Value	179,657,188	
Total Improvement Value	306,863,500	
Exemptions	(4,196,393)	
Additional Assessments (SCC Utility)	3,702,099	
Total Real Estate Value (taxable)	**486,026,394**	
Total Budgeted	1,484,511	
Total Tax Billed	1,527,451	
Total Adjustments	(8,854)	
Total Collected YTD (percent of billed)	1,488,890	97%
Amount Due per Accounts Receivable	**29,706**	

YTD 2021 Personal Property Tax, Machinery and Tools Tax & 2021 License Tax Collections

Total Personal Property Value	23,415,700	
2021 Initial Assesement Exonerations & Proration	(424,083)	
Personal Property Value, billed	22,991,617	
2021 Supplemental Assessments	-	
2021 Supplemental PPTRA & Exonerations	-	
Personal Property Value, billed	-	
Total Value for 2021 and 2021 supplemental	22,991,617	
Total Budgeted	153,000	
Total Tax Billed less PPTRA	303,178	
2021 Supplemental Tax Billing	-	
Total Adjustments & Additional Exonerations	(52,209)	
Total Collected YTD (percent of billed)	235,104	94%
Amount Due per Accounts Receivable	**15,865**	

YTD Prior Year Real Estate Tax, Personal Property Tax, Interest and Penalty Collections

Total Budgeted	86,150	
Total Collected (percent of budget)	56,082	65%
Amount Due Per Budget	**30,068**	



Three Year Revenue Comparison
FY22 YTD as of APR 2022
FY21 YTD as of APR 2021
FY20 YTD as of APR 2020
Harbor Dockage
$268,260
$267,731
$164,925
Planning and Building Permits & Fees
$254,796
$170,590
$131,904
Meals Tax .5% Capital Fund
$52,408
$0
$0
Meals Tax General Fund
$524,084
$398,615
$408,400
Transient Occupancy Tax
$302,654
$192,611
$147,476
Admission Taxes
$10,080
$7,109
$13,432
Business License Tax
$222,263
$196,033
$106,453
Communications Tax
$28,038
$29,940
$32,564
Consumer Utility Taxes
$49,959
$47,663
$45,430
Local Sales Tax
$71,031
$54,880
$45,855
Penalties & Interest - All Property Taxes
$17,819
$24,548
$26,882
Machinery & Tools
$23,670
$4,110
$15,432
Golf Cart Decals
$10,292
$10,781
$3,627
License Tax
$21,043
$23,022
$22,639
Personal Property Taxes
$190,391
$150,777
$144,453
Prior Yr Real Estate & Pers. Prop. Taxes
$38,263
$61,650
$76,194
Real Estate Taxes
$1,488,890
$1,261,663
$1,198,141
$0
$200,000
$400,000
$600,000
$800,000
$1,000,000
$1,200,000
$1,400,000
$1,600,000
Regular Meals Tax 31.5% increase over FY21 Budget is $550,000
Transient Occupancy Tax 57.1% increase over FY21 Budget is $303,308
Sales & Use Tax 29.4% increase over FY21 Budget is $63,000
Building & Planning Fees 49.4% increase over FY21 Budget is $145,650
Business License Tax 13.4% increase over FY21 Budget is $200,000
Harbor Dockage .2% increase over FY21 Budget is $300,000
Real Property Tax 18% increase, 100% of budget Budget is $1,484,511

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 16, 2022 (the “Meeting”).

2. Attached hereto is a true, correct and complete copy of Resolution 20220616 (the “Resolution”) 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.

3. A summary of the members of the Council participating at the Meeting and the recorded vote with respect to the foregoing Resolution as set forth below:

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

4. The Resolution 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 16th day of June 2022.

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

RESOLUTION 20220616

ESTABLISHING A BUDGET MANAGEMENT POLICY

WHEREAS, Municipal budgets are more than just allocations of authorized expenditures; they are also policy documents from the governing body which outline an expected service level and capital investment for the time period covered; and

WHEREAS, only the Town Council has the authority to approve annual budgets/policies and to appropriate the funds necessary to support them; however, it is the responsibility of the Town Manager to implement and manage these budgets/appropriations; and

WHEREAS, it is not possible to accurately anticipate all operational conditions or external influences that may occur throughout the budgeted period when the budget documents are developed. Therefore, it is necessary to allow the Town Manager some level of discretion to react to actual circumstances in real time; and

WHEREAS, clear guidance is needed from the governing body to its management personnel, that provides for the needed discretion without subverting the policy goals of the document.

NOW, **THEREFORE, BE IT RESOLVED**, that the Town Council of the Town of Cape Charles hereby establishes a budget management policy as follows:

1. Appropriations to specific accounting Funds will remain within those Funds unless transferred to another Fund by the Town Council via budget resolution

2. Creation of new line items within any accounting Fund requires Town Council approval

3. Transfers between line items within an accounting Fund may be made by the Town Manager subject to the following limitations:
    a. Transfers of greater than $20,000 will be reported to the Town Council at their next regular meeting
    b. Transfers between capital project line items of greater than $10,000 will be reported to the Town Council at their next regular meeting
    c. Transfers between capital project line items of greater than $20,000 or 10% of total budgeted amount, whichever is smaller, requires Town Council approval
    d. Transfers will not be artificially divided into smaller amounts to circumvent the limits of this policy

4. For purposes of this policy, accounting Funds are defined as the General Fund, the Special Activities Fund, the Capital Projects Fund, the Debt Service Fund, the Harbor Fund, the Utility Fund, and the Sanitation Fund.

This resolution shall become effective upon approval.

Adopted by the Town Council of Cape Charles on this 16th day of June 2022

____
Mayor

ATTEST: ____________________________________
Clerk of the Council

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 16, 2022 (the "Meeting").

2. Attached hereto is a true, correct and complete copy of Ordinance 20220616 (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.

3. A summary of the members of the Council participating 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		X		
Andy Buchholz	X		X		
Andrew Follmer	X		X		
Paul Grossman	X		X		
Tammy Holloway	X		X		
Ellen O'Brien	X		X		

4. 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 16th day of June 2022.

____
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 20220616

APPROVING THE BUDGET FOR FISCAL YEAR (FY) 2022/2023 AND BUILDING, PLANNING AND ZONING FEE SCHEDULE, AND MAKING APPROPRIATIONS FOR THE FISCAL YEAR

WHEREAS, the Council of the Town of Cape Charles has prepared a budget for FY 2022/2023 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

THEREFORE, BE IT RESOLVED, by the Town Council of Cape Charles, this 16th day of June 2022 that the budget for FY 2022/2023 be approved as follows:

GENERAL FUND		**PUBLIC UTILITIES FUND**	
Revenue	$4,030,694	Revenue	$2,603,420
Expense	$4,030,694	Expense	$2,603,420
Revenue less expenditures	$0	Revenue less expenditures	$0
GENERAL CAPITAL PROJECTS FUND		**HARBOR FUND**	
Revenue	$1,950,314	Revenue	$1,154,388
Expense	$1,950,314	Expense	$1,154,388
Revenue less expenditures	$0	Revenue less expenditures	$0
GENERAL DEBT SERVICE FUND		**SANITATION FUND**	
Revenue	$249,571	Revenue	$442,253
Expense	$249,571	Expense	$442,253
Revenue less expenditures	$0	Revenue less expenditures	$0
GENERAL SPECIAL ACTIVITIES FUND (Grants & Pass-thru transactions)			
Revenue	$919,350		
Expense	$919,350		
Revenue less expenditures	$0		

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 Tax: $.2159 per $100; Equalized rate at 101% of previous year's assessed value.
- Personal Property Tax: $1.00 per $100 (This is reduced from $2.00 per $100); Boat Tax $0.01 per $100
- Transient Occupancy Tax: 4.0% plus flat fee of: $1 per night per room (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: $18.28 per month (increase of $1.60); 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, 2022 through June 30, 2023 as follows:

General Fund:	$4,030,694
General Capital Fund:	$1,950,314
General Debt Service Fund:	$249,571
General Special Activities Fund:	$919,350
Public Utilities Fund:	$2,603,420
Harbor Fund:	$1,154,388
Sanitation Fund:	$442,253

and that the Town Manager is authorized to transfer funding pursuant to the Cape Charles Budget Management Policy established by the Cape Charles Town Council by adoption of Resolution 20220616.

****

Adopted by the Town Council of Cape Charles on June 16, 2022.

By: ______________________________

Mayor William Dize

ATTEST:

____

Town Clerk

RESOLUTION 20220616B

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CAPE CHARLES, VIRGINIA WITH RESPECT TO ECONOMIC DEVELOPMENT AUTHORITY FINANCING FOR MYRTLE LANDING RENEWAL LLC

WHEREAS, the Economic Development Authority of Northampton County and Towns (the "Authority") has considered the application of Myrtle Landing Renewal LLC, a Virginia limited liability company (the "Borrower") requesting the issuance of the Authority's revenue bonds in an aggregate amount not to exceed $10,250,000 (the "Bonds") to assist the Borrower in (a) financing or refinancing certain of the costs of acquisition, construction, rehabilitation, renovation and equipping of a multifamily residential rental housing project consisting of approximately 93 units representing approximately 55,559 net rentable square feet known as Myrtle Landing Apartments and related facilities located on approximately 8.40 acres of land at 815 Randolph Avenue, Cape Charles, Virginia (the "Project") and (b) financing bond issuance costs and other eligible expenditures (collectively, the "Plan of Finance") and has held a public hearing in connection therewith on April 19, 2022; and

WHEREAS, on April 19, 2022, the Authority hold a public hearing on the issuance of the Bonds and adopted a resolution requesting the Town Council (the "Town Council") of the Town of Cape Charles, Virginia (the "Town") to approve the issuance of the Bonds to comply with Section 147(F) of the Internal Revenue Code of 1986, as amended (the "Code") and Section 15.2-4906 of the Industrial Development and Revenue Bond Act, as amended (the "Act"); and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement with respect to the issuance of the Bonds have been filed with the Town Council.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Cape Charles, Virginia that:

1. The Town Council approves the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended, to permit the Authority to assist in the financing of the Plan of Finance.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds or the creditworthiness of the Bonds or the Borrower.

3. The issuance of the revenue bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the Town, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Town, will be pledged to the payment of the Bonds or the interest thereon or other costs incident thereto. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Town and the Authority, shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto, except from the revenues and money pledged therefor.

4. This resolution shall take effect immediately upon its adoption.

Adopted by the Town Council of Cape Charles on this 16th day of June 2022.

By: ______________________________

Mayor William "Smitty" Dize

ATTEST:

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Clerk of Council

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Town Council of the Town of Cape Charles, Virginia hereby certifies that Resolution 20220616B set forth above was adopted during an open meeting on June 16, 2022 by the Town Council, the votes being recorded as follows:

			Voting		
Member Name	**Present**	**Absent**	**Aye**	**Nay**	**Abstaining**
William Dize, Mayor	X				
Steve Bennett	X		X		
Andy Buchholz	X		X		
Andrew Follmer	X		X		
Paul Grossman	X		X		
Tammy Holloway	X		X		
Ellen O'Brien	X		X		

Signed this 16th day of June 2022

By: ____________________________________

Clerk of Council
Town of Cape Charles, Virginia

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 16, 2022 (the "Meeting").

2. Attached hereto is a true, correct and complete copy of Ordinance 20220616B (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.

3. A summary of the members of the Council participating 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		X		
Andy Buchholz	X		X		
Andrew Follmer	X		X		
Paul Grossman	X		X		
Tammy Holloway	X		X		
Ellen O'Brien	X		X		

4. 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 16th day of June 2022.

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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 NO: 20220616B

AN ORDINANCE TO ADOPT AMENDMENTS TO THE CODE OF VIRGINIA §46.2 AND TITLE 16.1, CHAPTER 11, ARTICLE 9 (§16.1-278 ET SEQ.) AND TITLE 18.2, CHAPTER 7, ARTICLE 2 (§ 18.2-266 ET SEQ.), IF ANY, FOR INCORPORATION INTO THE CAPE CHARLES TOWN CODE CHAPTER 42-MOTOR VEHICLES AND TRAFFIC

WHEREAS, it is necessary to follow the guide set by the Code of Virginia to protect the safety and welfare of residents and guests of the Town of Cape Charles; and

WHEREAS, from time to time, the Code of Virginia is amended to protect those traveling the highways, streets and roads of the Commonwealth; and

WHEREAS, in order to have the authority to enforce these new laws, the Town Council of the Town of Cape Charles must adopt any and all amendments made by the Commonwealth of Virginia; now

THEREFORE, BE IT ORDAINED: That pursuant to the authority of the Code of Virginia, 1950, as amended, § 46.2-1313, all of the provisions and requirements of the laws of the Commonwealth contained in Code of Virginia, Title 46.2 and Code of Virginia, Article 9 (§ 16.1-278 et seq.) of Chapter 11 of Title 16.1, and of Article 2 (§ 18.2-266 et seq.) of Chapter 7 of Title 18.2 into ordinances as in force and effect on the date of the adoption of this Code, and as amended in the future, except those provisions and requirements the violation of which constitutes a felony, and except those provisions and requirements which, by their very nature, can have no application to or within the town, are hereby adopted and incorporated in this chapter by reference and made applicable within the Town. References to "highways of the state" contained in such provisions and requirements hereby adopted shall be deemed to refer to the streets, highways and other public ways within the Town. Such provisions and requirements are hereby adopted, *mutadis mutandis*, and made a part of this chapter as fully as though set forth at length herein. It shall be unlawful for any person within the Town to violate or fail, neglect or refuse to comply with any provision or requirement which is adopted by this section; provided, that in no event shall the penalty imposed for the violation of any provision or requirement hereby adopted exceed the penalty imposed for a similar offense under the Code of Virginia. This ordinance will take effect July 1, 2022.

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Adopted by the Town Council of Cape Charles on June 16, 2022.

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Mayor William Dize

ATTEST:

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Town Clerk

TOWN COUNCIL
Executive Session
Cape Charles Civic Center
June 16, 2022
Immediately Following the Regular Meeting

At approximately 8:11 p.m. Mayor William "Smitty" Dize, having established a quorum, called to order the Executive Session of the Cape Charles Town Council. In addition to Mayor Dize, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Follmer and Grossman, and Councilwomen Holloway and O'Brien. Also, in attendance was Town Manager John Hozey.

Motion made by Councilwoman O'Brien, seconded by Vice Mayor Bennett, and unanimously approved to go into Executive Session in accordance with Section 2.2-3711.A of the Code of Virginia for the purpose of: Paragraph 3: Discussion or consideration of the acquisition of real property for a public purpose, or 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: Options for Possible Purchase of a Portion of Railroad Property

The members of the public in attendance, as well as staff, with the exception of Town Manager John Hozey, left the room.

Council went into executive session at 8:12 p.m.

Motion made by Councilwoman Holloway, seconded by Councilman Grossman, to return to open session. The motion was approved by unanimous vote.

The open portion of the meeting resumed at 8:32 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: Bennett, yes; Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes; O'Brien, yes.

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

The Executive Session adjourned at 8:33 p.m.

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Mayor Dize

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Town Clerk