



TOWN COUNCIL
Work Session
Cape Charles Civic Center
March 31, 2022
6:30 PM

At approximately 6:30 p.m. Mayor William "Smitty" Dize, having established a quorum, called to order the Work Session of the Town Council. In addition to Mayor Dize, in attendance were Councilman Buchholz, Follmer and Grossman, and Councilwomen Holloway and O'Brien. Vice Mayor Bennett was unable to attend. Also, in attendance were Town Manager John Hozey, Project Manager Bob Panek, Treasurer Deborah Pocock, and Town Clerk Libby Hume. There were two members of the public in attendance.

Items for discussion during this work session were A) Town Office Space Needs Study; B) FY 2023 Proposed Capital Improvement Plan; and C) Strategic Revenue Plan.

A. *Town Offices Space Needs Study Presentation:*

Town Manager John Hozey went through the presentation which outlined the analyses of space needs by department compared to existing facilities and provided four space allocation options for review. John Hozey recommended option 1. (Please see attached.)

There was some discussion regarding: i) the various options and estimated costs; ii) the potential sale of the municipal building, civic center, the library building, with the exception of the first floor, and the lots behind the library building; iii) not doing anything was NOT an option; iv) flexibility needed to be built in for future growth; v) Mayor Dize stated that he liked option 1, but suggested option 5, which would leave the library at its current location, and move the staff currently in the municipal building into the new building. He felt that a lot of issues would be discovered when renovating the current municipal building and civic center since both buildings were old. All new infrastructure would be necessary, and an elevator would need to be installed at the municipal building. There was also the issue of displacing employees during renovations. If all were to go into the new building, this would not be an issue; vi) Mayor Dize also expressed the need a meeting room adjacent to the Council Chambers for closed meetings. Town Clerk Libby Hume stated that was her intent when she requested a separate meeting room for closed sessions and staff meetings adjacent to the Council/Board meeting room, but all four options had this meeting room in a separate building from the Council Chambers; vii) Councilwoman Holloway expressed her opinion that having everyone, with the exception of the library and utility plants, in one location, if it could work financially, was the best option.

There was a general consensus with Council regarding option 5. John Hozey and Bob Panek would contact HBA to finalize option 5, and prepare a staff report to include all five options and associated cost estimates, and the potential sale of town-owned property as discussed. This would be on the April 21 regular meeting agenda for Council review and action.

B. *FY 2023 Proposed Capital Improvement Plan:*

John Hozey reviewed the Proposed Capital Improvement Plan by Fund.

General Fund. There was discussion regarding i) additional improvements in the municipal parking lot and the possibility of requesting additional land to lease from Canonic Railroad; ii) restrooms on Mason Avenue and the beach; iii) beach accesses; iv) trash can replacements throughout the Town's public areas (in addition to the trash receptacles for residential and businesses); v) sidewalk infill; vi) the adult game area in Central Park which was proposed by

the Citizens for Central Park. The Town's portion would be 25% of the cost; vii) John Hozey was approached by an individual who was interested in forming a grass roots organization to manage a sports/recreation field in an area south of Rayfield's. John Hozey had spoken to Mr. Spencer Murray about leasing the land from Canonie and it was not unreasonable for the Town to possibly acquire a lease to develop the area into a recreation field. If so, a restroom facility would be necessary. Another potential benefit to leasing this land, would be the ability to provide golf cart access to Bay Creek residents.

Harbor Fund. i) The fuel system was on the top of the priority list for the Harbor Fund; ii) The floating dock anchor pile guide replacements was another high priority item but John Hozey was hopeful that it could be completed this year; iii) Mayor Dize stated that when he was harbormaster, he obtained quotes for an in-ground manifold for the fuel pumps which were about half the cost of catwalks, and he actually had a concrete pad poured by the shed. He recommended that this option be researched again. It would also be a safer option than a catwalk; iv) Councilman Grossman expressed his concern of the number of projects shown on the list and the potential number that would not get completed; v) Mayor Dize noted that the fishing pier was also aging and needed to be added to the Capital Project List for maintenance/repairs. John Hozey agreed and stated that he would add it to the General Fund list.

Utility Fund. i) John Hozey informed Council that staff received an update on the capacity study and the limiting factor was water. The Keck well connection was about 90% designed. Funding was included to take this to full design. Funding was also included to add another main to take the treated water out. This would also provide the infrastructure needed for the time when the Keck property could be developed. Councilman Grossman noted that the Virginia Department of Health just received \$100M for drinking water grants and this project could qualify for funding. Bob Panek added that these grants typically were awarded to areas in the western part of the state where the water supply had been contaminated by mining. John Hozey would research information about the grant; ii) The water treatment plan expansion/refurbishment was included for FYs 2024-2026 as a placeholder until the study results were received; iii) The water tower mixers project had been on the project list for several years and was pushed back another year. There were competing opinions on how to address this project; iv) the wastewater treatment plant membrane replacement project was included for FY 2025-2026. The membranes were beyond their original proposed lifespan but were still holding up and performing well; v) The Washington Avenue pump station project was moved to FY 2025 but needed to be addressed; vi) Remote read water meters. Our system was inefficient. If the utility plants were not sold, we would have to upgrade the meters; vii) The water treatment plant emergency bypass project was pushed to FY 2025; viii) The water treatment plant backwash holding tank project was put in FY 2026; ix) Mason Avenue pump station was upgraded in 2012, and the renovation project was proposed for FY 2027, making it 15 years since the last upgrade; x) The wastewater treatment plant expansion was projected for FY 2028. The capacity study results, which should be received within a month, were needed to better determine the timeframe. There was some discussion regarding being over capacity at certain times and the issues with inflow and infiltration.

Sanitation Fund. The trash receptacles needed to be replaced every few years so was projected for FY 2026.

C. *Strategic Revenue Plan:*

John Hozey began by stating that the Strategic Revenue Program (SRP) was adopted in 2020 and was a program to assist in projecting future revenue needs beyond the current spending cycle based on the strategic goals and projects predetermined by Council and other planning processes. All revenue sources needed to be considered, however real estate property tax remained the largest source of potential funds. Prior to rebalancing the real estate property tax rate, a strategic revenue projection should be in place so that rebalancing could still achieve

long-term goals. The Town currently had a number of special projects in progress such as the updates to the comprehensive plan, zoning ordinance and Town Code all requiring consultants. In a quick review of the strategic plan, there were other ordinances on walkability, dune management and other that would require engineering assistance. We also had the issue of workforce housing and the current barriers of such housing in the ordinances. Town staff already had their day-to-day workload, and did not have the time to take on additional projects, so consultants were a necessary tool. We needed to determine how to fund the projects, taking into account the potential of one-time grant funding. Everything needed to be brought together when projecting our capital needs. We also had issues with the recent increase in property assessments and would get pressure from citizens to equalize the rate down to a zero increase. The Town got into trouble in the past by repeatedly balancing the rate down to a zero increase. Councilman Buchholz noted that even if the Town equalized the rate down to within the permitted 1% revenue growth, the county's taxes would still be higher since the assessments were so much higher within the Town versus properties in the county. Northampton County would be equalizing their tax rate for the county as a whole, but Cape Charles residents would be still paying much more. There was much discussion regarding the county's tax rate.

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

The meeting adjourned at 8:43 p.m.

Mayor William "Smitty" Dize

Town Clerk

Town Facilities Needs/Deficiencies Study

**Analysis of Alternatives
March 31, 2022**



Analysis of Alternatives

- Covers Administrative, Police, Legislative, and Library functions
- Space needs assessment
- Existing facilities and potential building site assessment
- Space allocation options
- Recommended options
- Next steps

Space Needs Assessment

- Input from Department Heads
- Considered internal synergy and improved public service
- Shared work-spaces: Finance, Building, Planning & Zoning, Police
- Centralized files and group meeting space
- Some room for growth
- Judged reasonable by HBA consultant
- Additional efficiencies will be pursued during design phase

Space Needs Assessment

<u>Administrative</u>	<u>Square Feet</u>
Administration – Manager, Asst., Project Mgr.	434
Clerk – Clerk, Asst., Central Files, Storage	563
Archive Storage	450
Finance – Treasurer, Staff (4), Storage	859
Human Resources – Manager, Intern	243
Building – Code Official, Staff (2), Plans & Storage	845
Planning & Zoning – Planner, Staff (2), Storage	645
Meeting Room/Break Room w/Kitchenette	480
Restrooms (4)	<u>256</u>
Subtotal	4,775

<u>Police</u>	<u>Square Feet</u>
Chief, Staff (7), Evidence, Armory, Shower, Restroom, Kitchenette	1,487
Garage	<u>1,500</u>
Subtotal	2,987
<u>Council Chambers</u>	
Meeting Room, Storage, Kitchenette, Restrooms (2)	1,520
<u>Library</u>	
Collection, Office, Meeting/Programs Room Computer Lab, Restrooms (2)	2,948
<u>Grand Total</u>	<u>12,230</u>
Adjusted by 0.767 efficiency ratio (walls, hallways, etc.)	15,945

Size of existing facilities (square feet):

Municipal Building – first floor	2,925
second floor	2,925
Library Building – first floor & rear mezzanine	2,800
third floor & front mezzanine	2,760
Civic Center Building	<u>1,378</u>
Total	12,788

Facilities and Building Site Assessment

- Inadequate space to properly accommodate all functions; about 3,100 square feet short
- Condition assessment of existing facilities
 - *Structurally sound*
 - *Safety and compliance concerns*
 - *Requires extensive renovation, including new systems*
 - *Expansion limited due to site constraints*
 - *Need elevators at both Municipal and Library buildings*
- Impractical to accommodate all needs within existing facilities
- Suggests building a separate police station at a minimum

Facilities and Building Site Assessment

- Building site of about 2.1 acres is available on Cassatt Parkway
 - *Lot subdivided from Parcel 14; near Rosenwald School*
 - *Central location with good access*
 - *Close to existing water and sewer service*
- Building site condition assessment
 - *Close to former dump but only minor debris on site*
 - *No contamination*
 - *Outside Chesapeake Bay Resource Protection Area*
 - *Small area of non-tidal wetlands*

Space Allocation Options

Considerations

- Relative cost
 - *Renovation is less expensive than new construction with site development*
 - *Renovation of Municipal building is less expensive than Library building due to type of construction and need for a three-story elevator at the latter*
- Synergy created by collocating certain functions
- Space available at the three existing facilities
- Space available at the potential building site
- Potential for divestiture of property to generate revenue

Four initial options tested

Space Allocation Options

Option 1 – Renovate Municipal Building; and construct a new building on Cassatt Parkway

- All administrative functions can fit in the Municipal Building
- Police, Council Chambers, and Archives in new building; 7,100 square feet - one level
- Library remains at current location and current size
- Divestitures
 - *Civic Center Building*
 - *Library Building; lease/buy back Library space*
 - *Two lots on Randolph behind Library Building*

Space Allocation Options

Option 2 – Renovate Municipal and Civic Center buildings; construct new building on Cassatt Parkway

- Library moved to first floor of Municipal Building, but would be constrained to current size
- All administrative functions will not fit on the second floor of the Municipal and Civic Center buildings alone; would need to move some functions to new building
- Police, Council Chambers, Archives, and TBD administrative functions in new building; 8400 square feet - Might need to add second floor
- Divestitures
 - *Library Building*
 - *Two lots on Randolph behind Library Building*

Space Allocation Options

Option 3 – Renovate Civic Center Building; construct new building on Cassatt Parkway

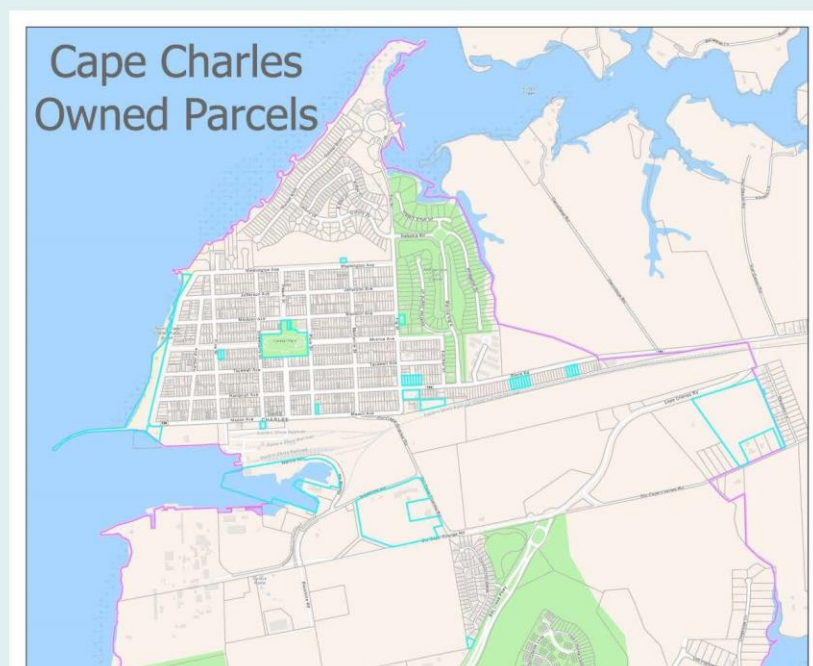
- Council Chambers remain at Civic Center though constrained to existing size; about 500 square feet short
- All Administrative, Library, and Police functions located at the new building; Two floors - 16,650 square feet
- Divestitures
 - *Municipal Building*
 - *Library Building*
 - *Two lots on Randolph behind Library Building*

Space Allocation Options

Option 4 – Renovate Library and Civic Center buildings; construct new building on Cassatt Parkway

- Library remains at current location and current size
- All administrative functions will not fit on the third floor/front mezzanine of Library Building and at the Civic Center alone; would need to move some functions to new building
- Police, Council Chambers, Archives, and TBD administrative functions in new building; 8600 square feet - Would need to add second floor
- Divestiture
 - *Municipal Building*

Space Allocation Options



Space Allocation Options



Recommended Option

- Staff recommends Option 1
- Collocates all Administrative functions – maximum synergy
- Cost efficient renovation and can be phased
- Central location for Police and Council Chambers
- Increases space available for public meetings
- Library remains a unique feature in the heart of town
- Retains Library while reducing ownership burden for the building
- Likely maximum revenue from divestitures – Library Building (excluding first floor), lots on Randolph, Civic Center Building

Next Steps

- Develop initial cost estimates for selected renovation and new construction option(s)
- Develop revenue estimates for property to be divested
- Incorporate estimates into CAMP and FY 2023 budget
- Amend HBA contract to commence design and engineering phase, including updated cost estimates