TOWN COUNCIL
Regular Meeting
Cape Charles Civic Center
May 16, 2024
6:00 PM

At approximately 6:00 p.m. Vice Mayor Steve Bennett, having established a quorum, called to order the Regular Meeting of the Cape Charles Town Council. In addition to Vice Mayor Bennett, in attendance were Councilmen Buchholz, Butta and Grossman, and Councilwoman Holloway. Councilman Follmer arrived at 6:03 p.m. Mayor Charney was not in attendance. Also, in attendance were Town Manager John Hozey, Police Chief Jim Pruitt, Assistant to the Town Manager Julie Pruitt, and Town Clerk Libby Hume. There were 2 members of the public physically in attendance, and 21 viewers on Facebook.

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

RECOGNITION OF VISITORS / PRESENTATIONS/RECOGNITIONS:

A. *National Public Works Week Proclamation:*
Vice Mayor Bennett read Proclamation 20240516 proclaiming the week of May 19-25, 2024 as National Public Works week.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to adopt Proclamation 20240516 designating May 19-25, 2024 as National Public Works Week. The motion was approved by unanimous vote.

Vice Mayor Bennett gave the proclamation to Town Manager John Hozey to present to the Public Works Department.

PUBLIC COMMENTS: (3 MINUTES PER SPEAKER)

Town Clerk Libby Hume read letters and emails from Walter Bronson, Susan Burger, and Julie Jones that were submitted in writing. (Please see attached.)

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

CONSENT AGENDA

A. Approval of Agenda Format
B. Approval of Minutes:
   i. April 18, 2024 Town Council Public Hearing & Regular Meeting
   ii. April 18, 2024 Town Council Executive Session
   iii. April 29, 2024 Town Council Town Hall Meeting
   iv. May 2, 2024 Town Council Work Session
C. Approval of March 31, 2024 Financial Report

Town Manager John Hozey stated that a change had been made to the Three-Year Revenue Comparison page of the financial report and the corrected page was placed on the dais for review prior to approval of the Consent Agenda.

Motion made by Councilwoman Holloway, seconded by Councilman Grossman, to approve the Consent Agenda with the replacement page of the financial report. The motion was approved by unanimous vote.

UNFINISHED BUSINESS:
There was no unfinished business for review.

NEW BUSINESS:

A. *Cape Charles Volunteer Fire Company Fire Lane Designation Request:*
John Hozey stated that a letter was received from the Cape Charles Volunteer Fire Company (CCVFC) asking for assistance in obtaining a designated fire lane on Mason Avenue directly across from the fire station due to the growing number of instances where the CCVFC personnel arrived at the station in response to a fire call to find no available parking spaces for their personal vehicles, adding that this situation had the potential to significantly delay the CCVFC;s response time. This situation would be compounded during the summer months. In addition to providing parking spaces for the CCVFC personnel, the area would provide extra maneuvering space to back the fire trucks into the building. Establishment of this fire lane would not only alleviate parking concerns, but also enhance the efficiency and effectiveness of the CCVFC's emergency response operations. A Town Council resolution of support needed to be included with the CCVFC's application to VDOT.

John Hozey thanked Cape Charles Main Street for taking this project on.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to adopt Resolution 20240516A In Support of the Request from the Cape Charles Volunteer Fire Company for the Designation of a Fire Lane on Mason Avenue. The motion was approved by unanimous vote. Roll call vote: Bennett, yes; Buchholz, yes; Butta, yes; Follmer, yes; Grossman, yes; Holloway, yes.

B. *Request for Handicap Parking Designation at 218 Washington Avenue:*
John Hozey stated that a request was received from Mr. Kevin Rech, owner of 218 Washington Avenue, asking for assistance in obtaining a designated handicap parking space in front of his residence. Mr. Rech's wife was handicapped, making it extremely difficult for her to walk any distance. Mr. Rech stated in his request that this was their second home and they lived in Cape Charles for approximately six months out of the year. The parking issues in the historic district were well known with no reserved parking on the streets within the residential district. During the busy tourist season, it was often very difficult for residents to find parking in front of or within a close proximity to their homes. A Town Council resolution of support needed to be included with the VDOT application.

John Hozey went on to state that the Town rarely received this type of request in the past, however, this was the second such request received in the last six months. He currently did not have any guidance from the Town Council and requested a policy be set for any future requests of this kind.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to adopt Resolution 20240516B-In Support of the Request from Kevin Rech for the Designation of a Handicap Parking Space at 218 Washington Avenue.

John Hozey stated that this was a VDOT decision and staff did not need to be involved regarding the need behind the request. Councilman Butta had contacted him with a question about the residency of the requester and he felt that this was a comment worth discussing this evening. There was discussion as follows: i) If approved by VDOT, a handicap space would be designed at this residence that would only be used for half the year since this was a second home for the property owner who stated that they only lived here for about six months of the year; ii) Washington Avenue had available parking on both sides of the road with the northern side being unused the majority of the time; iii) There was no alley behind this property; iv) It was noted that a policy needed to be in place that this type of request would only be considered for full-time residents using the property as their primary residence.

Vice Mayor called for a vote. The motion was denied by unanimous vote. Roll call vote: Bennett, no; Buchholz, no; Butta, no; Follmer, no, Grossman, no; Holloway, no.

C. *Tax Rate and Fee Schedule:*
John Hozey stated that when the Town Code was recodified, certain fees and tax rates which had previously been set by the Code, were struck and replaced by the phrase "as adopted by the town." However, no fee schedule was formally adopted. The tax rates and fees detailed in the proposed schedule were the rates established by the Town Code prior to recodification and were those currently being charged by the Town. Adoption of this schedule was only necessary due to the change in the language in the recodified Town Code.

Councilman Buchholz asked about fees for manufacturing which were not included in this listing. John Hozey stated that he would look into this fee.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to approve the proposed tax rate and fee schedule as presented. The motion was approved by unanimous vote.

TOWN MANAGER COMMENTS

John Hozey commented as follows:

i) The Peach Street project was close to completion. The only thing left was the striping of the street which had to be postponed until next week due to weather. It should be completed either next Tuesday or Wednesday. Barricades were going up next Monday on the north side of Mason Avenue along the Peach Street entrance to Bailey's so the area could be striped. The light poles arrived, and the Town would have them installed.

Councilwoman Holloway asked that a notification be sent to Cape Charles Main Street (CCMS) so they could communicate with the businesses.

ii) There were two new hires: Nathan Ruff in Public Works, and Olivia Coleman at the Library. We were still recruiting for the position in the Planning & Zoning department.

iii) The arrangements were made to pay off the final bond debt and the payment should be made next week.

iv) A work session regarding short-term rentals (STRs) was scheduled for June 13th.

VICE MAYOR AND COUNCIL COMMENTS

Councilman Buchholz stated that it would be a busy weekend in Town, rain or shine.

Councilman Butta commented as follows: i) He noted that there were people on Strawberry Street today selling rugs out of the back of a truck, and asked whether a license was needed. It was noted that a peddler's license was required; ii) He wanted to thank Lemon Tree and the Palace Theatre for stepping up and increasing the entertainment opportunities in the Town with concerts, plays, etc. It made for a better off season for the locals. They did a great job.

Councilman Grossman commented as follows: i) HB 1461 related to localities' ability to limit subleases for STRs with the homeowner's concurrence was signed, but the bill limited the homeowner to one property. i.e., If an individual rented a house as a long-term rental, that tenant could rent the house out as a short-term rental with the owner's concurrence; ii) SB 544 was approved stating that any STR Ordinance adopted after December 31, 2023 could not require a conditional use permit on a home being used as an STR if it was a primary residence. i.e., If the homeowner designated the house as their primary residence, but only lived here for six months, it could be rented as an STR for the remainder of the year. Councilwoman Holloway added that primary residents vote, etc., but might not live here year-round; iii) Two bills related to accessory dwelling units (ADUs) were postponed. They were trying to allow ADUs by-right with state-level criteria. An agreement could not be reached so the bills were tabled. The Virginia Housing Commission was supposed to help resolve the issues and would be meeting on May 20th. He checked the website and found where he was on that committee but had not received any notification of being appointed. His concern with ADUs was that the state was pushing for them to be permitted by-right with only state-level criteria. A locality could not adopt any ordinances other than the state's. Councilman Buchholz stated that we needed to ensure that owners could not move into their ADUs and rent their main house as an STR. ADUs were permitted to encourage long-term rentals. Councilman Grossman added that in looking at the members of the committee, several were Realtors and from larger cities. He would do his best to represent the Town, and he might invite Katie Nunez to join him on the 20th.

Vice Mayor Bennett noted that there was no striping on the street in front of Buskey's Cider and noted that there could be an additional four or five parking spaces if that area was striped. Councilwoman Holloway added that there was a similar area in front of Cowlicks and 76 West, which had curb cuts since they were the former entrances into Meatland. John Hozey stated that he contacted VDOT about these areas but had never heard back from them. Councilman Follmer added that those spots on Mason Avenue were causing confusion with commercial tenants assuming that they were loading zones for the use of the businesses. Vice Mayor Bennett noted that loading zones needed to be marked as well; ii) The paint was fading on the lower portion of the Town's Welcome sign at Route 13, and the "free beach" and "free fishing pier" language was visible again. He challenged CCMS to design a permanent sign for that location. Councilwoman Holloway stated that CCMS was awarded a grant from Northampton County and would be developing a plan for the whole entrance corridor from Route 13, and that sign would be included in the plan. John Hozey stated that in the meantime, he would get the sign repainted; iii) He saw Cody Toadvine and Gerald Elliott in his yard earlier today reading water meters and they were so excited about their new positions with VAW. They had new equipment and were learning new things and were two happy guys. They told him that VAW was getting ready to install remote-read water meters throughout Town.

Councilwoman Holloway and Councilman Follmer did not have any additional comments.

Vice Mayor Bennett read the announcements. John Hozey added the June 6th Executive Session, immediately following the budget public hearing, for Planning Commission interviews.

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

The Regular Meeting adjourned at 6:37 p.m.

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Vice Mayor Bennett

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Town Clerk

May 16, 2024 Town Council Regular Meeting
Comments and Information Provided in Writing

Walter Bronson, 515 Tazewell Avenue

I'm afraid my attempt to quote numbers and the immediate debate about them from Council completely overshadowed the points that I was trying to make at the STR Public Hearing. There were four:

First: While I agree that STRs are not the complete bane of Cape Charles, nor do I believe that they are the complete savior that some would have you believe either. At least one STR owner spoke of driving into town and turning around and leaving before even getting to downtown during their first visit. A visit several years later found things still not great but better and she decided to repair a house and open it as a STR so clearly things were improving prior to STRs becoming as numerous as they are today. I'm not saying the STRs have not helped the recovery of Cape Charles, but there were and are many other factors involved than just STRs.

Mr. Buchholtz presented one himself. When I tried to explain that the town is overrun with tourists by explaining that some people run down to the beach at the crack of dawn to stake out their spot, Mr. Buchholz blamed that on the nearby campgrounds and day trippers. Are we to believe that the campground and day trippers only come to the beach and don't patronize our businesses and that STR renters only patronize our businesses, but don't use the beach?

This leads to the SECOND point I was trying to make. We moved here, STR renters come here, and others visit Cape Charles because it is a quaint little town with a nice beach, numerous restaurants, cute shops and other amenities. We all know that during the summer season that it can be virtually impossible to get into a restaurant and all the town amenities are as crowded as the beach. We are getting to the point where we are a tourist trap and not a quaint little town any longer. Eventually that is going to hurt the tourism industry. We are quickly becoming a victim of our own success.

Speaking of success, point number THREE, one of the officers from Cape Charles Main Street took credit for helping to fill in the shoulder season. I agree, the Town has many visitors beyond just the 12 weeks of the summer season that some STR proponents would have you believe is the only time that STRs stress the Town. STRs and other tourists flock to the town for spring break, the Love Run, Festive Fridays and other events well beyond the 12 week summer season.

Point FOUR. Currently STRs are very popular and in high demand. Because of that demand STRs are very profitable and STR owners can afford to pay high prices for properties because of the high rents they can charge. It also means higher taxes for those wishing to stay.

Because STRs are currently popular, especially in Cape Charles, rents are quite high. The high rents mean that the clientele tends to be affluent families. All pendulums swing back and forth though. During Covid STRs saw unprecedented growth. However, more recently the news has stories of the vacationing public becoming disenchanted with Airbnb and VRBO and growth is slowing and even some STR proponents have spoken of slowing rentals.

What happens when demand reduce and supply increases, which will undoubtedly happen at some point, be it this year, next year, or five years from now? Prices will drop as owners compete to try and stay booked and then the clientele will change. At the extreme, STR owners may not be able to pay their mortgages and then there will be a sell off, devaluation of properties, and possibly a return to abandoned and empty buildings. Restricting the supply of STRs now will help to limit the damage that will eventually happen.

Lastly, it appears that the businesses in Cape Charles are doing fine now. Do we need more STRs to support more tourist related shops? Then we need more tourists to support those shops. When does the cycle end?

Sincerely,
Walter Bronson

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Susan Burger, 550 Madison Avenue

I'm the one! I'm the one who recently approached the town employee who was walking around and removing Limit STR signs from the easements. I am not sure why she was instructed to take them, as opposed to leaving the signs in the homeowners yard, but she was kind enough to let me have the signs so I could give the signs to the homeowners. I will just say that if the easement, where some residents actually plant lovely gardens, are areas where we can not put up signs then that should also be the case for signs in flower beds on Mason Ave!

In a variety of ways the residents who chose to put Limit STR signs in their yards have been requested to take them down (even the Mayor posted that on Facebook!) stating that it is not welcoming to visitors. In response, someone, I am not sure exactly who, had the Cape Charles Loves Visitors signs made up. And now there are complaints about how tacky it looks have all these signs all over town. What the Cape Charles Loves Visitors signs accomplished was first to identify many of the homes that are short term rentals – and there's a lot of them! It also accomplished setting up a visual of the conflict. Those signs are there because of the Limit STR signs. It gives the visual message that folks who have Limit STRs signs on their properties don't love visitors in Cape Charles. And for some that may be true but not for everyone. Limiting STRs means just that! I just wonder how many more people can come to town with their cars and boats and how many more homes can be STRs without the whole historic district becoming one large motel!!

An informal group of Limit STRs residents reached out to the Vacation Homeowners group with an invitation to meet and come to some compromises that could be presented to you, the Town Council, as you examine this problem. The Vacation Homeowners did not want to meet. They said that was what the Town Hall was about. I disagree. While some good ideas were presented at the Town Hall meeting, there was nothing put on the table for you to consider that shows compromise so now the process is about who gets their way instead of about working together.

Please consider a PAUSE on issuing any new business licenses for STRs until there is some control over this situation. Please consider hiring a Town employee to be in charge of everything related to STRs and who can keep a registry of owners.

~Susan Burger, 550 Madison Ave

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Julie Jones, 538 Monroe Avenue

My name is Julie Jones. My husband and I live at 538 Monroe Avenue.

Thank you for providing the opportunity to speak during the public comments tonight.

I have a question for you tonight:

Ddo you see value in having full time residents in Cape Charles? Just off the top of my head, here are some of the volunteer opportunities for people that benefit the town of Cape Charles:

Between the Waters Bike Tour
Building Code Board of Appeals
Cape Charles concerts in Central Park
Cape Charles Day and Community Clean Up
Cape Charles Illumination in Central Park
Cape Charles Main Street
Cape Charles Museum
Festive Fridays
Friends of the Cape Charles Library
Historic District Review Board
July 4 parade and events
Love Fest in Central Park
LOVE run
New Roots Youth Garden
Planning Commission
Rescue Squad

Thursdays in the Park clean up
Volunteer Fire Company
Wetlands and Coastal Dune Board

Are the volunteers who give so much of their time, energy and talents, to make all of this possible, residents of Cape Charles, or tourists staying in short term rentals?

Just using our block of Monroe Avenue as an example, almost every time that a neighbor’s home sells, it becomes a short term rental.

Are you OK with no limits on short term rentals in Cape Charles?

Given your reluctance to regulate the proliferation of short term rentals, it would seem that you value the money from tourists and unlimited short term rentals over full time residents.

More and more short term rentals equals fewer and fewer residents to fill the volunteer needs of Cape Charles.

As you ponder solutions to the problem of short term rentals in our town, please think about the people who live here and love this little town that they call home.

Do full time residents add value to the town? If so, how are you showing them that they are valued?

Thank you so much for your service to the people of Cape Charles,

Julie Jones

March 2024 Treasurer's Report

Page 1 – Cash Position

- Total cash (all accounts) remained virtually the same as compared to February. The second reimbursement of funds from VDOT for the Phase III trail project was received in the amount of $125,385.
- The facility fee reserve cash balance as of 3-31-24 is $3,638,127.

Page 3 – Capital Projects

- A progress payment of $142,539 was made to Conrad Brothers for the Multi-use Trail project phase III, representing nearly 60% of the work.
- A final payment of $96,331 was made to Marine Contracting Corporation for breakwater and bulkhead repairs at the harbor.

Page 4 – Tax Collection Rate

- As of March 31, 2023, property tax collections year-to-date are $1,672,899 representing 97% of tax billings.

Page 5 – Tax Revenue Trends

- Collection of BPOL (business license) taxes is running nearly 11% higher over this same time last year. 2024 annual BPOL license fees are due by April 15.

MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
March 31, 2024

Cash on Hand	2/29/2024	3/31/2024	Increase/ (Decrease)
Atlantic Union Bank Checking Account	$249,035	$364,878	$115,843
Atlantic Union Bank Money Market Account	$1,586,215	$1,385,912	-$200,303
LGIP Account 1 - Unrestricted	$112,692	$113,215	$523
LGIP Account 2 - Unrestricted	$327,629	$329,291	$1,662
Virginia Investment Pool Liquidty Unassigned	$2,354,530	$2,365,465	$10,935
Virginia Investment Pool 1-3 Year Unassigned	$1,040,166	$1,043,938	$3,772
Total Cash On Hand	**$5,670,267**	**$5,602,699**	**-$67,568**

Restricted and Reserved Cash Balances	2/29/2024	3/31/2024	Increase/ (Decrease)
Atlantic Union Bank Checking Account - Police Funds	$431	$431	$0
LGIP Account 2 - Restricted for USDA loan covenant	$30,562	$30,562	$0
Atlantic Union Checking Account Library CD converted to cash	$11,131	$11,131	$0
Atlantic Union Bank Checking Account - E-Summons Revenue Rsrvd	$14,228	$14,393	$165
US Bank - Reserved per VRA Interest Free Loan Requirements	$260,818	$261,837	$1,019
ComputerShare 2010 Debt Service pass through account #300	$3,211	$3,225	$14
ComputerShare 2010 Debt Service pass through account #308	$1,133	$1,405	$272
Atlantic Union Money Market # ARPA CRF #5847	$8	$8	$0
Virginia Investment Pool Liquidity Acct#1 Facility Fees Rsrvd (Utilities)	$3,568,506	$3,638,127	$69,621
Total Cash Held in Reserve	**$3,890,026**	**$3,961,118**	**$71,092**
Total Cash - All Accounts	**$9,560,293**	**$9,563,817**	**$3,523**

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

March 31, 2024

REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY24
GENERAL Fund						
REVENUE	$224,988	$3,766,960	$4,453,896	$686,936	$6,029,809	73.86%
EXPENDITURES	$300,199	$2,873,169	$2,843,301	-$29,868	$6,029,809	47.15%
NET	**($75,211)**	**$893,791**	**$1,610,595**	**$716,804**	**$0**	
GENERAL Capital Fund						
REVENUE	$128,151	$433,506	$297,331	-$136,175	$2,222,536	13.38%
EXPENDITURES	$144,268	$395,554	$591,875	$196,321	$2,222,536	26.63%
NET	**($16,117)**	**$37,952**	**($294,544)**	**($332,496)**	**$0**	
GENERAL Debt Service Fund						
REVENUE	$0	$222,440	$220,429	-$2,011	$255,223	86.37%
EXPENDITURES	$0	$222,440	$220,429	-$2,011	$255,223	86.37%
NET	**$0**	**$0**	**$0**	**$0**	**$0**	
GENERAL Special Activities Fund						
REVENUE	$0	$576,439	$71,559	-$504,880	$296,350	24.15%
EXPENDITURES	$0	$61,628	$66,098	$4,470	$296,350	22.30%
NET	**$0**	**$514,811**	**$5,461**	**($509,350)**	**$0**	

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

March 31, 2024

REVENUE VS. EXPENDITURES

FUND	CURRENT MONTH	PRIOR YEAR-TO-DATE	CURRENT YEAR-TO-DATE	INCREASE/ (DECREASE) YTD	ANNUAL BUDGET	% REALIZED/ EXPENDED FY24
PUBLIC UTILITIES Fund						
REVENUE - Operating	$178,525	$1,538,850	$1,666,543	$127,693	$2,098,108	79.43%
EXPENDITURES - Operating	$69,149	$1,471,848	$734,916	-$736,932	$1,986,317	37.00%
NET	**$109,376**	**$67,002**	**$931,628**	**$864,626**	**$111,791**	
REVENUE - CAPITAL GRANTS, LOANS, FUND BALANCE	$0	$0	$0	$0	$1,994,807	
REVENUE - FACILITY FEES	$52,447	$399,514	$391,647	-$7,867	$466,400	83.97%
EXPENDED - FACIL FEES, CAPITAL PROJECTS,DEBT SVC	$52,447	$349,011	$1,242,718	$893,707	$2,572,998	48.30%
TOWN CONTRIB. & PENDING GRANTS	**$0**	**$50,503**	**($851,071)**	**($901,574)**	**($111,791)**	
HARBOR Fund						
REVENUE - Operating	$6,892	$624,652	$560,655	-$63,997	$864,018	64.89%
EXPENDITURES - Operating	$23,573	$551,629	$528,585	-$23,044	$865,870	61.05%
NET	**($16,680)**	**$73,023**	**$32,070**	**($40,953)**	**($1,852)**	
REVENUE - GRANTS & LOANS	$97,680	$0	$208,637	$208,637	$228,687	91.23%
TRANSFERRED FM GEN FUND FOR DEBT SERVICE OR HARBOR FUND BALANCE	$0	$103,499	$101,604	-$1,895	$534,279	19.02%
EXPENDED - Capital Projects, Debt Svc	$96,331	$196,341	$728,763	$532,422	$761,114	95.75%
TOWN CONTRIB. & PENDING GRANTS	**$1,349**	**($92,842)**	**($418,522)**	**($325,680)**	**$1,852**	
SANITATION Fund						
REVENUE	$28,161	$211,444	$250,578	$39,134	$314,265	79.73%
EXPENDITURES	$52,317	$386,979	$245,707	-$141,272	$314,265	78.18%
NET	**($24,155)**	**($175,535)**	**$4,871**	**$180,406**	**$0**	

FY 24 Capital Improvement Project Tracking Report

As of: 3/31/2024	FY24 Status or Start Date	Percent of Completion	FY24 Budgeted	QTR 1 Expended	QTR 2 Expended	QTR 3 Expended	QTR 4 Expended	FY24 YTD Expended	(Over)/Under Budget
General Capital Fund									
Multi-Use Trails, Phase 3 Construction	In Process	45.6%	$ 1,055,454	$ 8,860	$ 148,788	$ 323,203		$ 480,851	$ 574,603
Municipal Space Replacement Planning (ARPA)	In Process	35%	$ 210,000	$ 62,755	$ 11,623			$ 74,378	$ 135,622
Welcome Center Design & Contruction - HBA	In Process	1.0%	$ 455,000	$ 4,070	$ 541			$ 4,611	$ 450,389
4 Police Vehicles; 1 ARPA/2 USDA	Pending	60%	$ 164,291	$ 98,742				$ 98,742	$ 65,549
Library Upgrade & Condo-ization - HBA	In Process	10%	$ 310,000	$ 4,323	$ 27,203			$ 31,525	$ 278,475
Storage Facility Roofing	Pending	0%	$ 20,000					$ -	$ 20,000
Capital Project Contingency	Pending	0%	$ 41,141					$ -	$ 41,141
Subtotal	$ -		$ 2,255,886.00	$ 178,749	$ 188,155	$ 323,203	$ -	$ 690,107	$ 1,565,779
Utility Fund -Water									
Keck Well Connection	In Process	2%	$ 1,150,000	$ 15,243	$ 5,335			$ 20,578	$ 1,129,422
Utility Fund - Wastewater									
WWTP Membrane Replacement	In Process	100%	$ 465,000		$ 451,986	$ 14,820		$ 466,806	$ (1,806)
Sewer Pod Controller Upgrades	-	101%	$ 14,500		$ 14,635			$ 14,635	$ (135)
Subtotal	$ -		$ 1,629,500.00	$ 15,243	$ 471,956	$ 14,820	$ -	$ 502,019	$ 1,127,481
Harbor Fund									
Inner Harbor Fixed Dock Repair	Pending	0%	$ 13,000					$ -	$ 13,000
Inner Harbor King Pile & Waler Replacement Design	In Process	4%	$ 306,000	$ 13,363	$ -			$ 13,363	$ 292,638
Inshore Breakwater Repair/Upgrade	In Process	95%	$ 656,998	$ 4,688	$ 167,592	$ 450,871		$ 623,150	$ 33,848
Subtotal	$ -		$ 975,998	$ 18,050	$ 167,592	$ 450,871	$ -	$ 636,513	$ 339,486
TOTAL	$ -		$ 4,861,384	$ 212,042	$ 827,703	$ 788,894	$ -	$ 1,828,639	$ 3,032,745

*ITEMS WITH CURRENT MONTH ACTIVITY ARE IN BOLD PRINT

MUNICIPAL CORPORATION OF CAPE CHARLES
March 31, 2024

YTD 2023 Real Estate Tax Collections

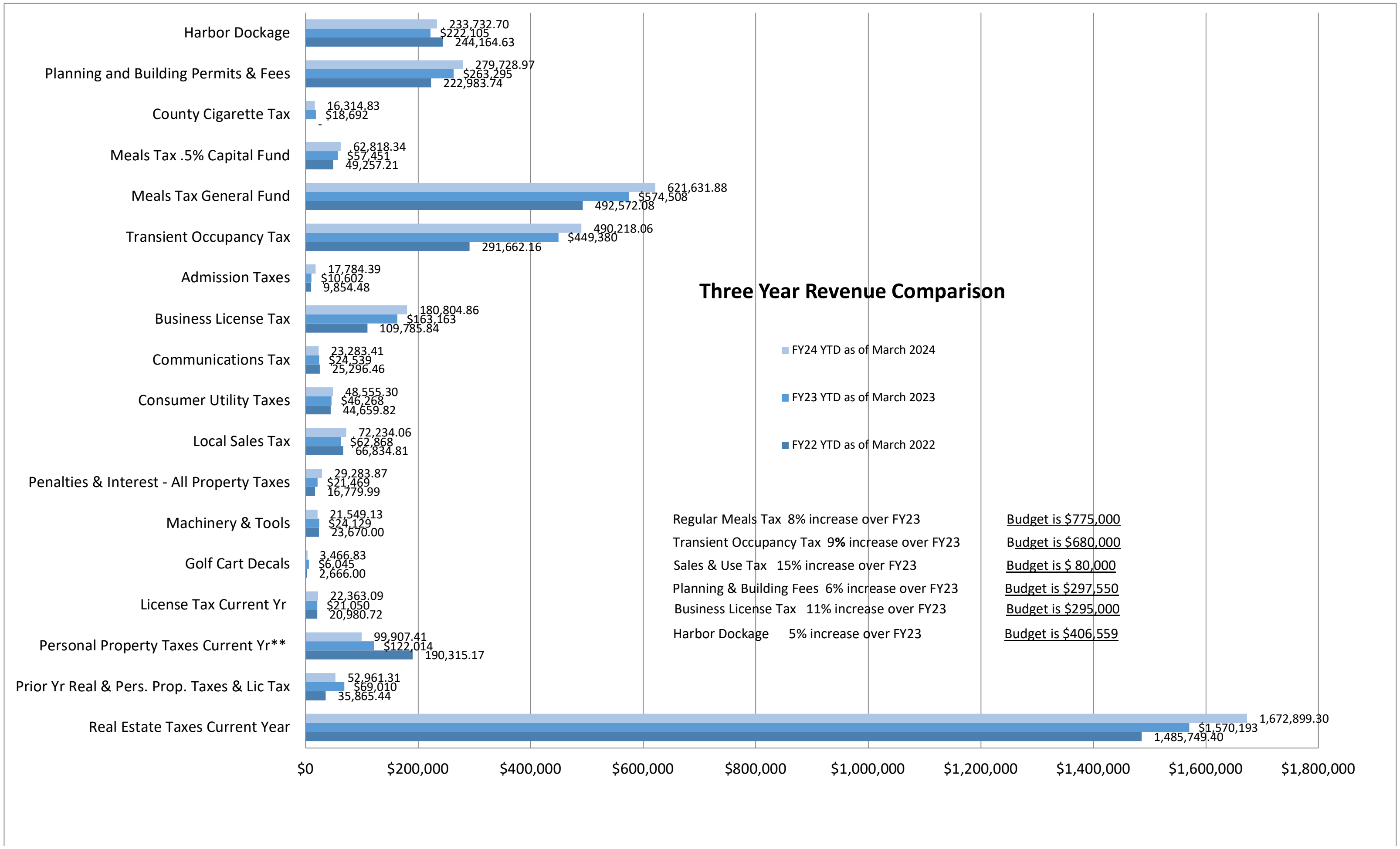
Total Taxable Land Value	318,538,900	
Total Improvement Value	486,197,800	
Exemptions	(9,908,530)	
Additional Assessments (SCC Utility)	3,384,443	
Total Real Estate Value (taxable)	**798,212,613**	
Total Budgeted Real Tax Revenue	1,605,700	
Total Tax Billed	1,724,622	
Total Adjustments	(9,633)	
Total Collected YTD (percent of billed)	1,672,899	97%
Amount Due per Accounts Receivable	**42,090**	

YTD 2023 Personal Property Tax, Machinery and Tools Tax & 2023 License Tax Collections

Total Personal Property Value	21,720,600	
2023 Reduction Due to Proration	(362,825)	
Personal Property Billable Valuation	21,357,775	
2023 PPTRA Valuation Amount	(9,687,117)	
2022 Supplemental Assessments billed in July 23	4,930,700	
2022 Supplemental PPTRA & Exonerations	(2,078,492)	
Personal Property Value Billed	2,852,208	
2023 Supplemental Assessments	-	Will bill in Spring '24
2023 Supplemental PPTRA & Exonerations	-	
Personal Property Value, billed	-	
Total Taxable Assessment Value 2023 & 2022	24,209,983	
Total Personal Property & License Tax Budgeted	113,787	
Total 2023 Tax Billed less PPTRA	178,532	
2023 Supplemental Tax Billing	-	
Total Adjustments & Additional Exonerations	7,315	
Total Collected YTD (percent of billed)	143,820	77%
Amount Due per Accounts Receivable	**27,398**	

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

Total Budgeted	93,050	
Total Collected (percent of budget)	82,245	88%
Amount Due Per Budget	**10,805**	


Three Year Revenue Comparison
FY24 YTD as of March 2024
FY23 YTD as of March 2023
FY22 YTD as of March 2022
Harbor Dockage
233,732.70
$222,105
244,164.63
Planning and Building Permits & Fees
279,728.97
$263,295
222,983.74
County Cigarette Tax
16,314.83
$18,692
-
Meals Tax .5% Capital Fund
62,818.34
$57,451
49,257.21
Meals Tax General Fund
621,631.88
$574,508
492,572.08
Transient Occupancy Tax
490,218.06
$449,380
291,662.16
Admission Taxes
17,784.39
$10,602
9,854.48
Business License Tax
180,804.86
$163,163
109,785.84
Communications Tax
23,283.41
$24,539
25,296.46
Consumer Utility Taxes
48,555.30
$46,268
44,659.82
Local Sales Tax
72,234.06
$62,868
66,834.81
Penalties & Interest - All Property Taxes
29,283.87
$21,469
16,779.99
Machinery & Tools
21,549.13
$24,129
23,670.00
Golf Cart Decals
3,466.83
$6,045
2,666.00
License Tax Current Yr
22,363.09
$21,050
20,980.72
Personal Property Taxes Current Yr**
99,907.41
$122,014
190,315.17
Prior Yr Real & Pers. Prop. Taxes & Lic Tax
52,961.31
$69,010
35,865.44
Real Estate Taxes Current Year
1,672,899.30
$1,570,193
1,485,749.40
$0
$200,000
$400,000
$600,000
$800,000
$1,000,000
$1,200,000
$1,400,000
$1,600,000
$1,800,000
Regular Meals Tax 8% increase over FY23 Budget is $775,000
Transient Occupancy Tax 9% increase over FY23 Budget is $680,000
Sales & Use Tax 15% increase over FY23 Budget is $ 80,000
Planning & Building Fees 6% increase over FY23 Budget is $297,550
Business License Tax 11% increase over FY23 Budget is $295,000
Harbor Dockage 5% increase over FY23 Budget is $406,559

TOWN COUNCIL
Work Session
Cape Charles Civic Center
May 16, 2024
6:00 PM

At approximately 6:37 p.m. Vice Mayor Steve Bennett, having established a quorum, called to order the Work Session of the Cape Charles Town Council. In addition to Vice Mayor Bennett, in attendance were Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Mayor Charney was not in attendance. Also, in attendance were Town Manager John Hozey and Town Clerk Libby Hume. There were 2 members of the public physically in attendance.

WORK SESSION ORDER OF BUSINESS:

A. *Finalizing the FY 2025 Budget:*

Town Manager John Hozey distributed the updated budget documents adding that he had not been able to provide the amount of detail in this budget due to the amount of work related to the utility sale. He was able to spend some time reviewing everything and discovered an error in the Harbor Fund which was overbudgeted by $110K. This fund was reduced by that amount, which also reduced the amount of the transfer from the General Fund. John Hozey went on to review the proposed budget changes since the May 2, 2024 work session. (Please see attached.)

John Hozey walked Council through the FY25 budget details as follows:

General Fund Revenue: i) As discussed at the May 2nd work session, the estimated budget surplus was absorbed, reducing the real property tax rate to $0.1481 per $100 which was below the equalization rate; ii) Reduction or elimination of the personal property tax (PPT) was discussed at the last work session. If the Town were to eliminate this tax, we would lose the funding from the state which was about $35K per year. We reduced the PPT rate by 50% in FY 2024, from $2 per $100 to $1 per $100. Council agreed to leave the rate at $1 per $100 and review it again next year; iii) It was suggested that a message be drafted informing the citizens of reductions in the real property tax rate as well as the PPT tax rate last year; iv) The estimated revenue from the sale of the two vacant residential lots on Randolph Avenue behind the library was removed per discussion at the last work session. There was discussion about the need for parking and trash management, and the potential use of the inner lot for that purpose. John Hozey asked Council if they would entertain an offer to purchase that lot if it would facilitate the needs of some of the businesses. Council expressed their concern about the neighboring residences and the affect to the value of the corner lot if the adjacent lot was used for parking and trash management; v) There was an oversight so the grant application to Northampton County requesting funding assistance for the July 4th fireworks had not been submitted. An application would be submitted in the next round of grants in the fall for the Dock Dogs event in November. The revenue line item would be reduced to $5K for the Dock Dogs event; vi) a new revenue line item was added for payments from Virginia American Water (VAW) for the use of the Town's public works personnel to assist in water meter reads for six months.

General Fund Expenditures: i) The Position Evaluation System (PES) was implemented as approved by Council and the staff salaries had been updated accordingly. The total cost of the salary changes was $116,817; ii) The Virginia Risk Sharing Association (VRSA) insurance renewals were received, and most items increased. The applicable costs were updated; iii) Estimated water and sewer charges were added based on minimum usage; iv) The seasonal wages for beach attendants was increased based on the May 2nd discussion; v) The community support grant amounts were updated as discussed on May 2nd; vi) Recreation Programs & Events included Dock Dogs. John Hozey explained that the contract included a requirement for the Town to provide lodging for two rooms for four nights. Last year, Mayor Charney covered this cost and offered his rental property for their use. The Town would have to cover the cost this year since the Mayor no longer owned his rental property. The potential lodging cost was discussed, and it was agreed to add $2K for this expense. It was suggested that we should solicit sponsorships to help subsidize some of the costs. Councilman Grossman suggested contacting VAW to provide the water for the pool; vii) Vice Mayor Bennett stated that a decision had not been made related to his suggestion of a one-time donation to the Cape Charles Volunteer Fire Company (CCVFC) for the piece of equipment that they needed. He asked that this be discussed further so funding could be committed for this in case the CCVFC was able to obtain the needed funding to cover the remainder of the cost. Councilman Follmer suggested $250K be allocated toward this purchase. Vice Mayor Bennett agreed, adding that the Town could set a deadline for this purchase and hold the funds until that time. John Hozey noted that there was $1.9M in the General Fund Balance. After further discussion, a consensus was reached to notify the CCVFC of this potential funding which would match their fundraising efforts dollar for dollar up to $250K. The CCVFC would have five years to raise their portion. If they had $500K, the remainder could be financed; viii) John Hozey notified Council that Cape Charles Main Street (CCMS) was spearheading the project for Sail250 which would bring tall ships into Cape Charles. The organization committee asked if the Town could provide some funding assistance. Their thought was to bring in a small, medium and large vessel which would cost about $50-75K. CCMS could obtain sponsors to also assist with this expense. There was some discussion and Council requested a proposal and budget from CCMS for consideration; ix) The $4K VML Risk Management grant expense which was discussed on May 2nd, was placed in the Public Works budget with the project to be determined; x) The cost of the new equipment for Public Works, as approved by Council, was added; xi) $4,700 Virginia Touring Grant expense was added to the Library budget for STEM education and supplies; xii) Councilman Follmer suggested adding $5K for town manager recruitment advertising. There was discussion regarding the salary amount for advertising and whether we could obtain the salaries of the town managers from Onancock and Chincoteague. A possible housing allowance was also mentioned to help offset housing costs. John Hozey stated that he added funding in several line items for town manager recruitment including $5K for relocation expenses, $5K for advertising, $15K for professional services for marketing materials for a total of $25K. A potential housing allowance could be added later during the mid-year budget review if needed. Council requested an additional $5K be added to the advertising budget for recruitment.

Capital Fund: $50K was added for sidewalk infill as discussed previously.

Harbor Fund: i) As stated earlier, an error was discovered in the Harbor Fund. There were three projects included (Inner Harbor Bulkhead Rehabilitation Phase 3, Rehabilitation of the Fixed Dock, and Boardwalk Replacement) which totaled about $285K. In the initial budget, Assistant Treasurer Adrian Oei had included the $110K Virginia Port Authority (VPA) reimbursement in the notes and had added it into the total which showed as $395K. This amount was corrected. The Town was awarded a 75% grant from the VPA versus 50% that was originally estimated. These amounts were also updated, and the transfer amount from the General Fund was reduced accordingly.

John Hozey stated that he had waited until after the sale of the utilities and after the finalization of the FY 2025 budget, to bring up discussion about the Harbor. The current management contract would be expiring in December, so he would like to begin discussion about the future of the harbor management by August or September.

John Hozey went on to state that the small changes made this evening would be incorporated and the income from investments would be adjusted to balance the budget. The public hearing advertisement needed to be submitted to the newspaper by next Tuesday morning for publication. The public hearing was scheduled for June 6, 2024, with budget adoption at the June 20 regular meeting. Our next meeting was a joint work session with the Planning Commission on June 4, 2024 to continue the review of the zoning ordinance update.

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

The meeting was adjourned at 7:48 p.m.

Vice Mayor Bennett

Town Clerk

FY25 Proposed Budget Changes

5/2/24 to 5/16/24

	2-May	16-May	Difference
GF Revenue			
Real Property Tax	$ 1,735,856.00	$ 1,491,536.00	$ (244,320.00)
Investment Income	$ 120,000.00	$ 378,870.00	$ 258,870.00
Sale of Property	$ 600,000.00	$ -	$ (600,000.00)
Library Grant	$ -	$ 400.00	$ 400.00
VAW Meter Readings	$ -	$ 9,600.00	$ 9,600.00
		Net change:	$ (575,450.00)
GF Expenditures			
New Position Evaluations	$ -	$ 116,817.00	$ 116,817.00
VRSA Insurance Renewal	n/a	$ 5,124.57	$ 5,124.57
New Water/Sewer Charges	n/a	$ 8,451.36	$ 8,451.36
Beach Attendants	$ 10,250.00	$ 13,150.00	$ 2,900.00
YMCA	$ 7,500.00	$ 10,000.00	$ 2,500.00
Harbor Transfer	$ 309,291.00	$ 198,523.00	$ (110,768.00)
New PW Equipment	$ -	$ 223,965.00	$ 223,965.00
Library Appreciation	$ 200.00	$ 500.00	$ 300.00
Library Grant Expense	$ -	$ 4,700.00	$ 4,700.00
VML Grant Expense	$ -	$ 4,000.00	$ 4,000.00
		Net Change:	$ 257,989.93
CIP Expenditures			
Sidewalk Infill	$ 25,000.00	$ 50,000.00	$ 25,000.00
Transfer to Fund Balance	$ 6,385,807.00	$ 6,360,807.00	$ (25,000.00)
		Net Change:	$ -
Harbor Revenue			
VPA Grant	$ 110,768.00	$ 166,153.00	$ 55,385.00
GF Transfer	$ 359,691.00	$ 198,523.00	$ (161,168.00)
		Net Change:	$ (105,783.00)
Harbor Expenditures			
VRSA Insurance Renewal	$ 31,291.00	$ 36,276.00	$ 4,985.00
Capital Projects	$ 395,305.00	$ 284,537.00	$ (110,768.00)
		Net Change:	$ (105,783.00)