TOWN COUNCIL

Public Hearing & Regular Meeting

February 15, 2024
Cape Charles Civic Center
6:00 PM

1. Call to Order
   A. Roll Call
   B. Establish quorum

2. Moment of Silence and Pledge of Allegiance

3. Public Hearing
   A. Lease of Harbor Property to Maritime Institute

4. Recognition of Visitors / Presentations / Recognitions
   A. Certificate of Appreciation to Michael Strub
   B. Cape Charles Main Street Semi-Annual Presentation to Council
   C. Cape Charles Memorial Library Board Presentation – 2023 Library Activities Overview
   D. Cape Charles Volunteer Fire Company Presentation

5. Public Comments (3 minutes per speaker for topics not subject to this evening's public hearing)

6. *Consent Agenda
   A. Approval of Agenda Format
   B. Approval of Minutes
   C. Approval of December 31, 2023 Financial Report

7. Unfinished Business:
   *A. None

8. New Business:
   *A. Cape Charles Marine Services Contract Amendment
   *B. Virginia Port Authority Aid to Local Ports Grant
   *C. Lease of Harbor Property to Maritime Institute
   *D. USDA Grant/Loan Resolution for Police Vehicle
   E. Legislative Priorities Update

9. Town Manager Comments

10. Mayor & Council Comments (5 minutes per speaker)

11. Announcements
   - February 19, 2024 – Town offices closed for Presidents' Day
   - February 24, 2024 – Strategic Planning Joint Work Session
   - February 29, 2024 – Town Council/Planning Commission Joint Work Session
   - March 7, 2024 – Town Council Special Meeting
   - March 21, 2024 – Town Council Regular Meeting

12. Adjournment

TOWN OF CAPE CHARLES
Town Council – Public Hearing

The Cape Charles Town Council will hold a public hearing on Thursday, February 15, 2024 at 6:00 pm in the Cape Charles Civic Center, 500 Tazewell Avenue, to receive comment on a proposed ordinance granting a lease of property in the Town Harbor. The proposed three-year lease to Maritime Institute is for a small portion of the wharf to install a lifeboat, davits and supporting gear for training of mariners. The Town Council will consider adoption of the ordinance at the regular meeting following the public hearing.

Information regarding this item is available for public review on our website at www.capecharles.org under Agendas and Minutes/Town Council.

AD PLACED: Eastern Shore Post on Tuesday, January 30, 2024
AD TO RUN: Friday, February 2, 2024

DRAFT

TOWN COUNCIL

Work Session
Cape Charles Civic Center
January 4, 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, present were Vice-Mayor Bennett, Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Also in attendance were Town Manager John Hozey, Assistant Treasurer Adrian Oei, Planner/Zoning Administrator Katie Nunez, Human Resources Manager Jodi Outland and Town Clerk Libby Hume. There were no members of the public in attendance.

ITEMS FOR DISCUSSION:

FY 2024 Mid-Year Budget:
John Hozey distributed a packet of information to be reviewed, including 1) Mid-Year Budget Overview; 2) Project Overview; 3) FY 24 Budget Worksheet for General Capital & Special Activities Funds; 4) General Capital Fund Reserve; 5) FY 24 Mid-Year Budget Adjustment Worksheets; and 6) Mid-Year Amendments to Fee Schedule. (Please see attached.) He went on to review each report as follows:

Mid-Year Budget Overview: i) General Fund – Projected increase in revenues and expenditures were $309,972; ii) General Capital Fund – An error was discovered which would reduce the amount in this Fund by $233,677. Details of this error would be explained later in this work session; iii) Utility Fund – Initially, this Fund was balanced by drawing from the Facility Fee Reserves. Upon further review, the amount of the draw could be reduced by $41,921; iv) Harbor Fund – Project costs came in higher than estimated, so the projected revenues and expenditures were reduced by $60,433; v) No changes were anticipated for the Special Activities & Sanitation Funds.

Project Overview: i) General Fund – $40K was already included in the Professional Services line for Beachfront Master Planning. An additional $60K would be appropriated for this project; ii) General Capital Fund – An additional $75,532 was being appropriated for the Community Trail Phase III project and $50K for the Trail Project Lighting. Due to the cost estimates, it was decided that the lighting portion of the project would be done separately. The Town was purchasing the lighting equipment and would be soliciting bids for installation; iii) Harbor Fund – An additional $133,950 was needed for the Breakwater and Inner-Harbor Bulkhead projects. The contract for these projects included an incentive of $24,048 if completed by a certain date. It was unlikely that the projects would be completed within that timeframe, but the funding needed to be included in the budget.

FY 24 Budget Worksheet for General Capital & Special Activities Funds: These pages were included to show the error made in the General Capital Fund. The transfer from the Special Activities Fund to the General Capital Fund initially showed $479,850, which was from the ARPA Grant funding. $300K of this funding had already been appropriated in FY 23. Due to the unknown construction atmosphere, rather than allocating funding for specific projects, a lump sum amount was appropriated in the Special Activities Fund for reallocation to specific projects as needed. The transfer from the Special Activities Fund to the General Capital Fund was actually $179,850 which represented the remaining ARPA funding. It was fortunate that we had not needed to pull anything additional from the Fund Balance. He apologized for not catching this error sooner.

General Capital Fund Reserve: The June 30, 2022 audited Fund Balance was $286,540. The adopted FY 24 budget showed a $480,150 transfer to the Fund Balance, which would total $766,690. Unfortunately, with the error explained earlier, the actual amount available to transfer to the Fund

Balance was $130,941, which now would total $417,481. John Hozey stated that he was working with Assistant Treasurer Adrian Oei to improve the process, no longer relying on individual Excel spreadsheets. Staff would be researching budgeting platforms, and the FY 25 budget would include a request for a new system. Unfortunately, the FY 25 budget would have to be prepared using Excel spreadsheets. Although the Capital Project Fund Balance was less than originally thought, the Town was still in good shape. Fortunately, after everything was done, the Town still had about $1.5M of unappropriated funding in the General Fund Balance.

<u>FY 24 Mid-Year Budget Adjustment Worksheets</u>: John Hozey explained that only the line items with changes were included in this report and went on to highlight the following:

<u>General Fund Revenue</u>: i) The revenue projection from 2023 Real Property Tax was increased by $84,467 based on historic collections rate; ii) The projected Golf Cart Decal revenue was increased by $19,369 based on year-to-date increases compared to prior years; iii) The projected Business License revenue was increased by $117K based on prior year numbers; iv) The projected Transient Occupancy Tax revenue was decreased by $41,887. Council agreed that the TOT revenue would be leveling off; v) The projected revenue from Sale of Town Real Property was increased by $50K based on the sale price of the Monroe Avenue lot which sold for more than expected. John Hozey added that the buyer of the library building backed out of the purchase of the two lots behind the library. The Town would be soliciting bids with minimum purchase prices of $300K for the inner lot and $325 for the corner lot which were very reasonable.

<u>General Fund Expenses</u>:
Town Manager: $40K was transferred from Professional Services to the Consulting Services line for the Beachfront Master Planning, along with an additional $60K from the Fund Balance.

Finance: $10K was added for Part-Time Salaries & Wages for additional hours for Deborah Pocock and Libby Luettinger. $13K of additional funding was included for the cost of an additional audit after the sale of the public utilities.

Police: i) $3K of additional funding was included for overtime for the police officers due to increased court hours; ii) The two new officers would be attending the police academy so funding was included for their travel expenses – meals and tolls; iii) $4K was added to the Vehicle & Powered Equipment Supplies & Services for repairs to an older vehicle; iv) $5,785 was added for repairs caused by the police chase/accident in Central Park; v) $32K was included for a new police vehicle. This amount would be offset by the USDA grant/loan revenue.

There was some discussion regarding the number of police vehicles and the replacement schedule. John Hozey stated that he would provide a report of current police vehicles and the replacement schedule, adding that we hired two new police officers this year and additional vehicles were needed.

Code Enforcement: One computer, which was budgeted for in FY 23 was purchased in FY 24.

Public Works: i) An additional $5K was included for overtime since this had been an unusually busy year. There were more events and more people in Town which required more staff hours; ii) $3,472 was added for the VML Risk Management Grant expense which was not originally included.

<u>Capital Fund Revenue</u>: $76,323 of additional revenue was projected but the $300K correction in the Special Activities Fund transfer amounted to a projected net decrease of $223,677.

<u>Capital Fund Expenses</u>: The transfer to Fund Balance amount was adjusted to balance.

Councilwoman Holloway asked how much of the ARPA grant funding remained and when it had to be used. John Hozey responded that the Town still had about $179K of ARPA funding in the Fund Balance to be allocated. We had until the end of calendar year 2024 to allocate the funding and until

December 2025 to spend it. He was still hoping that the funding could be used for the Visitors Center/Restrooms project. This would be discussed in more detail during the FY 25 budget work sessions.

Utility Fund Revenue & Expenses: Due to projected increases in revenue from water sales, sewer charges, etc., the projected appropriation amount from the Fund Balance was reduced by about $42K.

Harbor Fund Revenue & Expenses: Due to COVID and post-COVID surges, as well as inclement weather, the traffic at the harbor decreased considerably. This decrease also reduced expenses. The line items were adjusted accordingly with a projected net decrease in revenues and expenses of about $60K.

Mid-Year Budget Amendments to Fee Schedule: Two amendments to the Town's fee schedule were proposed. i) The Cape Charles Town Harbor used a third-party company to process credit card payments. A surcharge credit card/service fee, not to exceed 1.5% of the total amount being paid, would be applied to all American Express, Discover, Visa and Mastercard transactions processed by Cape Charles Marine Services. This was a portion of the third-party service fee and did not represent revenue to the Town of Cape Charles; ii) Fee waivers had been requested and granted by the Town Council in the past for non-profit organizations. This issue was discussed at a previous work session and a general consensus of $750 was reached. The following would be advertised: Any nonprofit organization exempt from taxation under Internal Revenue Code Section 501 would be exempt from Building, Planning & Zoning fees up to $750 per project application. Waivers in excess of $750 might be granted upon petition at the discretion of the Town Council. This would be retroactive to November 1, 2023.

Other Issues: Councilman Follmer noted that John Hozey would be leaving in 14 months and brought up the recruitment process, suggesting an overlap of at least 6 months for the new manager. There was some discussion regarding the process and recommended overlap period, as well as the desire to hire an experienced town manager. This item would be discussed further during the FY 25 budget work sessions and funding would be included for recruitment. John Hozey added that a Council committee would be formed to begin working on a timeline. Councilman Follmer also noted that Bob Panek had been talking about retiring for the past several years. The Town had a lot of projects in the pipeline, so this position also needed discussion.

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

The work session was adjourned at 7:13 p.m.

Mayor Adam Charney

Town Clerk

January 4, 2024 Town Council Work Session

Mid-Year Budget Overview

General Fund

Increased Revenues:	$	309,972
Increased Expenditures:	$	309,972

General Capital Fund

Decreased Revenues:	$	(233,677)
Decreased Expenditures:	$	(233,677)

Utility Fund

Increased Revenues:	$	4,200
Increased Expenditures:	$	4,200
*Reduced draw on FB:	$	41,921

Harbor Fund

Decreased Revenues:	$	(60,433)
Decreased Expenditures:	$	(60,433)

Special Activities & Sanitation Funds - No Change

Fee Schedule - Minor Revisions

Project Overview

General Fund:

Beachfront Master Planning:	$	60,000
	$	60,000

General Capital Fund:

Community Trial Phase III:	$	75,532
Trail Project Lighting:	$	50,000
	$	125,532

Harbor Fund:

Breakwater and Inter-Harbor Bulkhead:	$	133,950
Contract incentive:	$	24,048
	$	157,998

AS OF 6/1/23

TOWN OF CAPE CHARLES FISCAL YEAR 2024 BUDGET PREP WORKSHEET

Account	Acct Name	FY22 Actual	FY23 Bdgt	FY2024 Requested	Bdgt inc/(dec)	NOTES
Fund: 110 General Capital						
Acct Type: Revenues						
Dept Desc:						
110-3700-2200	Grant - USDA Rural Development	$0.00	$3,000.00	$0.00	-100.0%	
110-3800-4000	Grant - VDOT Roads, Trails & Sidewalks	$0.00	$703,483.00	$703,483.00	0.0%	VDOT Grant T-21
110-3850-2000	Grant Other	$0.00	$176,750.00	$30,000.00	-83.0%	VTC ARPA 30K;
110-3900-1000	Appropriation from Gen Capital Fund Balance	$0.00	$0.00	$0.00		
110-3900-6000	Reappropriation Gen Capital Fund	$0.00	$166,255.00	$577,050.00	247.1%	FY 23 projects incomplete, contingency not used 55611; $226,439 Trail, $170K muni center;125,000 visitor cntr
110-3950-xxxx	Transfer from Gen Fund Other	$0.00	$0.00	$310,000.00		Transfer library sale funds
110-3950-2000	Transfer from Gen Fund for Capital 6%	$334,055.00	$215,830.99	$268,330.13	24.3%	
110-3950-2050	Transfer from Gen Fund Meals Tax .5%	$74,099.99	$75,000.00	$77,500.00	3.3%	
110-3950-2100	Loan Proceeds USDA Rural Dvlpmnt	$0.00	$9,000.00	$0.00	-100.0%	
110-3950-8130	Transfer from General Special Activities Fund	$0.00	$704,000.00	$479,850.00	-31.8%	179,850 newly appropriated ARPA Grant remaining;300k already appropriated prior year
110-3950-8520	Transfer from Sanitation Fund	$0.00	$160,224.00	$0.00	-100.0%	
Total General Capital Fund Revenue		**$408,154.99**	**$2,213,542.99**	**$2,446,213.13**	10.5%	
Acct Type: Expenses						
Dept Desc: 4121 TOWN MANAGER						
110-4121-8100	Transfer to Fund Balance	$0.00	$82,581.99	$480,150.00	481.4%	Remaining ARPA 179,850 plus transfers from meals tax and annual allocation of 301,150
Total Gen Capital Fund Town Mgr		**$0.00**	82581.99	**$480,150.00**	481.4%	
Dept Desc: 4430 PUBLIC WORKS						
110-4430-7010	Buildings & Improvements	$58,071.82	$1,029,000.00	$995,000.00	-3.3%	Municipal Bldg.210K, Library Reno.,310K Downtown Restroom & Visitors Ctr.455K P Wrks storage $20K
110-4430-7020	Infrastructure-Open Space, Parks & Outdoor Equip	$56,819.21	$60,200.00	$0.00	-100.0%	
110-4430-7040	Insfrastructure - Parking Lots	$0.00	$20,000.00	$0.00	-100.0%	
110-4430-7050	Infrastructure-Streets & Walkways	$6,724.33	$929,922.00	$929,922.00	0.0%	Community Trail Phase 3
110-4430-7070	Vehicles & Equipment	$0.00	$24,228.48	$0.00	-100.0%	
110-4430-7999	Capital Project Contingencies	$0.00	$55,610.52	$41,141.13	-26.0%	
Total Gen Capital Fund Public Works		**$121,615.36**	**$2,118,961.00**	**$1,966,063.13**	-7.2%	
Dept Desc: 4811 PLANNING						
110-4811-7080	Computers, Software & Electronic Equip - Planning	$0.00	$12,000.00	$0.00	-100.0%	
Total Gen Capital Fund Planning		**$0.00**	**$12,000.00**	**$0.00**	-100.0%	
Total Gen Capital Fund Expenses		**$121,615.36**	**$2,213,542.99**	**$2,446,213.13**	10.5%	
General Capital Fund Revenue less Expenditures		**$286,539.63**	**$0.00**	**$0.00**		

AS OF 5/4/23

TOWN OF CAPE CHARLES FISCAL YEAR 2024 BUDGET PREP WORKSHEET

Account	Acct Name	FY22 Actual	FY23 Bdgt	FY2024 Requested	Bdgt inc/(dec)	NOTES
Fund: 130 Special Activities						
Acct Type: Revenues						
Dept Desc:						
130-3300-1700	Interest on Bank Deposits	$143.83	$0.00	$0.00		
130-3650-6000	Recovery Town Mgr - Misc	$92,237.26	$16,425.00	$0.00	-100.0%	This was a self-insuranced health plan rebate - will not receive in FY23
130-3800-3000	Grant-Fire Program Funds (Passthru)	$15,000.00	$15,000.00	$15,000.00	0.0%	
130-3800-7000	Grant-VA State Promotion of the Arts Passthru	$2,500.00	$4,500.00	$4,500.00	0.0%	
130-3800-8000	Grant - Friends of the Library	$2,300.84	$6,000.00	$6,000.00	0.0%	
130-3800-9000	Grant Parks/Rec Faciliies & Equipment - CCP	$2,500.00	$7,817.48	$0.00	-100.0%	
130-3800-9910	Federal Grant - DHCD CDBG Small Bus Rcvry	$366,504.99	$0.00	$0.00		
130-3800-9920	Federal Grant - ARPA	$156,244.60	$528,615.00	$91,000.00	-82.8%	DCJS Grant for Police equipment and programs
130-3850-2000	Reappropriate Grant Funding Previous Year	$0.00	$372,370.00	$179,850.00	-51.7%	Appropriate remaining ARPA for capital project fund
Total Special Activities Fund Revenue		**$637,431.52**	**$950,727.48**	**$296,350.00**	-68.8%	
Acct Type: Expenses						
Dept Desc: 4121 TOWN MANAGER						
130-4121-4010	Grant Exp - Arts Enter Passthru	$2,500.00	$4,500.00	$4,500.00	0.0%	
130-4121-4020	Grant Exp- Fire Dept Passthru	$15,000.00	$15,000.00	$15,000.00	0.0%	
130-4121-4030	Grant Exp-Northampton Cnty Tourism Infrstr	$0.00	$0.00	$0.00		
130-4121-4125	Grant or Donation Misc. Passthru incl. PPEA	$83,575.38	$16,425.00	$0.00	-100.0%	
130-4121-4130	DHCD CDBG Small Business Rcvry Grant Exp	$349,765.07	$0.00	$0.00		
130-4121-4150	Federal Grant Exp - ARPA	$156,244.60	$196,985.00	$91,000.00	-53.8%	New Grant for Police Dept DCJS ARPA projects
130-4121-8110	Transfer to Capital Projects Fund 110	$0.00	$704,000.00	$179,850.00	-74.5%	remaining ARPA funds - transfer for capital projects
Total SA Town Manager Expenses		**$607,085.05**	**$936,910.00**	**$290,350.00**	-69.0%	
Dept Desc: 4430 PUBLIC WORKS						
130-4430-4110	Grant Exp - Citizens for Central Park	$2,500.00	$7,817.48	$0.00	-100.0%	
Total SA Fund Public Works		**$2,500.00**	**$7,817.48**	**$0.00**	-100.0%	
Dept Desc: 4730 LIBRARY						
130-4730-4110	Grant Exp- Friends of the Library	$5,383.04	$6,000.00	$6,000.00	0.0%	
Total SA Fund Library		**$5,383.04**	**$6,000.00**	**$6,000.00**	0.0%	
Total SA Fund Expenses		**$614,968.09**	**$950,727.48**	**$296,350.00**	-68.8%	
Special Activities Fund Revenue Less Expenses		**$22,463.43**	**$0.00**	**$0.00**		

General Capital Fund Reserve

Adopted Budget

Audited fund balance (June 30, 2022):	$	286,540	
Transfer to fund balance:	$	480,150	
Total available:	**$**	**766,690**	

Mid-Year Budget

Audited fund balance (June 30, 2022):	$	286,540	
Transfer to fund balance:	$	130,941	
Total available:	**$**	**417,481**	**$ (349,209)**

FY 24 Mid-Year Budget Adjustment

	Budget	YTD as of 11/30	Projected	Change	Notes
GF Revenue					
100-3010-2019 Real Property Tax 2019	$ 2,000.00	$ -	$ -	$ (2,000.00)	
100-3010-2020 Real Property Tax 2020	$ 2,000.00	$ -	$ -	$ (2,000.00)	
100-3010-2021 Real Property Tax 2021	$ 6,500.00	$ 956.23	$ 1,000.00	$ (5,500.00)	
100-3010-2022 Real Property Tax 2022	$ 20,000.00	$ 8,485.57	$ 8,485.57	$ (11,514.43)	
100-3010-2023 Real Property Tax 2023	$ 1,605,700.00	$ 1,203,424.84	$ 1,690,167.00	$ 84,467.00	Total tax levy multiplied by historic collections rate of 98%
100-3020-2018 Personal Property Tax 2018	$ -	$ 71.49	$ 71.49	$ 71.49	
100-3020-2019 Personal Property Tax 2019	$ 2,000.00	$ 0.45	$ 0.45	$ (1,999.55)	
100-3020-2020 Personal Property Tax 2020	$ 3,000.00	$ 206.00	$ 206.00	$ (2,794.00)	
100-3020-2021 Personal Property Tax 2021	$ 4,000.00	$ 569.99	$ 569.99	$ (3,430.01)	
100-3020-2022 Personal Property Tax 2022	$ 45,000.00	$ 19,776.37	$ 19,000.00	$ (26,000.00)	
100-3020-2023 Personal Property Tax 2023	$ 96,800.00	$ 52,513.33	$ 92,787.00	$ (4,013.00)	
100-3025-2018 License Tax 2018	$ -	$ 31.00	$ 31.00	$ 31.00	
100-3025-2020 License Tax 2020	$ 1,000.00	$ -	$ -	$ (1,000.00)	
100-3025-2021 License Tax 2021	$ 1,550.00	$ 62.00	$ 31.00	$ (1,519.00)	
100-3025-2022 License Tax 2022	$ 6,000.00	$ 5,259.82	$ 5,259.82	$ (740.18)	
100-3035-2023 Machinery & Tools Taxes 2023	$ 25,000.00	$ -	$ 23,299.00	$ (1,701.00)	
100-3050-1000 Golf Cart Decals	$ 20,150.00	$ 3,466.83	$ 39,519.43	$ 19,369.43	Based on YTD increase over prior YTD
100-3050-1100 Consumer Utility Taxes - Elec & Gas	$ 61,581.00	$ 26,922.51	$ 49,221.39	$ (12,359.61)	
100-3050-1200 Communications Tax - Phone	$ 31,000.00	$ 12,884.69	$ 30,299.92	$ (700.08)	
100-3050-1300 BPOL - ALL	$ 295,000.00	$ 20,228.06	$ 412,082.10	$ 117,082.10	Estimate based on arrears payment
100-3050-1400 Admission Taxes	$ 22,000.00	$ 15,009.10	$ 27,985.17	$ 5,985.01	
100-3050-1500 Transient Occupancy Tax	$ 680,000.00	$ 398,151.01	$ 638,112.76	$ (41,887.24)	
100-3050-1600 Meals Tax	$ 775,000.00	$ 487,227.84	$ 824,069.94	$ 49,069.94	Estimate based on arrears payment
100-3050-1650 Meals Tax .5% for Capital Projects	$ 77,500.00	$ 49,377.95	$ 82,407.00	$ 4,907.00	
100-3050-1700 Short Term Rental Tax	$ 16,000.00	$ 9,340.42	$ 17,712.44	$ 1,712.44	
100-3050-1750 County Cigarette Tax Sharing	$ 30,000.00	$ 9,925.27	$ 24,527.31	$ (5,472.69)	
100-3050-1800 Rolling Stock & Misc Taxes	$ 175.00	$ 240.94	$ 240.94	$ 65.94	
100-3100-1260 Elevator Permits	$ 1,000.00	$ 1,298.80	$ 1,298.80	$ 298.80	
100-3100-1350 Occupancy Permits, Temporary	$ 2,000.00	$ 8,000.00	$ 8,000.00	$ 6,000.00	
100-3100-1410 Shallow Well Permits	$ 1,000.00	$ 1,900.00	$ 1,900.00	$ 900.00	
100-3100-1560 Fire Permit	$ -	$ 473.03	$ 473.03	$ 473.03	
100-3100-1570 Sign Permit P/Z	$ 200.00	$ 300.00	$ 300.00	$ 100.00	
100-3200-1600 Court Fines and Forfeitures	$ 59,397.00	$ 39,244.11	$ 68,594.82	$ 9,197.82	
100-3300-1750 Dividends & Interest on Investments	$ 38,473.00	$ 59,664.93	$ 59,664.93	$ 21,191.93	
100-3500-2000 Sale of Town Real Property	$ 560,000.00	$ 300,010.00	$ 610,010.00	$ 50,010.00	Monroe Ave. lot sold for more than expecteed but current projection includes sale of library which may be delayed
100-3600-4000 Insurance Proceeds, Refund or Misc Rebate	$ -	$ 5,785.11	$ 5,785.11	$ 5,785.11	Police chase/accident in park
100-3700-2200 Grant Gen Fund - USDA RD	$ 14,875.00	$ 26,000.00	$ 26,000.00	$ 11,125.00	One USDA funded police vehicle budgeted in FY23 was delayed into FY24
100-3750-3000 Local SALES & USE Taxes	$ 80,000.00	$ 46,640.00	$ 100,000.00	$ 20,000.00	Based on historical comparison, adjusted for outlier
100-3800-5000 Grant - Litter Prevention Grant (DEQ)	$ 1,650.00	$ 2,085.00	$ 2,085.00	$ 435.00	
100-3800-8000 Grant - Library Program Other	$ -	$ 900.00	$ 900.00	$ 900.00	
100-3850-2000 Grant Other - Northampton County	$ 12,500.00	$ -	$ 16,750.00	$ 4,250.00	$4,250 for Dock Dogs
100-3950-2100 Loan Proceeds USDA Rural Devlpmnt	$ 27,625.00	$ 48,800.00	$ 48,800.00	$ 21,175.00	One USDA funded police vehicle budgeted in FY23 was delayed into FY24
General Fund Revenue Total				**$ 309,972.26**	

	Budget	YTD as of 11/30	Projected	Change	
GF Expenses					
Town Manager					
100-4121-3410 Professional Services	$ 75,000.00	$ -	$ 35,000.00	$ (40,000.00)	
100-4121-3420 Consulting Svcs Gen Fund	$ -	$ -	$ 100,000.00	$ 100,000.00	Beachfront Master Planning
100-4121-5000 Tax Refund - Prior Year, (RE, PP, BPOL, MISC)	$ 1,800.00	$ 2,194.22	$ 2,194.22	$ 394.22	
100-4121-5090 Lease, Right of Way	$ 3,750.00	$ 6,326.35	$ 6,326.35	$ 2,576.35	
100-4121-6100 Program & Event Supplies	$ 35,000.00	$ 29,509.61	$ 36,996.00	$ 1,996.00	
100-4121-6125 Event Departmental Equipment	$ 5,000.00	$ 7,253.68	$ 7,253.68	$ 2,253.68	
100-4121-8110 Transfer to Gen Capital Proj Fund - Min 6%	$ 268,330.00	$ -	$ 339,746.00	$ 71,416.00	
100-4121-8111 Transfer .5% Meals tax to Cap Proj Fund	$ 77,500.00	$ 49,377.95	$ 82,407.00	$ 4,907.00	
100-4121-8510 Transfer to Harbor Fund	$ 333,000.00	$ -	$ 417,164.00	$ 84,164.00	
Town Manager Total				**$ 227,707.25**	
Finance					
100-4124-1200 PT Salaries & Wages Finance	$ 9,450.00	$ 9,988.71	$ 20,000.00	$ 10,550.00	More hours than budgeted for Debbie & Libby L.
100-41243700 Auditor & Accountant Services	$ 32,000.00	$ -	$ 45,000.00	$ 13,000.00	Single Audit required if >$750,000 of federal funds expended & RFC to handle utility sale
Finance Total				**$ 23,550.00**	
Police					
100-4310-1100 Regular Salaries & Wages OT Police	$ 7,000.00	$ 6,034.50	$ 10,000.00	$ 3,000.00	Many court hours
100-4310-5205 Travel-Mileage, Parking & Tolls - Pol. Acad	$ -	$ -	$ 1,800.00	$ 1,800.00	Tolls to police academy for 2 new officers
100-4310-5210 Travel-Lodging & Meals	$ 1,000.00	$ -	$ 3,700.00	$ 2,700.00	Meals while travelling to police academy for 2 new officers
100-4310-6200 Vehicle & Powered Equip. Supplies & Svcs	$ 12,000.00	$ 8,807.14	$ 16,000.00	$ 4,000.00	Older vehicle needed new water pump
100-4310-6225 Repair & Maintenance Supplies Police	$ 1,500.00	$ 3,221.53	$ 7,285.11	$ 5,785.11	Police chase/accident in park, offset by insurance proceeds
100-4310-7070 Vehicles & Equipment	$ 86,000.00	$ 52,751.16	$ 118,300.00	$ 32,300.00	One police vehicle budgeted in FY23 and offset by USDA grant/loan revenue
Police Total				**$ 49,585.11**	
Code Enforcement					
100-4340-6150 Computer, Software & Electronics <$10K	$ 1,400.00	$ 2,057.40	$ 2,057.40	$ 657.40	One computer from FY23 budget purchased in FY24
Code Enforcement Total				**$ 657.40**	
Public Works					
100-4430-1100 Regular Salaries & Wages OT Pub Works	$ 20,000.00	$ 13,032.42	$ 25,000.00	$ 5,000.00	Unusually busy season
100-4430-4070 Grant Exp - VML Risk Mngmnt Grant Exp	$ -	$ 3,472.50	$ 3,472.50	$ 3,472.50	Not originally budgeted for
Public Works Total				**$ 8,472.50**	
General Fund Expenses Total				**$ 309,972.26**	
General Fund Revenue Less Expenditures				**$ -**	
Capital Fund Revenue					
110-3950-2000 Transfer from Gen Fund for Capital 6%	$ 268,330.00	$ -	$ 339,746.00	$ 71,416.00	
110-3950-2050 Transfer from Gen Fund Meals Tax .5%	$ 77,500.00	$ 49,377.95	$ 82,407.00	$ 4,907.00	
110-3950-8130 Transfer from Special Activities Fund	$ 479,850.00	$ -	$ 179,850.00	$ (300,000.00)	Fixing clerical error in original adopted budget
Capital Fund Revenue Revenue Total				**$ (223,677.00)**	
Capital Fund Expenses					
110-4121-8100 Transfer to Fund Balance	$ 480,150.00	$ -	$ 130,941.00	$ (349,209.00)	
110-4430-7050 Infrastructure-Streets & Walkways	$ 929,922.00	$ 49,998.31	$ 1,055,454.00	$ 125,532.00	For Community Trail, Phase 3 including lighting
Capital Fund Expenses Total				**$ (223,677.00)**	
Capital Fund Revenue Less Expenditures				**$ -**	

	Budget	YTD as of 11/30	Projected	Change	
Utility Fund Revenue					
501-3300-2000 Dividends & Int. on Investments - Util	$ 60,000.00	$ 65,720.80	$ 65,721.00	$ 5,721.00	Based on YTD hostorical comparison
501-3500-1501 Water Sales	$ 665,000.00	$ 293,180.91	$ 685,000.00	$ 20,000.00	Based on YTD hostorical comparison
501-3500-1502 Sewer Charges	$ 1,180,000.00	$ 524,862.95	$ 1,200,000.00	$ 20,000.00	Based on YTD hostorical comparison
501-3500-3501 Penalties & Interest - Water Charges	$ 8,400.00	$ 3,987.82	$ 8,700.00	$ 300.00	Based on YTD hostorical comparison
501-3500-3502 Penalties & Interest Wastewater Charges	$ 15,400.00	$ 7,325.44	$ 15,500.00	$ 100.00	Based on YTD hostorical comparison
501-3900-6000 Appropriation from Fund Balance	$ 1,615,000.00	$ -	$ 1,573,079.00	$ (41,921.00)	
Utility Fund Revenue Total				**$ 4,200.00**	
Utility Fund Expenses					
501-4502-6175 Vehicles & Powered Equipment Fuel	$ 6,800.00	$ 8,966.91	$ 11,000.00	$ 4,200.00	Had to run a diesel bypass pump due to problem at Mason Ave. pump station
Utility Fund Expenses Total				**$ 4,200.00**	
Utility Fund Revenue Less Expenses				$ -	
Harbor Fund Revenue					
510-3150-1000 Harbor Fuel Sales	$ 554,666.00	$ 253,465.36	$ 420,926.88	$ (133,739.12)	General reduction in harbor traffic since COVID peak per Nicole
510-3150-2000 Dockage Fees	$ 406,559.00	$ 194,228.00	$ 400,939.43	$ (5,619.57)	General reduction in harbor traffic since COVID peak per Nicole
510-3150-2100 Harbor Electric and Water	$ 31,000.00	$ 12,640.00	$ 25,751.68	$ (5,248.32)	General reduction in harbor traffic since COVID peak per Nicole
510-3950-2110 Transfer from General Fund	$ 333,000.00	$ -	$ 417,164.00	$ 84,164.00	
Harbor Fund Revenue Total				**$ (60,443.01)**	
Harbor Fund Expenses					
510-4713-3415 Management Services Exp - CC Marine Services	$ 315,000.00	$ 115,585.21	$ 284,955.00	$ (30,045.00)	Adjusted to account for reduced fuel sales
510-4713-6225 Repair & Maintenance Supplies Harbor	$ 123,290.86	$ 6,470.75	$ 61,645.15	$ (61,645.71)	CCMS is not staffed to undertake repairs to the extent budgeted
510-4713-6400 COGS - Fuel for Resale	$ 443,284.00	$ 212,235.99	$ 336,292.70	$ (106,991.30)	Adjusted to account for reduced fuel sales
510-4713-7085 Infrastructure - Docks & Misc CAP BDGT	$ 499,000.00	$ 22,737.50	$ 656,998.00	$ 157,998.00	Breakwater repair & upgrade, includes $24k incentive unlikely to be owed
510-4713-6900 Contingency Fund Expense Harb Fund	$ 95,687.00	$ -	$ 50,000.00	$ (45,687.00)	
New Expense Line Item - Credit Card Fees	$ -	$ -	$ 8,750.00	$ 8,750.00	Town's half of CC fees for 1/2 of FY24 under new harbor K
New Expense Line Item - Legal Fees	$ -	$ -	$ 17,178.00	$ 17,178.00	Underhill eviction
Harbor Fund Expenses Total				**$ (60,443.01)**	
Harbor Fund Revenue Less Expenditures				$ -	

Budget Adjustment Summary

To cover projected expenditures, the Capital Fund will need an additional $125,532. In addition, a structural error in the Capital Budget needs to be corrected. Both of these needs can be covered by reducing the transfer to fund balance that was built into the original capital budget. The Harbor Fund will need an increased transfer from the General Fund in the amount of $84,164 to cover its net decrease in revenue over expenditures. General Fund revenue minus expenditures are projected to be $84,164 greater than the amount budgeted, enough to cover the harbor's needs without an additional appropriation from General Fund balance. Note that the Harbor Fund only needs this additional funding to cover the costs of breakwater repair and upgrade. Finally, Utility Fund revenue minus expenses are projected to be higher than budgeted. The Utility Fund was budgeted to fund itself out of its own fund balance, this appropriation can be decreased accordingly.

MID-YEAR BUDGET AMENDMENTS TO FEE SCHEDULE

The following amendments to the town fee schedule, originally adopted as part of the FY24 budget, are proposed:

1) The Town of Cape Charles Harbor uses a third-party processor to process credit card payments. A surcharge credit card fee or service fee not to exceed one and a half percent of the total amount being paid will apply to all **American Express, Discover, Visa and MasterCard credit card transactions** processed by Cape Charles Marine Services at the town harbor. This is a portion of the third-party service fee and does not represent revenue to the Town of Cape Charles.

2) Waiver of fees for nonprofit organizations, limited to $750 per project application — Any nonprofit organization exempt from taxation under Internal Revenue Code Section 501 will be exempt from fees listed in "Town of Cape Charles – Building, Planning & Zoning Fee Schedule", up to the amount of $750 per project application. Waivers in excess of this amount may be granted, upon petition, at the discretion of Town Council. Retroactive to November 1, 2023.

DRAFT

TOWN COUNCIL

Public Hearing & Regular Meeting

Cape Charles Civic Center

January 18, 2024

6:00 PM

At approximately 6:00 p.m. Mayor Adam Charney, having established a quorum, called to order the Public Hearing & Regular Meeting of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Butta and Grossman. Councilman Follmer was out of town and participated via teleconference from Minocqua, WI. Councilwoman Holloway was not in attendance. Also, in attendance were Town Manager John Hozey, Planner/Zoning Administrator Katie Nunez, Police Chief Jim Pruitt, Assistant to the Town Manager Julie Pruitt, and Town Clerk Libby Hume. There were 13 members of the public physically in attendance, and 14 viewers on Facebook.

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

PUBLIC HEARING:

A. Zoning Map Amendment 2023-04 – Rezone Tax Map parcels #83A3-1-644 & 83A3-1-641 from Commercial-1 to Residential-1:

Planner/Zoning Administrator Katie Nunez gave an overview of the process to date as follows: i) The process began in November 2023 when the Town Council passed a resolution of intent authorizing staff to file the necessary paperwork to rezone tax map parcels #83A3-1-644 and 83A3-1-641 from Commercial-1 to Residential-1; ii) The application was initiated as part of the Library Building Project for which proposals were solicited seeking to redevelop the library building and potentially the two lots affiliated with the library; iii) These two residentially-sized lots were directly behind the library and fronted on Randolph Avenue; iv) As part of the review of the proposals, Town Council determined that a commercial development or high density residential development were not conducive for the characteristic of the Randolph Avenue neighborhood. Town Council agreed that these two lots were better suited as Residential-1 and directed staff to being the process of rezoning the lots with the intent of seeking and having the rezoning in place prior to the finalization of any development contract for the library project; v) Since this process began, the selected developer modified their proposal to exclude the two lots. Bids would be solicited for each of the two lots, but Council's preference was for the rezoning process to be completed prior to advertising for the bids; vi) At the Planning Commission public hearing, concerns were voiced related to maintaining the easement behind the library building along the two lots. A meeting was held of adjacent property owners and affected parties relative to the easement discussion as well as dumpsters for trash, recycling and cardboard materials, parking for residential units, and location of other ancillary services.

John Barrett, resident

Mr. Barrett stated that he participated in last Tuesday's meeting of adjacent property owners and affected parties, adding that the majority of attendees were opposed to the Randolph Avenue easement being closed. The representatives at the meeting advised them that the easement would not be closed. Otherwise, he did not oppose any of the other proposed changes.

Carrie Barrett, resident

Ms. Barrett stated that it was unclear as to whether the easement was to be considered part of the sale. Other property owners had talked to Katie Nunez about reserving parking spaces, and were interested in possibly purchasing one of the lots together. Ms. Barrett asked for a copy of the survey information on the lots if available, as well as clarification regarding the easement.

Jon Dempster, owner of Brown Dog Ice Cream
Mr. Dempster stated that he was unable to attend the meeting of property owners but wanted to reiterate his position regarding retaining the dumpsters and ability to receive deliveries at the back of the building as Mason Avenue got congested, especially during the summer, and having to receive deliveries from Mason Avenue could create a public safety hazard. The area currently had one trash dumpster and he had four additional trash receptacles and could use more. Condensing the dumpsters down to one to be shared by all the businesses in that area would create a trash issue which was the last thing needed in the town as people would put their trash wherever they could. He asked that the issues of trash and deliveries be addressed. He was not opposed to the rezoning, but recommended that a survey be obtained showing the proper property boundaries, etc. It would be a tremendous issue if the current information was incorrect. Mr. Dempster concluded by reading an excerpt from Mr. Mark Pugh's letter dated November 14, 2023 which was included in the agenda packet.

Town Clerk Libby Hume read comments submitted in writing from Mr. Mark Pugh and Ms. Ann Hayward Walker. (Please see attached.)

B. *Proposed Master Tree Plan:*

Jeff Klingel, resident/Virginia Nursery & Landscape Association certified horticulturist
Mr. Klingel stated that there was some confusion about the proposed Master Tree Plan. The plan that was linked in the Gazette referred to competitive pricing being obtained but he had not seen a request for proposals (RFP) issued. No one else that he had spoken to was aware of an RFP, and he expressed his confusion about the process. He stated that he did not mean any disrespect to the volunteers who put the plan together, but asked about the criteria used to chose the species and timeframe for installing the recommended trees.

Libby Hume read comments submitted in writing from Ms. Ann Hayward Walker. (Please see attached.)

There were no additional comments to be heard nor any additional comments received in writing prior to the meeting for either public hearing item.

Motion made by Vice Mayor Bennett, seconded by Councilman Butta, to close the public hearing portion of the meeting. The motion was approved by unanimous vote.

The public hearing was closed at 6:17 p.m.

RECOGNITION OF VISITORS / PRESENTATIONS/RECOGNITIONS:
There were no visitors, presentations or recognitions for review.

PUBLIC COMMENTS: (3 MINUTES PER SPEAKER)

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

CONSENT AGENDA
A. Approval of Agenda Format
B. Approval of Minutes:
   i. December 21, 2023 Town Council Regular Meeting
C. Approval of November 30, 2023 Financial Report

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

UNFINISHED BUSINESS:
There was no unfinished business for review.

NEW BUSINESS:

A. *Proposed Master Tree Planting Plan – Resolution 20240118:*

John Hozey stated the following: i) There were several versions of the plan. The final version was dated January 2024, and was posted with the agenda. If you clicked the link on the action item, it took you to the correct version. If you clicked on the public hearing link, the older December 2023 version came up. The location included in the public hearing notice was to the correct version. If you reviewed the December 2023 version, it was not the plan being considered this evening, but hard copies of the January 2024 version were available in the back of the room for review. The plans were substantially similar, but not identical; ii) The Tree Advisory Board (TAB) had been working with the Town on a number of issues related to trees, such as Arbor Day and maintaining the tree canopy. Since TAB was not an officially appointed board, nor a non-profit organization, a line item was reserved in the Public Works budget for TAB. The Town looked to TAB for recommendations related to trees; iii) Most of the recommended plantings were for placement in the public right-of-way (ROW) which belonged to the Virginia Department of Transportation (VDOT). When TAB contacted VDOT requesting permission to plant in the ROW, they were informed that a Town Council resolution and plan were required iv) The proposed plan was a multi-year plan, but there were too many variables to plan beyond the first year. The intent was to review the plan annually along with the available funding. Implementation of the plan was flexible regarding the variety of species and homeowner involvement would be sought. Members of TAB were making personal contact with the homeowners of the properties recommended for plantings. The Town would also send a formal letter; v) In response to Mr. Klingel's comments, TAB contacted several contractors to obtain pricing, but a full RFP was not issued, and that information was now stale. He asked TAB to put together a real RFP and get it on the street. Ms. Jane McKinley of TAB stated that the RFP was issued on January 5th. Councilman Buchholz asked if it was advertised. Ms. McKinley was not aware of any advertising, but it had been emailed to four businesses as TAB was not aware of any other businesses that would be interested. John Hozey added that the bid opening could be delayed so the RFP could be posted properly. It was noted that the delay could result in plantings not being done until the fall; vi) John Hozey went on to state that this evening's action was to approve the plan so it could be submitted to VDOT along with the request to plant in the public ROW.

Motion made by Vice Mayor Bennett, seconded by Councilman Grossman to adopt Resolution 20240118 Adopting a Cape Charles Master Tree Planting Plan.

There was much discussion as follows: i) Ms. McKinley asked if TAB would be responsible for initiating the process of advertising the RFP to which John Hozey responded that the Town would issue the RFP; ii) Councilman Grossman referred to the comments received regarding placement and types of trees and their effect on utility lines, etc. and asked if locations and utility placement had been reviewed. ANEC was also burying electric lines which needed to located. Ms. McKinley responded that TAB looked at the proximity of overhead lines but did not study the root system of the proposed trees and agreed that it was a valid point to look at the Town's sewer lines. Ms. McKinley added that it was the responsibility of the contractor to call Miss Utility for other underground utility lines; iii) Ms. McKinley added that regarding the comments about views, when the tree was young it would block some views but as it grew taller, the view obstruction was less of an issue. Cleanup of leaves, acorns, etc. would be the responsibility of the homeowner. This would be included in the letter that would be going out to the homeowners, as well as when talking to the homeowners. If the homeowners objected, there were plenty of good locations for trees to be planted iv) Councilman Buchholz suggested TAB drive to Bay Creek to look at the willow oaks, adding that curbs, asphalt and sidewalks had to be replaced because of the trees. A species with roots going down versus going out would be more appropriate. Ms. McKinley stated that red oaks were the most valuable trees for wildlife, but it was worth looking at other options;

v) Vice Mayor Bennett commented as follows: a) He expressed his confusion about whether this was a Master Tree Plan or a Master Tree Planting Plan, adding that a master plan should describe the whole program. This appeared to be a one-year planting plan; b) He asked how the locations were chosen, adding that the tree placement looked willy-nilly and did not appear to have been coordinated with anyone. Understory trees should be planted underneath others and did not appear to be the case in this plan; c) $10K for 13 trees seemed excessive; d) He was hesitant to jump into a plan that was open-ended and people funded; e) It was his personal opinion that this was a little premature and more work was needed in the master plan to define what we were attempting to do. A proper advertisement was needed for the bidding process, and we were likely to get better pricing and more trees for the money; vi) Ms. McKinley stated that when selecting locations, TAB looked at the route coming into town where Stone Road turned into Randolph Avenue. The area was barren of landscaping. They looked at Tazewell and Plum to enhance those areas. Central Park was such a popular place and looked very nice, but the outer areas could use more trees; vii) Councilman Butta asked why TAB didn't choose to replace the existing dead trees first and recommended that this needed to be addressed as the plan was flushed out. Ms. McKinley stated that Councilman Butta had a valid point, but TAB's goal was to identify locations where they could get the most aesthetic value coming into the town. The locations of some of the old trees could possibly not be desirable. To meet their goal, TAB looked at the most visible areas for residents and visitors; viii) Phil Goetkin of TAB provided more background on the selection of trees and locations as follows: a) The plan was meant to be more of a longer-term tree planting plan; b) TAB's goal was to enhance the tree canopy in town with the addition of more trees; c) They looked at each lot in town and the biggest impediment was the overhead wires. They also looked at every street and avenue from both directions to get a subjective feel, and a visual look to add aesthetic beauty; d) The initial goal was to plant as many large canopy trees as possible for the most impact. In future years, there was plenty of room for other trees to be planted around town; e) It was TAB's opinion that Randolph was a good place to start since it was the main street coming into town. They wanted to continue down Randolph and Mason but there were a lot of other areas in town needing trees; ix) Vice Mayor Bennett commented that this was the type of information to include in a master plan; x) John Hozey stated that this was only being done because it was a VDOT requirement. We only needed a one-year plan to get VDOT approval. There were too many variables to develop a true master plan. Staff and TAB were just trying to execute the budget that was approved by the Town Council; xi) Councilman Butta suggested adding language about future areas and cost estimates, and asked if VDOT required a master plan versus a tree planting plan. John Hozey responded that VDOT did not require a master plan. Vice Mayor Bennett agreed with Councilman Butta, adding that the plan should be titled as the Historic District Planting Plan.

Motion made by Councilman Butta, seconded by Councilman Buchholz, to change the name of the plan to the Cape Charles Tree Planting Plan. The motion was approved by unanimous vote.

Councilman Buchholz asked if VDOT needed a specific species of tree in the request. Mr. Goetkin responded that VDOT had a preferred list of trees, and the recommended trees were all acceptable to VDOT. In addition, there were red oaks currently in the town, and they did have acorns, of which he heard complaints.

John Hozey stated that once the bid was awarded, the contractor's recommendations would be reviewed, the homeowners would be contacted, and any complaints would be taken into consideration before finalization of the trees to be planted.

The motion to adopt Resolution 20240118 was approved by majority vote with Vice Mayor Bennett and Councilman Follmer opposed. Roll call vote: Bennett, no; Buchholz, yes; Butta, yes; Follmer, no; Grossman, yes.

It was noted that the resolution would be updated with the amended name of the plan.

B. *Zoning Map Amendment 2023-04 - Tax Map Parcels #83A3-1-644 & 83A3-1-641:*
Katie Nunez explained that there were 8' easements from Randolph Avenue to the rear corner of the first lot, turning 90 degrees along the backside of the Mason Avenue buildings. It was not a public alley. The Town had no intention of abandoning the easement. After the Planning Commission's public hearing, a neighborhood meeting was held and she thought the Town's position was clarified, but apparently there was still some concern based on the comments heard this evening.

John Hozey stated that he attended the neighborhood meeting and thought that the Town's intention was made clear as well. The Town had existing easements from Randolph Avenue ,but they were very narrow. Staff felt it would be better to have it come in from Pine Street versus Randolph Avenue, but from this evening's comments, he heard that the property/business owners did not want to lose the Randolph access, which was fine and it would be kept. Staff was still in the process of working with the developer regarding all the issues. Most of the comments heard were not related to zoning, but dealt with trash, parking, etc. These issues would be reviewed at a later date.

Councilman Grossman added that it appears that all stakeholders who spoke this evening were against voiding the easement, so he recommended keeping them. All the concerns heard were valid, and discussions/decisions would be made in the future. This evening's action was just for the rezoning of the two lots from Commercial-1 to Residential-1.

There was further discussion as follows: i) Katie Nunez noted that rezoning these lots would only put in the zoning for residential as indicated by the Town Council. The Town could continue to hold these lots as vacant lots if so desired; ii) Councilman Buchholz stated that past discussion was to use these lots for parking. John Hozey responded that up until the library development project, there had been some discussion about using the lots for parking, but since that time, it was felt that the lots were better suited for residential. Some of the adjacent property owners expressed an interest in going together to purchase the inner lot for parking, trash management, etc., and the Town would work with them if they were to pursue this avenue; iii) Councilman Buchholz asked if the lots were rezoned as residential, could the adjacent property owners still pursue their idea of purchasing a lot and using it for parking, etc. John Hozey stated that their plan could be permitted by conditional use, adding that he told the property owners that the Town would be open to working with them and wanted the best use of the lot for all, not necessarily the top dollar. John Hozey reiterated that tonight's action was just to rezone the property and future discussions would be held to address everyone's concerns; iv) Councilman Butta stated that several comments mentioned surveys and asked if we knew where the property boundaries were. Katie Nunez responded that the Town provided the most recent survey which was done when the Town purchased the property from the Bank of America; v) Katie Nunez went on to state that the Planning Commission recommended Town Council approval of the rezoning. John Hozey added that staff agreed with the Planning Commission.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to adopt Ordinance 20240118 Amending Cape Charles Zoning for Tax Map Parcels #83A3-1-644 & 83A3-1-641 from Commercial-1 to Residential-1. The motion was approved by unanimous vote. Roll call vote: Bennett, yes; Buchholz, yes; Butta, yes; Follmer, yes; Grossman, yes.

TOWN MANAGER COMMENTS
John Hozey commented as follows:
i) The 2023 Community Survey had officially been closed out and we received an incredible response. The first year we received 442 responses, 452 last year, and this year we had 581 responses. He was very pleased with the results but was now going through the data. The survey results presentation would be on February 1st.

ii) The State Corporation Commission released their staff report related to the sale of the public utilities. 200 of the 400-page report was made public and he was now signing all the appropriate agreements to obtain access to the confidential portions. Overall, things looked promising, and he would provide more details after he received the report next week.
iii) Staff was working with contractors regarding the visitors' center trying to finesse the scope for more reasonable bids. We were waiting for the general contractors to get their information from the sub-contractors. Unfortunately, the numbers are not as good as we hoped, but they were better than the previous bids received. We would be going back out for another round of bids. Afterwards, another work session would be scheduled to review design changes, etc. We currently had two contractors engaged with a potential third contractor.
iv) Our audit was scheduled for February 22 and 23.
v) He had no personnel changes to report.
vi) He would be out of the town tomorrow, but back on Saturday and would be reviewing the survey data.

MAYOR AND COUNCIL COMMENTS

Vice Mayor Bennett stated that he was asked to say a few words at the unveiling of the historic tour and plaque for the Carver Theater site. Unfortunately, he wrote the wrong date on his calendar and was notified afterwards that he had missed the event. He apologized, and recommended everyone to visit the Cape Charles Invisible Tour website which was incredible. This was a terrific effort and he was truly sorry that he missed the event.

Councilman Grossman stated that the Virginia Municipal League had been sending updates on bills and there were several that we needed to follow closely. House Bill 1328 would move transient occupancy tax collections from intermediaries (Airbnb, VRBO, etc.) to the state level. The state would collect the taxes and send localities their portion. This had not yet been referred to the committee, but we needed to get our opinion on the record. This session would continue into early February.

There were no additional comments.

Mayor Charney read the announcements.

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

The Public Hearing & Regular Meeting adjourned at 7:08 p.m.

____
Mayor Charney

____
Town Clerk

January 18, 2024 Town Council Regular Meeting
Comments and Information Provided in Writing

Mark Pugh, Kookaburra LLC

Kookaburra LLC

211 Mason Ave, Cape Charles, VA 23310

January 18, 202

Dear Cape Charles Town Council:

This letter is a request that the Council delay, until November 2024, the change in zoning request approved by the Planning Commission and submitted by the Town of Cape Charles for Tax Map #83A3-1-644 and Tax Map #83A3-1-641.

The Town of Cape Charles is at a fork in the road with the rezoning of these two lots. It can be a shining example of leadership with good zoning for the future or act like a private entity in search of a quick buck.

A wise delay will give the Town the ability to see how several items will affect the neighborhood that have recently came to light as affected property owners have mobilized and become more informed.

The Town is currently looking at legislation that will affect short term rentals. If a limitation on short term rentals is enacted, the Town Council should also place that burden on these undeveloped lots. This will affect the property value of the Town owned lots and they should be under the same obligation if they decide to impose regulations on other property owners. Put your money where your mouth is.

The Town also needs to look at required on-site parking. New development should be required to have off street, on-site parking requirements to meet the Town's needs that have evolved.

211 MASON AVE, CAPE CHARLES, VA 23310
WWW.KCOAST.COM

With regards to parking, the Town zoning code is operating under the parking needs of a 1924 working class railroad town in a tourist town of 2024. I have to repeat that to stress it's impact.

The Town zoning code is operating under the parking needs of a 1924 working class railroad town in a tourist town of 2024.

We all know the residential zoning currently requires no off-street parking. We all know if the lots are rezoned and developed odds are they may contain a 6 BR 6 1/2 BA and a 5 BR 5 1/2 BA short term rental house, the smaller due to the Randolph easement eating away the building envelope. That may be 10 to 15 street parking spaces the development of the lots may use given many STRs are used by multiple or extended families with some guests arriving at various days.

The Town sells off the lots while the residents are left holding the steaming bag of parking problems.

Minimum required parking on new development would relieve the street impact, lessen the building envelope to stop a "mini hotel" and better serve the community while allowing for responsible development.

The Town of Cape Charles can lead for the future or simply push through to make a fast buck.

Sincerely,

Mark A. Pugh

Kookaburra LLC

****

Ann Hayward Walker, resident

Re: Proposed 2024 Multi-Year Master Tree Plan

Trees are a vital part of the town's appeal, plus they add high value to the community and natural landscape. We are fortunate to have the Tree Advisory Board give their time and expertise in developing the master tree plan. I am a supporter of tree additions that provide native wildlife benefits and oak trees are one of the best selections for that purpose. I have concerns about the proposed Red Oak trees on Randolf which, IF I have looked at the correct species, is fast growing, grows to 50-75 ft. tall and is equally as wide. While oaks have a deep and strong taproot, they also have an extensive lateral root system near the surface.

I'd like to raise some other considerations for selecting the specific trees in the DOT Hell Strip in town, which are close to sidewalks, homes and parking. We have direct experience with some trees planted by the town brushing against our building at 325 Mason Ave, growing into our sewer lines, and also causing the sidewalk to buckle. I'd therefore like to suggest that the following be considered in addition to shade canopy and native wildlife benefit when selecting trees for the hell strips:

1. Is the proposed new tree location near a town sewer line, many of which are aging terracotta?
2. Will the tree roots present a potential long-term risk to those sewer lines, which could involve a significant expense to homeowners?
3. Will a proposed tree grow to a height or width that could impact adjacent homes in other ways, pedestrian walkways, parking spaces, views, and overhead wires?

4. Who will be responsible for collecting the leaves and other debris, e.g., acorns?

Thank you for your kind consideration and I look forward to enjoying the new additions in our town!

Very respectfully,
Ann Hayward Walker

Re: Propose Zoning Map Amendment 2023-04
Rear access to buildings on Mason Ave. is important. Some of the blocks have deeded access to alleys but others do not. Assuming the town proceeds to sell the library building and 2 lots as proposed, is it possible to include rear access to the "alley" behind adjacent buildings in the Deed of Sale?

Very respectfully,
Ann Hayward Walker

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DRAFT
TOWN COUNCIL
Executive Session
Cape Charles Civic Center
January 18, 2024
Immediately following the Regular Meeting

At 7:13 p.m. Mayor Adam Charney, having established a quorum, called to order the Executive Session of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Butta and Grossman. Councilman Follmer was out of town and participated via teleconference from Minocqua, WI. Councilwoman Holloway was not in attendance. Also, in attendance were Town Manager John Hozey, Planner/Zoning Administrator Katie Nunez, Spencer Murray, John Coker and Jim Outland representing Canonie Atlantic Company, and Ron Wolff representing the Eastern Shore Rail Trail Foundation.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, and unanimously approved to go into Executive Session in accordance with Section 2.2-3711.A of the Code of Virginia for the purpose of:

Paragraph 3: Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Specifically: Discussion of Potential Opportunity to Acquire Real Property

Paragraph 1: Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body.

Specifically: Review of Applications and Discussion of Potential Candidates for Appointment to the Planning Commission.

The motion was approved by unanimous vote.

There were no members of the public in attendance at this time.

Council went into executive session at 7:15 p.m.

Motion made by Vice Mayor Bennett, seconded by Councilman Buchholz, to return to open session. The motion was approved by unanimous vote.

The open portion of the meeting resumed at 8:26 p.m. There were no members of the public waiting to return to the meeting.

It was noted that Councilman Follmer's phone call was disconnected at some point during the executive session.

Certification, to the best of each member's knowledge, that (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the public body. Roll call vote: Bennett, yes; Buchholz, yes; Butta, yes; Grossman, yes.

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

The Executive Session adjourned at 8:28 p.m.

____
Mayor Charney

____
Town Clerk

December 2023 Treasurer's Report

Page 1 – Cash Position

- The increase in our total cash position over November was due to the collection of real estate and personal property taxes that were due on December 5.
- Facility Fee Reserve cash balance at 12-31-23 is $3,409.911.

Page 3 – Capital Projects

- Our second progress payment in the amount of $92,166 was paid to Conrad Brothers for the Multi-use Trail project phase III, i.e., South Peach Street. Total payments made to date: $141,160.00. Total contract amount: $759,567.
- An initial payment of $162,904 was made to Marine Contracting for harbor breakwater and bulkhead repairs.
- Two old boilers were removed from the library and replaced with one oil fired boiler at a cost of $27,000.

Page 4 – Tax Collection Rate

- As of December 31, total property tax collections year-to-date were $1,624,875, representing 94% of billings. For the same date, our collection rate on personal property taxes is 76%.

Page 5 – Tax Revenue Trends

- Fiscal year-to-date (July through December) BPOL revenue of almost $15,000 is over 72% higher than a year ago.

MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
December 31, 2023

Cash on Hand	11/30/2023	12/31/2023	Increase/ (Decrease)
Atlantic Union Bank Checking Account	$442,355	$381,684	-$60,671
Atlantic Union Bank Money Market Account	$1,398,997	$2,237,749	$838,753
LGIP Account 1 - Unrestricted	$111,157	$111,680	$522
LGIP Account 2 - Unrestricted	$322,751	$324,411	$1,661
Virginia Investment Pool Liquidty Unassigned	$2,322,339	$2,333,319	$10,980
Virginia Investment Pool 1-3 Year Unassigned	$1,029,304	$1,041,054	$11,749
Total Cash On Hand	**$5,626,903**	**$6,429,896**	**$802,994**

Restricted and Reserved Cash Balances	11/30/2023	12/31/2023	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	$13,854	$14,004	$150
US Bank - Reserved per VRA Interest Free Loan Requirements	$263,890	$264,943	$1,054
ComputerShare 2010 Debt Service pass through account #300	$3,169	$3,182	$14
ComputerShare 2010 Debt Service pass through account #308	$1,118	$1,123	$5
Atlantic Union Money Market # ARPA CRF #5847	$596,231	$43,443	-$552,787
Virginia Investment Pool Liquidity Acct#1 Facility Fees Rsrvd (Utilities)	$3,383,285	$3,409,911	$26,626
Total Cash Held in Reserve	**$4,303,671**	**$3,778,731**	**-$524,939**
Total Cash - All Accounts	**$9,930,573**	**$10,208,628**	**$278,054**

DEBT SERVICE

Net Debt as of Current Reporting Month End (Excludes USDA vehicle and equipment loans) $4,984,974

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

December 31, 2023

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	$707,311	$3,050,567	$3,793,340	$742,773	$5,719,837	66.32%
EXPENDITURES	$334,238	$1,836,977	$1,948,097	$111,120	$5,719,837	34.06%
NET	**$373,073**	**$1,213,590**	**$1,845,243**	**$631,653**	**$0**	
GENERAL Capital Fund						
REVENUE	$4,169	$48,693	$53,547	$4,854	$2,446,213	2.19%
EXPENDITURES	$125,781	$174,123	$268,672	$94,549	$2,446,213	10.98%
NET	**($121,612)**	**($125,430)**	**($215,124)**	**($89,694)**	**$0**	
GENERAL Debt Service Fund						
REVENUE	$0	$104,498	$104,561	$63	$255,223	40.97%
EXPENDITURES	$0	$104,498	$104,561	$63	$255,223	40.97%
NET	**$0**	**$0**	**$0**	**$0**	**$0**	
GENERAL Special Activities Fund						
REVENUE	$44,491	$567,270	$63,991	-$503,279	$296,350	21.59%
EXPENDITURES	$607	$61,460	$66,098	$4,638	$296,350	22.30%
NET	**$43,884**	**$505,810**	**($2,107)**	**($507,917)**	**$0**	

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

December 31, 2023

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	$178,985	$1,028,168	$1,118,837	$90,669	$2,051,988	54.52%
EXPENDITURES - Operating	$111,300	$766,342	$702,267	-$64,075	$1,982,118	35.43%
NET	**$67,685**	**$261,826**	**$416,570**	**$154,744**	**$69,869**	
REVENUE - CAPITAL GRANTS, LOANS, FUND BALANCE	$0	$0	$0	$0	$2,036,728	
REVENUE - FACILITY FEES	$53,000	$320,014	$212,000	-$108,014	$466,400	45.45%
EXPENDED - FACIL FEES, CAPITAL PROJECTS,DEBT SVC	$69,159	$481,539	$738,105	$256,566	$2,572,997	28.69%
TOWN CONTRIB. & PENDING GRANTS	**($16,159)**	**($161,525)**	**($526,105)**	**($364,580)**	**($69,869)**	
HARBOR Fund						
REVENUE - Operating	$29,688	$571,143	$534,239	-$36,904	$1,008,625	52.97%
EXPENDITURES - Operating	$44,914	$488,136	$474,418	-$13,718	$1,082,312	43.83%
NET	**($15,226)**	**$83,007**	**$59,820**	**($23,187)**	**($73,687)**	
REVENUE - GRANTS & LOANS	$0	$0	$0	$0	$228,687	0.00%
TRANSFERRED FM GEN FUND FOR DEBT SERVICE OR HARBOR FUND BALANCE	$0	$32,825	$32,220	-$605	$450,115	7.16%
EXPENDED - Capital Projects, Debt Svc	$162,904	$32,825	$217,861	$185,036	$605,115	36.00%
TOWN CONTRIB. & PENDING GRANTS	**($162,904)**	**$0**	**($185,642)**	**($185,642)**	**$73,687**	
SANITATION Fund						
REVENUE	$27,757	$139,995	$166,403	$26,408	$314,265	52.95%
EXPENDITURES	$50,722	$128,064	$167,332	$39,268	$314,265	53.25%
NET	**($22,966)**	**$11,931**	**($929)**	**($12,860)**	**$0**	

FY 24 Capital Improvement Project Tracking Report

As of: 12/31/2023	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	16.4%	$ 929,922	$ 4,150	$ 148,788			$ 152,938	$ 776,984
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**
3 Police Vehicles; 1 ARPA/2 USDA	Pending	0%	$ 126,000					$ -	$ 126,000
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	$ -		**$ 2,092,063**	**$ 75,297**	**$ 188,155**	**$ -**	**$ -**	**$ 263,452**	**$ 1,828,611**
Utility Fund -Water									
Keck Well Connection	**In Process**	2%	$ 1,150,000	**$ 15,243**	$ 3,811			**$ 19,054**	$ 1,130,946
Utility Fund - Wastewater									
WWTP Membrane Replacement	**In Process**	97%	$ 465,000		$ 451,986			$ 451,986	$ 13,014
Sewer Pod Controller Upgrades	Pending	101%	$ 14,500		$ 14,635			$ 14,635	$ (135)
subtotal	$ -		**$ 1,629,500**	**$ 15,243**	**$ 470,432**	**$ -**	**$ -**	**$ 485,675**	**$ 1,143,825**
Harbor Fund									
Inner Harbor Fixed Dock Repair	Pending	0%	$ 13,000					$ -	$ 13,000
Inner Harbor King Pile & Waler Replacement Design	**In Process**	**7%**	**$ 306,000**	$ 18,050	$ 4,688			**$ 22,738**	**$ 283,263**
Inshore Breakwater Repair/Upgrade	Pending	91%	$ 180,000		**$ 162,904**			$ 162,904	$ 17,096
subtotal	$ -		**$ 499,000**	**$ 18,050**	**$ 167,592**	**$ -**	**$ -**	**$ 185,642**	**$ 313,358**
TOTAL	$ -		**$ 4,220,563**	**$ 108,590**	**$ 826,179**	**$ -**	**$ -**	**$ 934,769**	**$ 3,285,794**

*ITEMS WITH CURRENT MONTH ACTIVITY ARE IN BOLD PRINT

MUNICIPAL CORPORATION OF CAPE CHARLES
December 31, 2023

YTD 2023 Real Estate Tax Collections

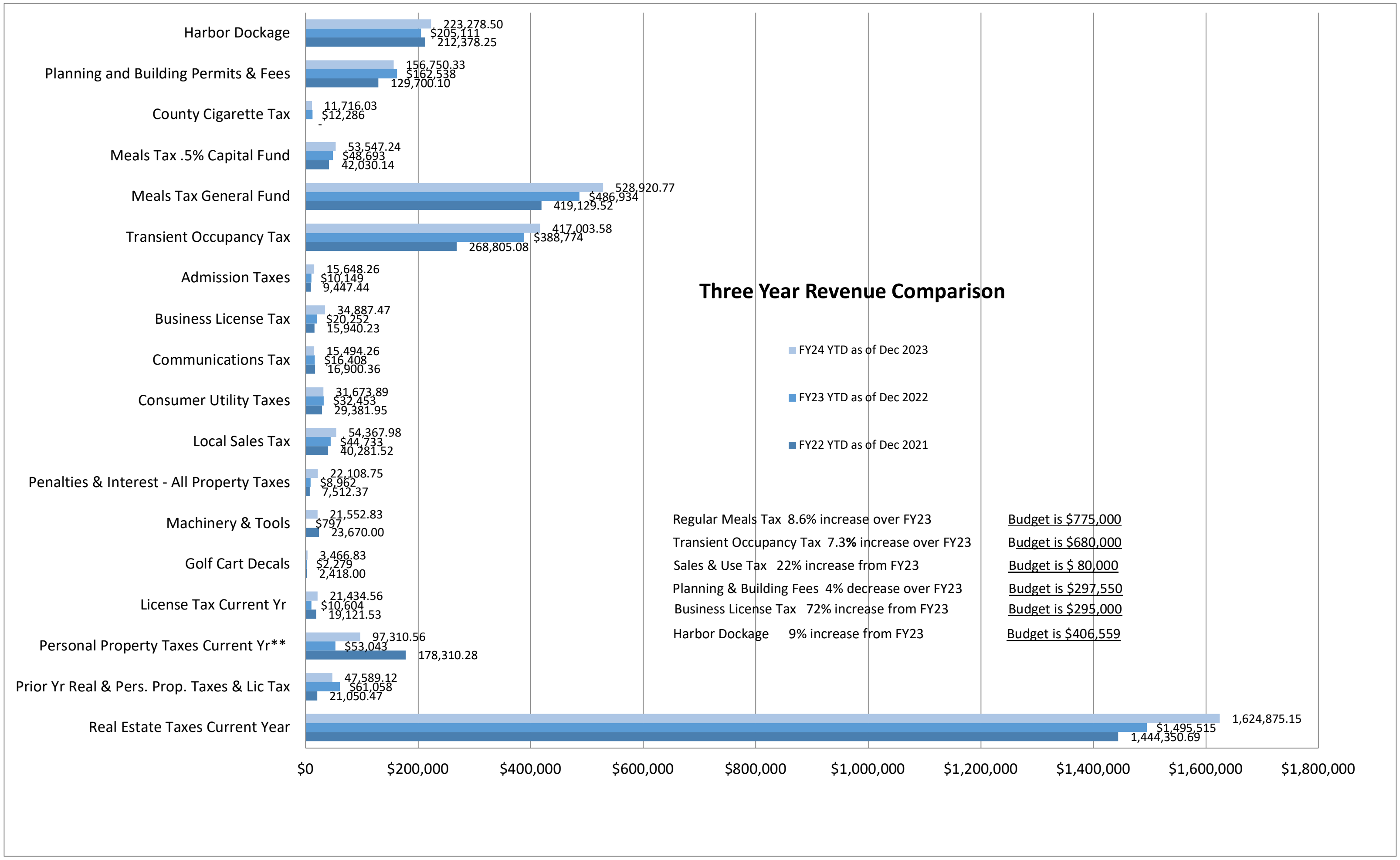
Total Taxable Land Value	318,538,900	
Total Improvement Value	486,197,800	
Exemptions	(9,908,530)	
Additional Assessments (SCC Utility)	3,384,443	
Total Real Estate Value (taxable)	**798,212,613**	
Total Budgeted Real Tax Revenue	1,605,700	
Total Tax Billed	1,724,622	
Total Adjustments	(1,674)	
Total Collected YTD (percent of billed)	1,624,875	94%
Amount Due per Accounts Receivable	**98,072**	

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	117,800	
Total 2023 Tax Billed less PPTRA	178,532	
2023 Supplemental Tax Billing	-	
Total Adjustments & Additional Exonerations	6,736	
Total Collected YTD (percent of billed)	140,298	76%
Amount Due per Accounts Receivable	**31,498**	

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

Total Budgeted	93,050	
Total Collected (percent of budget)	69,698	75%
Amount Due Per Budget	**23,352**	


Three Year Revenue Comparison
FY24 YTD as of Dec 2023
FY23 YTD as of Dec 2022
FY22 YTD as of Dec 2021
Harbor Dockage
223,278.50
$205,111
212,378.25
Planning and Building Permits & Fees
156,750.33
$162,538
129,700.10
County Cigarette Tax
11,716.03
$12,286
-
Meals Tax .5% Capital Fund
53,547.24
$48,693
42,030.14
Meals Tax General Fund
528,920.77
$486,934
419,129.52
Transient Occupancy Tax
417,003.58
$388,774
268,805.08
Admission Taxes
15,648.26
$10,149
9,447.44
Business License Tax
34,887.47
$20,252
15,940.23
Communications Tax
15,494.26
$16,408
16,900.36
Consumer Utility Taxes
31,673.89
$32,453
29,381.95
Local Sales Tax
54,367.98
$44,733
40,281.52
Penalties & Interest - All Property Taxes
22,108.75
$8,962
7,512.37
Machinery & Tools
21,552.83
$797
23,670.00
Golf Cart Decals
3,466.83
$2,279
2,418.00
License Tax Current Yr
21,434.56
$10,604
19,121.53
Personal Property Taxes Current Yr**
97,310.56
$53,043
178,310.28
Prior Yr Real & Pers. Prop. Taxes & Lic Tax
47,589.12
$61,058
21,050.47
Real Estate Taxes Current Year
1,624,875.15
$1,495,515
1,444,350.69
$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 8.6% increase over FY23
Budget is $775,000
Transient Occupancy Tax 7.3% increase over FY23
Budget is $680,000
Sales & Use Tax 22% increase from FY23
Budget is $ 80,000
Planning & Building Fees 4% decrease over FY23
Budget is $297,550
Business License Tax 72% increase from FY23
Budget is $295,000
Harbor Dockage 9% increase from FY23
Budget is $406,559

TOWN OF CAPE CHARLES	**AGENDA TITLE:** Cape Charles Marine Services Contract Amendment		**AGENDA DATE** February 15, 2024
	SUBJECT/PROPOSAL/REQUEST: Approval of Cape Charles Marine Services Contract Amendment		**ITEM NUMBER:** 8A
	ATTACHMENTS: Cape Charles Marine Services Contract Amendment		**FOR COUNCIL:** Action (X) Information ( )
	STAFF CONTACT (s): John Hozey, Town Manager	**REVIEWED BY:** John Hozey, Town Manager	

BACKGROUND:

On September 17, 2020, the Town Council approved a three-year contract with Cape Charles Marine Services (formerly Cape Charles Yacht Center), for management of the Town's harbor. Other than the formal name change, nothing from the original contact or operation regarding the Town's portion of the harbor has changed during that time. The original contract was set to expire on December 31, 2023.

While Town administration has been satisfied with the performance of services under this contract, we also thought it prudent to take some time to re-evaluate all our options for going forward. To allow the time necessary to conduct such an evaluation, the contractor and Town agreed to a one-year extension of this contract to December 31, 2024.

ITEM SPECIFICS:

Since CCMS has agreed to continue managing Harbor operations through the end of this year, we also needed to work with them to discuss what steps might be needed to ensure they could offer the best possible services throughout the remainder of their contract.

CCMS has raised the gross revenue of the Harbor significantly since they began managing its operations in January of 2021, and they've maintained that higher revenue stream throughout all three years of their operation.

Description	2020 Revenue	2021 Fee	2021 Revenue	2021 Revenue Change %	2021 Fee	2022 Revenue	2022 Fee	2023 Revenue	2023 Fee	21-23 Fee Difference $	21-23 Fee Change %
Storage	$12,041.92	N/a	$ 2,021.11	-83.22%	$ 606.33	$ 45.00	$ 13.50	$ 100.00	$ 30.00	$ (576.33)	-95.05%
Dockage	$ 211,398.26	N/a	$ 442,315.22	109.23%	$ 176,926.09	$ 400,961.30	$ 160,384.52	$367,101.00	$ 146,840.40	$ (30,085.69)	-17.00%
Fuel	498,298.70	N/a	404317.16	-18.86%	$ 74,023.60	$ 660,591.61	$ 80,404.89	$481,108.75	$ 71,729.85	$ (2,293.75)	-3.10%
Utilities	$ 15,675.39	N/a	$ 30,144.98	92.31%	$ 6,029.00	$ 28,220.00	$ 5,644.00	$ 23,725.00	$ 4,745.00	$ (1,284.00)	-21.30%
Wharfage	$7,028.47	N/a	$ 7,993.50	13.73%	$ 3,197.40	$ 1,759.50	$ 703.80	$ 1,244.00	$ 497.60	$ (2,699.80)	-84.44%
	$ 744,442.74	$ -	$ 886,791.97		$ 260,782.42	$ 1,091,577.41	$ 247,150.71	$873,278.75	$ 223,842.85	$ (36,939.57)	

However, even with this increase in revenue, their management fee has decreased annually. Much of that was due to regional and national economic changes; them starting concurrently with the pandemic, rising fuel prices, decreases in crabbing, and skyrocketing inflation. They've maintained higher revenues throughout these economic changes to the benefit of the Town, but CCMS has suffered rising costs of its operation and the unexpected loss of their boatyard business, making it impossible to offset those decreasing management fees.

This has resulted in their operating costs for the Harbor exceeding the management fees they collected from the Town. Therefore, for CCMS to continue managing the Harbor, they need to increase their revenue enough to ensure the owners/operators of CCMS can maintain the Harbor to the highest possible standards without continuing to invest private money in those operations. To get there we recommend a multi-pronged approach:

1. Raise transient and non-resident rates

Rates have not gone up in three years—even as Harbor expenses have risen dramatically with inflation during that time. We also recognize that raising rates on residents and/or watermen stirs unrest among local boaters and commercial fishermen.

Therefore, until we can evaluate things further, we'd like to start with an increase in the dockage rates for non-residents and transients by approximately 12%, and to raise the fuel rates by $0.2/gal. These increases are less than the cost of inflation since the last rate increase, and is comparable to other marinas in our region and on the East Coast:

	Rates 2020-23	Proposed 2024 Rates	Cape Charles Yacht Center	Kings Creek	Bay Point Marina	Virginia Beach Fishing Center	Tidewater	Cobbs Marina	Little Creek	Charleston Marina	Hatteras Harbor Marina	Annapolis City Marina	St. Augustine Municipal Marina	Front Street Shipyard
	Cape Charles, VA	Cape Charles, VA	Cape Charles, VA	Cape Charles, VA	Portsmouth, VA	Virginia Beach, VA	Portsmouth, VA	Norfolk, VA	Norfolk, VA	Charleston, SC	Hatteras, NC	Annapolis, MD	St. Augustine, FL	Belfast, ME
Transient Daily <70'	$3.00	$3.35	$3.00	$4.00	$2.50	$4.50	$2.25	$2.50	$2.00	$2.20	$2.00	$3.00	$2.50	$4.85
Transient Daily >70'	$4.00	$4.50	$4.00	NA	NA	$6.00	NA	NA	NA	NA	NA	$3.75	$3.75	$6.75
Transient Monthly	$15.00	$16.80	$16.00	Unknown	$18.50	Unknown	$15.50	$15.00	$17.00	$28.00	$19.00	$26.00	$25.00	$35.00
Resident Monthly	$10.50	$10.50	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Long-Term (<3 mo) Monthly	$10.00	$11.20	$11.00	Unknown	$15.45	Unknown	$11.75	$14.00	$10.00	$18.75	$13.00	NA	$20.00	$35.00
Resident Long-Term Monthly	$7.00	$7.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Watermen Long-Term Monthly	$5.00	$5.00	$13.50	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Watermen Short-Term Monthly	$8.00	$8.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
30-Amp Daily	$5.00	$7.00	$8.00	$10.00	$9.00	Unknown	$8.00	$7.50	$9.00	$10.00	Unknown	$7.00	$9.00	$15.00
30-Amp Monthly	$35.00	$45.00	$50.00	Meter	$60.00	Unknown	$35.00	Meter	Meter	$90.00	Unknown	$85.00	$100.00	$150.00
50-Amp Daily	$15.00	$15.00	$15.00	$15.00	$15.00	Unknown	$15.00	$15.00	$15.00	$18.00	Unknown	$13.00	$17.00	$30.00
50-Amp Monthly	$105.00	$105.00	$105.00	Meter	$84.00	Unknown	$50.00	Meter	Meter	$180.00	Unknown	$125.00	$225.00	$250.00
100-Amp Daily	$25.00	NA	$40.00	$35.00	NA	Unknown	$50.00	NA	NA	$40.00	NA	NA	$30.00	$70.00
100-Amp Monthly	$175.00	NA	$280.00	Meter	NA	Unknown	$80.00	NA	NA	$400.00	NA	NA	$500.00	$400.00

Fuel Rates Sample: January 24, 2024	
	Diesel/gal
Cape Charles Harbor	$ 3.81
Cobbs Marina	$ 4.25
Onancock Marina	$ 4.71
Lynnhaven Marina	$ 4.00

2. Increase the contractor's percentage of the revenue share

CCMS carries all the operational costs and staffing responsibilities for the marina but receives only 20% to 40% of the revenue. It is therefore proposed to increase contractor fees on each revenue stream as follows:

	Current Fee	Proposed Fee
Storage	30%	n/c
Dockage	40%	50%
Utilities	20%	30%
Wharfage	40%	50%
Fuel	$0.6/gal	$0.8/gal

3. Contractor to take on repairs and maintenance at a discounted rate

We've had money leftover in the maintenance and repair budget every year because we've been unable to get necessary subcontractors on site. CCMS has a staff outside the Harbor with talents and capabilities that exceed the general labor capabilities of a traditional municipal marina — including those of the staff that operated the Harbor before CCMS began its contract. So, instead of relying on outside subcontractors for maintenance work, CCMS will allocate some of the Harbor's repair and maintenance budget to billable time from their other technicians at a reduced rate. Ultimately the Town will see more improvements and spend less money on those improvements.

The net effect of all these changes on the Town's budget will be minimal.

Since we would be simultaneously raising non-residential rates along with management fees, the Town shouldn't expect to lose revenue. By billing the Town for skilled labor, we'll be using funds already budgeted for repair and maintenance, so the Town shouldn't expect to see much in the way of additional expenditures.

The resulting budget for CCMS' Harbor operations should now cover its operating costs, though there will be very little room for unexpected economic shifts.

RECOMMENDATION:

Staff recommends approval of the rate changes and CCMS contract amendments as outlined above.

TOWN OF CAPE CHARLES
AMENDMENT OF AGREEMENT FOR
TOWN HARBOR MANAGEMENT

WHEREAS an Agreement ("Agreement"), between the Town of Cape Charles, a Virginia municipal corporation ("Owner"), and Cape Charles Marine Services, LLC, a Virginia limited liability company ("Contractor"), was executed on November 12, 2020, for Harbor management services, which is incorporated here by reference; and

WHEREAS, the Town owns the Town Harbor ("Harbor"), located within the boundaries of Cape Charles, which serves recreational, commercial and governmental vessels and which provides docking, fuel, sale of marine supplies, offload of seafood catch, and public boat launch and recovery; and

WHEREAS, the Contractor has provided continuous Harbor management services since January 1, 2021; and

WHEREAS, the original Agreement expired on December 31, 2023; and

WHEREAS, the Town and Contractor agreed to extend the Agreement until December 31, 2024; and

WHEREAS, the economic conditions affecting harbor operations have changed over the past three years, requiring adjustments to the original management fee.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein, and for other good and valuable consideration, the sufficiency of which is acknowledged by the parties hereto, the parties agree to the following:

Section II.A. of the Agreement is hereby amended as follows:

	Original Fee	Revised Fee
Storage	30%	n/c
Dockage	40%	50%
Utilities	20%	30%
Wharfage	40%	50%
Fuel	$0.6/gal	$0.8/gal

All other terms and conditions remain in force.

TOWN OF CAPE CHARLES
AMENDMENT OF AGREEMENT FOR
TOWN HARBOR MANAGEMENT

Town of Cape Charles, Virginia	Cape Charles Marine Service, LLC
By: ______________________	**By:**________________________
Its:_______________________	**Its:**________________________
Date:_____________________	**Date:**______________________

TOWN OF CAPE CHARLES	**AGENDA TITLE:** Virginia Port Authority Aid to Local Ports Grant Request		**AGENDA DATE:** February 15, 2024
	SUBJECT/PROPOSAL/REQUEST: Authorize the Mayor to submit grant request.		**ITEM NUMBER:** 8B
	ATTACHMENTS: Bulkhead Rehabilitation Phases		**FOR COUNCIL:** Action (X) Information ( )
	STAFF CONTACT (s): Bob Panek, Project Manager	**REVIEWED BY:** John Hozey, Town Manager	

BACKGROUND:

The Town has utilized several Virginia Port Authority (VPA) Aid to Local Ports (ALP) grants over the years to improve the Town Harbor. ALP grants pay for up to 75% of capital projects. The VPA requires a letter signed by the Mayor by March 1st to carry-over an existing grant or request a new grant. The VPA Board typically considers these requests in May, with approved funding becoming available July 1.

We received a grant this fiscal year in the amount of $228,687 for rehabilitation of the inner harbor bulkhead. We had hoped to award a contract for all three phases of the project, but the bids were higher than expected and only Phases 1 and 2 were awarded. This work is close to completion, and we should be able to make final contract payment and submit the final grant reimbursement soon. There is no need to request carry-over of the grant.

We have the opportunity to request a new grant to help fund Phase 3 of the rehabilitation. This work was identified as a high priority in the evaluation of harbor capital assets and is included in the approved Capital Asset Management Program (CAMP).

DISCUSSION:

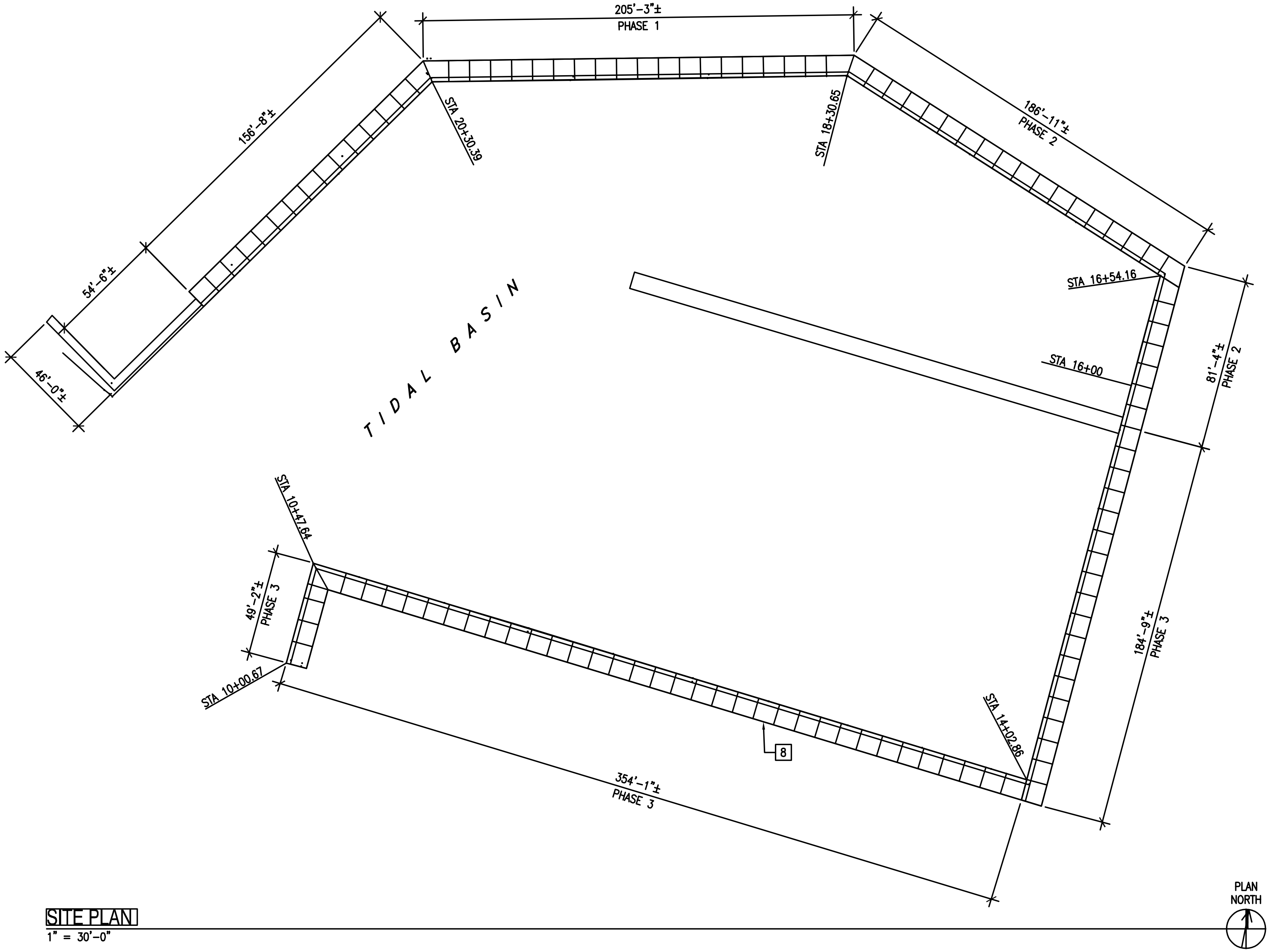
The vinyl bulkhead around the inner harbor has been in service for about twenty years. The evaluation performed by Langley & McDonald indicated that sections of the bulkhead, about 54% of total length, require rehabilitation to replace severely damaged components. Most of the king piles and many of the lower horizontal wales in these areas have been damaged by side-to docking of large commercial vessels. The sections of the bulkhead used for fueling, product offload and bow/stern-to docking slips have not experienced the same damage. Replacing the damaged structural components would prevent localized failure of the bulkhead and extend its service life to fifty years.

The rehabilitation project was structured in three phases to provide funding flexibility – north side, northeast corner, east side & west side. The first two phases were in the worst condition and have now been completed. Based on the low bid received, the estimated cost for Phase 3 (east & west sides) is $221.5K including price escalation, contingency and construction administration.

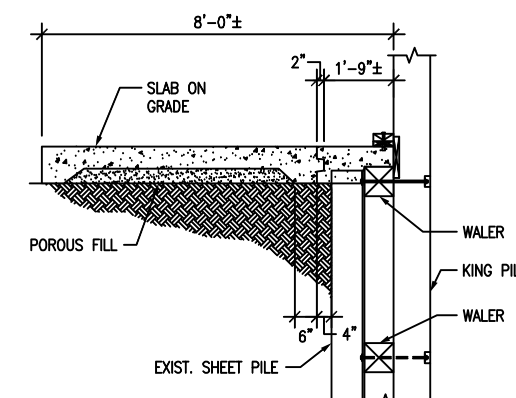
A maximum grant of 75% would fund $166.1K of the project. The full amount may not be approved, as only $1 million is available annually for the ALP program. However, there is a good chance of a substantial award, perhaps 50%, due to our performance in executing previous grants. The Town share would need to be included in the FY 2025 budget; $55.4K at 75% grant coverage or $110.8K at 50% grant coverage.

RECOMMENDATION:

Authorize the Mayor to request a VPA ALP grant in the amount of $166.1K for rehabilitation of the inner harbor bulkhead, Phase 3.



SITE PLAN
1" = 30'-0"



BULKHEAD SECTION
1/2" = 1'-0"

NOTE:
IF THIS DRAWING IS A REDUCTION, GRAPHIC SCALE MUST BE USED.

GRAPHIC SCALE:
1" = 30'-0"   0'   30'   60'   90'   120'

McPHERSON
DESIGN
GROUP
STRUCTURAL ENGINEERS

Langley & McDonald, Inc
Engineering • Planning • Surveying
309 Lynnhaven Parkway
Virginia Beach, VA 23452
PH: (757) 463-4306   FAX: (757) 463-3563

NOT FOR CONSTRUCTION
PRELIMINARY
DESIGN
10/02/2019
NOT FOR CONSTRUCTION

REVISION:

DATE:

CAPE CHARLES HARBOR
MARINA IMPROVEMENTS

SITE PLAN
FOR
TOWN OF CAPE CHARLES
CAPE CHARLES   VIRGINIA

DESIGNED:	GMG
DRAWN:	RSC
CHECKED:	GMG
SCALE:	AS SHOWN
DATE:	10/02/2019
FILE:	–
PROJ. #:	–

SHEET NO.
S-10
OF X

TOWN OF CAPE CHARLES	**AGENDA TITLE:** Lease of Town Property to Maritime Institute	**AGENDA DATE:** February 15, 2024
	SUBJECT/PROPOSAL/REQUEST: Lease an area of the inner harbor bulkhead to Maritime Institute.	**ITEM NUMBER:** 8C
	ATTACHMENTS: 1. Proposed lifeboat installation. 2. Proposed lease. 3. Proposed ordinance.	**FOR COUNCIL:** Action (X) Information ( )
	STAFF CONTACT (s): Bob Panek	**REVIEWED BY:** John Hozey, Town Manager

BACKGROUND:

The Town authorized Mid Atlantic Maritime Academy (MAMA) to install a lifeboat and davits in the Town Harbor for training mariners many years ago. It was originally installed on the south side of the harbor near where the Hook at Harvey restaurant is now located. It was subsequently moved to its current location on the north side in preparation for development of the south side into a yacht center. MAMA, along with other maritime training entities, was rebranded as Maritime Institute in 2021. No actual lease is known to exist. The space is rented by the Town Harbor equivalent to a docking space at $408.50 per month.

DISCUSSION:

The existing lifeboat and davits are antiquated. Maritime Institute proposes to replace them with a contemporary system now commonly found on merchant and government ships to better train mariners. The plans, attachment 1, have been reviewed and approved by our marine engineer, Langley & McDonald. It would be installed in the same location as the existing lifeboat. In view of the proposed capital investment, Maritime Institute would like to lease that area. A representative from Maritime Institute is in attendance to answer any questions.

The proposed lease is at attachment 2. The term of the lease would be three years, with three options of one year each. The rent would be $429 per month for the first year, a 5% increase over the current rent. Subsequent years would be adjusted by the previous 12 month change in the Consumer Price Index – Urban published by the Bureau of Labor Statistics.

Code of Virginia, Section 15.2-1800.B requires a public hearing before town property may be leased. The public hearing was held today.

Code of Virginia, Section 15.2-2100.A requires that a lease of town wharf property be made by an ordinance passed by three-fourths of all members elected to council. The proposed ordinance is at attachment 3.

RECOMMENDATION:

Staff recommends a roll call vote to adopt the proposed ordinance.

MARITIME INSTITUTE

LIFEBOAT DAVIT SUPPORT STRUCTURE

CHERITON, VIRGINIA

ISSUED FOR CONSTRUCTION

INDEX OF DRAWINGS

AGENCY/CLIENT:
MARITIME INSTITUTE
RAYMOND BLANCHET
22226 S. BAYSIDE ROAD
CHERITON, VIRGINIA 23310

CIVIL ENGINEER/SURVEYOR:
COLLINS ENGINEERS, INC
ZACHARY CANODY, P.E.
130 RESEARCH DRIVE, SUITE 300
HAMPTON, VIRGINIA 23666

LIFEBOAT DAVIT SUPPORT STRUCTURE

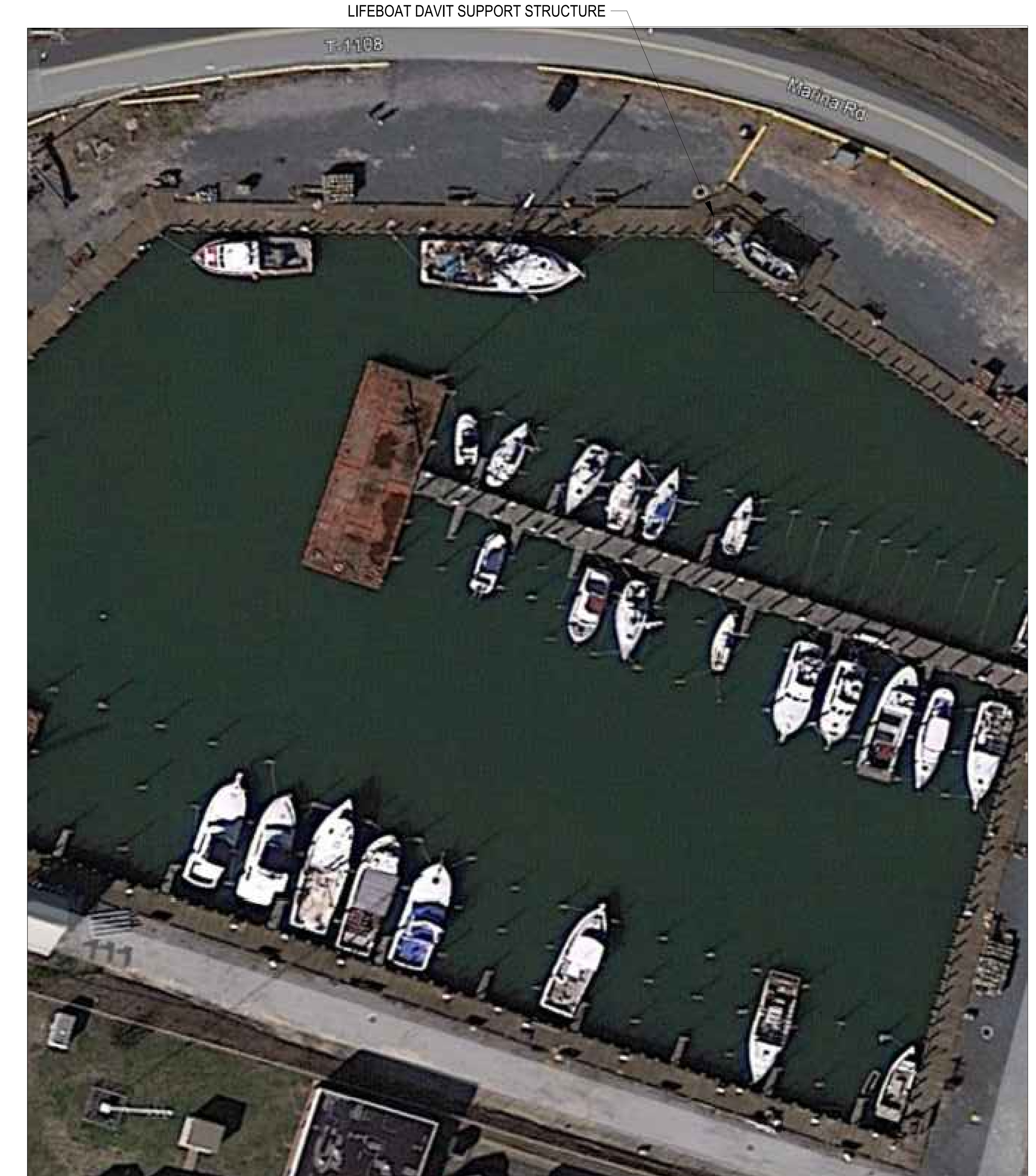
N

1 VICINITY MAP

SCALE: 1" = 1500'

0 1500' 3000'

LIFEBOAT DAVIT SUPPORT STRUCTURE



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2 SITE OVERVIEW

SCALE: 1" = 50'

COLLINS ENGINEERS™
130 RESEARCH DRIVE, SUITE 300
HAMPTON, VIRGINIA 23666
Phone: 757-873-0251

MARITIME INSTITUTE

CHERITON, VA

LIFEBOAT DAVIT SUPPORT STRUCTURE

TITLE SHEET

CHERITON, VA

NO.	DATE	DESIGN BY	DESCRIPTION

CEI PROJECT: 14977.00

DESIGN BY: EB

DRAWN BY: EB

CHECKED BY: DF

DATE: 12/29/2023

SCALE: N/A

SHEET NO: T-01

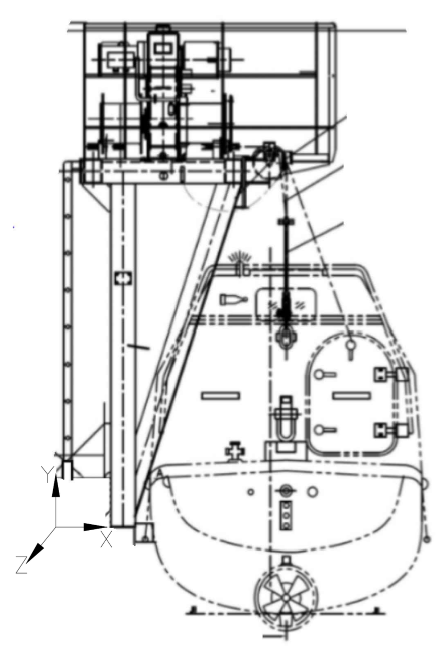
COMMONWEALTH OF VIRGINIA
TIMOTHY D. WEEKS
Lic. No. 038179
12/29/23
PROFESSIONAL ENGINEER

SCOPE:

THE PURPOSE OF THIS WORK IS TO PROVIDE MARITIME INSTITUTE WITH A SUPPORT FRAME TO MOUNT A NEW LIFEBOAT DAVIT.

DESIGN CRITERIA:

1. EXISTING FRAME NOT EVALUATED AND ASSUMED ADEQUATELY DESIGNED FOR INTENDED PURPOSE.
2. COLLINS' DESIGN IS ONLY FOR THE NEW STEEL FRAME, THE CONNECTION OF THE BASE OF THE NEW DAVIT TO THE NEW FRAME, AND SUBSEQUENT TRANSFER OF THAT LOAD.
3. EXISTING BULKHEAD WAS NOT ANALYZED AS THE NEW FRAME IS REPLACING AN EXISTING DAVIT WITH A HIGHER DEAD/LIVE LOAD, ETC., THEREFORE ASSUMED TO BE STRUCTURALLY ADEQUATE.
4. LOADS PROVIDED BY THE OWNER:
   - 4.1. ASSUMED TO BE SPECIFIC FOR NEW DAVIT OPERATIONS:
     - 4.1.1.MAX WORKING LOAD: 11,240 LBS
     - 4.1.2.MAX HOISTING LOAD: 8,992 LBS
     - 4.1.3.MIN LOWERING LOAD: 5,845 LBS
   - 4.2. REACTIONS FROM DAVIT TO NEW STEEL FRAME SUPPORT STRUCTURE:
     - 4.2.1.Mx = 26.55 KIP*FT
     - 4.2.2.My = 26.55 KIP*FT
     - 4.2.3.Mz = 62.29 KIP*FT
     - 4.2.4.Fx = +/-3.37 KIP
     - 4.2.5.Fy = 8.99 KIP
     - 4.2.6.Fz = +/-1.8 KIP



LOADING DIAGRAM

SCALE: NTS

GENERAL NOTES:

1. CONTRACTOR SHALL COMPLY WITH CITY, STATE, AND FEDERAL AUTHORITIES EROSION CONTROL MEASURES AND REGULATIONS CONCERNING WORKING IN THE VICINITY OF WETLANDS.
2. ANY FUEL, OIL, PAINT OR HAZARDOUS MATERIALS SHALL HAVE SECONDARY CONTAINMENT.
3. COST OF ALL REQUIRED PERMITS, CITY, STATE OR FEDERAL GOVERNMENT IS THE RESPONSIBILITY OF THE OWNER.
4. CONTRACTOR TO PROVIDE FOR ALL UTILITIES REQUIRED FOR CONSTRUCTION OPERATIONS.
5. CONTRACTOR SHALL COORDINATE ALL ACTIVITIES AND SCHEDULES WITH THE OWNER PRIOR TO CONSTRUCTION.
6. BEFORE PROCEEDING WITH ANY WORK, THE CONTRACTOR SHALL ADEQUATELY REVIEW AND UNDERSTAND THE STRUCTURAL CONDITIONS OF THE EXISTING STRUCTURES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL DIMENSIONS, ELEVATIONS, ETC. NECESSARY FOR THE PROPER CONSTRUCTION AND ALIGNMENT OF THE STRUCTURES. THE CONTRACTOR SHALL MAKE ALL MEASUREMENTS NECESSARY FOR PROPER ERECTION OF STRUCTURAL MEMBERS.
7. ALL DIMENSIONS AND ELEVATIONS SHOWN ON THIS DRAWING ARE APPROXIMATE.
8. CONTRACTOR SHALL FIELD VERIFY ALL DIMENSIONS AS INDICATED IN DRAWINGS PRIOR TO BEGINNING CONSTRUCTION.
9. THE CONTRACTOR SHALL SUBMIT MANUFACTURER'S DATA OF ALL MATERIAL FOR ENGINEER OF RECORD (E.O.R.) APPROVAL PRIOR TO CONSTRUCTION OR PRE-FABRICATION.
10. ALL FEDERAL, STATE, AND LOCAL SAFETY REGULATIONS ARE TO BE STRICTLY FOLLOWED.

CONCRETE:

1. ALL CONCRETE WORK SHALL BE PERFORMED IN ACCORDANCE WITH CURRENT ACI 301, UNLESS OTHERWISE NOTED.
2. ALL DETAILING, FABRICATION, AND ERECTION OF REINFORCING STEEL SHALL CONFORM TO THE ACI MANUAL OF STANDARD PRACTICE FOR DETAILED REINFORCED CONCRETE STRUCTURES, ACI 315.
3. CONCRETE MIXTURE SHALL CONFORM TO THE FOLLOWING MINIMUM REQUIREMENTS:

3.1. EXPOSURE CATEGORY:	C (CORROSION PROTECTION OF REINFORCEMENT)
3.2. EXPOSURE CLASS:	C2
3.3. MINIMUM DESIGN COMPRESSIVE STRENGTH (F'C):	5,000 PSI
3.4. MAXIMUM WATER/CEMENT RATIO (W/CM):	0.4
3.5. MAXIMUM WATER-SOLUBLE CHLORIDE ION CONTENT (CI-):	0.15
3.6. MAXIMUM SLUMP:	2-4 INCHES
3.7. REINFORCING STEEL (DEFORMED):	ASTM A615 GR. 60

4. CONCRETE MIXTURE DESIGN SHALL BE IN ACCORDANCE WITH ACI 318-14, AND SUBMITTED TO ENGINEER OF RECORD FOR APPROVAL.
5. DETAILS OF FABRICATION AND PLACING OF REINFORCING STEEL SHALL BE IN ACCORDANCE WITH ACI 318-14.
6. ALL EXPOSED CORNERS SHALL HAVE A 3/4" CHAMFER.
7. ADJUST THE LOCATION OF DOWELS/ANCHORS PLACED INTO HARDENED CONCRETE AS NEEDED TO AVOID DRILLING THROUGH EXISTING REINFORCEMENT.
8. DEVELOPMENT LENGTHS LISTED ON SHEET S02 FOR REINFORCED CONCRETE FOUNDATION BLOCKS.
9. STRENGTH TESTING:
   - 9.1. TESTING REPORTS IAW ASTM C 1077 SHALL BE SUBMITTED TO ENGINEER BY AN INDEPENDENT TESTING LAB INDICATING THE MIXTURE HAS BEEN SUCCESSFULLY TESTED TO PRODUCE CONCRETE WITH THE ABOVE MINIMUM STRENGTH AND REQUIREMENTS AND THAT IS SUITABLE FOR A MARINE CORROSIVE ENVIRONMENT, PER BATCH OF CONCRETE.
   - 9.2. THE MINIMUM REQUIRED AVERAGE COMPRESSIVE STRENGTH (F'CR) SHALL EXCEED THE SPECIFIED DESIGN COMPRESSIVE STRENGTH (F'C) AS PER ACI 301.
   - 9.3. STRENGTH REQUIREMENTS SHALL BE BASED ON 28-DAY COMPRESSIVE STRENGTH DETERMINED ON 6 BY 12 INCH CYLINDRICAL SPECIMENS IAW ASTM C 39.
   - 9.4. CONCRETE SHALL BE SAMPLED AND TESTED IAW ACI 318-14, SECTION 26.12, AND SUBMITTED TO ENGINEER OF RECORD FOR REVIEW AND APPROVAL, PER BATCH OF CONCRETE.
   - 9.5. THE ADEQUACY OF CONCRETE MIX DESIGN TO PRODUCE THE MINIMUM SPECIFIED STRENGTH AND DURABILITY REQUIREMENTS SHALL BE CONFIRMED BY TESTING FIELD BATCHES. TEST CONCRETE AS FOLLOWS:
     - 9.5.1.SLUMP IAW ASTM C 143.
     - 9.5.2.UNIT WEIGHT IAW ASTM C 138.
     - 9.5.3.FOR STRENGTH, CAST (9) 6 BY 12 INCH CYLINDERS IAW ASTM C 31 (KEEP (1) CYLINDER IN RESERVE), PER THE FOLLOWING:
       - 9.5.3.1.MEASURE AND WEIGH EACH SPECIMEN TO DETERMINE UNIT WEIGHT AS THEY ARE STRIPPED FROM THE MOLDS.
       - 9.5.3.2.(1) AT AGE OF 24 HOURS IAW ASTM C 39.
       - 9.5.3.3.(2) AT EACH AGE OF 3 AND 7 DAYS IAW ASTM C 39.
       - 9.5.3.4.(3) AT AGE OF 28 DAYS IAW ASTM C 39.
   - 9.6. TEST CYLINDERS IAW ASTM C 39. THE COMPRESSIVE STRENGTH TEST RESULTS FOR ACCEPTANCE SHALL BE THE AVERAGE OF THE COMPRESSIVE STRENGTHS FROM THE (3) SPECIMENS TESTED AT 28 DAYS. IF ONE OR MORE SPECIMEN(S) IN A TEST SHOWS EVIDENCE OF IMPROPER SAMPLING, MOLDING OR TESTING, DISCARD THE SPECIMEN(S) AND CONSIDER THE (AVERAGE) STRENGTH OF REMAINING CYLINDER(S) TO BE THE TEST RESULT.
   - 9.7. IF THE AVERAGE OF ANY (3) CONSECUTIVE STRENGTH TEST RESULTS IS LESS THAN THE SPECIFIED DESIGN STRENGTH (F'C) OR THE MINIMUM TEST STRENGTH (F'CR) FOR DURABILITY, WHICHEVER IS HIGHER, BY MORE THAN 500 PSI, TAKE A MINIMUM OF (3) CORE SAMPLES IAW ASTM C 42, FROM THE IN-PLACE WORK REPRESENTED BY THE LOW TEST RESULTS. LOCATIONS REPRESENTED BY ERRATIC CORE STRENGTHS SHALL BE RETESTED. REMOVE CONCRETE NOT MEETING STRENGTH CRITERIA AND PROVIDE NEW ACCEPTABLE CONCRETE. REPAIR CORE HOLES WITH NONSHRINK GROUT. MATCH COLOR AND FINISH OF ADJACENT CONCRETE.
   - 9.8. STRENGTH TEST REPORTS SHALL INCLUDE LOCATION IN THE WORK WHERE THE BATCH REPRESENTED BY A TEST WAS DEPOSITED, BATCH TICKET NUMBER, TIME BATCHED AND SAMPLED, SLUMP, AIR CONTENT (IF ANY), MIXTURE AND AMBIENT TEMPERATURE, UNIT WEIGHT, AND WATER ADDED ON THE JOB. REPORTS OF STRENGTH TESTS SHALL INCLUDE DETAILED INFORMATION OF STORAGE AND CURING OF SPECIMENS PRIOR TO TESTING.
   - 9.9. FINAL REPORTS SHALL BE PROVIDED WITHIN (7) DAYS OF TEST COMPLETION.
   - 9.10.CHLORIDE ION CONCENTRATION TESTING SHALL BE DONE IAW ASTM C 1218. PERFORM TEST ONCE FOR EACH MIX DESIGN.

STRUCTURAL STEEL NOTES:

1. ALL STRUCTURAL STEEL SHALL BE COATED TO WITHSTAND A CORROSIVE ENVIRONMENT. SEE COATING NOTES ON SHEET G02 FOR COATING SYSTEM REQUIREMENTS.
2. ALL STIFFENERS SHALL BE SNIPED MINIMUM $\frac{1}{2}$ INCH AT 45 DEGREES ON INSIDE CORNERS TO AVOID WELDS AND RADII OF ADJACENT MEMBERS.
3. UNLESS NOTED OTHERWISE, ALL GUSSET PLATES SHALL BE CENTERED ON THEIR RESPECTIVE MEMBERS.
4. ALL WELDS SHALL BE FREE OF ANY BURRS, GOUGES, AND NICKS. NO SHARP EDGES SHALL BE ALLOWED.
5. FOR WELDING SYMBOLS NOT INDICATING EDGE PREPARATION OR WELD JOINT DETAILS, INCLUDING BUT NOT LIMITED TO BEVEL ANGLE, BEVEL DEPTH, ROOT GAP OPENING, ETC., FABRICATOR SHOP DRAWINGS SHALL INDICATE THE SPECIFIC JOINT DETAIL AND BE APPROVED BY E.O.R PRIOR TO START OF FABRICATION.
6. ALL WELDS SHALL BE WRAPPED AROUND EDGES AND CORNERS FOR A CONTINUOUS ALL-AROUND FILLET, AS APPLICABLE, TO ENSURE NO MOISTURE PENETRATION IN ROOT GAP OPENINGS. WHERE AN ALL-AROUND WELDING SYMBOL IS NOT PRESENT IN DRAWING DETAILS, A MINIMUM $\frac{1}{8}$ INCH SEAL WELD SHALL BE USED TO MAKE THE WELD CONTINUOUS AROUND MEMBER AND SEAL OFF ROOT GAP.
7. ALL BOLTS SHALL BE LONG ENOUGH FOR THREADS TO BE EXCLUDED IN SHEAR PLANES.
8. ALL WELDS SHALL RECEIVE VISUAL INSPECTION IAW AWS D1.1 SECTION 6.9.
9. ALL BOLTS SHALL BE PRETENSIONED, USING AN APPROVED TORQUE-CONTROLLED TIGHTENING METHOD, WITH THE FOLLOWING PRETENSION:
   - 9.1. $\frac{7}{8}$"Ø: 39,000 LBS
10. MATERIALS SHALL CONFORM TO THE FOLLOWING, UNLESS OTHERWISE NOTED:

10.1.PLATES:	ASTM A572 (GRADE 50)
10.2.HOLLOW STRUCTURAL SECTIONS (HSS):	ASTM A500 GR. C
10.3.STEEL HEADED ANCHOR STUDS:	ASTM A29 (TYPE A)
10.4.WELD ELECTRODES:	
10.4.1. STRUCTURAL STEEL:	E70XX, 70 KSI
10.5.BOLTS:	ASTM F3125 GR. A325
10.6.WASHERS:	ASTM F436
10.7.NUTS:	ASTM A563

NOTE: FOR ANCHORING MATERIALS, SEE ANCHOR NOTES.

COLLINS ENGINEERS
130 RESEARCH DRIVE,SUITE 300
HAMPTON, VIRGINIA 23666
Phone: 757-873-0251

MARITIME INSTITUTE
CHERITON, VA

LIFEBOAT DAVIT SUPPORT STRUCTURE
GENERAL NOTES
CHERITON, VA

NO.	DATE	DESIGN BY	DESCRIPTION

COMMONWEALTH OF VIRGINIA
TIMOTHY D. WEEKS
Lic. No. 038179
12/29/23
PROFESSIONAL ENGINEER

CEI PROJECT:	14977.00
DESIGN BY:	EB
DRAWN BY:	EB
CHECKED BY:	DF
DATE:	12/29/2023
SCALE:	N/A
SHEET NO:	G-01

ANCHOR NOTES:

1. ADHESIVE ANCHORING SHALL BE AS FOLLOWS:
   1.1. THREADED RODS: $\frac{3}{4}$"ø 316 STAINLESS STEEL (ASTM F593)
   1.2. WASHERS: ASTM F436
   1.3. NUTS: ASTM F594
   1.4. ADHESIVE: HILTI HIT–HY 200 V3
   1.5. EMBEDMENT DEPTH: 6 1/4" (MIN.)
   1.6. INSTALLATION OF THREADED RODS SHALL BE IN ACCORDANCE WITH ADHESIVE MANUFACTURER'S SPECIFICATIONS.
2. ANCHOR HOLES SHALL BE CLEANED PRIOR TO PLACEMENT OF ANCHOR BOLTS:
   2.1. USE COMPRESSED AIR TO BLOW OUT THE HOLE
   2.2. USE A BRUSH TO CLEAN THE HOLE
   2.3. USE COMPRESSED AIR TO BLOW OUT AND DRY THE HOLE.
3. AVOID DRILLING THROUGH EXISTING REINFORCEMENT IN CONCRETE. CONTRACTOR SHALL USE INDUSTRY–APPROVED METHODS TO LOCATE REINFORCEMENT PRIOR TO DRILLING.

COATING NOTES:

1. COATING SYSTEM SHALL BE AN EXTERIOR EXPOSED COATING SYSTEM, AS APPROVED BY OWNER.
2. COATING SHALL BE INSPECTED, SAMPLED AND TESTED IAW ASTM D1014–18, STANDARD PRACTICE FOR CONDUCTING EXTERIOR EXPOSURE TESTS OF PAINTS AND COATINGS ON METAL SUBSTRATES.
3. WHEN APPLIED, PAINT SHALL SHOW GOOD LEVELING PROPERTIES, BE FREE FROM LAPS, BRUSH MARKS, ORANGE PEEL, SAGS, OR OTHER SURFACE DEFECTS, AND SHALL FLOW OUT TO A UNIFORM, SMOOTH FINISH.

SUBMITTALS:

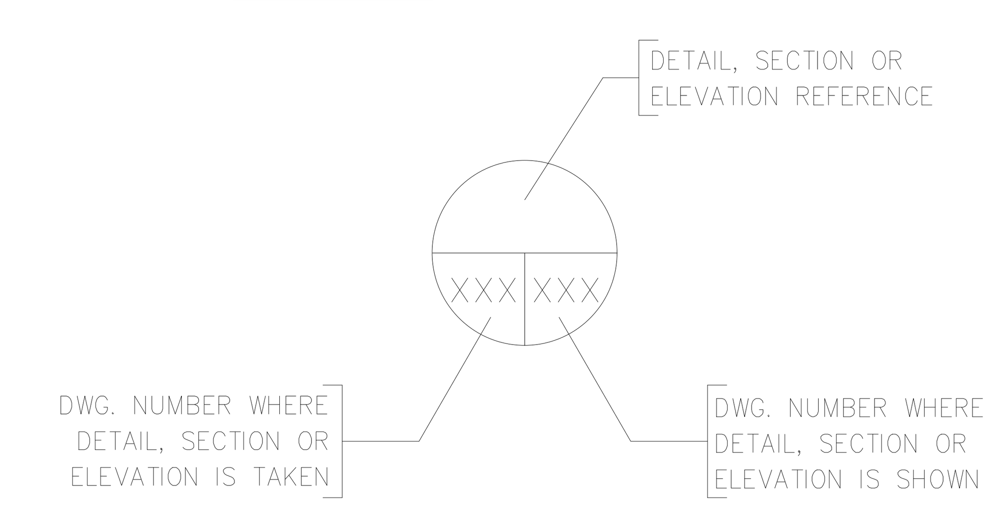
PRIOR TO THE BEGINNING OF WORK, INCLUDING ANY SHOP OR PRE–FABRICATION, THE CONTRACTOR SHALL SUBMIT TO THE ENGINEER OF RECORD FOR REVIEW AND APPROVAL, THE FOLLOWING SUBMITTALS:

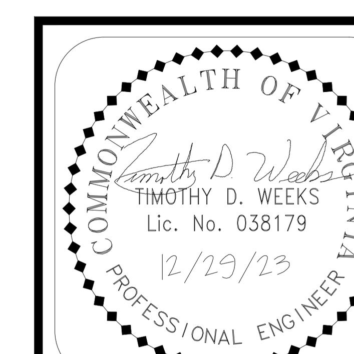
* STEEL SHOP DRAWINGS
* CONCRETE SHOP DRAWINGS:
  - REINFORCING STEEL
  - CONCRETE MIX DESIGN
* PRETENSION TORQUE–CONTROLLED TIGHTENING METHOD
* ANCHORING MATERIALS INCLUDING EPOXY
* WELDER/WELD INSPECTOR CERTIFICATES

AFTER THE COMPLETION OF WORK, THE CONTRACTOR SHALL SUBMIT TO THE ENGINEER OF RECORD FOR REVIEW AND APPROVAL, THE FOLLOWING SUBMITTALS:

* WELD VT EVALUATION REPORTS
* CONCRETE TEST REPORTS
* SURFACE PREPARATION AND COATING INSPECTION REPORTS

LEGEND:





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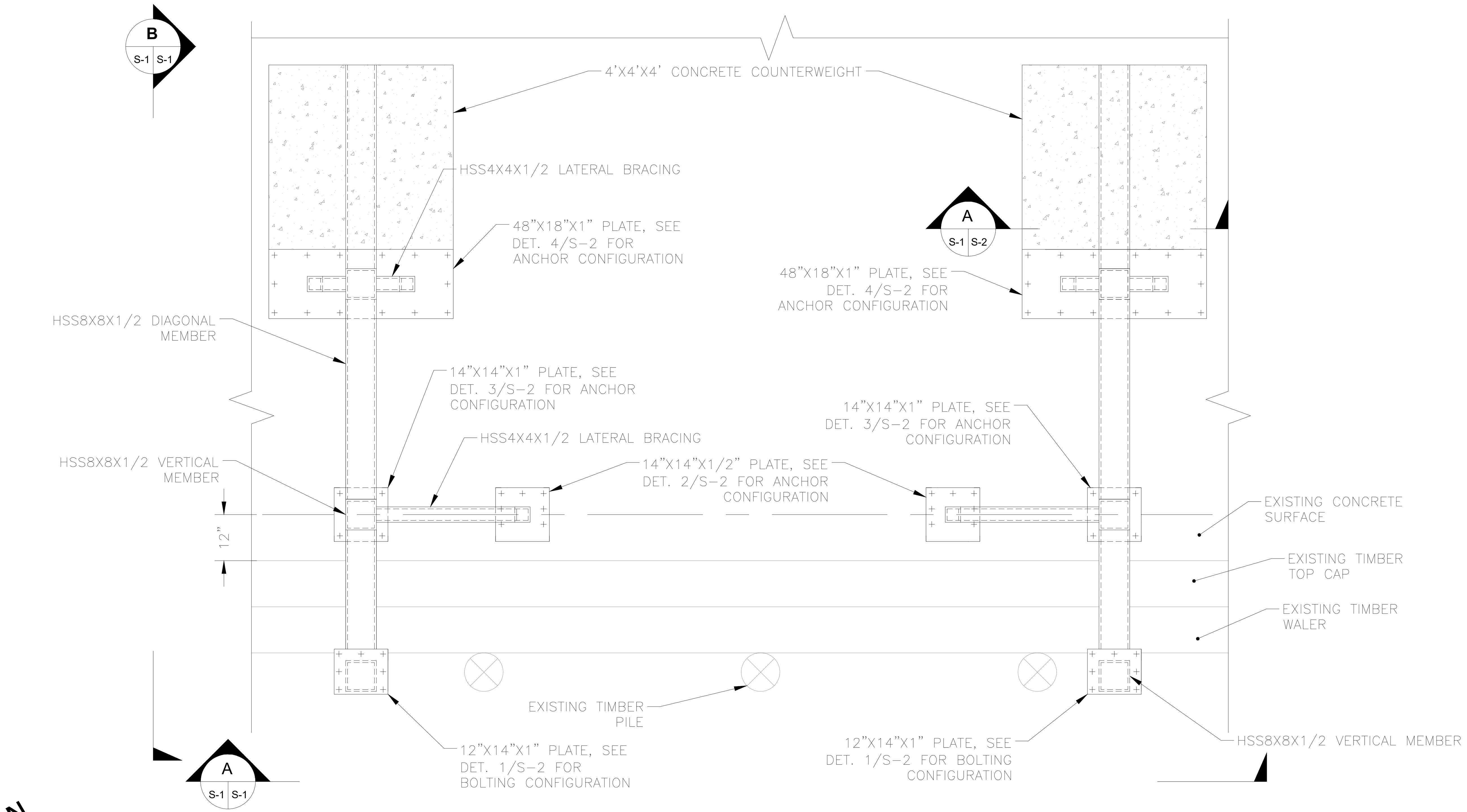
Phone: 757-873-0251

MARITIME INSTITUTE
CHERITON, VA

LIFEBOAT DAVIT SUPPORT STRUCTURE
GENERAL NOTES
CHERITON, VA

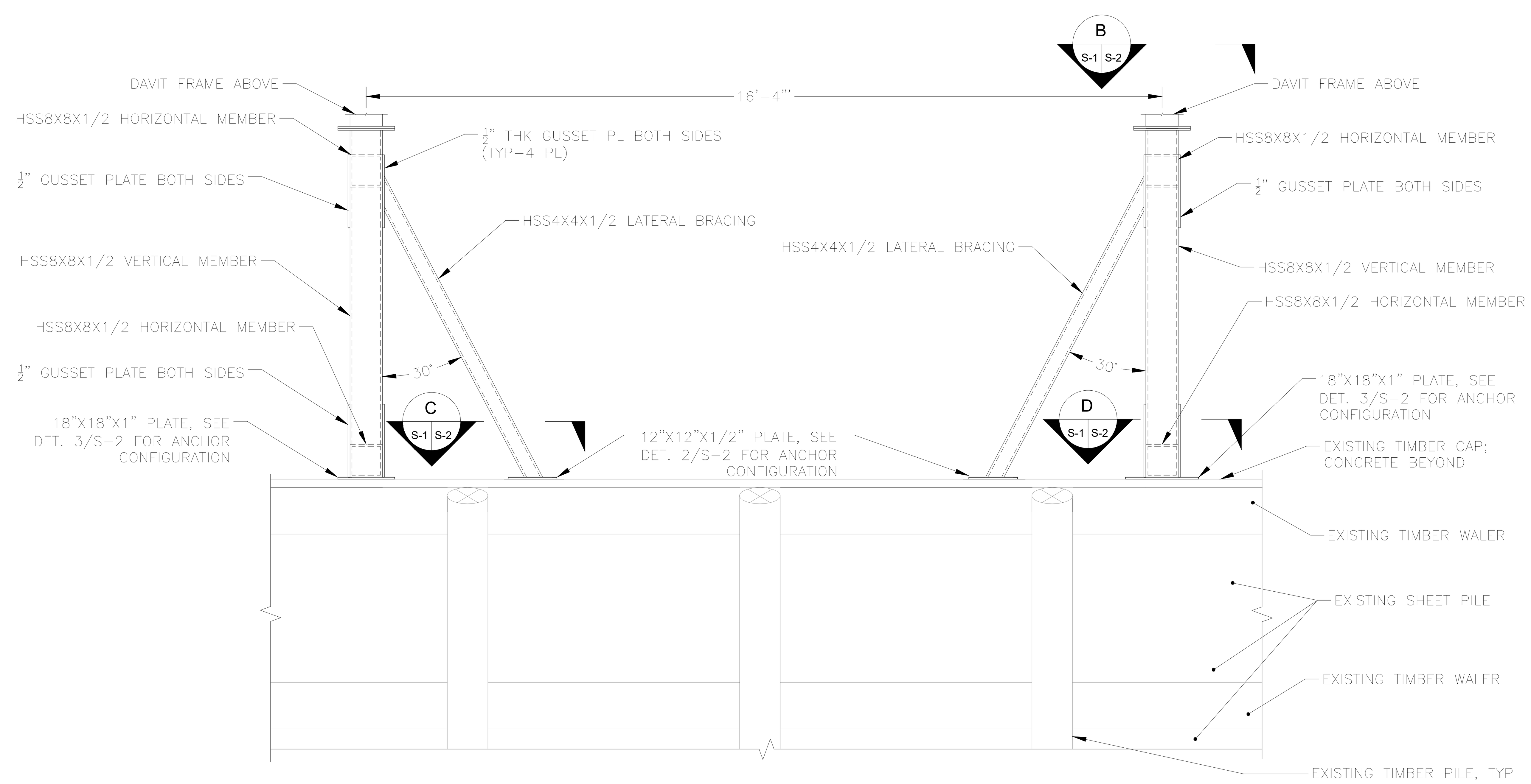
NO.	DATE	DESIGN BY	DESCRIPTION

CEI PROJECT: 14977.00
DESIGN BY: EB
DRAWN BY: EB
CHECKED BY: DF
DATE: 12/29/2023
SCALE: N/A
SHEET NO: G-02



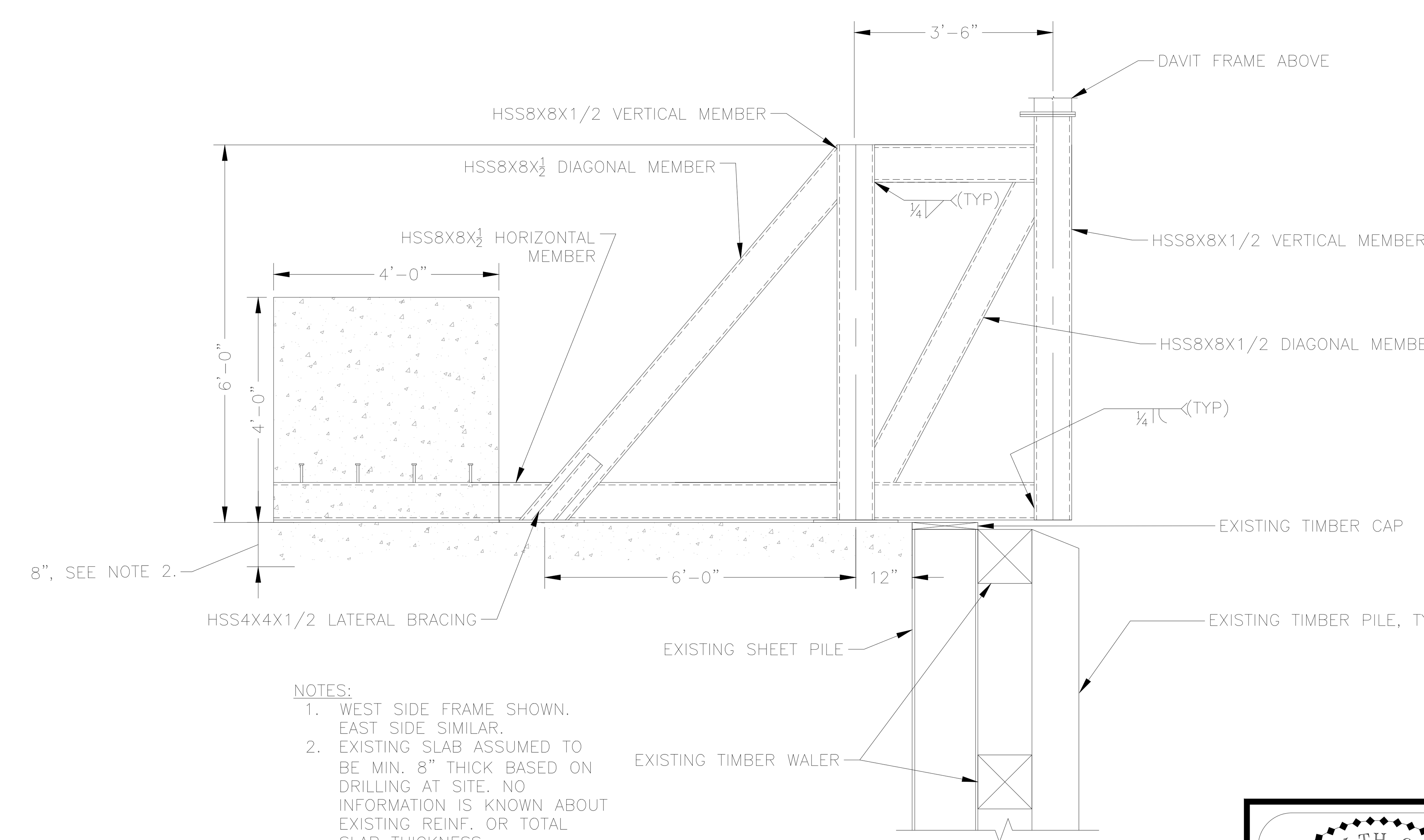
1 PLAN VIEW

SCALE: 1/2" = 1'



A SOUTH ELEVATION VIEW

SCALE: 1/2" = 1'



NOTES:
1. WEST SIDE FRAME SHOWN. EAST SIDE SIMILAR.
2. EXISTING SLAB ASSUMED TO BE MIN. 8" THICK BASED ON DRILLING AT SITE. NO INFORMATION IS KNOWN ABOUT EXISTING REINF. OR TOTAL SLAB THICKNESS.

B WEST ELEVATION VIEW

SCALE: 1/2" = 1'

NOTE: ½" THICK GUSSET PLATES NOT SHOWN FOR CLARITY.

COLLINS ENGINEERS
130 RESEARCH DRIVE, SUITE 300
HAMPTON, VIRGINIA 23666
Phone: 757-873-0251

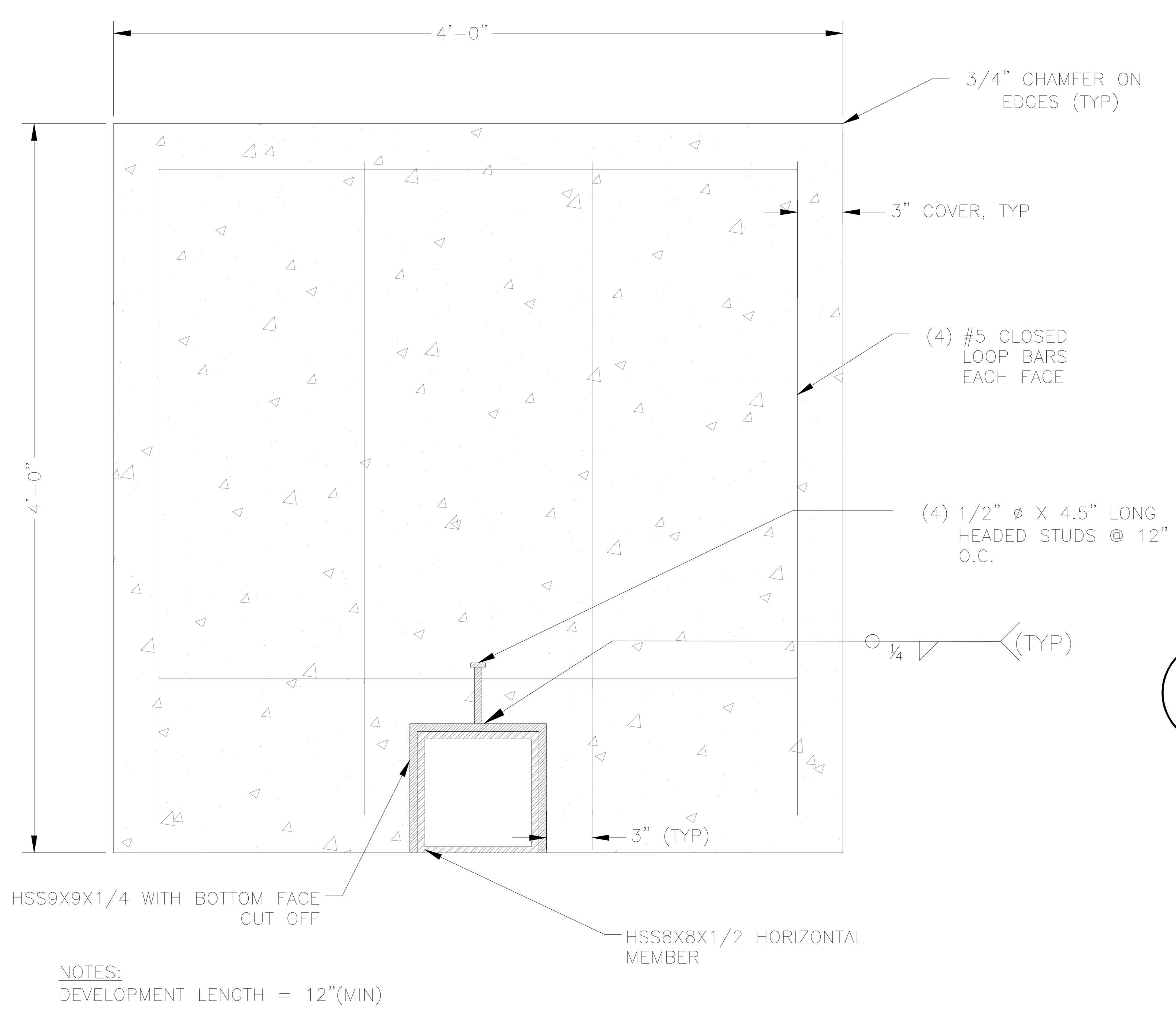
MARITIME INSTITUTE
CHERITON, VA

LIFEBOAT DAVIT SUPPORT STRUCTURE
PLAN & ELEVATION VIEW
CHERITON, VA

NO.	DATE	DESIGN BY	DESCRIPTION

CEI PROJECT: 14977.00
DESIGN BY: EB
DRAWN BY: EB
CHECKED BY: DF
DATE: 12/29/2023
SCALE: AS SHOWN
SHEET NO: S-01

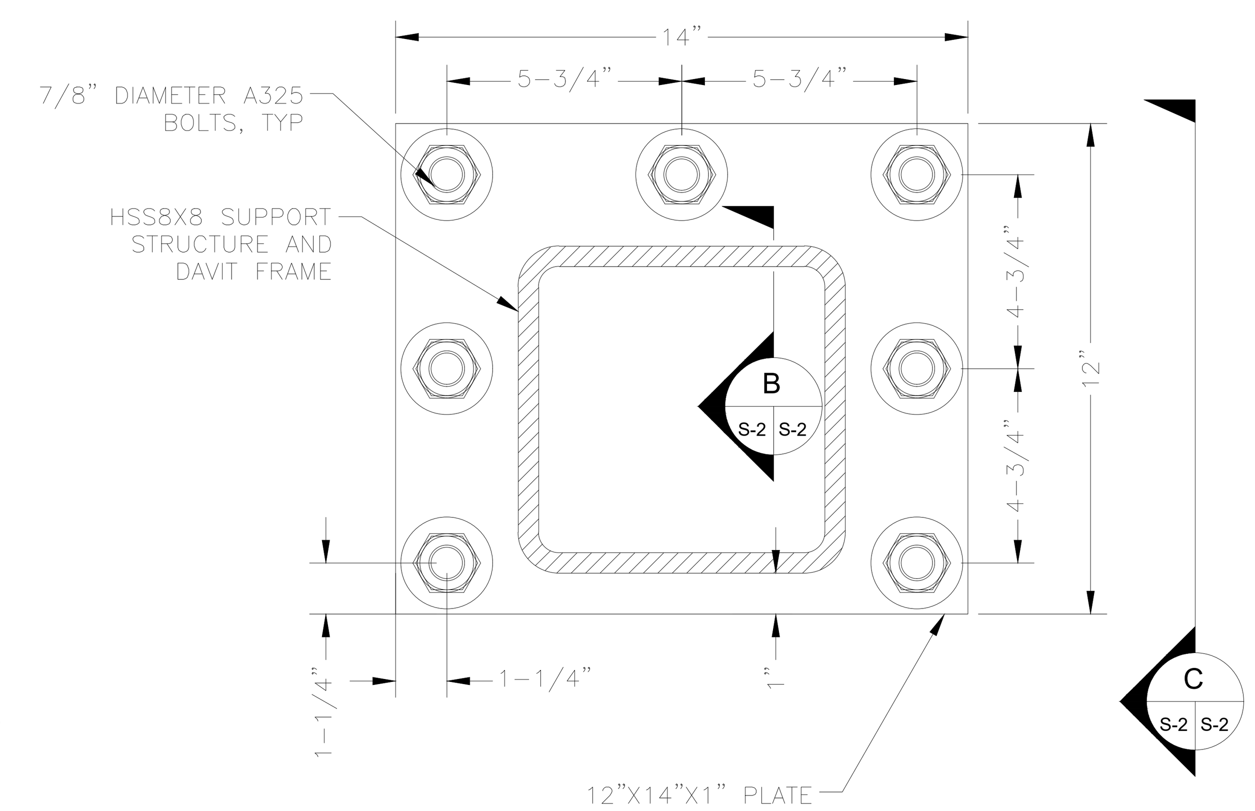
COMMONWEALTH OF VIRGINIA
TIMOTHY D. WEEKS
Lic. No. 038179
12/29/23
PROFESSIONAL ENGINEER



NOTES:
DEVELOPMENT LENGTH = 12"(MIN)

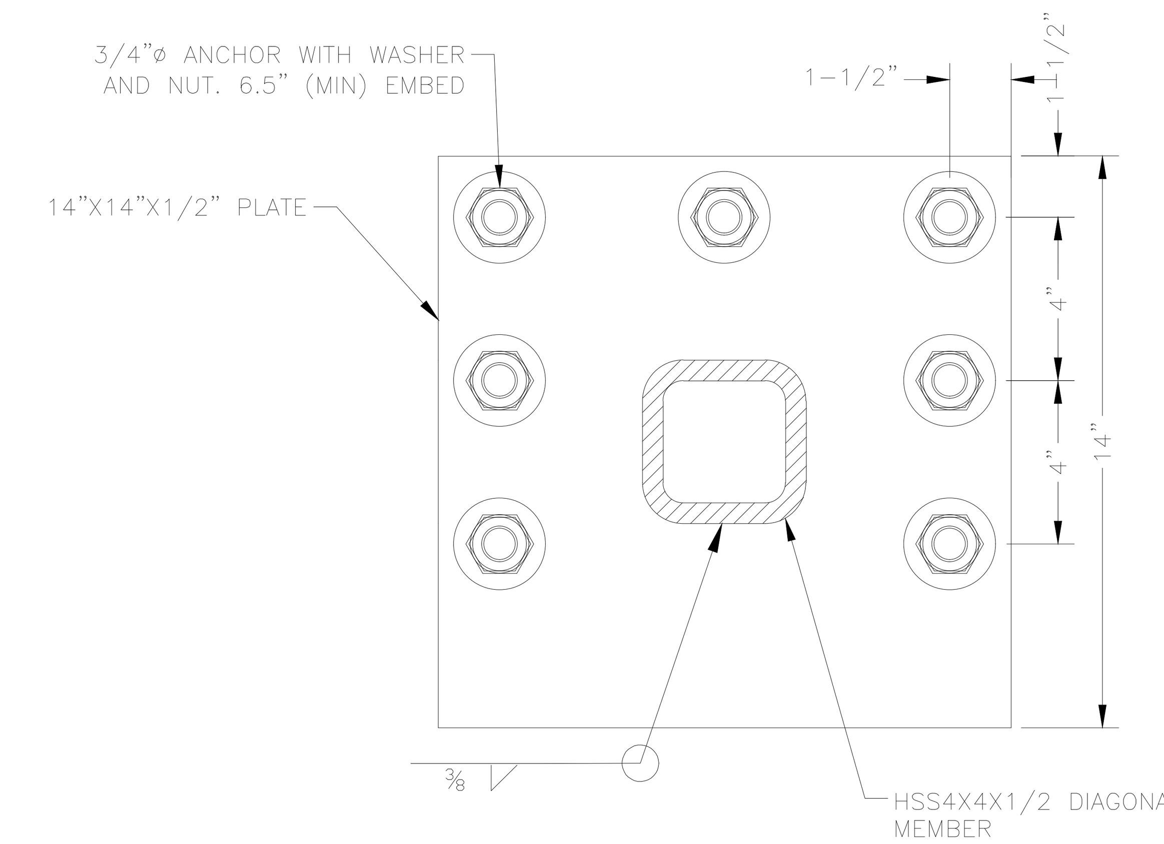
A COUNTER WEIGHT SECTION

SCALE: 1-1/2" = 1'



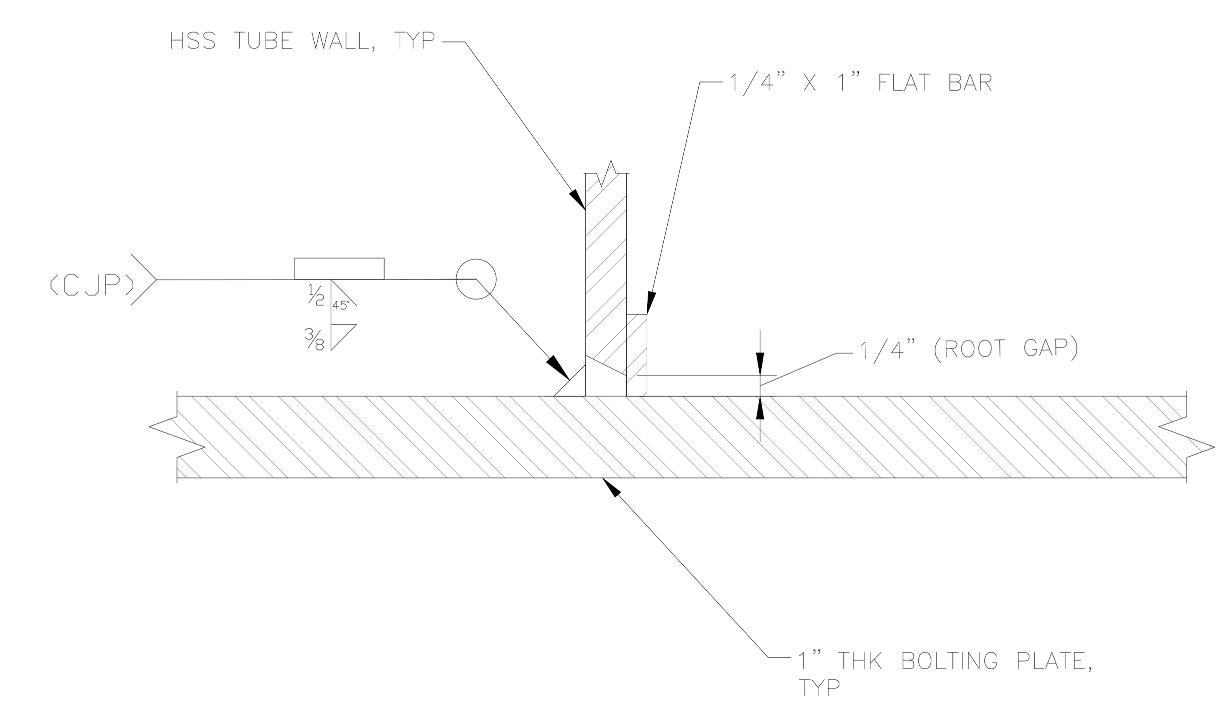
1 DAVIT TO SUPPORT CONNECTION

SCALE: 3" = 1'



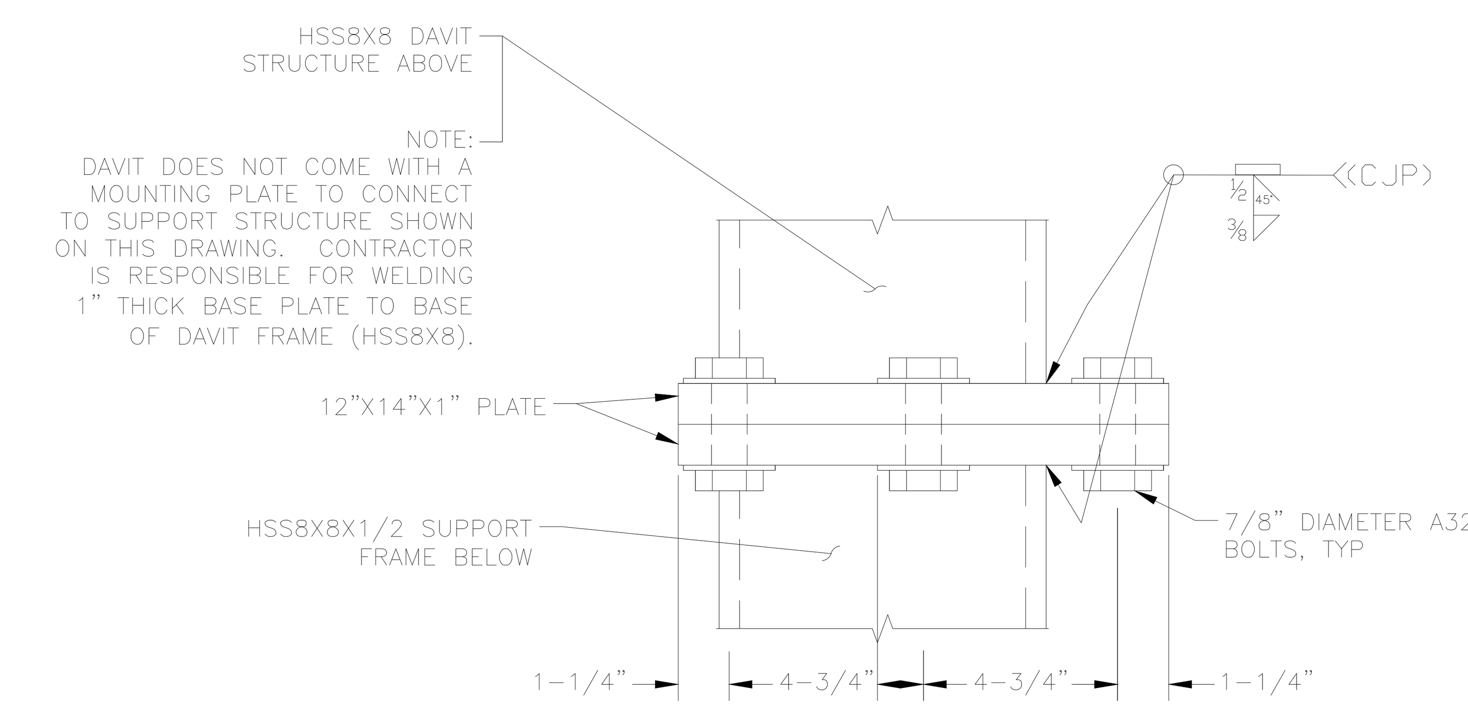
2 LATERAL SUPPORT BASEPLATE

SCALE: 3" = 1'



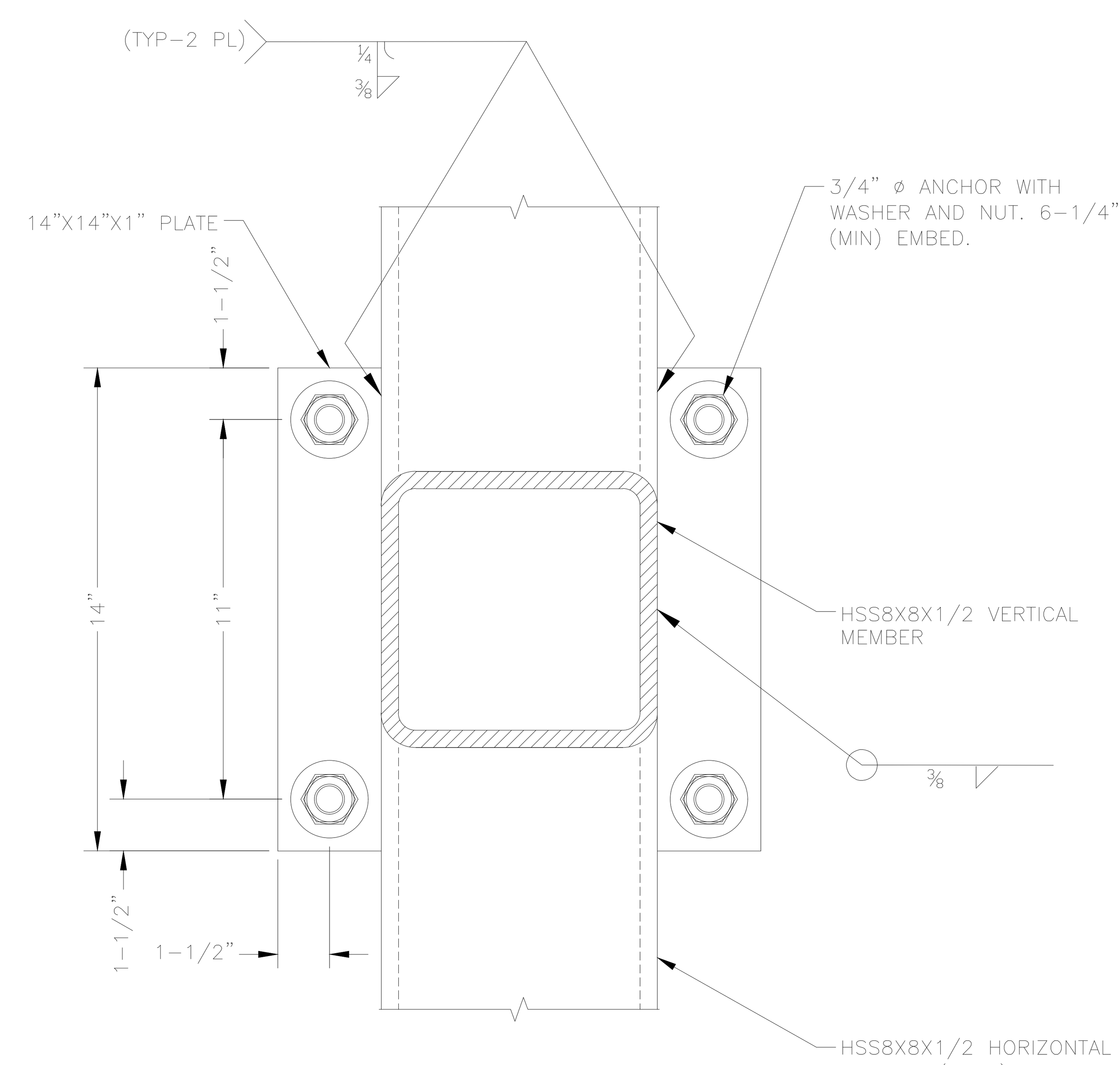
B HSS TO PLATE CONNECTION

SCALE: 6" = 1'



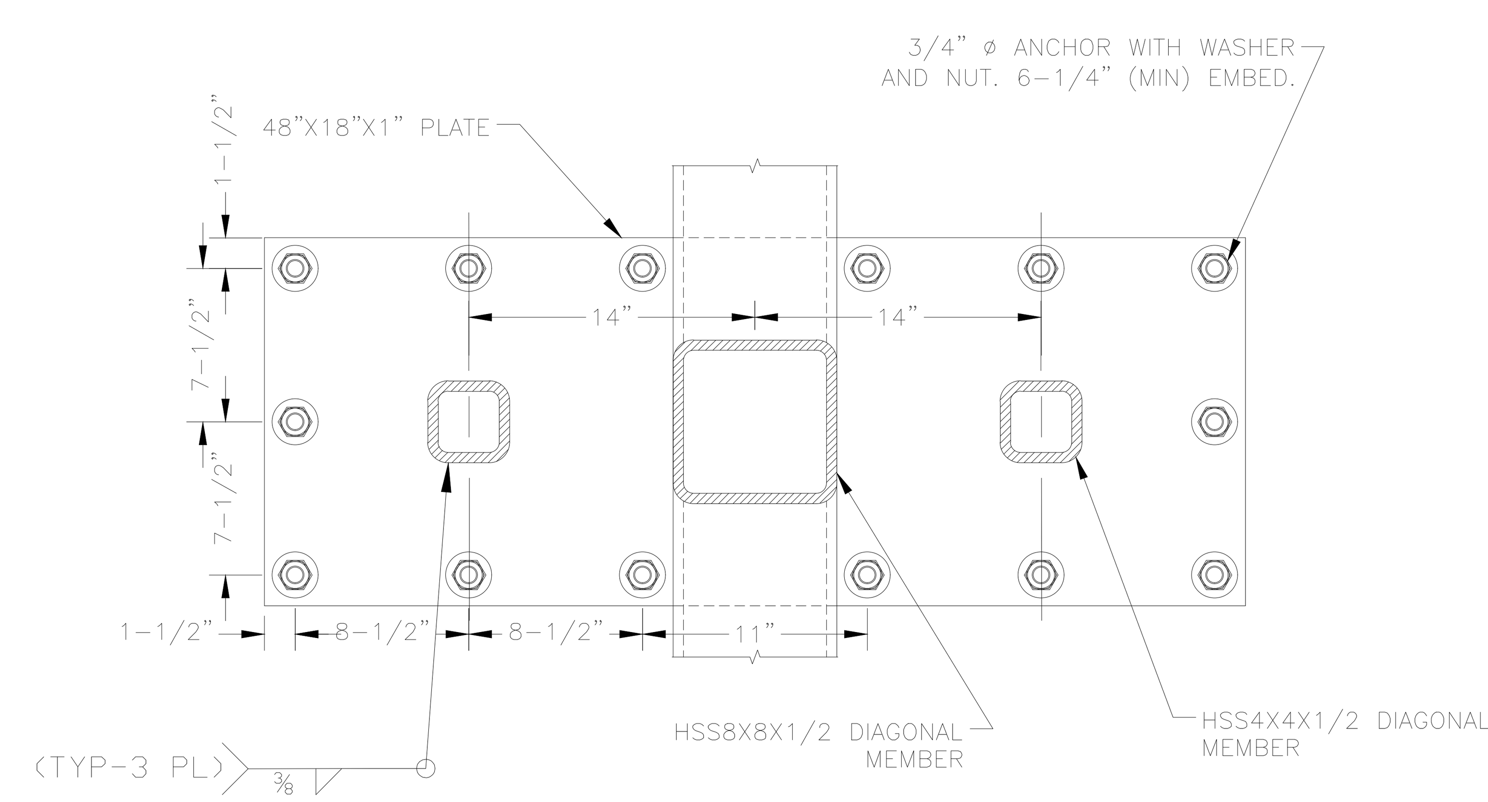
C DAVIT TO SUPPORT CONNECTION

SCALE: 3" = 1'



3 VERTICAL MEMBER BASEPLATE

SCALE: 3" = 1'



4 DIAGONAL MEMBER BASEPLATE

SCALE: 1-1/2" = 1'

COLLINS ENGINEERS INC
130 RESEARCH DRIVE, SUITE 300
HAMPTON, VIRGINIA 23666
Phone: 757-873-0251

MARITIME INSTITUTE
CHERITON, VA

LIFEBOAT DAVIT SUPPORT STRUCTURE
SECTION VIEWS AND DETAILS
CHERITON, VA

NO.	DATE	DESIGN BY	DESCRIPTION

CEI PROJECT: 14977.00
DESIGN BY: EB
DRAWN BY: EB
CHECKED BY: DF
DATE: 12/29/2023
SCALE: AS SHOWN
SHEET NO: S-02

COMMONWEALTH OF VIRGINIA
TIMOTHY D. WEEKS
Lic. No. 038179
12/29/23
PROFESSIONAL ENGINEER

DEED OF LEASE

THIS DEED OF LEASE ("Lease") is made as of this 15th day of February 2024 ("Effective Date"), by and between the **MUNICIPAL CORPORATION OF CAPE CHARLES,** a political subdivision of the Commonwealth of Virginia ("Landlord"), and **MID ATLANTIC MARITIME ACADEMY, LLC, dba MARITIME INSTITUTE,** a Virginia limited liability company ("Tenant"), as follows:

WHEREAS, Landlord owns real property in the Town of Cape Charles, Virginia consisting of an area approximately fourteen (14) feet by thirty four (34) feet, more or less, at the Town Harbor located on Tax Parcel 83A3-03-0A-00-010, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Property"); and

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, the Property on the terms set forth herein.

In consideration of the mutual promises and agreements set forth herein, and other good and valuable consideration, the parties hereto acknowledge and agree as follows:

1. Property.

1.1 Landlord hereby leases to Tenant, and Tenant hereby takes and leases from Landlord, the Property, on the terms and conditions set forth herein.

2. Term; Renewal Terms.

2.1 The term of this Lease shall commence on February 15, 2024 ("Commencement Date") and shall terminate at midnight on February 15, 2027, unless sooner terminated or unless extended as provided in this Lease.

So long as no event of default has occurred (and no event has occurred or condition exists which, with the passage of time or giving of notice or both, would constitute an event of default), Tenant shall have the option to renew this Lease for up to three (3) consecutive renewal terms of one (1) year each (each a "Renewal Term"), such that the maximum possible duration of the Lease term is six (6) years. During the Renewal Terms, all provisions of this Lease shall remain in full force and effect except that, upon the commencement of each exercised Renewal Term, Rent shall be adjusted by the previous twelve (12) month change in the Consumer Price Index – Urban (CPI-U), as published by the U.S. Bureau of Labor Statistics. Notwithstanding anything in this Lease to the contrary, under no circumstances shall Rent decrease during any Renewal Term from the Rent paid by Tenant during the immediately preceding initial term or Renewal Term even if the change in the CPI-U is negative. As used in this lease, the "term" of this Lease shall include the original term and any Renewal Terms properly exercised by Tenant.

3. Delivery of the Property; Construction of Improvements.

3.1 Landlord shall deliver possession of the Property to Tenant on the Commencement Date. Tenant accepts the Property "AS IS WHERE IS", WITHOUT WARRANTY OR REPRESENTATION OF ANY KIND OR NATURE. LANDLORD MAKES NO REPRESENTATIONS OR WARRANTIES, AND EXPRESSLY DISCLAIMS SAME, WITH RESPECT TO ANY ASPECT OF THE PROPERTY INCLUDING, BUT NOT LIMITED TO, THE PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY, THE PRESENCE OR

ABSENCE OF HAZARDOUS OR TOXIC SUBSTANCES ON OR UNDER THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR DEVELOPMENT, OR THE COMPLIANCE OR NONCOMPLIANCE OF THE PROPERTY WITH ANY LAW, REGULATION, ORDINANCE, OR OTHER GOVERNMENTAL REQUIREMENT. Any prior statements regarding the foregoing matters are hereby deemed void and are superseded by this Lease.

3.2 Tenant shall, at its sole costs and expense, remove the existing lifeboat, davits and supporting gear, and install a new lifeboat, davits and supporting gear necessary for the operation of Tenant's business for the Permitted Use, including any site work and utility connections (the "Improvements"). Prior to constructing any portion of the Improvements, Tenant shall submit to Landlord for Landlord's written approval a full set of plans, specifications, and other information reasonably requested by Landlord showing all Improvements to be constructed on the Property (the "Plans"). Landlord's approval shall not be unreasonably withheld, conditioned, or delayed. Landlord's review and approval of the Plans is solely for Landlord's benefit and shall not constitute a representation or warranty by Landlord that the Improvements will be safe, architecturally sound, or will comply with any Laws. Tenant shall construct the Improvements in a good and workmanlike manner, in conformity with the Plans as approved in writing by Landlord and in full compliance with all applicable Laws. Notwithstanding Landlord's approval of the Plans, Tenant shall obtain, through regular application and review processes, all necessary permits, certificates, and approvals for construction of the improvements and for operation of the business for the Permitted Use from federal, state and local authorities. As used in this Lease, "Laws" shall mean all laws, regulations, rules, ordinances, codes, guidelines, requirements, and orders enacted, promulgated, issued, or imposed from time to time by any federal, state, or local government or agency thereof.

4. Use of Property. Tenant covenants and agrees that the Property shall be used only for lifeboat training operations (the "Permitted Use") and for no other purpose unless Landlord agrees otherwise in writing.

5. Rent. Landlord reserves, and Tenant covenants to pay to Landlord at Landlord's address for notices as set forth below (or to any other location requested by Landlord in writing), without right of deduction or offset and without prior demand therefor being made, as payment for the use of the Property, and for the rights herein granted Tenant, the following Rent:

5.1 First year - Four Hundred Twenty-Nine dollars ($429.00) per month. Second and third years - As adjusted by the previous twelve (12) month change in the CPI-U.

5.2 Such Rent shall be paid in advance on the first day of each month.

5.3 Rent, and all other sums due from Tenant under this Lease shall be referred to as “Rent”. Tenant’s obligations under this Section 5 shall survive the expiration or earlier termination of this Lease.

6. Late Payments. Tenant covenants and agrees to pay interest from 10 days after the due date of any Rent due to Landlord under this Lease to the date of payment at the rate of ten percent (10%) per annum, or the highest legal rate, if any legal limit is applicable to such past due obligations. In addition, Tenant shall pay a "late charge" in the amount of five percent (5%) for each payment of Rent more than ten (10) days in arrears to cover the extra expense involved in handling delinquent payments. Tenant further agrees to pay (or to reimburse Landlord promptly if Landlord elects to pay) reasonable attorney's fees and court costs incurred by Landlord in connection with the collection of delinquent Rent and/or any enforcement of any provision under this Lease.

7. Responsibilities, Covenants, and Agreements of Tenant. Tenant covenants and agrees that:

7.1 It will comply with all Laws.

7.2 It will not use, or permit to be used, the Property for any illegal or immoral purpose, or for any purpose that generates a nuisance which affects adjacent property;

7.3 It will not use, or permit to be used, the Property in any manner that causes an accumulation of trash or debris on the Property, or allows an infestation of rodents, insects, or other pests on the Property;

7.4 It will not, without the prior written consent of Landlord, use, or permit to be used, any explosives or other hazardous chemicals or devices on the Property except in strict compliance with all applicable laws, regulations, and ordinances.

7.5 It will promptly pay all bills for all taxes and utilities, whether sent directly from the taxing authority or utility company or sent via Landlord. The foregoing includes, without limitation, real estate and personal property taxes on the Property and/or improvements and utility charges from the Town of Cape Charles and the Accomack Northampton Electric Cooperative.

7.6 It will not permit any mechanic's, materialman's or similar lien to stand against any portion of the Property for any labor performed or material furnished in connection with any work requested, performed or caused to be performed by Tenant, including without limitation construction of the improvements.

7.7 It will not, without the Landlord's prior written consent, make any alterations, improvements, or renovations to the improvements or any portion thereof If approved by Landlord, such alterations, improvements, or renovations shall be deemed part of the improvements.

7.8 It will, at its sole cost and expense, maintain the entire Property and all improvements in good, clean, and sightly condition, in full compliance with all Laws, making such repairs and replacements as may be necessary or proper in connection therewith.

8. Surrender of Possession. Upon expiration or earlier termination of this Lease, Tenant shall promptly and peacefully surrender the Property to Landlord in the same condition as existed as of the Commencement Date, with all Improvements, fixtures, and personal property removed and properly disposed of. If the Property is not surrendered in accordance with the terms of this Lease, Tenant shall indemnify Landlord and its agents, employees, independent contractors, officers, and officials against any loss or liability including reasonable attorneys' fees and costs, including liability to succeeding tenants. This indemnification shall survive termination of this Lease.

9. Indemnification and Release.

9.1 Tenant will hold Landlord harmless from and indemnify Landlord for any and all claims, actions, suits, losses, liabilities, damages, judgments, penalties, fines, costs, expenses, and fees (including attorney's and expert witness fees), suffered or incurred by Landlord as a result of injury, death, or damage to person or property in, on, to, or about the Property; provided, however that this clause shall not apply to injury or damage caused by Landlord's willful act. It is the intention and agreement that Landlord, except as otherwise provided herein, shall not be liable for any personal injuries or damage to Tenant or its owners, officers, agents, employees, invitees and all persons having business with Tenant or to any other persons or to any occupant of any part of the Property and Tenant agrees to take such reasonable steps as may be necessary to safeguard its employees, agents, invitees and all persons having business with Tenant at all times during the term of this Lease.

9.2 Tenant and all those claiming by, through or under Tenant shall occupy and use the Property and any improvements therein and appurtenances thereto solely at their own risk, and Tenant and all those claiming by, through or under Tenant hereby release Landlord and Landlord's agents, employees, independent contractors, officers, and officials, to the full extent permitted by law, from all claims of every kind, including loss of life, personal or bodily injury, damage to merchandise, equipment, fixtures or other property, or damage to business or for business interruption, arising, directly or indirectly, out of or from or on account of such occupancy and use, or resulting from any present or future condition or state of repair thereof Landlord shall not be responsible or liable at any time to Tenant, or to those claiming by, through or under Tenant, for any loss of life, bodily or personal injury or damage to property or business, or for business interruption, that may be occasioned by the acts, omissions or negligence of any person or entity other than Landlord by Landlord's willful act.

10. Insurance. Tenant will, at all times during the term of this Lease, commencing on the date of delivery of possession of the Property to Tenant, and in any event prior to any entry by Tenant onto the Property, at its own cost and expense, carry with a company or companies, satisfactory to Landlord, commercial general liability insurance covering Tenant's use and occupancy of the Property and all risks of personal injury, death, and property damage (including without limitation damage to the Property) arising out of or related thereto, in a form satisfactory to Landlord. Such insurance shall have combined single liability limits of not less than $1,000,000.00 per occurrence and $2,000,000.00 in the aggregate and shall have Landlord as an additional named insured on such policy or policies. In addition, Tenant shall maintain commercial property insurance on all structures, improvements, fixtures, and equipment located on the Property at full replacement cost. The foregoing limits may be increased by Landlord from time to time during the term, consistent with the levels of insurance required for similar properties and/or operations.

10.1 Tenant covenants that all the insurance policies required under this Lease, and their renewal or replacement, shall be delivered to Landlord prior to the Commencement Date. Such policy or policies shall not be subject to cancellation or modification without thirty (30) days prior written notice to Landlord. The policy or policies shall also provide that only the acts or omissions of Landlord may prejudice Landlord's rights under the policy. If any such insurance policy is not provided, Landlord is authorized to secure such policy from such companies as it deems appropriate, and Tenant shall immediately pay the cost of such insurance. Tenant's failure to provide required insurance shall also be an event of default under this Lease, without the need for notice or an opportunity to cure. Tenant shall be responsible for complying with all requirements of any such insurance.

11. Net Lease. This is an absolute net Lease and Landlord shall not be required to provide any services, expend any funds, perform any repairs or maintenance, or do any other act or thing with respect to the Property, the Improvements, or the appurtenances thereto, and the payments reserved herein shall be paid to Landlord without claim on the part of Tenant for diminution, setoff, or abatement, and nothing shall suspend, abate or reduce any Rent or other sum to be paid hereunder, except as may otherwise be explicitly specified in this Lease.

12. Assignment and Subletting. Tenant covenants that it will not assign this Lease in

whole or in part or sublet or permit any other person to occupy all or any portion of the Property, without Landlord's express written consent. If Tenant is a corporation, limited liability company, or partnership, the sale or encumbrance of (i) a majority of its outstanding voting stock or membership or partnership interests (whether in one transaction or as the result of more than one transaction), or (ii) all or substantially all of its assets, shall be deemed an assignment of this Lease.

13. Waiver of Subrogation. All fire insurance, extended coverage, property insurance, and policies relating to other casualties carried by Tenant covering the Property and/or the contents thereof, shall expressly waive any right on the part of the insurer against Landlord, its agents, and employees, which right is hereby expressly waived. Tenant agrees that its insurance policies required to be carried by this Lease will include such waiver clause or endorsement.

14. Default and Remedies.

14.1 Each of the following shall be an event of default under this Lease: (i) Tenant's failure to make any payment due under this Lease for a period of more than ten (10) days after its due date; or (ii) Tenant's failure to perform any of the nonpayment terms, covenants, conditions or provisions herein contained and such failure shall not be remedied within the applicable time period or, if none, within thirty (30) days after written notice thereof (or if such default cannot be fully cured within such thirty (30) day period, and Tenant does not continuously and diligently pursue the cure thereof to Landlord's satisfaction); or (iii) if Tenant shall file a petition, or if a petition shall be filed against Tenant, under the United States Bankruptcy Code or similar laws, or if Tenant shall be adjudicated a bankrupt, or shall become insolvent, or shall make a general assignment for the benefit of its creditors; or (iv) if a receiver shall be appointed for Tenant or a substantial part of its property and such receiver is not removed within thirty (30) days after appointment.

14.2 Following an event of default by Tenant, Landlord shall have the right (in addition to all other rights and remedies provided by law or equity) to reenter and take possession of the Property, peaceably or by force, with or without notice and with or without judicial process, and to remove any property thereon, without liability for damage to and without obligation to store, such property. Landlord may so recapture the Property with or without terminating this Lease. In the event of a termination, Landlord may (but shall be under no obligation to) relet the Property, or any part thereof, from time to time, in the name of Landlord or Tenant, without further notice, for such term or terms, on such conditions, and for such uses and purposes, as Landlord, in its sole discretion, may determine, and may collect and receive all rents derived therefrom and apply the same, after deduction of all appropriate expenses (including, without limitation, leasing commissions, the cost of preparing the Property for reletting; reasonable attorney's fees and other costs of collection) to the payment of the Rent and other sums due from Tenant hereunder. Further, in the event of a termination, to the extent permitted by law, Landlord may accelerate all Rent due for the remainder of the term, and such accelerated Rent shall be immediately due and owing. No repossession of the Property or any part thereof pursuant to this section, and no expiration or termination of this Lease by the terms hereof or by operation of law or otherwise, shall relieve Tenant of its responsibilities and obligations hereunder, all of which shall survive such expiration, termination or repossession. Tenant shall pay Landlord its reasonable attorney's fees in enforcing the terms of this Lease, including without limitation collecting amounts due hereunder and/or recapturing possession of the Property. All of Landlord's remedies shall be cumulative, and the exercise of one or more remedies shall not be deemed a waiver of any other rights or remedies.

15. Costs and Attorneys' Fees. In addition to any other rights of Landlord under this Lease, if Landlord prevails against Tenant in any action arising out of this Lease, including without

limitation, any suit by Landlord for the recovery of Rent or other sums hereunder, or possession of the Property, Tenant shall pay Landlord its reasonable attorneys' fees and costs in such suit, at trial and on appeal, and such attorneys' fees and costs shall be deemed to have accrued on the commencement of such action.

16. Notices. Any notice herein provided for shall be deemed to be given only if and when hand delivered, posted in United States registered or certified mail, postage prepaid, or delivered by reputable overnight courier requiring a receipt, addressed to the following:

If to Landlord:

Municipal Corporation of Cape Charles
2 Plum Street
Cape Charles, Virginia 23310
Attention: Town Manager
Telephone: (757) 331-3259
Facsimile: (757) 331-4820

If to Tenant:

Mid Atlantic Maritime Academy, LLC, dba Maritime Institute
5301 Robin Hood Road
Norfolk, Virginia 23513
Attention: Dave Abrams, CEO
Telephone: (757) 464-6008
Facsimile: dave@maritimeinstitute.com

Notwithstanding the foregoing, notice shall be deemed given upon the completion of a confirmed facsimile transmission if an identical copy of the notice is simultaneously sent by one of the other methods specified above. Either party may change its address for notices by sending notice thereof in compliance with this section.

17. Holding Over. Any holding over after the expiration of the term hereof, without the consent of Landlord, shall be construed to be a tenancy from month to month, at 200% of the Rent at the time of holding over. Landlord shall be deemed to have consented to any holding over by Tenant only if such consent is in a writing signed by Landlord.

18. Agents. Tenant represents and warrants to Landlord that Tenant has engaged no agent or broker in connection with this Lease. Tenant shall indemnify, defend, and hold Landlord harmless from any claim for a commission or similar fee resulting from any breach of the preceding sentence.

19. Environmental Representations, Warranties and Covenants.

19.1 Tenant shall comply with all laws, regulations, rules, ordinances, permits, and Landlord's hazardous materials protocols, rules, and procedures in its use of the Property and shall not cause, allow, or permit any Hazardous Materials (as defined below) to be brought upon, kept or used in, leaked, spilled or disposed of on, under or about, the Property in violation of environmental laws. Without limiting the foregoing, if the presence of any Hazardous Materials on the Property which Tenant causes, allows, or permits to be brought upon, kept or used, leaked, spilled or disposed of on the Property results in any contamination of the Property, or if Hazardous Materials come into existence or onto the Property after the Commencement Date in violation of applicable law, except to the extent that such materials are present due to Landlord's actions, Tenant shall promptly take all actions at its sole expense as are necessary to comply with applicable laws, rules and regulations, to remove any and all such contamination and to restore the Property to its original condition. Upon termination of this Lease, Tenant shall remove all such Hazardous Materials whether or not Tenant is in violation of applicable law, except to the extent such materials are present due to Landlord's actions.

19.2 Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims, demands, suits, actions, damages, liability and expenses which Landlord may suffer as a result of such breach of environmental laws, as well as the presence of Hazardous Materials coming into existence or onto the Property after the Commencement Date and caused by Tenant's use of the Property. Tenant shall have no liability and this indemnification shall not apply for any pre-existing Hazardous Materials found on the Property, including in groundwater or the surrounding areas, which may have entered the Property or the surrounding areas prior to or after the Commencement Date from third party sources. Such indemnification shall also include without limitation indemnification for diminution in value of the Property and Landlord's costs and attorney's fees.

19.3 For the purposes of this Lease, "Hazardous Materials" shall have the following meanings: Any and all substances or chemicals which are regulated by any law, ordinance, rule, regulation or otherwise by any governmental agency or governmental entity; any and all waste substances, wastes or other materials whose storage, handling, transportation, treatment and/or disposal is subject to regulation under any law, ordinance, rule, regulation or otherwise, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C §§ 9601 et seq., as amended ("CERCLA"), the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as amended ("RCRA"), the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251, et seq., as amended ("the Clean Water Act"), the Clean Air Act, 42 U.S.C. §§ 7401, et seq., as amended, the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ I10001, et seq., as amended ("EPCRA"), the Pollution Prevention Act of 1990, 42 U.S.C. §§ 13101, et seq. and the Occupational Health and Safety Act, 29 U.S.C. §§ 651, et seq., as amended ("OSHA"); and any substances which have been shown or identified as having or potentially having adverse effects on human health or which are subject to regulation under any law, ordinance, rule, regulation or otherwise by any governmental agency or governmental entity, including without limitation the Toxic Substances Control governmental agency or governmental entity, including without limitation the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq., CERCLA, EPCRA and OSHA. To the extent not included in the foregoing, "Hazardous Materials" also includes, but is not limited to, polychlorinated biphenyls ("PCBs"), petroleum hydrocarbons and products, formaldehyde, radon gas, lead-based paints, and medical waste/infectious waste.

19.4 The provisions of this section shall survive the termination of this Lease.

20. <u>Termination.</u> This Lease shall terminate: (i) automatically at the end of the Lease term; (ii) immediately upon the dissolution of the Tenant; (iii) at Landlord's option, in the event Tenant fails to complete the construction of the Improvements; (iv) at Landlord's option, in the event the Property ceases to be used for the Permitted Use for a period of six (6) or more months, except for closures required by casualty, eminent domain, or approved renovations; or (v) upon written agreement of Landlord and Tenant.

21. <u>Miscellaneous Provisions.</u>

21.1 <u>Entire Agreement.</u> This Lease contains the entire agreement between the parties hereto, and it cannot be altered or modified in any way except in writing signed by the parties hereto.

21.2 No Waivers. Any failure of either party hereto to insist upon strict observance of any covenant, provision or condition of this Lease in any one or more instances shall not constitute or be deemed a waiver, at that time or thereafter, of such or any other covenant, provision or condition of this Lease.

21.3 Marginal Headings. The headings appearing on the margin of this Lease are intended only for convenience of reference and are not to be considered in construing this instrument.

21.4 Successors and Assigns. This Lease and all the terms, covenants, conditions and provisions herein contained, shall be binding upon and shall inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and (if and when assigned in accordance with the provisions hereof) assigns.

21.5 No Partnership or Joint Venture. Nothing in this Lease or the course of dealings between Landlord and Tenant shall be construed as a partnership, joint venture, or any other business relationship between Landlord and Tenant other than that of landlord and tenant.

21.6 Counterparts. This Lease may not be executed with counterpart signature pages.

Witness the following signatures and seals:

LANDLORD:

MUNICIPAL CORPORATION OF CAPE CHARLES,
a political subdivision of the Commonwealth of Virginia

____________________________ By: ____ (SEAL)
Attest Name: Adam Charney
Title: Mayor

TENANT:

MID ATLANTIC MARITIME ACADEMY, LLC, dba
MARITIME INSTITUTE
a Virginia limited liability company

____________________________ By: ____ (SEAL)
Attest Name: Dave Abrams
Title: Chief Executive Officer

ORDINANCE 20240215
GRANTING LEASE OF TOWN PROPERTY

WHEREAS, the Town of Cape Charles desires to lease for a period of three (3) years, with three (3) one (1) year option periods, a portion of the inner harbor wharf where the existing lifeboat is located, which is a portion of Tax Parcel 83A3-OA-00-010, currently utilized by Mid Atlantic Maritime Academy, LLC, dba Maritime Institute for lifeboat training operations; and

WHEREAS, Maritime Institute proposes to replace the existing antiquated lifeboat and davits with a contemporary system to better train mariners, and

WHEREAS, this use is compatible with Town Harbor uses and operations, and

WHEREAS, the use of the property for this purpose will have a beneficial effect on Town revenues; and

WHEREAS, a public hearing has been held as required by Code of Virginia, Section 15.2-1800; and

WHEREAS, the proposed ordinance and lease conform with the requirements of Code of Virginia, Section 15.2-2100; now

THEREFORE, BE IT ORDAINED that the Town Manager be authorized to finalize the lease materially in conformance with the terms and conditions attached hereto; and

THEREFORE, BE IT FURTHER ORDAINED by the Town Council of Cape Charles, this 15th day of February 2024, that the Mayor be authorized to execute such lease between the Municipal Corporation of Cape Charles and Mid Atlantic Maritime Academy, LLC, dba Maritime Institute.

****

Adopted by the Town Council of Cape Charles on February 15, 2024

By:____
Mayor

ATTEST:

____
Town Clerk

TOWN OF CAPE CHARLES			
	AGENDA TITLE: USDA Rural Development Grant/Loan Resolution		**AGENDA DATE** February 15, 2024
	SUBJECT/PROPOSAL/REQUEST: USDA Rural Development Grant/Loan for Police Vehicle		**ITEM NUMBER:** 8D
	ATTACHMENTS: Resolution 20240215		**FOR COUNCIL:** Action (X) Information ( )
	STAFF CONTACT (s): Adrian Oei / Jerry Murphy	**REVIEWED BY:** John Hozey, Town Manager	

BACKGROUND:

Town Council approved the purchaser of a police vehicle to be funded by the US Department of Agriculture Rural Development Agency when the FY 2024 budget resolution was passed. However, due to the USDA RD standard processes, approval for this budgeted item was just received.

ITEM SPECIFICS:

The approved application authorizes the purchase of a new police vehicle and equipment in the amount of $43,000.

USDA Rural Development requires the Town Council to pass a resolution to accept the grant of $15,000 and loan of 28,000 and the accompanying obligations and requirements. The resolution also gives the town manager the authority to sign the contractual documents.

RECOMMENDATION:

Staff recommends that Town Council adopt Resolution 20240215 to accept the USDA Rural Development Grant and Loan for the purpose of purchasing another police vehicle and associated equipment.

Position 5

USDA
Form RD 1942-47
(Rev. 12-97)

LOAN RESOLUTION #20240215
(Public Bodies)

FORM APPROVED
OMB NO. 0575-0015

A RESOLUTION OF THE Town Council

OF THE Town of Cape Charles

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Police Vehicle and Equipment

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the Town of Cape Charles
(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

28,000.00

pursuant to the provisions of Va Code 15.2 ; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of $ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established and maintained, disbursements from that account may be used when necessary for payments due on the bond if sufficient funds are not otherwise available. With the prior written approval of the Government, funds may be withdrawn for:

    (a) Paying the cost of repairing or replacing any damage to the facility caused by catastrophe.
    (b) Repairing or replacing short-lived assets.
    (c) Making extensions or improvements to the facility.

    Any time funds are disbursed from the reserve account, additional deposits will be required until the reserve account has reached the required funded level.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain the Government's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed $ 15,000

    under the terms offered by the Government; that the Town Manager

    and Mayor of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

    The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee

    The vote was: Yeas ______ Nays ______ Absent ______.

IN WITNESS WHEREOF, the Town Council of the

Town of Cape Charles has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this ______ day of ______, ______.

(SEAL)

____

By ______________________

Attest:

Title Mayor

____

Town Clerk

Title