TOWN COUNCIL
Work Session
Cape Charles Civic Center
May 2, 2024
6:00 PM

At 6:00 p.m. Mayor Adam Charney, having established a quorum, called to order the Work Session of the Town Council. In addition to Mayor Charney, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Also, in attendance were Town Manager John Hozey, Treasurer Jerry Murphy, Assistant Treasurer Adrian Oei, Planning & Zoning Administrator Katie Nunez and Town Clerk Libby Hume. There were three members of the public in attendance.

WORK SESSION ORDER OF BUSINESS:

A. *FY 2025 Town Budget Review and Discussion:*

Town Manager John Hozey reviewed the FY 2025 Budget Schedule. The public hearing would be scheduled for June 6, 2024 with budget adoption at the June 20th regular meeting. June 13th would be the backup date if the budget could not be finalized by the public hearing advertising deadline of May 21st.

John Hozey went on to provide an overview of the budget schedule and the items being covered this evening, and added the following: i) Core General Fund revenue was up 8.9%, mostly due to new construction, Business Licenses, the utility franchise fee, and Annexation Agreement settlement; ii) Core General Fund expenses were up 7.3%; iii) The proposed budget included a 2.5% cost of living allowance (COLA) for all regular employees; iv) The budget requests to convert three part-time employees to full-time; v) Current General Fund revenues less expenditures: $887,396; and vi) Unassigned General Fund fund balance was $1,908,314. He noted several large items looming in our future: i) Research/evaluation of potential purchase of railroad properties; ii) Large capital projects, including the new municipal center, new downtown visitors' center & restrooms, beachfront revitalization, and harbor upgrades.

The proposed FY 2025 budget items were reviewed as follows:

<u>Fund Balance Reserve Status</u>:
John Hozey reviewed the audited fund balances, as of June 30, 2023, for the General Fund, Utility Fund and Capital Improvements Projects (CIP)Fund (Please see attached.):

- The General Fund Balance less the required combined reserve was $2,201,465.
- The Utility Fund Balance Restricted Facility Reserve was $3,068,783. Since the sale of the utilities, this was no longer restricted. The Unrestricted Utility Fund Balance was $466,771. Additional facility fees collected in FY 2024 was $339,200. John Hozey recommended keeping $100K in reserve for unexpected expenses and deleting the Utility Fund during the FY 2025 mid-year budget review.
- The CIP Unrestricted Fund Balance was $632,956, less $300K for the transfer error noted in FY 2024, plus the $9,476,513 transfer in from the utilities sale, making the total available CIP Fund Balance $9,809,469.

<u>Detail Review of Proposed Budget</u>:

<u>General Fund Revenue</u>: i) The projected real property tax revenue was based on estimated equalized tax rate plus the permitted 1%, estimating $19.85M valuation of new construction and a 97% collection rate; ii) Personal property was also based on the current tax rate, which was reduced in FY 2023; iii) $600K was budgeted for the sale of the two Randolph Avenue lots behind the library. After much discussion regarding this item, there was a general consensus to remove this and retain ownership of these lots for the time being; iv) $278K was being reappropriated in the FY 2025 budget for carryover items in the current

budget; v) The Core Operating Revenue was estimated at $4,872,319.50 (less the $600K for the two Randolph Avenue lots).

The proposed FY 2025 Building, Planning & Zoning Fee Schedule was reviewed. The Historic District Review Board Application Fee for Renovation were being revised to add a level for substantial exterior alterations for projects less than $5K of construction value. (Please see attached.)

Assistant Treasurer Adrian Oei noted that a fee schedule for Finance Department related fees needed to be adopted as well. The previous Town Code listed specific fees, but when the Town Code was recodified, the new version removed the amount of the fees and stated "as adopted by the Town Council," and to date, no fee schedule had been adopted. John Hozey explained that this just came up so was not included in this packet. It would be presented at May's regular meeting.

<u>General Fund Expenditures</u>: John Hozey stated that the 2.5% COLA had been factored into all FY 2025 salaries and proceeded to review the expenditures by department.

<u>Legislative</u>: There were no questions related to this budget.

<u>Town Clerk:</u> A new line item for Lease-Storage was added for a temperature-controlled unit at Bay Storage since the records archives had to be removed from the library. There were no questions related to this budget.

<u>Town Manager</u>: There was some discussion related to this budget as follows: i) Councilman Grossman stated that we needed to think about a replacement for Bob Panek in the case of his retirement. Someone needed to be brought in to learn from him. John Hozey stated that he did not disagree with Councilman Grossman in that Mr. Panek was incredibly knowledgeable, but Mr. Panek liked the situation which worked well for him; ii) Councilman Grossman asked whether two beach attendants were enough with the increased number of people and activities at the beach. There was some discussion about the difficulty in finding people for the position since other employers paid more. John Hozey stated that we usually hired school kids who could not start until June and had to leave in August to go back to school. Councilman Grossman recommended increasing the salary to entice applicants and go to three attendants. Mayor Charney suggested increasing the budget line to $15K; iii) There was some discussion regarding legal service fees. John Hozey stated that he reduced the amount from $75K to $50K based on actual usage. The amount could be adjusted at the FY 2025 mid-year review if needed; iv) Councilman Butta asked whether the addition of a position to manage short-term rental (STR) enforcement and tracking was needed. John Hozey stated that the STR regulations had not yet been developed, and this could be handled by budget amendment if needed; v) In previous years, the Town included $25K funding for the Cape Charles Volunteer Fire Company (CCVFC). This year, the CCVFC requested $75K, so he doubled the Town's contribution to $50K. Vice Mayor Bennett stated that the Town needed to support the CCVFC as much as possible and felt that we would never be in a better position to make a donation of $250K or $300K for the piece of equipment that they needed. Councilwoman Holloway commented that she had reached out to assist them with fundraising but had not heard back. Vice Mayor Bennett also stated that he had reached out to them as well and had not heard back but added that they had potential. Council was in agreement with including $50K for now; vi) The YMCA requested $10K this year so he increased the funding from $5K in previous years to $7,500 since they had a new facility that they allowed the Town to use at no cost. It was a great asset. After some discussion, Council reached a consensus to increase the funding amount to $10K as requested; vii) The VRSA Risk Management Grant amount of $4K should be shown as an expense in line 100-4121-4070; viii) Traditionally, the Town had always transferred funds from the General Fund to the Harbor Fund. The transfer amount for this year shown on the handout showed $359,691 but would be reduced to $304,306 since the Town was awarded a 75% grant from the Virginia Port Authority versus the 50% estimated for preparing the budget documents. The Harbor Management contract was extended to December 31, 2024, so we would revisit the harbor management mid to late summer.

Finance: i) The part-time BPOL technician would be converted to full-time, and the utility clerk position would be converted to a new position; ii) Our auditor would be coming again in July for a special audit to finish up the utility sale. Treasurer Jerry Murphy stated that the audit expense line was increased by $15K so there would be no added cost for this. John Hozey noted that he would leave the amount as is just in case there were additional expenses related to the audit services; iii) The software used by Northampton County was only capable of exporting tax data to the same software which created a complex and lengthy conversion process for our software vendor. An add-on could be purchased for the County's software so that the data could be exported versus having major issues every year. $10K was included as an estimate for this software add-on, but it was possible that it would not cost that much.

Police Department: i) The Target Replacement Schedule for police vehicles was reviewed.

Code Enforcement: i) A seasonal part-time assistant or intern was requested. There was some discussion about the possible need for additional staff in the department. John Hozey stated that the Code Official was looking for a seasonal part-time assistant to help with scanning files.

Katie Nunez noted that she obtained quotes to get a third-party company to complete the scanning for the backlog of documents.

Public Works: i) The current part-time position was converted to full-time; ii) There was much discussion regarding Grounds Maintenance and the efficiency of mowing the grass in-house versus contracting out. It was noted that although using a contractor would cost more, the staff could be better utilized performing other duties. John Hozey stated that he wanted to provide the public works manager time to let things settle down after the utility sale.

Library: i) The third library assistant position was being converted to full-time; ii) Councilman Grossman stated that $200 for Staff & Volunteer Appreciation did not seem to be enough for this item and suggested increasing it to $500. Council was in agreement; ii) Grant funding expenditure was added to line 100-4730-4150 Grant Expense-Library Other to account for the grant revenue shown in 100-3800-8000.

Planning: i) Currently, the department had two vacant part-time positions. The budget was structured to potentially convert these two part-time positions into one full-time position.

New IT Department: All IT-related costs would be pulled out of the individual departments and placed in this new department. Katie Nunez will be overseeing this budget.

Capital Asset Management Project (CAMP) Project List/Schedule: (Please see attached.)

General Fund: i) John Hozey stated that a request for proposals was advertised for the Mason Avenue Electrical Upgrade but no response was received. Staff asked the contractors who had previously expressed an interest and were told that the project was too big. $40K in funding was included to keep the project on the radar; ii) Sidewalk Infill had been on the list for some time but before the Town could move forward with this project, a program was needed. Ordinances needed to be developed to possibly require sidewalk installation when major renovations were performed on a property that currently did not have a sidewalk. Discussion was necessary to determine if the Town would pay for all the infill throughout the town. There was some discussion regarding installation of sidewalks along town-owned property, such as Central Park and possibly New Roots Youth Garden (NRYG). Installation of sidewalks along NRYG would provide handicap access to Rayfield's. There was consensus among Council to increase the FY 2025 funding to $50K for sidewalk infill along town-owned property; iii) Councilman Grossman stated that $3M per year over two years seemed to be very optimistic for the new municipal building construction. John Hozey responded that staff had been working on the visitor's center/restroom project for some time and was close to putting it back out for bids. Our design team felt that we had a better chance at receiving better pricing if both the municipal center and visitor's center were put out for bids at the same time, possibly just for the site work for the municipal center. John Hozey added that he had not had the time to explore the alternate site for the municipal center. Councilman Grossman noted that Council had also discussed the possibility of a modular building as an option. John Hozey added that by doing the site work, it would allow us to continue pursuing the project whether at the current design or putting in a modular.

Harbor Fund: i) The funding for the Inner Harbor King Pile & Waler Replacement – Phase 3 would be reduced by the increased grant award from the Virginia Port Authority; ii) The Inner Harbor Fixed Dock Repair would be performed in-house at an estimated cost of $20K.

Debt Service Fund: All bond debt would be paid off using proceeds from utilities sale. The remaining debt was for equipment and vehicles. (Please see attached.) The Town now had our full debt limit back, and could incur new debt with payments up to $395K.

Special Activities Fund: This fund was initially created when the Town was receiving a lot of miscellaneous money such as the COVID and ARPA funding. Although there was very little activity, he would like to retain the fund. (Please see attached.)

Utility Fund: The proceeds from the utility sale was recognized as revenue. $100K was being retained to resolve any lingering liabilities and the remaining amount from the sale proceeds were being transferred to the Capital Fund. (Please see attached.)

Councilman Grossman asked about the water and sewer costs for the Town's buildings and other properties. John Hozey stated that only the Harbor Fund included estimated cost for water and sewer service, but estimates would be added for the remaining town-owned properties. Virginia American Water (VAW) would be replacing all the water meters with auto-read meters and had one year to complete the engineering analysis. John Hozey added that he agreed to allow for continued use of the public works staff to perform meter reads for up to six months.

Harbor Fund Revenue & Expenditures: i) Vice Mayor Bennett noted that the weekly report stated that the Harbor was fully booked for holiday weekends and Dockage Fees revenue showed a 13% decrease; ii) Wharfage fees were down 75% and only $51 was collected. Councilman Buchholz stated that he was told that wharfage fees were not being collected. There was much discussion regarding contracting for management of the facility versus the Town taking it back in-house. This would be discussed further later in the year as the current contract would expire the end of December; iii) The amount of the Virginia Port Authority Grant award would be increased to $166,153. This change would also decrease the amount of the transfer from the General Fund to $304,296; iv) On the expenditure side, sub-accounts were created under Repair & Maintenance for the main projects so they could be tracked individually.

Sanitation Fund Revenue & Expenditures: Our current trash collection services contract allows for an annual increase based on the Consumer Price Index, up to 3%, so the Maintenance Service Contracts line includes the estimated increase for up to 1400 residential receptacles.

Strategic Revenue Program:

John Hozey reviewed the Strategic Planning Program and Primary Revenue Trends adding that the Town was in a unique position this year due to the assessed property values, and the Town Council needed to consider what to do with the budget surplus. Several options were reviewed. There was discussion as follows: i) For real property tax this year, a change in 1 penny equaled approximately $100K; ii) The personal property tax (PPT) could possibly be eliminated which would benefit the full-time residents. It was noted that the previous treasurer had mentioned that if the Town were to eliminate the PPT, the county would be able to increase their rate. John Hozey would check into this. Councilman Follmer expressed his preference to give credits back to the residents for the PPT versus eliminating it altogether, adding that no one noticed that the Town cut the rate in half last year from $2 per hundred to $1 per hundred because the county's assessment increased, and people would notice a credit. Katie Nunez added that the Town received Personal Property Tax Relief funding from the state which would be affected by elimination of the tax; iii) The Town lost some equipment with the utility sale and it made sense to replace the needed equipment using sale proceeds. The public works manager found three pieces of new equipment totaling less than $225K. Council reviewed the equipment information and agreed to purchase the requested equipment; iv) John Hozey stated that he reviewed his Position Evaluation System (PES) last year with the Council but could not entirely implement it. The police department's salary was increased as well as a couple of other positions. The PES was introduced to the department heads and they were grading their positions and those in their departments. $130K was requested to implement the PES this fiscal year. Council agreed to include implementation of the PES; v) The real property tax rate could be decreased below the equalization rate to absorb the amount of the surplus, although full-time residents would save more by cutting the PPT rather than lowering the real property tax rate. John Hozey noted that if the real property tax rate was reduced by 2.5 cents, on a $500K house, the savings would only amount to about $125; however, on a $35K vehicle, the PPT amount was $350; vi) After further discussion, Council reached a consensus to reduce the real property tax rate to the rate necessary to absorb any budget surplus.

John Hozey notified the Council that an executive session had been scheduled following the May regular meeting. Canonie representatives would be in attendance to address the issue of the Virginia Resource Authority loan that no one knew about. He had spoken to Senator DeSteph and he wanted to get this issue resolved. The senator would be reaching out to Delegate Bloxom as well. Unfortunately, it would require action by the General Assembly. It would be nice to have a plan ready to go if a resolution was approved by the General Assembly next year.

John Hozey stated that he would check into the items identified during this meeting, update the numbers and adjust the transfer to the Fund Balance to balance the budget. The updated pages would be provided to Council.

B. *Discussion re: Short-Term Rental Process:*

John Hozey stated that last year, the Council directed staff to research short-term rental (STR) issues to develop regulations. He put together an ad hoc committee to review issues and provide recommendations for Council review. These recommendations were presented to the Town Council and Planning Commission during a joint work session on November 2, 2023. No consensus from Town Council was reached. There had only been one STR committee since that work session. The issue was put on pause until after the annual community survey results could be compiled for review, and the end of the General Assembly session so any new legislation could be taken into consideration. When the strategic plan was brought forward, the public misunderstood and thought that STRs were part of the plan. That was the reason for the April 29th Town Hall meeting where numerous comments were heard. How did the Town Council want to provide input into the process for his ad hoc committee to move forward. He went on to explain that the ad hoc committee was a staff function and he was in charge of this working committee versus a Town Council committee. If it was a Council committee, it would fall under open meeting rules and notice would have to be provided along with official minutes. The meetings would have to be open to the public and nothing would get accomplished. This was not a Town Council function, but a staff function and he might have unintentionally alienated the Council to which he apologized. When he came here, he found that the Council always involved the Planning Commission in policy matters. His Council in Valdez did not do that. Having the Planning Commission as part of this process, considering that it was so decisive with so many differing opinions, made obtaining a consensus much more difficult. He recommended the Council to provide guidance for zoning issues and refer them to the Planning Commission. This would streamline the process. He had two questions that he needed answers from the Council: i) Should he be interacting with just the Town Council or both the Town Council and Planning Commission? ii) How and when would the Town Council want to provide input?

Councilman Follmer stated that the initial request was last year when the Council asked John Hozey to begin researching STR issues, and he and his committee did that, but it was an ongoing task. However, some of what was detailed in his "Observations" note this week looked more like implementation of a work program and Council needed to agree to any work program and who would perform the tasks. There was plenty of research from the committee and public input for Council to digest and start providing instructions along with parameters for taking the work forward. Council had received no more information than the general public, but the public assumed that Council had participated in more discussion since the November work session, and they felt that decisions were being made behind closed doors. Up to now, Councilman Grossman had been the Council's representative on the STR committee, but how could that happen since there had been no Council discussion about Councilman Grossman being the Council representative nor were there any discussion or decisions made related to Council providing any guidance for the committee. Councilman Follmer went on to state that the Town Council had been left out of the process.

Councilwoman Holloway agreed that she felt there were certain areas, such as the Historic District Review Board, where Councilman Grossman was the Council's representative. Town Council received so much input and questions from their constituents but were unable to answer their questions.

John Hozey stated that he often asked a Town Council member to assist him with various things such as hiring and the performance evaluation system, adding that he had explained it to the committee that Councilman Grossman could not discuss the issues with the Council since it would constitute a meeting.

Councilwoman Holloway stated that an STR committee update needed to be on the agenda for Councilman Grossman to provide updates from their meetings.

Councilman Grossman interjected that he had been serving on the committee as himself, not as the Town Council representative.

Councilman Follmer stated that a more substantive discussion was needed, not just 10 minutes at the end of a long work session. Council needed to step back from the current framework and as a Council, discuss and identify the key issues that were a priority, review the public input and the questions we were trying to answer, to develop some parameters. He felt that people approached things differently. He did not agree with the premise that there were two schools of thought. Both schools of thought were correct. It's more of a spectrum and where people fell in that spectrum due to their personal circumstances, and as we heard the other night, the most significant factor was how long they had been here. Council needed to get past this "sense of community," and determine the main issues, and provide some guidance to staff and the committee on the approach. He did not want the committee to spend so much time on something for the Town Council to reject. It would be a horrible waste of time.

Councilman Buchholz agreed that Council needed to provide direction adding that when he was on the Planning Commission, the Commission had worked on a plan for two years and when it was presented to the Town Council, the Council tore it up.

Councilman Follmer went on to state that there was also the public perception that assumed that Council had been more involved in the discussions. He had over a dozen listening sessions over the last two or three weeks and everybody was asking questions, and he had to respond that he did not know. Everyone assumed that Council had been involved in more than that one meeting in November, and quite frankly, that was a reasonable assumption.

Councilwoman Holloway agreed that Council only had the information provided at the November meeting and John Hozey's summaries so it was extremely awkward when dealing with their constituents.

Councilman Follmer continued to state that this was too important and too hot an issue not to have substantive discussion regarding how to move forward.

Councilman Grossman felt that a special meeting should be scheduled versus a work session because he was looking for votes on certain items as they were reviewed rather than just a consensus. Councilwoman Holloway and Mayor Charney agreed. Councilman Follmer felt that a work session should be scheduled first to go over everything and specific items chosen to go to a regular meeting for votes.

After further discussion regarding scheduling a special meeting or work session, it was agreed that a work session be scheduled.

Motion made by Councilwoman Holloway, seconded by vice Mayor Bennett, to adjourn the Town Council Work Session. The motion was approved by unanimous vote.

The meeting was adjourned at 9:11 p.m.

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Mayor Charney

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Town Clerk

Fund Balance Reserve Status FY25 Budget

General Fund

Audited Fund Balance (June 30, 2023):	$ 3,567,175
Draft FY25 Budget - Core Operating Expenses:	$ 4,552,368
Operating Reserve (20%):	$ 910,474
Contingency Reserve (10%):	$ 455,237
Total Required Reserve:	$ 1,365,710
GF Fund Balance less required reserve:	**$ 2,201,465**
If Harbor Covered by GF - Core Operating Expenses:	$ 977,170
Operating Reserve (20%):	$ 195,434
Contingency Reserve (10%):	$ 97,717
Harbor Reserve:	$ 293,151
GF Fund Balance less required combined reserve:	**$ 1,908,314**
FY25 GF Operational Surplus:	**$ 887,396**

Utility Fund

Audited Fund Balance - Unrestricted (June 30, 2023):	$ 466,771
Restricted Facility Fee Reserve (June 30, 2023)	$ 3,068,783
Additional facility fees collected in FY24:	$ 339,200
Sub-total:	$ 3,407,983
Total Utility Fund fund balance available:	**$ 3,874,754**

CIP Fund

Audited Fund Balance - Unrestricted (June 30, 2023):	$ 632,956
Less transfer error noted in FY24:	$ (300,000)
Plus FY25 transfer in (update after closing):	$ 9,576,513
Total CIP Fund Balance available:	**$ 9,909,469**

5/2/2024

	TOWN OF CAPE CHARLES - Building, Planning & Zoning Fee Schedule EFFECTIVE FEBRUARY 1, 2024		PROPOSED CHANGES from Katie Nunez for FY2025 BUDGET ADOPTION	
	Type of Permit or Review	**Charge or Fee**	**Type of Permit or Review**	**FEE**
BUILDING	**1. Residential: (repair, alteration, demolition, construction)**			
	a. Single inspections w/ no permit required	$35		
	b. Less than $2,500	$50		
	c. $2,500 - $10,000	$50 + 0. 5% project cost over $2500		
	d. $10,000 +	$125 + 0.5% project cost over $10,000		
	e. Demolition	$50		
	2. Commercial: (repair, alteration, demolition, construction)			
	a. Single inspections w/ no permit required	$35		
	b. Less than $2,500	$75		
	c. $2,500 - $10,000	$75 + 1% of project cost over $2,500		
	d. $10,000 +	$175 + 1% of project cost over $10,000		
	e. Demolition	$100		
	3. New Construction: Per BOCA/ICC permit fee tables based on building square footage and at 100% departmental operational costs as determined by Council in 2001			
	Notes applicable to Items I, 2 & 3 above **1. Add 2% to all permit fees for state surcharge.** **2. Permits include initial/first inspection and a follow-up inspection for a failure inspection.** **3. Add 10% to Base Fee for Fire Department (before tax and not to be taxed).**			
	4. Certificates of Occupancy			
	a. Permanent Certificant of Occupancy	Included in cost of permit		
	b. Certificate of Occupancy when no permit is issued	$100		
	c.Temporary Certificate of Occupancy	$800 (per issuance) / Max. of 2 issuances		
	d. Rental Certificate of Occupancy	$150 (includes inspection)		
	5. ADDITIONAL FEES			
	a. Inspection fee for 3rd inspection of the same item	$40		
	b. Inspections scheduled outside normal business hours	$75		
	c. Fee for starting work without a permit	$300		
	d. Underground Fuel Tank Removal	$100 per tank		

	Type of Permit or Review	Charge or Fee	Type of Permit or Review	FEE
ZONING	**5. Zoning Clearance**			
	a. As part of a building permit or a Certificate of Appropriateness application	$0		
	b. All other approved by administrative review	$150		
	c. Trees/Landscaping			
	1.) Tree Removal Permit	$20/tree		
	2.) PENALTY - Tree removal without a permit	$300/tree		
	d. Variance Application to Board of Zoning Appeals	$500**		
	e. Signage			
	1) All affixed and free-standing signage greater than ten (10) sq. ft	$100		
	No permit required for smaller signage or residential signage			
HISTORIC DISTRICT REVIEW BOARD	**6. Historic District Review Board Application Fee**			
	a. New Construction - Residential	$500		
	b. New Construction: Commercial or Commericial/Residential Mixed Use	$1,000		
	c. Renovation			
	~~1) Minor Work authorized by CCZO Section 8.17, residential and/or commercial - Administrative Review and Approval only~~	~~$50~~	1) Minor Work authorized by CCZO Section 8.16 (C) (1) (a) and (b) and Section 8.17, residential and/or commercial - Administrative Review and Approval only	$75
	~~2) Minor Work: Fences & Accessory Structures (not visible from any street & under 256 sq. ft.) - Administrative Review and Approval Only~~	~~$200~~		
	~~3) Substantial alterations - Residential~~	~~$500~~	2) Substantial Alterations (Exterior Renovations) - Residential excluding everything under #1 above and less than $5,000 of construction value	$150
			3) Substantial Alterations (Exterior Renovations) - Residential excluding everything under # 1 above and greater than $5,000 of construction value	$500
	4) Substantial alterations - Commercial	$1,000		
	5) Demolition of structure	$400		
	d. Extension of approved Certificate of Appropriateness (CoA)	$50		
	e. Modification to an approved and active Certificate of Appropriateness (CoA)	$200		
	f. Working without an approved and active Certificate of Appropriateness (CoA) or After the Fact Permit Fee	$1,000		

	Type of Permit or Review	Charge or Fee	Type of Permit or Review	FEE
APPEALS	**7. APPEALS**			
	a. Appeals Application to Board of Zoning Appeals	$500**		
	b. Certificate of Appropriateness Appeals to Town Council	$500**		
	c. Appeals Application to Building Code Board of Appeals	$250**		
HARBOR AREA REVIEW BOARD	**8. Harbor Area Review Board Certificate of Approrpriateness**			
	a. Development Certificate	$750/application base fee + $100 per acre**		
	b. Extension of approval	$100		
	c. Modification to an approved and active Certificate of Appropriateness (CoA)	$250		
ENVIRONMENTAL PERMITS	**9. Environmental Permits**			
	a. Wetlands Permit	$500**		
	b. Structures in & across dunes	$200		
	c. CBPA Encroachment or Exemption	$200		
	d. CBPA Administrative Waiver for Maintenance Work of Vegetation in the RPA	$50		
	e. Erosion & Sediment Control Permit	$500 + $10/acre not to exceed $1000		
	f. Erosion & Sediment Agreement in lieu of plan	$150		
	g. Erosion & Sediment Inspection fees	$40/hr with 1 hour minimum		
	h. Erosion & Sediment Control Plan Review Fee	$350		
	i. Working without an approved and active Permit or After the Fact Permit Fee	$1,000		
SITE PLAN	**10. Final Plan Review Fees**			
	a. Residential	$150/site		
	b. Commercial	$250/site #^		
	c. Misc	$150/site #^		
PLANNING	**11. Planning Applications**			
	a. Regular Rezoning			
	1) Non-PUD	$500 + $50/acre**		
	2) PUD	$1,000 + $50/acre**		
	a. Amendment to Comprehensive Plan; Concept Approvals	$550/application		
	b. Conditional Rezoning	$1,000 + $50/acre**		
	c. Zoning Text Amendment Petition Application - for consideration only by Town Council and/or Planning Commission	$200/application		
	d. Conditional Use Permit	$600		

	Type of Permit or Review	Charge or Fee	Type of Permit or Review	FEE
SUBDIVISION	**12. Subdivision through recordation**			
	1) Concept or sketch plan review	$100 + $10/parcel		
	2) Preliminary plat review			
	a) 3 lots or less	$250 + $50/lot #^		
	b) 4 lots or more	$500 + $100/lot #^		
	3) Final plat review			
	a) 3 lots or less	$125		
	b) 4 lots or more	$250		
	4) Subdivision modification	$75		
	5) Administrative Plat/Lot line adjustment	$200		
	6) Easement Plat	$200		
	7) Vacation of Plat	$250		
	All recordation of plats are the responsibility of the applicant			
OTHER	**13. Deferral at the request of Applicant, if public hearing has been set (BZA, Planning Commission, HDRB, HARB, Town Council)**	$200		
NONPROFIT	**Building, Planning & Zoning**	Waiver of fees up to the amount of $750 per project application for any nonprofit organization exempt from taxation under Internal Revenue Code Section 501		

LEGEND with GENERAL NOTES

*	***Advertising Costs, Actual***
**	***Advertising Costs, Actual + Adjacent Property Owner Notfication Mailing Costs, Actual***
#	***3rd Party Review Costs - Water and Sewer Connections and Layout, including any re-reviews***
^	***3rd Party Review Costs - Erosion & Sediment Control, including any re-reviews***

WHAT CONSTITUTES MINOR WORK in the HISTORIC DISTRICT?

Section 8.16 C. 1. General examples of "non-substantial" alterations:

a. Work done to prevent deterioration or to replace parts of a structure with similar materials in order to correct any deterioration, decay of, or damage to any structure or on any part thereof, or

b. To restore same as nearly as practical to its condition prior to such deterioration, decay, or damage.

Section 8.17 Certain Minor Actions Exempted from Review by the Historic District Review Board

Within the Historic District certain minor actions which are deemed not to have permanent effects upon the character of the historic district are exempted from review for architectural compatibility by the Historic District Review Board. Such actions shall include the following and any similar actions which in the opinion of the Zoning Administrator will have no more effect on the character of the district than those listed:

A. Repainting the structure. (Original painting of masonry surfaces is not exempted from review.)

B. Replacement of missing or broken windowpanes, roofing slates, tiles, porch floor, posts, rails, shingles, window frames, or shutters where no substantial change in design or material is proposed.

C. Addition or deletion of storm doors or storm windows, window gardens, or similar appurtenances and portable air conditioners located in existing windows, doors, or other existing wall openings (if no building permit is required for such addition or deletion).

D. Addition or deletion of television and radio antennas or skylights and solar collectors in locations not visible from a public street or a waterway.

E. Landscaping involving minor grading, walks, low retaining walls, temporary fencing, fencing immediately surrounding trash receptacles or outdoor ventilation units, small fountains, outdoor showers, and ponds which will not substantially affect the character of the property and its surroundings.

F. Construction of off-street loading areas and off-street parking areas.

G. Creation of outside storage in a commercial or industrial district which does not require structural changes or major grading and is not visible from a public street or waterway.

H. Additions or deletions to an existing building which are not visible from a public street or sidewalk. Alleys in this context are not to be considered public places.

I. Covered by other zoning ordinance requirements as administrated by the Zoning Administrator unless altered by the overlay ordinance.

J. Receiving historic preservation tax credits through state or federal offices.

K. Demolition of non-contributing buildings or structures.

L. Alterations or repairs made to a building or structure for the purpose of temporary emergency stabilization.

General Fund

CAMP Project List/Schedule

Project name	Priority	Category	Level	Town Cost	Prior Years	FY2025	FY2026	FY2027	FY2028	FY2029
New Municipal Building*	High	I	A	$ 7,017,409	$ 517,409	$ 3,250,000	$ 3,250,000			
Library Upgrade & Condoization	High	I	A	$ 307,547	$ 57,547	$ 250,000				
Renovate PW Butler Building	Medium	I	A	$ 225,000					$ 225,000	
Visitor's Ctr/Restroom*	Medium	II	B	$ 783,377	$ 33,377	$ 750,000				
Beachfront Revitalization	Medium	II	B	$ 1,245,000		$ 45,000	$ 600,000	$ 600,000		
Beach Restroon/Bathhouse	Medium	II	B	$ 1,245,000		$ 45,000	$ 600,000	$ 600,000		
Mason Ave Electrical Upgrade	Medium	III	B	$ 40,000		$ 40,000				
Sidewalk Infill	Low	IV	C	$ 595,000		$ 25,000		$ 190,000	$ 190,000	$ 190,000
Sports/Rec Field/Restroom*	Low	IV	C	$ 310,000				$ 30,000	$ 280,000	

	Town Cost	Prior Years	FY2025	FY2026	FY2027	FY2028	FY2029
GF Total - 2024 dollars	$ 11,768,333	$ 608,333	$ 4,405,000	$ 4,450,000	$ 1,420,000	$ 695,000	$ 190,000
Inflation adjusted dollars (3%)	$ 12,072,383	$ 608,333	$ 4,405,000	$ 4,583,500	$ 1,505,200	$ 757,550	$ 212,800
Harbor Fund	$ 675,287	$ 168,750	$ 284,537	$ 132,000	$ 90,000	$ -	$ -
Grand Total - 2024 dollars	$ 12,443,620	$ 777,083	$ 4,689,537	$ 4,582,000	$ 1,510,000	$ 695,000	$ 190,000
Inflation adjusted dollars (3%)	$ 12,757,030	$ 777,083	$ 4,689,537	$ 4,719,460	$ 1,600,600	$ 757,550	$ 212,800

*Grants, divestitures, or new debt could reduce costs

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CAMP Project List/Schedule

Harbor Fund

Project name	Priority	Category	Level	Town Cost	Prior Years	FY2025	FY2026	FY2027	FY2028	FY2029
Inner Harbor Fixed Dock Repair	High	II	A	$ 20,000		$ 20,000				
Inner Harbor King Pile and Waler Replacement - Phase 3*	Medium	II	B	$ 390,287	$ 168,750	$ 221,537				
Outer Harbor Concrete Bulkhead Cap Repair & Concrete Boardwalk	Medium	II	B	$ 223,000		$ 43,000	$ 90,000	$ 90,000		
Ladder & Catwalk/ Manifold	Medium	II	B	$ 42,000			$ 42,000			

	Town Cost	Prior Years	FY2025	FY2026	FY2027	FY2028	FY2029
2024 dollars	$ 675,287	$ 168,750	$ 284,537	$ 132,000	$ 90,000	$ -	$ -
Inflation adjusted dollars (3%)	$ 684,647	$ 168,750	$ 284,537	$ 135,960	$ 95,400	$ -	$ -

*Town expenditure following grant award

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CAMP Funding - FY25

CIP Requirement		$	4,405,000
Less Carryforward:		$	(945,000)
Townhall:	170,000		
Library:	310,000		
Visitor Ctr:	445000		
PW Storage:	20000		
	945,000		
Less GF Rev less Exp:		$	-
Harbor Requirement		$	284,537
Total needed:		**$**	**3,744,537**
Less CIP Revenue			
GF Rev @ 6%		$	(289,339)
Meals Tax		$	(79,953)
Additional appropriation needed:		**$**	**3,375,245**

Options

CIP Fund Banance:	$	332,956
Plus FY25 transfer in:	$	9,476,513
Remaining Balance	**$**	**9,809,469**

Untility Fund Balance	$	3,874,754
Less FY25 need	$	(100,000)
Remaining Balance	**$**	**3,774,754**

General Fund Balance:	$	1,908,314
Plus operational surplus	$	887,396
Remaining GF Balance	**$**	**2,795,710**

5/2/2024 v2

PRIORITIES

HIGH: Project mandated by local, state, or federal regulations, or
Project is a high priority of the Town Council*, or
Project substantially reduces losses or increases revenues

MEDIUM: Project maintains existing service levels, or
Project results in better efficiency or service delivery of existing services, or
Project reduces operational costs, or Project improves work force morale

LOW: Project is not mandated, or Project improves service levels, or Project improves quality of life

* Projects designated as a High Council Priority must directly contribute to priorities already established in previously adopted formal actions

CRITERIA CATEGORIES

I. **Health/Safety/Welfare** - projects that protect the health, safety and welfare of the community and the employees serving it.

II. **Maintenance/Replacement** - projects that provide for the maintenance of existing systems and equipment.

III. **Expansion of Existing Programs** - projects which enhance the existing systems and programs allowing for expansion of existing services.

IV. **Expansion of New Programs** - projects that allow for expansion into new programs and services.

LEVEL

CRITERIA/PRIORITY	HIGH	MEDIUM	LOW
I	LEVEL A		
II		LEVEL B	
III			
IV			LEVEL C

Account	FY24 budget	FY24 Actual as of 2/29	FY25 Requested	% change	Notes
Capital - Revenue					
110-3700-2200 Grant - USDA Rural Development	$ -	$ -	$ -		
110-3800-4000 Grant - VDOT Roads, Trails & Sidewalks	$ 703,483.00	$ 109,127.38	$ -	-100.00%	
110-3800-9920 ARPA Grant Recognized - Project completion	$ -	$ -	$ -		
110-3850-2000 Grant Other	$ 30,000.00	$ -	$ -		
110-3900-1000 Appropriation from fund Balance	$ -	$ -	$ -		
110-3900-6000 Reappropriation Gen Capital Fund	$ 577,050.00	$ -	$ 945,000.00		
110-3950-1000 Loan Proceeds Previous Year	$ -	$ -	$ -		
110-3950-2000 Transfer from Gen Fund for Capital 6%	$ 339,746.13	$ -	$ 289,339.17	-14.84%	
110-3950-2050 Transfer from Gen Fund Meals Tax .5%	$ 82,407.00	$ 57,454.74	$ 79,953.50	-2.98%	
110-3950-2100 Loan Proceeds USDA Rural Dvlpmnt	$ -	$ -	$ -		
110-3950-3100 Transfer from Gen Fund Other	$ 310,000.00	$ -	$ -		
110-3950-8130 Transfer from Special Activities Fund	$ 179,850.00	$ -	$ -		
110-3950-8520 Transfer from Sanitation Fund	$ -	$ -	$ -		
110-3950-9000 Transfer From Utility Fund	$ -		$ 9,476,513.00		Utility sale proceeds - $15,000,000+$50,000 (transaction cost reimbursement)-debt service appropriated in FY24 for debt payoff-$750,000 held in escrow
Total	$ 2,222,536.13	$ 166,582.12	$ 10,790,805.67	385.52%	

Account	FY24 Budget	FY24 Actual as of 2/29/24	FY25 Requested	% change	Notes
Capital - Expenditures					
110-4121-7080 Computers, Software & Elec Equip TMgr.>$5000	$ -	$ -	$ -		
110-4121-8100 Transfer to Fund Balance (CIP Fund balance)	$ 130,941.00	$ -	$ 6,385,806.67	4776.86%	
110-4430-7010 Buildings & Improvements - New Town Hall	$ 995,000.00	$ 111,024.17	$ 3,250,000.00	226.63%	
110-4430-7011 Buildings & Improvements - Library Project	$ -	$ -	$ 250,000.00		
110-4430-7012 Buildings & Improvements - Visitor Center	$ -	$ -	$ 750,000.00		
110-4430-7013 Buildings & Improvements Beachfront Revitilization	$ -	$ -	$ 45,000.00		
110-4430-7014 Buildings & Improvements Beach Restroom/Bathouse	$ -	$ -	$ 45,000.00		
110-4430-7015 Buildings & Improvements Sidewalk Infill	$ -	$ -	$ 25,000.00		
110-4430-7020 Infrastructure-Mason Ave. Electrical	$ -	$ -	$ 40,000.00		
110-4430-7040 Insfrastructure - Parking Lots	$ -	$ -	$ -		
110-4430-7050 Infrastructure-Streets & Walkways	$ 1,055,454.00	$ 333,459.00	$ -	-100.00%	See CAMP schedule - what was previously lumped into one acount has now been segregated by project
110-4430-7060 Infrastructure-Stormwater System	$ -	$ -	$ -		
110-4430-7070 Vehicles & Equipment	$ -	$ -	$ -		
110-4430-7080 Computers, Software & Electronic Equip PW	$ -	$ -	$ -		
110-4430-7999 Capital Project Contingencies	$ 41,141.13	$ -			
110-4811-7080 Computers, Software & Electronic Equip - Planning	$ -	$ -	$ -		
Total	$ 2,222,536.13	$ 444,483.17	0.00%	-100.00%	
Capital Fund Revenue Less Expenditures	$ -		$ 10,790,805.67		

Account	FY24 budget	FY24 Actual as of 2/29	FY25 Requested	% change	Notes
Debt Service					
120-3950-2100 Transfer from Gen Fund for GF Debt	$ 151,107.36	$ 118,824.99	$ 25,121.00	-83.38%	
Total	$ 151,107.36	$ 118,824.99	$ 25,121.00	-83.38%	

Account	FY24 Budget	FY24 Actual as of 2/29/24	FY25 Requested	% change	Notes
Debt Service					
120-4124-6800 Debt Service Principal - Finance	$ -	$ -	$ -		
120-4124-6850 Debt Service Interest - Finance	$ -	$ -	$ -		
120-4310-6800 Debt Service Principal - Police Dept	$ 22,509.29	$ -	$ 16,616.00	-26.18%	Current # includes new USDA loan
120-4310-6850 Debt Service Interest - Police Dept	$ 1,947.66	$ -	$ 1,799.00	-7.63%	Current # includes new USDA loan
120-4340-6800 Debt Service Principal Code Enforcement	$ 616.24	$ -	$ 632.00	2.56%	
120-4340-6850 Debt Service Interest - Code Enf	$ 42.54	$ -	$ 29.00	-31.83%	
120-4430-6800 Debt Service Principal - P Wrks	$ 5,370.60	$ -	$ 5,432.00	1.14%	
120-4430-6850 Debt Service Interest - P Wrks	$ 667.67	$ -	$ 613.00	-8.19%	
Total	$ 31,154.00	$ -	$ 25,121.00	-19.37%	
Debt Service Fund Revenue Less Expenditures	$ -		$ -		

Account	FY24 budget	FY24 Actual as of 2/29	FY25 Requested	% change	Notes
Special Activities					
130-3300-1700 Interest on Bank Deposits	$ -	$ -	$ -		
130-3650-6000 Recovery Town Mgr - Misc	$ -	$ -	$ -		
130-3800-3000 Grant-Fire Program Funds (Passthru)	$ 15,000.00	$ 15,000.00	$ 15,000.00	0.00%	Awaiting requests for funds from community/nonprofit groups.
130-3800-7000 Grant-VA State Promotion of the Arts Passthru	$ 4,500.00	$ 4,500.00	$ 4,500.00	0.00%	FY25 request, pending approval
130-3800-8000 Grant - Friends of the Library	$ 6,000.00	$ -	$ 6,000.00	0.00%	Per Sharon they give the same amount every year
130-3800-9000 Grant Parks/Rec Facilities & Equipment - CCP	$ -	$ -	$ -		
130-3800-9910 Federal Grant - DHCD CDBG Small Bus Rcvry	$ -	$ -	$ -		
130-3800-9920 Federal Grant - ARPA DCJS FY24	$ 91,000.00	$ 52,058.78	$ -		
130-3850-2000 Reappropriate Grant Funding ARPA original	$ 179,850.00	$ -	$ -		
130-3950-2000 Reappropriate Grant Funding Other Prior Year	$ -	$ -	$ -		
Total	$ 296,350.00	$ 71,558.78	$ 25,500.00	-91.40%	

Account	FY24 Budget	FY24 Actual as of 2/29/24	FY25 Requested	% change	Notes
Special Activities					
130-4121-4010 Grant Exp - Arts Enter Passthru	$ 4,500.00	$ 4,500.00	$ 4,500.00	0.00%	FY25 request, pending approval
130-4121-4020 Grant Exp- Fire Dept Passthru	$ 15,000.00	$ 15,000.00	$ 15,000.00	0.00%	Did we receive a request from fire dept?
130-4121-4030 Grant Exp-Northampton Cnty Tourism Infrstr	$ -	$ -	$ -		
130-4121-4125 Grant or Donation Misc. Passthru incl. PPEA	$ -	$ -	$ -		
130-4121-4130 DHCD CDBG Small Business Rcvry Grant Exp	$ -	$ -	$ -		
130-4121-4150 Federal Grant Exp - ARPA	$ 91,000.00	$ 45,991.16	$ -		Current grant ends 6/30/24. No new ARPA funds expected.
130-4121-8110 Transfer to Capital Projects Fund 110	$ 179,850.00	$ -			
130-4430-4110 Grant Exp - Citizens for Central Park	$ -	$ -			
130-4730-4110 Grant Exp- Friends of the Library	$ 6,000.00	$ 606.81	$ 6,000.00	0.00%	Same as FY24. Per Sharon "they give us the same amount every year".
130-4730-4150 Grant - Library Other	$ -	$ -	$ -		
Total	$ 296,350.00	$ 66,097.97	$ 25,500.00	-91.40%	
Special Activities Fund Revenue Less Expenditures	$ -		$ -		

Account	FY24 budget	FY24 Actual as of 2/29	FY25 Requested	% change	Notes
Utility - Revenue					
501-3900-6000 Appropriation from Fund Balance	$ 1,573,079.00	$ -	$ 9,576,513.71	508.78%	Sale proceeds [approx until after closing] - $15,000,000+$50,000 (closing cost reimbursement)-$5,000,000 appropriated in FY24 for debt payoff-$750,000 held in escrow
Total	$ 1,573,079.00	$ -	$ 9,576,513.71	508.78%	

Account	FY24 Budget	FY24 Actual as of 2/29/24	FY25 Requested	% change	Notes
Utility Admin - Expenditures					
Contingency - Unidentified Liabilities	$ -	$ -	$ 100,000.00		Set aside to resolve any lingering liabilities that persist after 7/1/24
501-4500-8200 Transfer to Capital Fund	$ -	$ -	$ 9,476,513.71		Utility sale proceeds to capital fund [approx until after closing] - $15,000,000+$50,000 (transaction cost reimbursement)-debt service appropriated in FY24 for debt payoff-$750,000 held in escrow
Total	$ -	$ -	$ 9,576,513.71		
Total Utility Fund Expenditures			$ 9,576,513.71		
Utility Fund Revenue Less Expenditures	$ -		$ -		