



**TOWN COUNCIL
Public Hearing
Cape Charles Civic Center
June 9, 2022
6:30 p.m.**

At 6:30 p.m., Vice Mayor Steve Bennett, having established a quorum, called to order the Public Hearing of the Town Council. In addition to Vice-Mayor Bennett, present were Councilmen Buchholz and Grossman, and Councilwomen Holloway and O'Brien. Mayor Dize and Councilman Follmer were not in attendance. Also, in attendance were Town Manager John Hozey, Treasurer Deborah Pocock, Assistant to the Town Manager Julie Pruitt and Town Clerk Libby Hume. There was one member of the public physically in attendance, and six viewers on Facebook.

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

Vice Mayor Bennett read the public hearing notice.

Town Manager Hozey provided an overview stating that the Town was in very good fiscal shape. Policies were established to maintain minimum fund balances and all goals were met. The number of Funds were increased last year to increase public transparency. The amounts budgeted for each Fund included \$1.9M for the General Capital Projects Fund; \$250K for General Debt Service Fund; \$119K for the General Special Activities Fund; \$2.6M for the Public Utilities Fund; \$1.15M for the Harbor Fund; and \$442K for the Sanitation Fund. Revenue was strong this year. The Town Council proposed to rebalance the real property tax rates to 1% plus new construction for a rate decrease from \$.31 per \$100 to \$.22 per \$100. Town Council also recommended reducing the personal property tax rate by 50% from \$2.00 per \$100 to \$1.00 per \$100. The only proposed increase, which was out of the Town's control due to a contract with the vendor, was a \$1.60 per month increase to the trash collection fee making it \$18.28 per month per receptacle.

Vice Mayor Bennett noted a correction to the General Special Activities Fund which was actually \$919K versus \$119K as stated by John Hozey. Vice Mayor Bennett went on to open the floor for comments.

PUBLIC HEARING PUBLIC COMMENTS:

There were no comments to be heard from the members of the public in attendance. Town Clerk Libby Hume read a letter submitted by Loraine Huchler, a property owner. (Please see attached.)

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to close the public hearing. The motion was approved by unanimous vote.

There was no further discussion.

Motion made by Councilman Buchholz, seconded by Councilwoman Holloway, to adjourn the Town Council Public Hearing. The motion was approved by unanimous vote.

The public hearing was adjourned at 6:37 p.m.

Vice Mayor Bennett

Town Clerk

**June 9, 2022 Town Council Public Hearing
Comments and Information Provided in Writing**

FY 2023 Proposed Budget Public Hearing Notice



**NOTICE OF PUBLIC HEARING
MUNICIPAL CORPORATION OF CAPE CHARLES
FISCAL YEAR 2023 PROPOSED BUDGET**

Following are the estimated receipts and expenditures of the Municipal Corporation of Cape Charles for the Fiscal Year 2023. **The Town Council will hold a Public Hearing on June 9, 2022 at 6:30 p.m. at the Cape Charles Civic Center, 500 Tazewell Avenue,** to receive verbal and written comments on all proposed disbursements, as well as all tax and utility rate changes. Written comments can be submitted prior to the hearing via email to clerk@capecharles.org or hand delivered to Town Hall, 2 Plum Street. Verbal comments can be provided during the public hearing. The proposed Fiscal Year 2023 budget and all tax and rate changes will be discussed and brought to a vote at the Town Council Regular Meeting on June 16, 2022. For additional detail and explanation please visit the Town website at www.capecharles.org, under **Agendas and Minutes / Town Council**.

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		

Following are the proposed tax rates and user fees which are part of the fiscal plan: Rates that have changed are in bold print.

Vehicle Tax:	Vehicle License Tax: \$31.00 per vehicle subject to Virginia State Registration. (Trailers \$18.00) and Golf Cart Decal is \$31.00.
Real Estate Tax:	\$0.2159 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)
Water Rate:	<i>Residential</i> 0-2,000 gal.: \$33.46 minimum; 2,001 to 5,000 gal.: \$2.63 per 1,000; 5,001 to 10,000: \$3.75 per 1,000; 10,001 to 15,000 gals: \$5.00 per 1,000; Over 15,000 gals: \$7.50 per 1,000; <i>Commercial</i> 0-2,000 gal.: \$33.46 minimum; 2,001-10,000 gal.: \$2.50 per 1,000; 10,001-15,000 gals: \$3.75 per 1,000; Over 15,000 gals: \$5.00 per 1,000
Wastewater Rate:	<i>Residential</i> 0-2,000 gal.: \$63.12 minimum; 2,001 to 5,000 gal.: \$4.11 per 1,000; 5,001 to 10,000 gals: \$5.85 per 1,000; 10,001 to 15,000: \$7.80 per 1,000; Over 15,000 gals: \$11.70 per 1,000; <i>Commercial</i> 0-2,000 gal.: \$63.12 minimum; 2,001-10,000 gals: \$3.90 per 1,000; 10,001-15,000 gals: \$5.85 per 1,000; Over 15,000 gals: \$7.80 per 1,000
Trash Collection Fee:	\$18.28 per month (increase of \$1.60)

There are proposed changes to the Building, Planning and Zoning fee schedule, which may be viewed at the Town website under **Proposed Budget Details**.

William "Smitty" Dize, Mayor

Loraine Huchler, property owner

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Loraine Huchler, P.E., CMC®, FIMC

I don't understand the financial rationale for this budget.

This budget shows a request to use ARPA Covid money to design a new municipal building (\$550K) and the 3rd floor of the library to allow a developer to create condominiums (\$34K). Some people might argue that ARPA funding is "found money." But there's a catch. The capital budget plan shows that in the next year, the town will spend over \$4.5M for construction of the new town hall. And once you start the planning for a capital project – it's hard to stop it – because to the average citizen – it looks like the town council and manager messed up. During at least one past council meeting and again at the Town Hall, the town manager said that the reason to sell the water and wastewater plants is to "get rid of the debt." Why is the debt for the water plants so bad, but the debt for a new municipal building OK?

This budget is asks for \$584K of ARPA Covid funds and there's no information about grants. How will the town pay for this \$5.4M project in 2024? Property taxes increases won't work. Is the town planning to use the proceeds from the sale of the water plants to pay for the new town hall? And what's the rush to build a new town hall? Our economy is headed for a long period of stagflation – now is not the time to take on additional debt and risk.

During the last 18 months, this council has worked very hard to understand some very complex issues. The decision about the water plants has a much greater impact on the quality of life than a new town hall. The PPEA consultant finally provided a budget forecast for keeping the plants. Councilman Grossman provided an excellent analysis that contradicted the PPEA consultant's rate forecast for selling the plants. This period of due diligence is still in progress and the council – not the town manager – must decide if VAW is the right entity to purchase the plants. There are numerous other options to improve the water and wastewater operations should the council decide to keep the plants.

Thank you for listening.