



Town Council Regular Meeting

Wednesday, September 16, 2026, 6:00 PM
Cape Charles Civic Center - 500 Tazewell Avenue
Agenda

- 1. Call to Order**
 - A. Roll Call
 - B. Establish Quorum
- 2. Moment of Silence and Pledge of Allegiance**
- 3. Public Hearing: (3 minutes per speaker)**
 - A. Issuance of a General Obligation Bond for Town to provide an estimated maximum amount of \$7,300,000 for the design, engineering and construction of the New Municipal Building
- 4. Close Public Hearing**
- 5. Recognition of Visitors / Presentations / Recognitions**
- 6. Public Comments (3 minutes per speaker for topics not subject to this evening's public hearing)**
- 7. Consent Agenda**
 - A. Approval of Agenda Format
 - B. Approval of Minutes
 - C. Approval of Financial Reports
- 8. Unfinished Business:**
- 9. New Business:**
 - A. Financing an estimated maximum amount of \$7,300,000 for the design, engineering and construction of the New Municipal Building
 - B. Reimbursement Resolution
 - C. Fire Department Surcharge for Building Department Permits
 - D. Building, Planning & Zoning Fee Schedule
 - E. Handicapped Parking Space on Mason Avenue
 - F. Ownership Transfer for ANEC Electric Vehicle Charging Stations

10. Town Manager Comments

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

12. Announcements

- A.** October 7, 2026 - Town Council Work Session
- B.** October 10, 2026 - Fall Festival
- C.** October 12, 2026 - Town Offices closed for Columbus Day
- D.** October 21, 2026 - Town Council Regular Meeting

13. Adjournment

**NOTICE OF PUBLIC HEARING
TOWN COUNCIL OF THE TOWN OF CAPE CHARLES, VIRGINIA**

Notice is hereby given that the Town Council (**“Council”**) of the Town of Cape Charles, Virginia (**the “Town”**) will conduct a public hearing in the Cape Charles Civic Center located at 500 Tazewell Avenue, Cape Charles, Virginia 23310, on Wednesday, September 16, 2026, during a regular meeting at 6:00 p.m., or as soon thereafter as the matter may be called on the adoption of the following

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF CAPE CHARLES,
VIRGINIA, AUTHORIZING THE ISSUANCE OF UP TO \$7,300,000 PRINCIPAL
AMOUNT OF A GENERAL OBLIGATION BOND FOR TOWN CAPITAL
IMPROVEMENT PROJECTS AND PROVIDING FOR THE FORM, DETAILS AND
PAYMENT THEREOF**

The purpose of this Public Hearing is to receive public comment on an ordinance authorizing the issuance of a general obligation bond of the Town (**the “Bond”**) to provide an estimated maximum amount of \$7,300,000. The Town expects to spend ten percent or more of the total Bond proceeds to provide funding to (a) provide permanent financing for the design, engineering and construction of the Town’s New Municipal Building; and (b) pay the costs of issuance associated with the Bond. The Bond will be secured by the full faith and credit of the Town.

All interested persons may appear and present their views at the above time and place, whether orally or in writing, or submit written comments prior to the hearing. The Council may set time limits on speakers and other rules and procedures for the conduct of this public hearing. Copies of any proposed resolutions, ordinances, applications and reports may be viewed in the Office of the Town Manager at 412 Tazewell Avenue, Cape Charles, Virginia 23310, during regular business hours. Anyone needing assistance or accommodations under the provision of the Americans with Disabilities Act should contact the Town Hall Offices at (757) 331-3259. For additional information, please contact the Town Manager’s office.

**BY ORDER OF THE TOWN COUNCIL
TOWN OF CAPE CHARLES, VIRGINIA
RICK KEUROGLIAN, TOWN MANAGER**



DRAFT
TOWN COUNCIL
Work Session
Cape Charles Civic Center, 500 Tazewell Avenue
August 5, 2026, 6:00 p.m.

CALL TO ORDER

Mayor Adam Charney called the Work Session of the Cape Charles Town Council to order at 6:00 p.m.

ROLL CALL

Council Members in attendance: Mayor Charney; Vice Mayor Buchholz; Councilmen Butta, Grossman and Newman; Councilwomen Ashworth and Holloway. A quorum was established.

Staff in attendance: Town Manager Rick Keuroglian, Treasurer Marion Sofield, Building Official Jeb Brady, Planning & Zoning Deputy Tracy Outten, Community Relations Manager Pam Endlein, Town Clerk Libby Hume.

There were two (2) members of the public in attendance.

ITEMS FOR DISCUSSION

A. *Update from Virginia American Water*

Mayor Charney advised Council that the scheduled presentation from Virginia American Water would not take place because the company's representative had been delayed in Richmond and was unable to attend the Work Session.

Council briefly discussed the importance of receiving an update concerning the Mason Avenue Pump Station incident, the emergency response, corrective actions undertaken by Virginia American Water, and future improvements intended to reduce the likelihood of similar events. Following discussion, Council reached consensus to reschedule the discussion for Wednesday, August 19, 2026, at 5:00 p.m., immediately preceding the Regular Town Council Meeting.

B. *Building, Planning & Zoning Fee Schedule*

Rick Keuroglian explained that the proposed revisions represented the culmination of staff's review of the Town's existing development-related fees and were intended to ensure that permit fees more accurately reflected the administrative effort required to review applications, conduct inspections, and administer development regulations. He noted that representatives from the Building Department, Planning & Zoning Department, and Finance Department were present to answer any questions regarding fees. Rick Keuroglian continued by explaining that there was no universally accepted formula used by municipalities when establishing permit fees. While many communities compared their fees with neighboring localities, each jurisdiction ultimately determined its own fee schedule based upon staffing levels, operating costs, anticipated workload, and the level of cost recovery desired by its governing body. He noted that building permit calculations were influenced by formulas established through the International Code Council (ICC) and mandatory state requirements, while many planning and zoning fees were established locally based upon the amount of staff time necessary to process each application.

To provide Council with additional context before reviewing individual fees, Rick Keuroglian presented a comparison of departmental revenues and expenditures associated with development services. He reported that last year the Building Department currently generated approximately \$212,000 in permit revenue while departmental expenditures totaled approximately \$235,000, resulting in revenues that recovered a substantial portion of operating expenses. By comparison, the Planning Department generated approximately \$31,000 in permit revenue while annual operating expenditures approached \$395,000, demonstrating that planning-related fees recovered only a relatively small percentage of the costs associated with

providing planning and zoning services. He emphasized that all permit revenues were deposited into the Town's General Fund and were not reserved exclusively for either department. He explained that the financial information was presented to provide Council with an understanding of the relationship between permit revenues and departmental operating costs rather than to advocate for complete cost recovery through fees alone.

Councilwoman Holloway asked whether the expenditure figures included costs such as public hearing advertisements and other expenses associated with processing planning applications. Rick Keuroglan responded that the comparison reflected only the adopted departmental operating budgets and was intended to provide a general financial overview rather than a detailed accounting of every expenditure associated with individual applications.

Mayor Charney observed that the comparison between the Building Department and the Planning Department was somewhat difficult because the nature of their work differed significantly, with the Building Department naturally generating substantially more permit revenue than the Planning Department.

Councilwoman Holloway then asked whether other Virginia localities generally expect development-related fees to fully support Building and Planning Department operations. Building Official Jeb Brady explained that the Virginia State Code required jurisdictions to establish building permit fees that were intended to recover the reasonable costs associated with building permits. Jeb Brady further explained that while the International Code Council (ICC) formula established the base building permit fee, additional permits are typically required for plumbing, electrical, mechanical, gas, fire protection, and other specialty trades. Those permit fees were established by the Town, and he added that he had never received any complaints about the Building Department's permit fees and would prefer not to make any changes to those fees.

Councilwoman Tara Ashworth commented that if permit fees were intended to recover actual operating costs, Council would likely need to review the fee schedule on an annual basis because personnel expenses, inflation, and departmental workloads changed from year to year. Jeb Brady responded that many Virginia jurisdictions, including Virginia Beach, Norfolk, and Newport News, reviewed their fee schedules annually to ensure that fees remained consistent with current operating costs and statutory requirements. Jeb Brady advised that he would provide Council with the applicable language contained within the Virginia Uniform Statewide Building Code governing fee calculations so Council could better understand the statutory framework before making policy decisions.

Councilman Newman commented that while periodic adjustments might be appropriate, Council should also remain mindful of the cumulative impact permit fees had on residents and businesses considering investment within the Town. Councilwoman Ashworth agreed, stating that Council's objective should be to establish fees that were fair, equitable, and reflective of the services provided without unnecessarily discouraging development or improvements to existing properties.

Vice Mayor Buchholz asked whether a community that had reached full build-out would continue to require a Building Department. Jeb Brady responded that permit activity continued indefinitely through additions, renovations, repairs, maintenance projects, and code enforcement activities. Although the volume of new construction might decline, existing development still required ongoing administration and inspection.

Councilman Newman observed that many municipal departments, including Police, Public Works, and Administration, were not expected to recover all of their operating costs through user fees. He questioned whether development-related departments should necessarily be viewed differently, recognizing that they also provided an essential public service. Rick Keuroglan agreed that personnel costs represented the largest portion of departmental expenditures and

reviewed the staffing currently assigned to both the Building and Planning Departments. He explained that those staffing costs were reflected in the expenditure figures presented to Council.

Councilman Butta suggested that consideration of restructuring certain permit fees so that larger new construction projects would bear a greater share of administrative costs while smaller repair and renovation projects affecting existing homeowners remained relatively low. Councilman Newman agreed that previous discussions had already begun moving in that direction because larger development projects generally required considerably more staff review than routine residential maintenance.

Council next discussed how revenues generated through the Town's Short-Term Rental (STR) program should be considered. i) Councilman Newman questioned whether Building Official Jeb Brady's responsibilities associated with administering the STR program were reflected within the departmental revenue analysis, noting that the STR program required significant staff involvement, including inspections, permit administration, coordination among multiple departments, and annual renewals; ii) Marion Sofield explained that the Town currently budgeted approximately \$135,000 annually in revenue from the STR administrative fees. However, she noted that staff had not specifically allocated those revenues between the Building Department and Planning Department because all revenues were ultimately deposited into the General Fund and appropriated through the annual budget process; iii) Jeb Brady explained that administration of the STR program involved several departments. Applications were reviewed by Planning & Zoning staff, Building Department personnel conducted inspections and verified compliance with applicable codes, Finance staff confirmed tax compliance, and the Zoning Administrator issued final approval after all requirements had been satisfied; iv) Mayor Charney asked whether the Town could reasonably allocate a portion of the STR revenues toward the departments performing the work; v) Marion Sofield responded that she was unaware of any accounting requirement dictating a specific allocation formula and reiterated that revenues were budgeted through the Town's General Fund.

Councilman Paul Grossman observed that the discussion had expanded beyond the Building Department fee schedule and suggested returning to the detailed review of the proposed fee schedule before addressing broader policy considerations. Council concurred and proceeded with its page-by-page review of the Building, Planning & Zoning Department fees.

There was some discussion regarding the 2% state surcharge. i) Jeb Brady explained that the 2% state surcharge was a mandatory fee that was collected on applicable permits to support the statewide Building Code program. The revenue was remitted to the Commonwealth and funded the required certification training, continuing education, and professional development for Virginia building officials. When he or his staff attended training, the Town only paid for lodging and meals since the cost of the actual training was covered under this fund; ii) Councilman Grossman recommended referencing the applicable section of the Virginia Code directly within the fee schedule so applicants could readily determine the statutory authority for the surcharge; iii) Councilman Butta further suggested revising the wording to read "Required State Surcharge – 2%" so applicants immediately understood that the assessment was mandated by state law rather than established by Town Council; iv) Councilwoman Holloway agreed that modifying the wording would improve transparency and make the fee schedule easier for applicants to understand.

There was much discussion regarding the addition of 10% to the base permit fee for the fire department; i) Jeb Brady explained that years ago, the Town Council agreed to the addition of a 10% Fire Department Fee. 80% of the collected fees were distributed quarterly to the Cape Charles Volunteer Fire Company (CCVFC), and the remaining 20% went to the Northampton County Fire & Rescue to support neighboring volunteer fire departments providing mutual aid within Cape Charles; ii) Councilwoman Holloway commented that many residents were unaware that building permits provided an additional source of financial support to the CCVFC beyond the

Town's annual budget appropriation; iii) Councilman Newman asked approximately how much revenue a typical new residence generated for the Fire Company. Jeb Brady estimated that a residence with construction costs approaching \$1M would produce approximately \$2,500 in building permit fees, resulting in roughly \$250 being distributed to the CCFVC. Several Council members questioned whether that amount remained adequate considering increasing construction values and the significant equipment costs facing volunteer fire departments. Councilwoman Ashworth commented that a one-time contribution of approximately \$250 toward protecting a million-dollar investment appeared relatively modest; iv) Councilman Butta expressed support for increasing the surcharge as one method of strengthening the Town's long-term commitment to volunteer fire protection; v) Councilman Grossman asked what Northampton County and other towns were doing. Jeb Brady responded that Cape Charles was the only locality on the Shore doing this since none of the other towns in Northampton County had a building permit department, and the County did not assess a fire department fee; vi) Council discussed several possible alternatives, including increasing the existing percentage, establishing a flat fee for new construction, or creating a graduated fee structure based upon project value. Jeb Brady explained that because the surcharge currently applied uniformly to all Building Department permits, including building, plumbing, electrical, mechanical, and similar permits, adjusting the percentage would be administratively straightforward while preserving consistency across permit categories. Mayor Charney added that retaining a percentage-based approach naturally created a sliding scale because larger projects generated proportionately greater contributions. Councilwoman Holloway agreed that increasing the percentage would preserve that relationship while avoiding the administrative challenges associated with establishing multiple flat fee categories. Council agreed to increase the surcharge to 25%. This item would be added to the regular meeting agenda for further discussion and action; vii) Councilman Grossman requested that staff provide information via email regarding how Fire Department surcharge revenues and expenditures were recorded in the Town's budget.

Rick Keuroglan directed Council's attention to the Planning & Zoning Fee Schedule and began reviewing comments submitted by the Historic District Civic League as follows:

Zoning Clearance, Zoning Determination Letter – Tree Removal Permit (Fee Schedule item 5.d.1): The recommendation was to waive the permit fees for the removal of hazardous trees. Planning & Zoning Deputy Tracy Outten explained that when property owners provided documentation that a tree was dead, diseased, or presented a legitimate safety hazard, the Town typically waived the permit fee. In many cases, documentation was provided by qualified arborists or local professionals familiar with tree health, allowing staff to verify the condition before approving removal. Vice Mayor Buchholz suggested that the fee schedule include a brief notation identifying hazardous tree removals as "No Charge" when appropriate documentation was provided, adding that a short reference would make the policy easier for applicants to understand without substantially expanding the document. Tracy Outten responded that staff already administered the policy in that manner but intentionally omitted additional explanatory language because the fee schedule had grown considerably over time. Following discussion, Council expressed general support for including a brief clarification regarding hazardous tree removals, provided the additional language remained concise and did not unnecessarily lengthen the fee schedule.

Historic District Review Board Application Fee:

- i) Renovation-Major Work (Fee Schedule items 6.d.1 and 2): Council reviewed several recommendations intended to clarify fee categories associated with Historic District renovation applications. Tracy Outten explained that throughout the review process she encouraged contractors, property owners, and applicants to utilize Appendix G of the Cape Charles Historic District Design Guidelines, which contained detailed charts and examples illustrating the distinction between repairs, replacements, alterations, and design changes. She stated that directing applicants to Appendix G had proven more effective than attempting to incorporate extensive explanatory language directly into the fee schedule. After further discussion, staff would incorporate Council's comments into Appendix G.

- ii) Renovation-Major Work to return a contributing structure to its original historic appearance (Fee Schedule item 6.d.4): The Civic League recommended no fee as an incentive to return a contributing structure to its original historic appearance. Tracy Outten explained that this fee category had been added following discussions with the Civic League and represented an effort to encourage historically appropriate restoration while recognizing that staff review, and Historic District Review Board oversight were still required. She noted that although restoring a structure to its original appearance generally aligns with the Town's preservation goals, such projects nevertheless required staff review, preparation of reports, and presentation before the Historic District Review Board. Councilman Butta stated that, although few property owners would likely pursue restoration solely because of a fee reduction, the Town should demonstrate its support for historic preservation by providing a meaningful incentive whenever possible, adding that eliminating the fee altogether would reinforce the Town's commitment to preserving historic resources without creating a significant financial impact on the Planning Department. Councilwoman Holloway expressed support for waiving the fee entirely, noting that applicants willing to undertake historically accurate restoration projects were already making a substantial financial investment, and a no-fee policy would represent a genuine incentive while encouraging preservation of the Town's historic character. Councilman Newman observed that restoration projects were generally pursued because owners valued the historic character of their properties rather than because of modest fee reductions and agreed that eliminating the fee would clearly demonstrate the Town's support for those efforts. Council also discussed the importance of ensuring that applicants claiming restoration to the original appearance actually met the applicable Historic District standards. Tracy Outten explained that if a project did not ultimately qualify as a true restoration, staff could reclassify the application under the appropriate fee category. Following further discussion, Council reached consensus to establish a no fee policy for applications proposing restoration of contributing historic structures to their documented original appearance.
- iii) Renovation-Major Work-Demolition of structure (Fee Schedule item 6.d.6): Council next reviewed the proposed fee associated with demolition of contributing historic structures. Councilman Grossman clarified that the Historic District Review Board became involved only when demolition involved a contributing historic structure, noting that demolition of non-contributing structures proceeded through the Building Department under separate procedures. Council generally agreed that additional wording to identify the fee as applying only to contributing historic structures would improve clarity and left the proposed fee at \$500.

Environmental Permits:

- i) Wetlands & Coastal Dune Permit (Fee Schedule item 9.a): Council reviewed comments recommending a reduction in the Wetlands and Coastal Dune permit fee. Tracy Outten explained that the current fee had been in place for a number of years. Vice Mayor Buchholz commented that many activities involving wetlands and coastal dunes required extensive coordination with outside agencies, including the Virginia Marine Resources Commission (VMRC), and questioned whether reducing the fee was warranted. Following discussion, Council expressed support for retaining the proposed \$500 fee, concluding that the administrative effort associated with environmental permits justified the amount.
- ii) Administrative Approvals (Fee Schedule item 9.b): Jeb Brady noted that projects such as piers and docks required joint permit applications with the VMRC and multiple agency reviews before approval could be granted. Tracy Outten stated that she was working with the VMRC for determination of administrative items and to obtain the correct language.
- iii) Chesapeake Bay Preservation Act (CBPA) Administrative Waiver for Maintenance Work of Vegetation in the Resource Protection Area (Fee Schedule item 9.d): Council members reviewed comments suggesting that the terminology be revised to better distinguish routine vegetation maintenance from vegetation removal. Councilman Butta suggested replacing the word "waiver" with "permit," explaining that applicants were required to obtain approval

before undertaking work within the Resource Protection Area (RPA) rather than receiving a waiver from existing regulations. Vice Mayor Buchholz and Building Official Brady agreed that an administrative permit more accurately described the process and noted that each application required a site inspection to verify compliance with CBPA requirements. Councilwoman Holloway questioned whether applicants should be charged a fee to perform routine vegetation maintenance. Staff explained that applicants frequently required guidance regarding the work that could legally occur within the RPA and that site inspections were necessary to distinguish permissible maintenance from prohibited vegetation removal. Following discussion, Council reached consensus directing staff to revise the terminology from "waiver" to "permit" while maintaining the existing administrative review process.

Rick Keuroglan stated that Council had reviewed all of the Civic League's recommendations and asked if there were any other fees to be discussed.

Councilwoman Holloway requested additional explanation regarding the Historic District Review Board Application Fee increases in for "New Construction-Residential" from \$500 to \$1,000 and "New Construction Commercial or Commercial/Mixed Use" from \$1,000 to \$2,000 (Fee Schedule items 6.b and c). Tracy Outten explained that commercial and mixed-use projects required substantially more staff time than residential applications due to their complexity, coordination with applicants, preparation of staff reports, and Historic District Review Board review. She noted that previous fee adjustments had attempted to more accurately reflect the administrative effort associated with larger commercial projects while acknowledging that permit fees would never fully recover departmental operating costs. Following discussion, Council expressed general support for the New Construction fee structure and concluded its review of the Planning & Zoning Fee Schedule.

TOWN MANAGER UPDATES

- 1) Rick Keuroglan advised Council that his Manager's Report had been distributed earlier in the day and encouraged Council members to review the report for updates from each department. Councilman Butta suggested that future reports include additional follow-up information explaining how the Report a Concerns were ultimately resolved so readers could better understand the outcome of each matter. Councilwoman Holloway agreed that providing more consistent follow-up information would improve the usefulness of the report. Rick Keuroglan stated that staff would incorporate those suggestions into future reports.
- 2) Strawberry Street Bathrooms: The interior excavation for the plumbing had been completed and installation of underground plumbing would be the next phase of construction. He advised Council that the current construction schedule anticipated completion in late November. Mayor Charney expressed concern that the projected completion date was too late and emphasized that the facilities should be operational by early November in advance of the Town's fall events. Council members agreed that the project should be completed by November 1st.
- 3) Mayor Charney asked when the portable restroom known as the "Silver Bullet" would be moved. Rick Keuroglan explained that the Silver Bullet was designed for a permanent sewer connection and could not be relocated without significant modifications. Additional approvals from the Virginia Department of Transportation (VDOT) would be necessary to relocate the unit to Bay Avenue since the stairs would be in the roadway. Although relocating the unit on a routine basis was not feasible, he recommended planning future infrastructure improvements at the beachfront that would accommodate additional restroom facilities near Jefferson Avenue as redevelopment progresses.
- 4) Mason Avenue Electrical Upgrade: Staff was preparing to issue an Invitation for Bids following a field review with a contractor to determine whether engineering plans would be required before construction could proceed. This next phase included three areas: Pine to Strawberry, Strawberry to Peach, and Strawberry to Mason and Randolph. Council discussed the complexity of installing underground electrical infrastructure while avoiding conflicts with existing utilities.
- 5) Councilwoman Ashworth asked that the Town contract for maintenance on the lights on the trees along Mason Avenue, adding that some of the lights had fallen off and needed to be reinstalled.

- 6) The exterior improvements on the Cape Charles Memorial Library were substantially complete and only minor interior work remained.
- 7) New Municipal Building: Staff continued working with VDOT regarding entryway approval. The Fig Street entrance for the Police Department's garage did not meet VDOT's current guidelines. He advised Council that groundbreaking could occur within approximately two weeks, and Council expressed support for holding a ceremonial groundbreaking recognizing the many years of planning devoted to the project.
- 8) The bids for the Jefferson Avenue Sidewalk Infill Project were due on August 31. This project also included a few areas on Nectarine Street and one on Harbor Avenue. Upon completion, the project would provide continuous pedestrian connections throughout the downtown area.
- 9) The third phase of the Harbor Boardwalk reconstruction would begin in November, with approximately 75% of the project funded through the Virginia Port Authority Aid to Local Ports grant.

There was some discussion about the installation of golf cart restriction signage at the north side of Strawberry Plaza, along Stone Road on the east side of the Cape Charles Brewery, and on Cassatt Parkway coming out of Bay Creek. Council members expressed concern that motorists continued driving golf carts into restricted areas. Staff agreed to install additional permanent signs and verify appropriate placement in coordination with applicable VDOT regulations.

Councilman Newman asked about the ordinance regarding the bike path. Town Clerk Libby Hume advised Council that the proposed ordinance concerning the prohibition of motorized vehicles on the Eastern Shore Rail Trail would be scheduled for the August 19, 2026 Regular Meeting because the required public hearing advertisement could not be completed in time for tonight's meeting. Council briefly discussed the applicable state law governing fines associated with violations.

Councilwoman Holloway announced that the groundbreaking for the Eastern Shore Rail Trail was scheduled for August 20th.

Councilman Grossman advised that Northampton County's Town Hall regarding the proposed Town Edge ordinance was being held this evening and we could probably read about it in Friday's Eastern Shore Post.

ADJOURNMENT

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

The meeting adjourned at 7:32 p.m.

Adam Charney, Mayor

Libby Hume, Town Clerk



DRAFT
TOWN COUNCIL
Work Session
Cape Charles Civic Center, 500 Tazewell Avenue
August 19, 2026, 5:00 p.m.

CALL TO ORDER

Vice Mayor Buchholz called the Town Council Work Session to order at 5:00 p.m.

ROLL CALL

Council members in attendance: Vice Mayor Buchholz, Councilmen Butta and Grossman, Councilwomen Ashworth and Holloway. Mayor Charney and Councilman Newman were not in attendance. A quorum was established.

Staff in attendance: Town Manager Rick Keuroglian, Project Manager Bob Panek, Treasurer Marion Sofield, Business License Specialist Katie Lewis, Finance Assistant Jessica Upshur, Town Clerk Libby Hume.

Others in attendance: Matt Elliott and George Hall from Virginia American Water (VAW).

There were three (3) members of the public in attendance.

ITEMS FOR DISCUSSION

- A. *Update from Virginia American Water*
Vice Mayor Buchholz introduced Matt Elliott from VAW.

Matt Elliott began the presentation by introducing George Hall, the new supervisor for wastewater and collections, who had been working in Cape Charles for approximately 5 months and had been involved with the recent issues at the Mason Avenue Pump Station. Mr. Elliott went on to explain the past issues with the Mason Avenue Pump Station, provided a summary of events surrounding the July 3-4, 2026 sewage overflow, the measures VAW was implementing to mitigate future failures along with their plan to rehabilitate the Mason Avenue Pump Station. (Please see attached.)

At Bob Panek's request, Mr. Elliott described the internal configuration of the wet well. Three submersible lift pumps were located at the bottom of the well. The existing configuration consisted of 2 4" pumps that alternated operation and a 6" pump that provided additional pumping capacity during periods of high flow. The pump seats anchoring the pumps to the concrete bottom of the wet well had failed and loosened. Mr. Elliott explained that the torque generated when the pumps started could shift the pumps and piping, contributing to the station's inability to function reliably.

There was discussion as follows:

- i) Councilwoman Holloway asked about the "Muffin Monster." Mr. Elliott explained that it was a grinder used to break up rags and other material entering the wastewater system. The unit at Mason had failed and was not effectively removing rags, resulting in significant quantities reaching the wastewater treatment plant. He stated that the equipment would operate to some extent but had apparently not been properly serviced and was smoking when operated; consequently, he had taken it out of service because of the potential fire risk.

- ii) Councilman Grossman asked about the contractor procurement process and whether VAW would specify the equipment to be installed. Mr. Elliott explained that VAW would identify the required equipment and the selected contractor would procure and install it. The existing bypass system would remain operational during construction so that wastewater could continue to be handled while the permanent station was rehabilitated.
- iii) Vice Mayor Buchholz asked about the noise generated by the proposed diesel equipment. Mr. Elliott discussed VAW's experience with a recently replaced silenced diesel generator at the Pine Street station and said the newer equipment was significantly quieter than older generators. He also discussed potential landscaping and screening around Mason. VAW had considered landscaping as well as the possibility of a concrete or brick wall, potentially incorporating murals, to screen the facility and help reduce noise. Mr. Elliott emphasized, however, that his immediate priority was ensuring that the station operated reliably.
- iv) Councilman Grossman asked whether communications and notifications during the incident had been adequate and whether improvements could be made. Rick Keuroglan explained that one improvement involved the Nixle notification system. Backup authorization had been established so that multiple individuals could issue notifications if the primary person was unavailable. The system was also being upgraded so notifications could be issued through an application from the field rather than requiring personnel to return to an office computer. Mr. Elliott noted a limitation with Virginia American Water's customer notification system which communicated with VAW customers using the telephone numbers and email addresses associated with their accounts. In a tourism community such as Cape Charles, many visitors and renters are not the utility account holder and therefore would not automatically receive VAW notifications.
- v) Councilwoman Holloway asked whether the Town's chain of command had functioned effectively during the emergency. Rick Keuroglan stated that Northampton County was notified first as part of ensuring that the appropriate agencies and individuals were contacted, after which the Mayor was notified.
- vi) Councilwoman Ashworth suggested exploring ways to include property managers and short-term rental owners in emergency communications so they could relay information to visitors occupying their properties. Discussion followed regarding the approximately 330 short-term rentals in Town and the difficulty of reaching every visitor through rental companies alone. Councilwoman Ashworth noted that the Town already collected information through its short-term rental program and asked whether that system could be used to distribute emergency information. Rick Keuroglan indicated that the Town could potentially use the owner or 24-hour contact information for that purpose.
- vii) Councilwoman Holloway suggested incorporating emergency notification enrollment into the annual short-term rental registration process so owners or designated contacts confirmed that they had registered for emergency notifications. The discussion also addressed the need for a designated communications role within the Town's emergency management structure so that responsibility for disseminating information during an incident was clearly assigned.
- viii) Mr. Elliott noted that even after the affected area had been closed, members of the public continued attempting to enter the work zone while crews and vacuum trucks were performing cleanup.
- ix) Councilman Grossman asked Mr. Elliott to characterize the condition of the Mason Avenue Pump Station compared with the Town's other wastewater pump stations. Mr. Elliott responded that Mason was unquestionably in the worst condition. The other stations were generally operating well, with functioning controls and alarms. He noted that Washington Pump Station appeared visually rough but was operating satisfactorily, and improvements to that facility were anticipated in the 2027 budget. Washington had received new controls

the previous year, while Pine and Plum had undergone mechanical work, including new impellers and check valves.

- x) Discussion followed concerning the age and evolution of the Town's wastewater infrastructure. Mr. Elliott explained that the system reflected numerous additions and modifications made over many years rather than a single unified design. Some original motor control centers and controls remained operational, although their condition presented safety concerns and they were being replaced as improvements proceeded.
- xi) A question was raised regarding whether the Washington Pump Station could accommodate wastewater generated by a proposed restroom at Jefferson Avenue as part of the beachfront project. Mr. Elliott indicated that it could.
- xii) Councilman Grossman raised concerns regarding after-hours communication with VAW, citing an instance in which a business owner experienced a water leak at the meter on a Saturday and was uncertain whom to contact. Mr. Elliott stated that VAW's customer service line was available 24 hours a day, 7 days a week for emergencies and that an employee was always on call. After-hours dispatchers could contact the on-call employee and send personnel to the location as necessary. Council members reviewed the information available online and discussed ensuring that the 24-hour emergency contact information was easy for residents and businesses to locate.
- xiii) Marion Sofield described an emergency at her residence during which she called VAW's 800 number at approximately 6:00 a.m. and was able to reach a live emergency representative. She then asked Mr. Elliott to explain the Galvanized Service Line Replacement Program that he had subsequently brought to her attention. Mr. Elliott explained that VAW had a grant-supported program through which qualifying galvanized service lines could be replaced using one of VAW's contractors. He stated that VAW had previously publicized the program and conducted a study in which meter boxes throughout the historic district were inspected. Because many service lines had been repaired or modified over the years, however, the pipe visible at the meter box was often PVC even when galvanized pipe remained farther onto the property. Mr. Elliott advised that if a resident discovered galvanized piping beyond the meter, the resident should contact VAW so the company could evaluate and potentially replace the line through the program. Councilwoman Holloway noted that the difficulty was that property owners often would not know galvanized pipe remained underground until a problem or repair exposed it.
- xiv) Councilman Grossman asked about wastewater discharge reuse, noting that the subject had been discussed for many years and that VAW had previously indicated it was studying the issue. Mr. Elliott explained that wastewater reuse was primarily an Engineering Department matter and was outside his purview as Operations Superintendent. In response to additional questions, he stated that the wastewater treatment plant had been performing well with respect to nutrient requirements during the previous two years. He distinguished discharge compliance from the plant's overall treatment capacity, explaining that capacity became an issue when flows exceeded the plant's design parameters. He stated that summer flows approached the plant's capacity, although the annual average did not currently exceed it. Discussions had occurred concerning future expansion of the wastewater treatment plant, and he anticipated that expansion would eventually be necessary.
- xv) Councilwoman Ashworth noted a bad odor from the pump station in Bay Creek on the way to Heron Point and asked if there were any plans to correct this issue. Mr. Elliott explained that the station near the golf course did not have sufficient property for a mulch-bed system and that a carbon filtration/exhaust system could be installed to reduce odors.

Councilman Grossman expressed appreciation to VAW for assuming responsibility for the system and the infrastructure challenges that previously would have fallen directly upon the Town. Mr. Elliott acknowledged that considerable work remained but stated that conditions were improving and expressed hope that the system would not experience another summer like 2026. Councilwoman Holloway thanked VAW personnel for their work.

ADJOURNMENT

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

The meeting adjourned at 5:42 p.m.

Andy Buchholz, Vice Mayor

Libby Hume, Town Clerk

VA American Water Mason Pump Station update

Outline:

- Past issues at the Mason Pump Station
- 7/3/2026 event summary
- Plan in place to rehabilitate the Mason Pump Station



FOR INTERNAL USE ONLY – CONFIDENTIAL AND PROPRIETARY – DRAFT

1

Past issues at the Mason Pump Station

Mason Ave Pump Station is the main pump station sending sewage from Washington, Pine & Plum lift station (Old Town) back to the Wastewater Treatment Plant.

- Pump station failed when system was acquired in May 2026.
- Long history of failures & sewer overflows (Town of Cape Charles used bypass pumps)
- **Replacing pumps will not not fix the situation: series of issues:** failed pump seat, failed muffin monster (no rag removal), wet well needs to be relined, concrete failure, electrical failures, etc.
- **Pump station was evaluated during our engineering study:**
 - It needs to be completely replaced: rehabilitated wet well, new pumps and pump seat, new muffin monster, new generator, new electrical equipment, communication system, isolation valves, and check valves.
- **Current set up:** AW relies on a bypass connected to the communator (inlet chamber) and a series of electric and diesel pumps (connected to a dedicated bypass system that is still under construction)



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2

7/3/2026 event summary

Prior to July Events

- Expectations of highest flows of the year
- Electrical bypass pump mechanical seal failed the week before; pump was replaced by Xylem Dewatering Systems
- Review of the bypass piping was inspected & bypass hoses were cleaned, addition discharge/intake hoses were added
- Two additional diesel bypasses were brought in for the upcoming month provided by United Rentals.



Pump Station Failure

- Electric Bypass Pump Failed** late afternoon due to extended runs times tripping an overload switch.
- Diesel pump on site was connected, **diesel bypass pump failed** (seal failure on pump)
- Called two rental companies:** United Rentals and Xylem Dewatering Systems
- Rental companies came to identify issues with pumps, made as needed repairs (United Rentals replacing one of the Diesel Bypass pumps).
- Sewer overflow occurred**, a sand berm was installed by the town in front of the storm drains.



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3

7/3/2026 event summary

Recovery Effort:

- **New rental pump connected**
- **External support:** Employees from other VA AW districts, Underground Connections (pipe contractor), Process Integration (electrical and controls contractor) on site to help monitor pump performance
- Electrical contractor checked all electrical connections
- Check valve disassembled and cleaned
- **Notified organizations:** Town of Cape Charles, Department of Environmental Quality, Northampton County Emergency Management, Local Virginia Department of Health Office
- **Clean up activities:** Kenton Industrial Service, Atlantic Environmental, and VA American Water Prince William District with vacuum trucks to remove sewage.
- Roadways cleaned with water and lime applied (7/4), sand/debris removal throughout the day.



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4

- Plan in place to rehabilitate the Mason Pump Station

Phase 1: *Install Permanent Bypass (permanent backup):*

- Install a permanent piping for the bypass pump station with one electric pump and a diesel pump (50 % completed). Future additions of permanent, diesel back up pumps.

Phase 2: *Complete pump station rehabilitation (managed by Engineering Dpt.):*

- Pump station Engineering design is 95% completed (waiting on environmental study)

- Reline wet well, concrete work at the bottom of the wet well, new rail system and pump seat, new pumps, new piping and isolation valves, check valves, new electrical equipment, new generator, new control system

-Timeframe: Before summer of 2027



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5

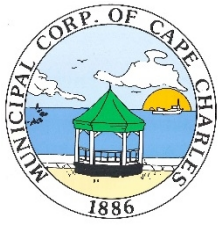
Questions?

Thank you



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6



DRAFT
TOWN COUNCIL
Public Hearing & Regular Meeting
Cape Charles Civic Center, 500 Tazewell Avenue
August 19, 2026, 6:00 p.m.

CALL TO ORDER

Vice Mayor Buchholz called the Town Council Public Hearing and Regular Meeting to order at 6:00 p.m.

ROLL CALL

Council Members in attendance: Vice Mayor Buchholz, Councilmen Butta and Grossman, Councilwomen Ashworth and Holloway. Mayor Charney arrived at 6:03 p.m. Councilman Newman was not in attendance. A quorum was established.

Staff in attendance: Town Manager Rick Keuroglan, Project Manager Bob Panek, Treasurer Marion Sofield, Business License Specialist Katie Lewis, Finance Assistant Jessica Upshur, Officer Tyler Brown, Town Clerk Libby Hume.

There were four (4) members of the public in attendance.

MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE

Council observed a moment of silence followed by the Pledge of Allegiance.

PUBLIC HEARING

- A. *Conditional Use Permit Application 2026-02 from the Cape Charles Rosenwald School Restoration Initiative*
No members of the public spoke, and no written comments were submitted prior to the meeting.
- B. *Eastern Shore Rail Trail Ordinance*
No members of the public spoke, and no written comments were submitted prior to the meeting.

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

The public hearing was closed at 6:02 p.m.

RECOGNITION OF VISITORS / PRESENTATIONS / RECOGNITIONS

There were no visitors, presentations, or recognitions scheduled for the meeting.

PUBLIC COMMENTS

Ed Wells, resident

Mr. Wells distributed a written proposal to Council regarding the 2 lots located behind the Cape Charles Memorial Library, identified as Lots 641 and 644 at the southeast corner of Randolph Avenue and Pine Street. He explained that the properties were believed to be residentially zoned, although he had recently learned they might be commercially zoned. He proposed preserving the Town-owned lots as green space within the Cape Charles Historic District, envisioning a park-like area with native plantings, benches, pergolas, walkways, and other features that would provide a peaceful outdoor space. He asked Council to consider whether the concept could become a reality and what process would be required to move it forward.

Councilwoman Ashworth expressed support for the concept and noted that the property could potentially complement the library by serving as an outdoor classroom or programming area. Mr.

Wells stated that very little Town-owned property remained within the Historic District and felt that preserving some property as natural open space would benefit Historic District residents. He also referenced the impacts associated with the large number of short-term rentals located within the Historic District and suggested that preserving the property would provide a lasting community benefit.

Councilman Butta asked whether a dog park had been considered for the property. Mr. Wells responded that it had not.

Town Manager Rick Keuroglian explained that Council would ordinarily receive a proposal such as this for information and subsequently schedule the matter for discussion at a work session.

Tom Bruno, resident

Mr. Bruno addressed Council regarding bicycle access and safety associated with the Eastern Shore Rail Trail. He first sought clarification that Class 1 and Class 2 electric bicycles would be permitted on the trail. He was advised that Council had not yet acted on the ordinance, but that the proposed ordinance permitted those bicycle classifications.

Mr. Bruno then expressed concern about safe bicycle access from Bay Creek to the Rail Trail. He explained that residents traveling from Bay Creek toward the Stone Road trail access would need to use Cassatt Parkway, a 35-mph roadway with curves and limited width. He had contacted both the Town and VDOT concerning the possibility of establishing a bicycle lane but had been advised that the roadway was too narrow for a conventional bicycle lane. He stated that VDOT had discussed the possibility of signage and described shared-lane pavement markings used in Norfolk to alert motorists that bicyclists shared the roadway. He encouraged the Town to consider additional measures to make motorists aware of cyclists traveling between Bay Creek and the Rail Trail.

Mr. Bruno also expressed concern about the Rail Trail crossing at Cassatt Parkway and Stone Road. He stated that motorists turning onto Cassatt Parkway might have limited time to recognize and respond to cyclists crossing the roadway, and he suggested that stop signs or other traffic-control measures be considered for trail users before a serious accident occurred. Vice Mayor Buchholz advised that cautionary signs had recently been installed. Mr. Bruno responded that additional advance-warning signage would be helpful because motorists might not see the existing signs until they were already near the trail crossing. Mayor Charney noted another route from Bay Creek into Town; however, Mr. Bruno explained that residents intending to travel north on the Rail Trail would likely use the Stone Road access rather than travel into Town in the opposite direction to reach the trail. Mr. Bruno thanked Council for considering his concerns.

There were no other comments to be heard.

CONSENT AGENDA

- A. *Approval of Agenda Format*
- B. *Approval of Minutes*
 - July 16, 2026 Town Council Executive Session
 - July 16, 2026 Town Council Regular Meeting
- C. *Approval of June 30, 2026 Financial Report*

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to approve the Consent Agenda items of (A) Approval of Agenda Format and (B) Approval of Minutes, with the Financial Reports removed for separate discussion. The motion was approved by unanimous vote.

- C. *Approval of Financial Reports - Pulled for Separate Discussion*

Councilman Grossman reviewed several aspects of the June 30 financial reports as follows: i) He noted that a notation had been added to the report explaining limitations in the figures because certain budgeted allocations had not yet been transferred between funds. As a result, some figures, particularly within the General Fund and Capital Fund, did not yet accurately reflect the intended budget allocations. He recommended that the financial report format be revisited so that it would provide Council with a clearer and more accurate representation of the Town's financial position; ii) He also addressed the capital plan, noting that Council had previously transferred approximately \$27,000 to cover cost overruns associated with the library project and that the report now reflected an additional overrun of approximately \$24,000. He recommended that Council authorize another internal transfer from an appropriate capital project to cover the additional amount; iii) Councilman Grossman complimented the Finance Department on the report identifying major revenue sources. He noted that several important revenue streams were meeting or exceeding budget projections, including dockage, meals tax, and real estate revenues. He stated that the report provided Council with useful information for comparing actual revenue collections with the adopted budget and thanked Finance staff for their work in developing the reporting format.

Motion made by Councilman Grossman, seconded by Councilwoman Ashworth, to approve the June 30, 2026 Financial Report with the understanding that funds would be transferred within the Capital Plan to cover the additional library project overrun. The motion was approved by unanimous vote.

UNFINISHED BUSINESS

There was no unfinished business to consider.

NEW BUSINESS

A. *Conditional Use Permit Application 2026-02 from the Cape Charles Rosenwald School Restoration Initiative*

Town Manager Keuroglan reported that Conditional Use Permit Application 2026-02 had been reviewed by the Planning Commission, which recommended approval by Town Council. He advised that Beth Walker was present on behalf of the Cape Charles Rosenwald School Restoration Initiative to answer questions.

Vice Mayor Buchholz asked about the intended configuration and use of the property. Ms. Walker explained that the organization anticipated maintaining a lawn area behind the school that could serve as an outdoor event space and that signage would border the space.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to approve Conditional Use Permit 2026-02 as presented. The motion was approved by unanimous vote.

B. *Eastern Shore Rail Trail Ordinance*

Town Manager Keuroglan explained that Northampton County had developed an ordinance governing use of the Eastern Shore Rail Trail and, because the trail extended into Cape Charles, it was appropriate for the Town to adopt substantially consistent regulations. The proposed Town ordinance had therefore been adapted from the County's ordinance to establish consistent rules governing the trail from the Town up to Route 13.

Councilwoman Ashworth raised a concern regarding language addressing motorized vehicles used by individuals with mobility disabilities. She recommended that the language in the provisions of the ordinance correspond precisely with the operative language contained within the new section of Chapter 28 of the Town Code. Council members reviewed the applicable provision and discussed the distinction between motorized wheelchairs, other power-driven mobility devices, golf carts, and other motorized vehicles. Councilman Butta questioned whether a golf cart used by an individual with a disability could potentially qualify as a mobility device

under the proposed language. Council discussed the importance of ensuring that the ordinance clearly reflected its intended application.

Council also discussed the possible installation of bollards to prevent unauthorized motorized vehicles from entering the Rail Trail. Mayor Charney stated that he had previously understood bollards would be installed. Town Manager Keuroglan advised that he had been informed they would not be installed because of safety concerns that bicyclists could collide with them. Councilman Grossman noted that bollards had nevertheless been installed on another section of the trail. Council expressed support for asking that the matter be reconsidered, particularly at the trailhead where unauthorized golf-cart access might otherwise occur. Council also discussed limiting routine use of the trail by maintenance vehicles. Councilwoman Holloway stated that maintenance vehicles should use areas beside the trail whenever practical and enter the trail itself only when necessary for trail maintenance or urgent work.

Motion made by Councilman Grossman, seconded by Councilwoman Ashworth, to adopt Ordinance 20260819, with the final Whereas clause regarding motorized vehicles revised to correspond with the applicable language contained within the substantive provisions of the ordinance. The motion was approved by unanimous vote. Roll Call Vote: Councilwoman Ashworth, yes; Councilman Butta, yes; Councilman Grossman, yes; Councilwoman Holloway, yes; Vice Mayor Buchholz, yes.

Following adoption of the ordinance, Councilwoman Holloway requested clarification regarding several operational and safety matters associated with the Rail Trail, which was scheduled to open the following morning. She first asked about liability insurance and whether responsibility rested with the Town, Northampton County, or the Rail Trail organization. Town Manager Keuroglan stated that he believed insurance responsibility had been assumed by the Rail Trail organization but would verify the arrangement.

Councilwoman Holloway then reiterated concerns regarding safety at roadway crossings and recommended that stop signs be installed for trail users approaching roadway intersections from both directions. Council members discussed crossings at Cassatt Parkway, Stone Road, and other locations and generally agreed that stop signs for trail users should be considered. Town Manager Keuroglan agreed to discuss the matter with Ron Wolff, executive director of the Eastern Shore Rail Trail Foundation.

C. Professional Review Fee Policy

Town Manager Keuroglan introduced a proposed Professional Review Fee Policy. He explained that the Town's existing fee schedule included reference to additional fees when specialized professional review was necessary, but the Town did not currently have a formal policy establishing when and how those charges would be imposed. He stated that increasingly complex development applications sometimes required outside professional expertise beyond Town staff capabilities, including specialized plan review. He believed the applicant responsible for generating the need for such review should bear the cost rather than the Town's taxpayers. The proposed policy was intended to create a transparent framework identifying circumstances in which outside professional review could be obtained and the associated costs charged to the applicant.

Councilman Grossman agreed with the concept but felt adoption was premature. He identified several issues requiring additional discussion, including how the policy would interact with the Town's procurement policy, departmental budgeting, existing legal-review budgets, and the Town's adopted fee schedule. He distinguished between obtaining specialized outside expertise because Town staff lacked the necessary technical qualifications and outsourcing work simply because staff resources might be constrained. He expressed concern that routine workload pressures should not automatically result in costs being shifted to applicants. Larger anticipated

projects should instead be addressed through appropriate budgeting and staffing decisions when possible.

Councilwoman Holloway agreed that the proposal warranted further discussion at a work session. Councilman Grossman suggested that each Council member provide comments and questions to the Town Manager before the work session so staff could identify common concerns and potentially revise the proposed policy in advance. Rick Keuroglan agreed, and the Professional Review Fee Policy was tabled for discussion at a future Town Council Work Session.

D. *Reappointment of Building Code Board of Appeals Member*

Town Clerk Libby Hume reported that the Building Code Board of Appeals consisted of five positions, two of which were currently vacant. Three members were serving on the Board, including Matthew Brown, whose term would expire September 10, 2026. Mr. Brown had expressed his willingness to continue serving. Councilman Grossman asked whether the three current members constituted a quorum, and the Town Clerk confirmed that they did.

Motion made by Councilman Grossman, seconded by Councilman Butta, to reappoint Matthew Brown to the Building Code Board of Appeals for another term. The motion was approved by unanimous vote.

Town Manager Comments

Rick Keuroglan commented as follows:

- 1) The Rail Yard/Harbor Master Plan steering committee meeting was held recently and included updates on developing the final concept plans as well as conceptual ideas submitted through the Ideas Competition. He described the competition submissions as creative and said they offered ideas for what the harbor commercial and mixed-use area could ultimately become. Some concepts were denser than originally anticipated, but remained conceptual. The fifth steering committee meeting was scheduled for September 17, followed by a third community engagement event on October 10. Following that public engagement, the consultants would begin finalizing the plan. Two steering committee members were in attendance and Rick Keuroglan asked for their thoughts. Ed Wells commented that the submittals presented a wide range of concepts, with some incorporating what he characterized as more unusual or “wild” ideas. Ian McDonald commented that the design competition had produced substantial creativity, including concepts connecting redevelopment with economic development, a university center for marine and coastal research, harbor improvements, and other uses. Rick Keuroglan noted that one concept included an amphitheater near the hump, creating a potential park-like gathering area. Councilman Butta expressed concern that the design competition and consultant's final planning schedule were occurring too close together to allow sufficient opportunity to incorporate innovative ideas from the competition. Council also discussed participation in the steering committee and the importance of continued public engagement.
- 2) Personnel: Two beach attendants remained on duty and would continue working through Labor Day. Harbor Maintenance Assistant Elic Stevens had submitted his resignation effective August 28, and the Town planned to advertise the position. The Municipal Project Manager position, formerly referred to as the Capital Projects Manager position, had been filled. Rick Keuroglan announced that Debbie Caton, Director of Administration for the Town of Onancock since 2022, had accepted the position. Ms. Caton previously worked for the Town of Cape Charles in Finance from 2020 through 2022 and had prior project-management experience with a construction firm. She was expected to begin work in mid-September. He also reported that Bob Panek planned to remain temporarily to assist with training and provide a smooth transition.
- 3) Training: Police Chief Pruitt had participated in a Norfolk roundtable with FBI Director Kash Patel and was the only police chief from Northampton County in attendance. Tracy Outten attended a Virginia Association of Zoning Officials lecture concerning comprehensive plan updates. Town staff also completed online training in de-escalation and cybersecurity/phishing awareness.

- 4) Short-Term Rentals (STRs): As of August, 321 STR applications were submitted. 20 applications were currently being reviewed, 8 applications had been withdrawn, and 4 additional applications had been received over the last few days. He went on to report that he had recently denied an STR application for the first time after repeated attempts to obtain compliance. He explained that a denied applicant had a 30-day appeal period. Council discussed the consequences of denial or revocation and the period during which an applicant would be ineligible to operate. Rick Keuroglan also confirmed that the Town Code provided enforcement mechanisms, including fines, if a property continued operating without authorization. Councilman Grossman requested that a future work session include discussion of the financial side of the STR program, including administrative challenges, barriers, lessons learned, and financial impacts.
- 5) Davis Disposal, the Town's long-time solid waste provider, sold to Republic Services, and the Town had experienced collection problems for approximately four consecutive weeks. Staff had been communicating frequently with Republic and was preparing formal correspondence regarding the service issues. The Town was considering establishing backup collection arrangements, with costs potentially charged back to the contractor when necessary and might begin a new procurement/RFP process. Rick Keuroglan emphasized that Public Works employees should not be required to absorb the contractor's missed collections because Town staff already had substantial workloads. Mayor Charney noted that other companies had expressed interest in competing for the Town's solid waste contract if a new procurement were undertaken.
- 6) The Manager's Report would be provided tomorrow.
- 7) 7 Strawberry Street: Interior framing was expected to begin during the week of August 24. Contractor availability continued to affect the schedule because some of the same contractors were also working on the library project. The temporary trailer arrangement was functioning well as a backup plan, and completion of the building was anticipated for mid-November.
- 8) Mason Avenue Electrical Upgrade: ANEC had completed installation of permanent electrical service for the new streetlights and power pedestals. The work also transferred electrical service for the beach restrooms and fishing pier from the Mason Avenue Pump Station. Staff was developing the scope of work for the next phase of improvements from Pine Street to Peach Street.
- 9) We would be scheduling a groundbreaking ceremony for the new municipal building during the first week of September. We planned to have gold shovels and refreshments. The permitting was nearly complete, and VDOT had approved both the Fig Street and Randolph Avenue entrances. He noted the significance of the project, as the Town had not undertaken construction of a new municipal building in many decades. An email would be sent to Council once the date and time had been finalized.
- 10) The draft development agreement for the workforce housing project remained under review.
- 11) The invitation for bids for the final phase of the harbor boardwalk reconstruction had been issued, with bids due September 21.
- 12) Staff was working with VDOT on the next phase of sidewalk infill. The areas included portions of the north side of Jefferson Avenue, several segments along the east side of Nectarine Street, and a segment along the east side of Harbor Avenue. Bids were due on August 31.
- 13) Bob Panek had recently provided bid-related information to the Town Clerk in response to numerous Freedom of Information Act requests. Rick Keuroglan noted the substantial staff time required to respond to such requests.
- 14) The Town had received a request for a handicap parking sign near the Cape Charles Coffee House. Staff was reviewing the request and would be talking to VDOT. This request was a little different than previous requests since it was in the commercial district and an accessible parking space already existed nearby.
- 15) The requested golf cart signs at the Eastern Shore Rail Trail head parking lot were denied by VDOT because existing signs already prohibited motorized vehicles. On Stone Road, there was currently a non-VDOT approved sign advising golf cart operators that golf carts were not permitted beyond a particular point. After consultation with VDOT, staff was pursuing a yellow warning-style sign. Because the proposed wording was not a standardized VDOT sign, it could

not be installed within the VDOT right-of-way. The Town was working with the owners of the Cape Charles Brewing Company to locate the sign on their property. He had received verbal permission from the property owners and intended to obtain written authorization for the Town's records.

- 16) He discussed golf cart signage near the Bay Creek entrance with representatives from Bay Creek. They were considering the Town's request, but were separately planning signage directing golf cart operators toward the golf-cart path.
- 17) Zoning determination letters regarding sidewalks were sent to the owners in the Dreams by the Water development. He described the project as particularly challenging because of existing nonconforming conditions and the interaction between Town requirements, VDOT standards, and utilities. The Town Code required sidewalks for all residences, with a required width of five feet. Some of the lots in the development had sufficient room to construct a sidewalk adjacent to the curb, while the cul-de-sac area contained utilities located so close to the curb that utility relocation would be necessary. Several homes had already been constructed and were awaiting Certificates of Occupancy, which were tied to completion of the required sidewalks. Staff developed a path forward allowing affected owners either to construct the required sidewalk or provide a financial bond sufficient to guarantee its completion. This would allow issuance of the Certificate of Occupancy while ensuring funds remained available for the sidewalk work if the owner failed to complete it. The plat would also have to be revised. This proposed approach provided a workable solution for the Town, VDOT, developer, and affected homeowners.

MAYOR & COUNCIL COMMENTS

Councilman Grossman commented as follows: i) He asked for an update regarding recruitment for the vacant planning director position. Rick Keuroglan reported that a promising candidate had withdrawn. Staff had met with the Berkley Group and agreed to extend the recruitment effort for another month before reevaluating the situation. The Berkley Group was also continuing to provide planning services to the Town. Larger and more complex projects were being forwarded to the Berkley Group while Town staff continued processing smaller projects in-house. He noted that staff was working diligently and that he had recently signed approximately 12 to 14 plans to move projects forward; ii) Councilman Grossman provided an update concerning Northampton County's proposed Town Edge zoning provisions. He reported participating in meetings with Bay Creek residents and another community group to explain the proposal and discuss potential impacts. He planned to conduct another informational session at Emmanuel Church on Saturday at 10:00 a.m. and invited interested members of the community to attend.

Councilwoman Ashworth requested an update regarding the lights installed on trees in the commercial district. Rick Keuroglan reported that Cape Charles Main Street had coordinated with its contractor, who was expected to come during the first week of October to inspect the lights and ensure they were functioning. Some lights had been disconnected by Public Works because electrical cords created potential tripping hazards. Councilwoman Ashworth noted that members of the business community had previously requested that the lights remain illuminated year-round and expressed concern that waiting until October would leave numerous lights nonfunctional as daylight hours became shorter. She asked whether repairs or reconnection could be accelerated. Rick Keuroglan agreed to speak with Public Works regarding when they would be able to get to this.

Councilman Butta revisited a previously discussed concern regarding unauthorized vehicles entering Strawberry Plaza from Mason Avenue through the wide accessible ramp. He suggested installing a bollard or another physical feature that would prevent cars and golf carts from entering the plaza while preserving access for wheelchairs and mobility scooters. Councilwoman Holloway noted that any installation would need to avoid interfering with ADA accessibility. Council discussed possible configurations, and Rick Keuroglan agreed to investigate an appropriate barrier or other solution.

ANNOUNCEMENTS

- August 22, 2026 - Concert in Central Park - USAF Full Spectrum

- August 29, 2026 - Concert in Central Park - Celeste Kellogg
- September 2, 2026 - Town Council Work Session - *tentative*
- September 5, 2026 - LOVEFEST & Concert in Central Park - The English Channel
- September 7, 2026 - Town Offices Closed for Labor Day Holiday
- September 12, 2026 - Concert in Central Park - Captain Mike & the Shipwrecked
- September 16, 2026 - Town Council Regular Meeting

During discussion of the tentative September 2 Work Session, Rick Keuroglan indicated that several matters appeared to warrant a meeting, including the Beachfront Master Plan. He also advised Council that he was attempting to coordinate an executive session concerning the Canonie property and was working to identify a date and time when the necessary participants would be available.

ADJOURNMENT

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

The meeting adjourned at 7:08 p.m.

Adam Charney, Mayor

Libby Hume, Town Clerk

August 19, 2026 Town Council Public Hearing & Regular Meeting

MUNICIPAL CORPORATION OF CAPE CHARLES TREASURER'S REPORT June 30, 2026

Cash on Hand	5/31/2026	6/30/2026	Increase/ (Decrease)
Atlantic Union Bank Checking Account	\$76,580	\$73,693	-\$2,887
Atlantic Union Bank Money Market Account	\$15,349	\$15,378	\$30
LGIP Account 1 - 0565 - Unrestricted	\$124,869	\$125,256	\$387
LGIP Account 2 - 0195 - Unrestricted	\$396,895	\$398,125	\$1,229
Virginia Investment Pool Liquidity Unassigned - 5003	\$17,258,411	\$17,312,061	\$53,650
Virginia Investment Pool 1-3 Year Unassigned 0001	\$1,141,738	\$1,142,338	\$600
Taylor Bank Operating Cash Account	\$332,651	\$498,385	\$165,733
Taylor Bank Sweep Account	\$1,377,166	\$1,179,047	-\$198,119
Total Cash On Hand	\$20,723,659	\$20,744,283	\$20,624

Restricted and Reserved Cash Balances	5/31/2026	6/30/2026	Increase/ (Decrease)
Atlantic Union Bank Checking Account - Police Funds	\$431	\$431	\$0
LGIP Account 2 - Restricted for USDA loan covenant	\$30,120	\$30,120	\$0
Virginia Investment Pool Liquidity Acct#1 Facility Fees Rsrvd (Utilities)	\$0	\$0	\$0
Total Cash Held in Reserve	\$30,551	\$30,551	\$0
Total Cash - All Accounts	\$20,754,210	\$20,774,834	\$20,624

MUNICIPAL CORPORATION OF CAPE CHARLES TREASURER'S REPORT June 30, 2026

REVENUE VS. EXPENDITURES

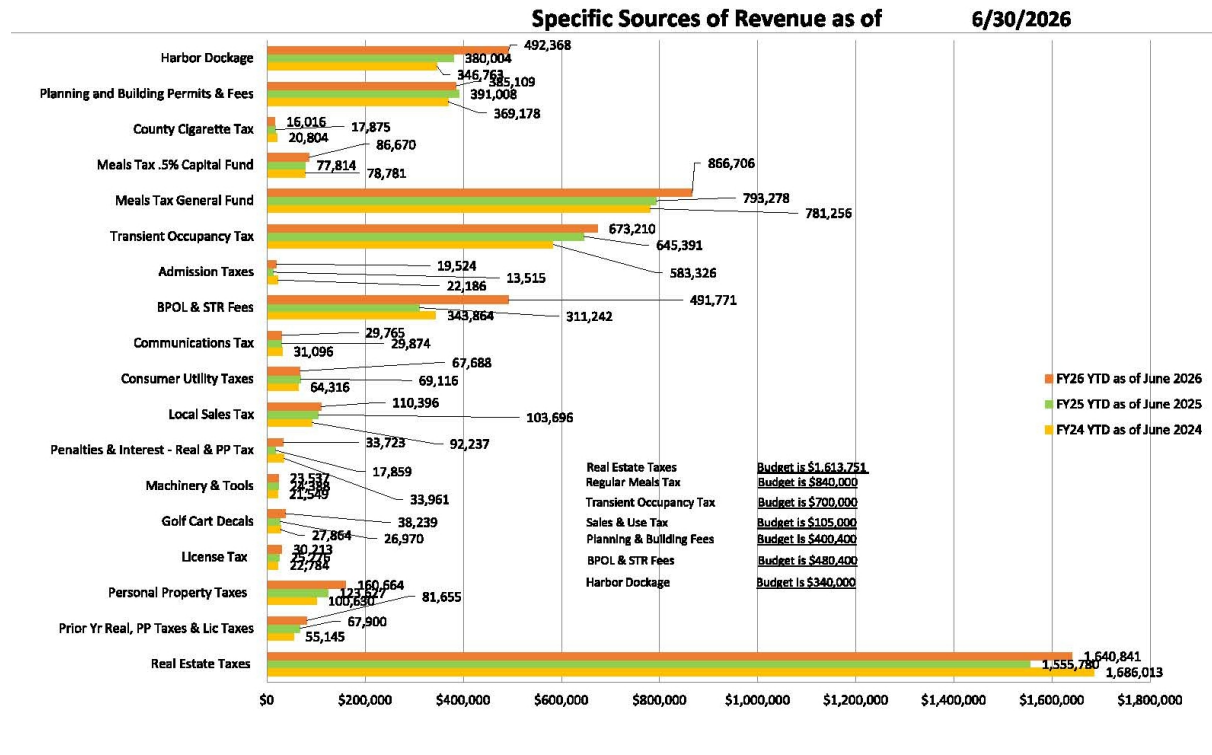
FUND	CURRENT MONTH	CURRENT YEAR-TO-DATE	ANNUAL BUDGET	% REALIZED/ EXPENDED FY26
GENERAL Fund				
REVENUE	\$382,048	\$6,095,265	\$5,916,265	103.03%
EXPENDITURES	\$366,039	\$4,673,143	\$5,916,265	78.99%
NET	\$16,009	\$1,422,122	\$0	
GENERAL Capital Fund				
REVENUE	\$10,180	\$1,656,670	\$6,837,456	24.23%
EXPENDITURES	-\$16,414	\$3,258,222	\$6,837,456	47.65%
NET	\$26,594	(\$1,601,552)	\$0	
GENERAL Debt Service Fund				
REVENUE	\$0	\$1,595,121	\$1,655,121	96.37%
EXPENDITURES	\$0	\$1,517,784	\$1,655,121	91.70%
NET	\$0	\$77,337	\$0	
GENERAL Special Activities Fund				
REVENUE	\$0	\$0	\$0	0.00%
EXPENDITURES	\$0	\$0	\$0	0.00%
NET	\$0	\$0	\$0	
PUBLIC UTILITIES Fund				
REVENUE	\$0	\$83,658	\$80,000	104.57%
EXPENDITURES	\$0	\$80,042	\$80,000	100.05%
NET	\$0	\$3,617	\$0	
HARBOR Fund				
REVENUE	\$180,789	\$1,417,324	\$1,108,331	127.88%
EXPENDITURES	\$177,921	\$1,056,754	\$1,108,331	95.35%
NET	\$2,868	\$360,570	\$0	
SANITATION Fund				
REVENUE	\$1,051	\$292,861	\$361,177	81.09%
EXPENDITURES	\$33,869	\$393,821	\$361,177	109.07%
NET	(\$32,817)	(\$101,060)	\$0	

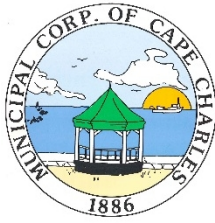
Note: Net YTD revenues over expenditures shown above reflect accounting entries posted as of the report date. Certain budgeted or authorized interfund transfers, year-end revenue accruals, reappropriations, and other closing entries have not yet been recorded. Accordingly, the reported NET amounts should not be interpreted as the Town's final operating surplus/(deficit) or change in available fund balance.

Note: Sanitation Fund revenue over expenditures does not represent the final quarter of Fiscal Year 2026. The due date of this billing was July 31, 2026, after the date of this report.

FY 26 Capital Improvement Project Tracking Report

As of: 6/30/2026		% of Current Year Budget	FY26 Budgeted	QTR 1 Expended	QTR 2 Expended	QTR 3 Expended	QTR 4 Expended	FY26 YTD Expended	(Over)/Under Budget
General Capital Fund									
Municipal Space Replacement	4%	\$3,087,981.00	\$ 2,004	\$ 23,753	\$ 53,490	\$ 37,810	\$ 117,056	\$ 2,970,925	
ADA Parking	62%	\$47,400.00	\$ 5,667	\$ 2,710	\$ 21,000	\$ -	\$ 29,377	\$ 18,023	
Library Repair & Renovation	107%	\$ 330,000	\$ 610	\$ 5,369	\$ 289,324	\$ 59,431	\$ 354,734	\$ (24,734)	
Beachfront Revitalization	0%	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000	
Beach Restroom/Bathhouse	0%	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,000	
Sidewalk Infill	99%	\$ 103,000	\$ -	\$ -	\$ 102,077	\$ -	\$ 102,077	\$ 923	
Mason Ave. Electrical	72%	\$ 126,000	\$ -	\$ -	\$ 336	\$ 90,061	\$ 90,397	\$ 35,603	
Keck Wells Water Line Return	19%	\$ 565,000	\$ -	\$ 105,000	\$ -	\$ -	\$ 105,000	\$ 460,000	
7 Strawberry Public Restroom	0%	\$ 5,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,100	
Mason Ave ADA Ramps	11%	\$ 35,000	\$ -	\$ -	\$ -	\$ 3,962	\$ 3,962	\$ 35,000	
Subtotal		\$ 4,329,381.00	\$ 8,281	\$ 136,832	\$ 466,227	\$ 191,263	\$ 798,642	\$ 3,070,739	
Harbor Fund									
Fuel Tank Improvements	96%	\$ 34,000	\$ -	\$ -	\$ -	\$ 32,662	\$ 32,662	\$ 1,338	
Replace Boardwalk With Synthetic Decking	100%	\$ 162,000	\$ 11,785	\$ 13,988	\$ 136,132	\$ -	\$ 161,905	\$ 95	
Subtotal		\$ 196,000	\$ 11,785	\$ 13,988	\$ 136,132	\$ 32,662	\$ 194,567	\$ 1,433	
TOTAL		\$ 4,525,381	\$ 20,066	\$ 150,820	\$ 602,359	\$ 223,926	\$ 993,209	\$ 3,072,172	





DRAFT
TOWN COUNCIL
Executive Session
Town Manager's Office, 412 Tazewell Avenue
August 31, 2026, 5:00 PM

CALL TO ORDER

Mayor Charney called the Executive Session of the Cape Charles Town Council to order at 5:00 p.m.

ROLL CALL

Council members in attendance: Mayor Charney, Vice Mayor Buchholz, Councilmen Butta, Grossman and Newman, and Councilwomen Ashworth and Holloway. A quorum was established.

Staff in attendance: Town Manager Rick Keuroglian, Projects Manager Bob Panek.

Motion made by Councilwoman Holloway, seconded by Councilman Grossman, and unanimously approved to go into Executive Session in accordance with Section 2.2-3711.A of the Code of Virginia, 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. The motion was approved by unanimous vote.

Specifically: Discussion regarding the due diligence process of the potential acquisition of the Canonie Property

Members of the public were asked to leave the room.

Council went into executive session at 5:01 p.m.

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

The open portion of the meeting resumed at 7:45 p.m. There were no members of the public waiting to return to the meeting.

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: Ashworth, yes; Buchholz, yes; Butta, yes; Grossman, yes; Holloway, yes; Newman, yes.

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

The Executive Session adjourned at 7:46 p.m.

Adam Charney, Mayor

Libby Hume, Town Clerk

MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
July 31, 2026

Cash on Hand	6/30/2026	7/31/2026	Increase/ (Decrease)
Atlantic Union Bank Checking Account	\$73,693	\$108,090	\$34,396
Atlantic Union Bank Money Market Account	\$15,378	\$15,409	\$31
LGIP Account 1 - 0565 - Unrestricted	\$125,256	\$125,658	\$403
LGIP Account 2 - 0195 - Unrestricted	\$398,125	\$399,404	\$1,280
Virginia Investment Pool Liquidity Unassigned - 5003	\$17,312,061	\$17,367,900	\$55,839
Virginia Investment Pool 1-3 Year Unassigned 0001	\$1,142,338	\$1,143,875	\$1,537
Taylor Bank Operating Cash Account	\$498,385	\$497,216	-\$1,169
Taylor Bank Sweep Account	\$1,179,047	\$1,180,900	\$1,853
Total Cash On Hand	\$20,744,283	\$20,838,451	\$94,168

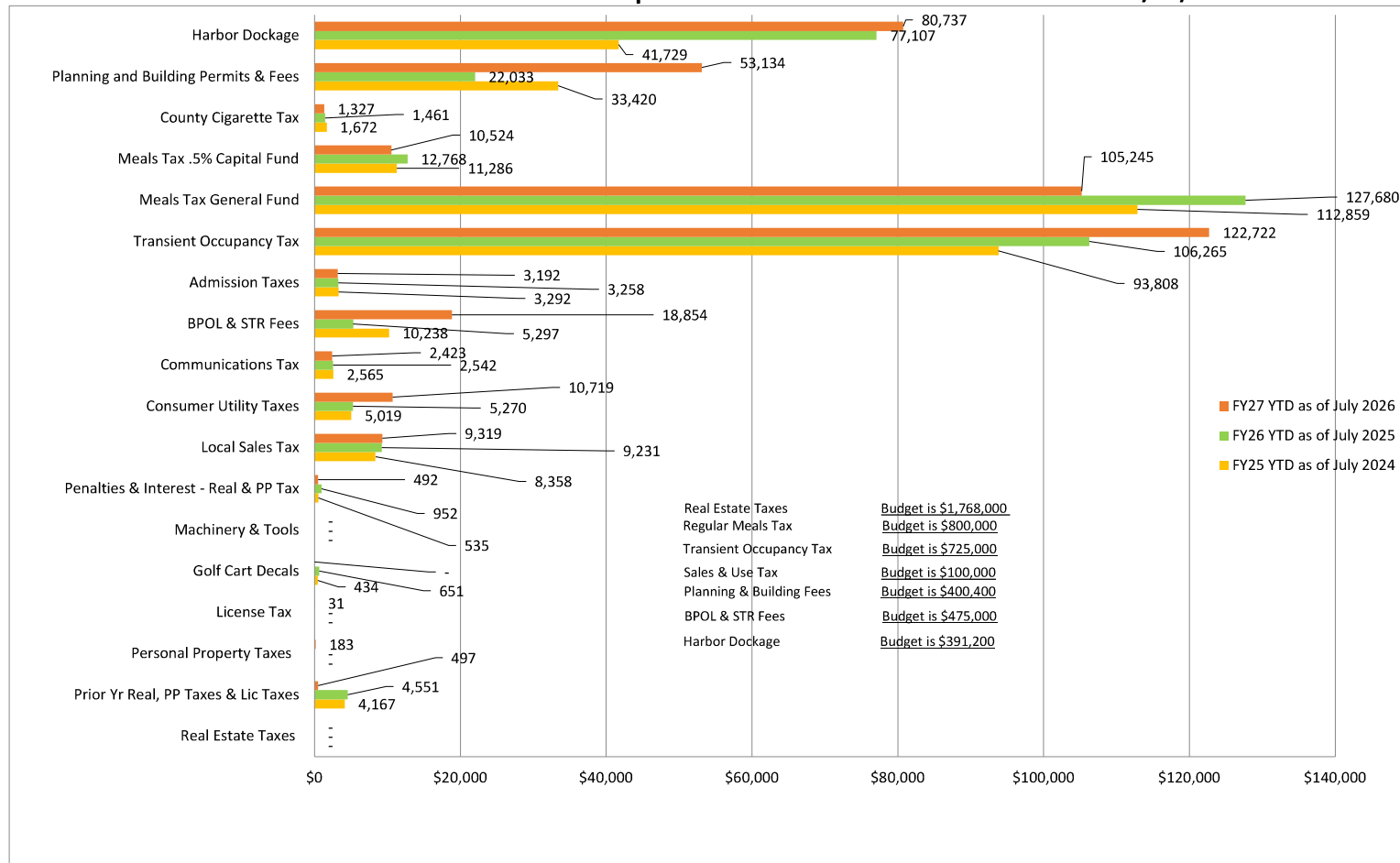
Restricted and Reserved Cash Balances	6/30/2026	7/31/2026	Increase/ (Decrease)
Atlantic Union Bank Checking Account - Police Funds	\$431	\$431	\$0
LGIP Account 2 - Restricted for USDA loan covenant	\$30,120	\$30,120	\$0
Virginia Investment Pool Liquidity Acct#1 Facility Fees Rsrvd (Utilities)	\$0	\$0	\$0
Total Cash Held in Reserve	\$30,551	\$30,551	\$0
Total Cash - All Accounts	\$20,774,834	\$20,869,002	\$94,168

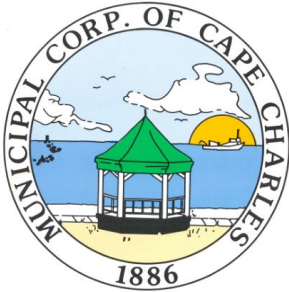
FY 27 Capital Improvement Project Tracking Report

As of:
7/31/2026

	<u>% of Current Year Budget</u>	<u>FY27 Budgeted</u>	<u>QTR 1 Expended</u>	<u>QTR 2 Expended</u>	<u>QTR 3 Expended</u>	<u>QTR 4 Expended</u>	<u>FY26 YTD Expended</u>	<u>(Over)/Under Budget</u>
<u>General Capital Fund</u>								
Municipal Space Replacement	0%	\$5,000,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Beachfront Revitalization	0%	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,000
Sidewalk Infill	0%	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Mason Ave. Electrical	2%	\$ 200,000	\$ 3,678	\$ -	\$ -	\$ -	\$ 3,678	\$ 196,322
Keck Wells Water Line Return	0%	\$ 460,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460,000
7 Strawberry Public Restroom	0%	\$ 43,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,000
Tree Plantings	0%	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Central Park Drainage Swales Planting	0%	\$ 6,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,500
Golf Cart Path	0%	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Subtotal		\$ 5,845,000.00	\$ 3,678	\$ -	\$ -	\$ -	\$ 3,678	\$ 5,381,322
<u>Harbor Fund</u>								
Fuel delivery Ladders & Platform	0%	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000
Replace Fixed Dock with Floating Dock	0%	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Replace Boardwalk With Synthetic Decking	0%	\$ 64,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,400
Rehabilitate Parking Lot		\$ 40,000					\$ -	
Subtotal		\$ 119,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,400
TOTAL		\$ 5,964,400	\$ 3,678	\$ -	\$ -	\$ -	\$ 3,678	\$ 5,500,722

Specific Sources of Revenue as of 7/31/2026



	Agenda Title:	Agenda Date:
	Financing an estimated maximum amount of \$7,300,000 for the design, engineering and construction of the New Municipal Building	September 16, 2026
	Subject/Proposal/Request:	
	Authorize Financing for Construction of the New Municipal Building	
Town of Cape Charles	Attachments:	For Council:
	1. Ordinance 2026-0916- bank option 2. Ordinance 20260916- VRA Bond Issuance Option	Action
	Staff Contact(s):	Reviewed by:
	Marion Sofield, Treasurer	Marion Sofield

Background:

The current Municipal Building located at 2 Plum Street was built in 1930. It is inadequate for staff and citizens to perform fundamental governmental functions.

The Town has been planning a modern building to better serve the citizens of Cape Charles for the foreseeable future. The new Municipal Building is now under construction.

Item Specifics:

The Town engaged the services of Davenport & Company, LLC to assist in making the wisest financial decision to accomplish this goal in the context of the many other capital improvements that are planned. Davenport recommended financing this project by the issuance of a general obligation bond. This approach would preserve existing fund balances for other capital needs as they are refined. The bond may be issued either through the next pooled bond sale by the Virginia Resources Authority (VRA) or directly to a bank. Davenport will brief Council on the details of the VRA

option and the competitive bank proposals they have obtained on the Town's behalf, including interest rates, terms, etc. The Ordinance will be tailored to the option selected. The required public hearing for a bond issuance was held earlier this evening.

Recommendation:

Staff recommends Council consider and select the financing option. Ordinance 20260916 for borrowing an estimated maximum amount of \$7,300,000 for the design, engineering and construction of the New Municipal Building via a bond issuance, either through VRA or directly with a bank, may be adopted.

ORDINANCE 20260916 (Option 1 – Bank Loan)

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF CAPE CHARLES,
VIRGINIA, AUTHORIZING THE ISSUANCE OF UP TO \$7,300,000 PRINCIPAL
AMOUNT OF A GENERAL OBLIGATION BOND, SERIES 2026, FOR TOWN
CAPITAL IMPROVEMENT PROJECTS AND PROVIDING FOR THE FORM,
DETAILS AND PAYMENT THEREOF
(BANK OPTION)**

WHEREAS, the Town Council (**the “Town Council”**) of the Town of Cape Charles, Virginia (**the “Town”**) has determined that it is necessary and advisable and in the best interest of the Town to authorize the borrowing of money in an amount not to exceed \$7,300,000 to finance various Town capital projects, including, but not limited to, the design, construction and equipping of a new town municipal building (**together, the “Projects”**) and the costs of issuance associated therewith by the issuance by the Town of its general obligation bond or bonds therefor;

WHEREAS, the Town has held a public hearing, duly noticed, on September 16, 2026, on the issuance of an up to \$7,300,000 general obligation bond of the Town in accordance with Section 15.2-2606 of the Act, as defined below; and

WHEREAS, Town staff, in consultation with Davenport & Company LLC, the Town’s financial advisor (**the “Financial Advisor”**), and its bond counsel, Sands Anderson PC, has recommended that the Town Council approve the issuance of the Town’s maximum aggregate principal amount not to exceed \$7,300,000 General Obligation Bond, Series 2026 (**the “Bond”**) and the placement or sale of such Bond pursuant to the proposal of Webster Public Finance Corporation (**the “Bondholder”**) dated September 3, 2026 (**the “Proposal”**) or such other lender selected by the Mayor subject to the parameters set forth herein, and the Town Council desires to accept such arrangement and proceed with the financing;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CAPE CHARLES, VIRGINIA:

1. Issuance of Bond. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, as amended (**the “Act”**), the Town Council hereby authorizes the issuance and sale of one or more general obligation bonds of the Town to provide funds to pay the costs of the Projects. The Town hereby finds (i) the obtaining of such funds will be for the welfare of citizens of the Town for purposes which will serve the Town and its citizens, (ii) the most effective and efficient manner in which to provide such funds to the Town is by a general obligation bond issued by the Town to be sold to the Bondholder pursuant to the Proposal and (iii) the issuance of the Bond is in the best interests of the Town and its citizens.

2. Bond Details. The Bond shall be issued in an aggregate principal amount not to exceed \$7,300,000 consisting of a registered bond designated “General Obligation Bond, Series 2026”, numbered R-1, having an interest rate not to exceed 4.84%, and maturing not later than December 31, 2046 in the form attached to this Ordinance. Subject to the preceding terms, the Town Council further authorizes the Town Manager and Mayor with the advice of the Town’s Financial Advisor to determine the aggregate total of principal and interest payments on the Bond,

and to sell the Bond to the Bondholder, or such other lender as determined by the Mayor, all in accordance with the provisions hereof.

3. Payment and Redemption Provisions. The principal of and premium, if any, and interest on the Bond shall be payable as set forth in the Bond. The principal of the Bond shall be subject to optional prepayment or redemption as set forth in the Proposal or as otherwise determined by the Town Manager and Mayor, as evidenced conclusively by the execution and delivery of the Bond.

4. Execution and Form of Bond. The Bond shall be signed by the Mayor or Vice Mayor of the Town and the Town's seal shall be affixed thereon and attested by the Town Clerk or Deputy Town Clerk, if any. The Bond shall be issued as a typewritten bond with such completions, omissions, insertions and changes not inconsistent with this Ordinance as may be approved by such officers, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

5. Pledge of Full Faith and Credit. The Town's full faith and credit are pledged to secure the payment of the principal of, premium, if any, and interest on the Bond. Unless other funds are lawfully available and appropriated for timely payment of the Bond, the Town agrees to levy an annual tax upon all property subject to local taxation in the Town sufficient to pay the principal of and premium, if any, and interest on the Bond.

6. Preparation of Printed Bond. The Town shall initially issue the Bond in typewritten form. The Bond may be executed by manual or facsimile signature of the Mayor or Vice Mayor of the Town, the Town's seal affixed thereto and attested by the Town Clerk; provided, however, that if both such signatures are facsimiles, no Bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon.

7. Registration and Transfer of the Bond. The Town appoints the Town's Director of Finance as paying agent and registrar (**the "Registrar"**) for the Bond. If deemed to be in its best interest, the Town may at any time appoint a qualified bank or trust company as successor Registrar. Upon surrender of the Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Town shall execute, and the Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Town, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner, except that installments shall be paid to the person or entity shown as owner on the registration books on the 1st day of the month on which an interest payment date occurs.

The Bond may only be transferred to (a) affiliates of the registered holder or (b) one or more banks, insurance companies, trusts, custodians or other financial institutions and their affiliates.

8. Mutilated, Lost or Destroyed Bond. If a Bond has been mutilated, lost or destroyed, the Town shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the Town shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Town in connection therewith and, in the case of a lost or destroyed Bond, (a) has filed with the Town evidence satisfactory to the Town that such Bond was lost or destroyed and (b) has furnished to the Town satisfactory indemnity.

9. Arbitrage and other Tax Covenants. The Town covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (**the “Code”**), or otherwise cause interest on the Bond to be includable in the gross income for federal income tax purposes of the registered owner thereof under existing law. Without limiting the generality of the foregoing, the Town shall comply with any provision of the Tax Compliance Agreement (as defined below) that may require the Town at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bond, unless the Town receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bond from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The Town shall pay any such required rebate from legally available funds.

10. Tax Compliance Agreement. Such officers of the Town as may be requested are authorized and directed to execute and deliver a nonarbitrage certificate and tax compliance agreement or similar document in relation to the Bond (**the “Tax Compliance Agreement”**) in the form approved by the Mayor or Vice Mayor of the Town or the Town Manager, or any of them, in collaboration with the Town’s bond counsel, with such completions, omissions, insertions and changes as may be approved by the officers of the Town executing such Tax Compliance Agreement, whose approval shall be evidenced conclusively by the execution and delivery thereof.

11. Private Activity Bond Covenant. The Town covenants that it shall not permit the proceeds of the Bond or the property financed thereby to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or the facilities financed with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Town receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bond from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Town need not comply with such covenants.

12. Bond Counsel. The Town Council hereby confirms the appointment of Sands Anderson PC to serve as Bond Counsel to the Town in connection with the issuance of the Bond.

13. SNAP Authorization. The Town Council has determined to authorize the Town, if and as necessary, to utilize the State Non-Arbitrage Program in connection with the investment of the proceeds of the Bond.

14. Issuance, Sale and Other Actions. All other actions of Town officials in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance and sale of the Bond are ratified, approved and confirmed. The Town officials are authorized and directed to execute and deliver all agreements, certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Bond pursuant to this Ordinance including, but not limited to the Bond, determining whether the Bond will be sold in a private direct bank loan, or in a public sale, or a combination of both, and the documentation relating thereto, which may include a loan agreement, a bond purchase agreement, placement agreement or similar agreement, an escrow agreement, and any other agreements and to make modifications thereof, including but not limited to the dated date, interest payment dates, maturity, redemption terms and such other provisions as such officials shall deem necessary or convenient, whose determination shall be conclusively evidenced by the execution thereof.

15. Effectiveness and Filing of Ordinance. This Ordinance shall become effective immediately upon its passage. After such passage, a certified copy of this Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the County of Northampton, Virginia. The filing of this Ordinance with the Clerk of the Circuit Court of the County of Northampton, Virginia shall be deemed to be the filing of an initial resolution or ordinance with such Court for all purposes of the Act. Any ordinances or resolutions inconsistent herewith previously adopted by the Town Council are amended to be consistent with this Ordinance.

16. Applicable Law. The Town Council elects to issue the Bond pursuant to the provisions of the Act, in accordance with Sections 15.2-2601 and 15.2-2607 of the Act.

On motion of Councilman _____, seconded by Councilman _____, the foregoing Ordinance was adopted at a regular meeting of Town Council on September 16, 2026. Members of the Town Council voted as follows:

YES

NO

ABSTAINED

ABSENT

Adopted this 16th day of September, 2026.

The undersigned Clerk of the Town Council of the Town of Cape Charles, Virginia, hereby certifies that the foregoing constitutes a true and correct copy of an Ordinance adopted at a meeting of the Town Council of the Town of Cape Charles, held on September 16, 2026. I hereby further certify that such a meeting was a regular meeting, duly called and held, during open meeting and that during the consideration of the foregoing Ordinance, a quorum was present.

Town Clerk, Town Council of the
Town of Cape Charles, Virginia

ORDINANCE 20260916 (Option 2 – Bond Issuance)

ORDINANCE PROVIDING FOR THE ISSUANCE, SALE AND AWARD OF GENERAL OBLIGATION BOND, SERIES 2026, OF THE TOWN OF CAPE CHARLES, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF (VRA OPTION)

WHEREAS, the Town Council (**the “Town Council”**) of the Town of Cape Charles, Virginia (**the “Town”**) has determined that a true very real need exists to finance a portion of the costs of capital projects in the Town, including, but not limited to, the design, construction and equipping of the Town’s new municipal building (**the “Project”**);

WHEREAS, the Town desires to issue its general obligation bond (**the “Local Bond”**) to finance the Project, subject to the terms and conditions herein; and

WHEREAS, the Virginia Resources Authority (**“VRA”**), a public body corporate and political subdivision of the Commonwealth of Virginia, has indicated its willingness to purchase such bond from a portion of the proceeds of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2026C (**as more particularly described and defined in the below-defined Local Bond Sale and Financing Agreement, the “VRA Bonds”**), and to provide a portion of the proceeds thereof to the Town to finance the Project in accordance with the terms of a Local Bond Sale and Financing Agreement to be dated as of a date specified by VRA, between VRA and the Town (**the “Local Bond Sale and Financing Agreement”**), the form of which has been presented to this meeting;

WHEREAS, the Local Bond Sale and Financing Agreement is expected to indicate that the sum of [\$7,300,000] or such other amount as requested by the Authority in writing and approved by VRA prior to VRA's bond pricing is the amount of proceeds requested for the Project (**the “Proceeds Requested”**);

WHEREAS, VRA has advised the Town that the sale date of the VRA Bonds is tentatively scheduled for October 27, 2026 but may occur, subject to market conditions, at any time between October 26 and November 30, 2026 (**the “VRA Sale Date”**), and that VRA’s objective is to pay the Town an amount which, in VRA’s judgment, reflects the market value of the Local Bond (**the “Purchase Price Objective”**), taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the underwriters’ discount and other issuance costs of the VRA Bonds, and other market conditions relating to the sale of the VRA Bonds;

WHEREAS, such factors may result in the Town receiving an amount other than the par amount of the Local Bond and consequently the par amount of the Local Bond may be greater than the Proceeds Requested in order to receive an amount of proceeds that is not less than the Proceeds Requested; and

WHEREAS, the Local Bond Sale and Financing Agreement shall provide that the terms of the Bond will not exceed the parameters set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CAPE CHARLES:

1. Issuance of Bond. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 (the “Act”), the Town Council hereby authorizes the issuance and sale of a general obligation bond of the Town to provide funds to finance the Project and to pay related issuance and financing costs incurred in connection with issuing such Local Bond. The Town elects to issue the Local Bond pursuant to the Act.

2. Authorization of Local Bond Sale and Financing Agreement. The form of the Local Bond Sale and Financing Agreement submitted to this meeting is hereby approved. The Mayor of the Town, Vice Mayor of the Town, and Town Manager, any of whom may act, are authorized to execute the Local Bond Sale and Financing Agreement in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Ordinance as may be approved by the officer executing the Local Bond Sale and Financing Agreement, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Local Bond to VRA shall be upon the terms and conditions of the Local Bond Sale and Financing Agreement. The proceeds of such Local Bond shall be applied in the manner set forth in the Local Bond Sale and Financing Agreement. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Local Bond Sale and Financing Agreement.

3. Bond Details. The Local Bond shall be issued as a single, registered bond designated “General Obligation Bond, Series 2026” to finance the Project, shall be numbered R-1, and shall be dated on or within 31 days prior to the closing date of the VRA Bonds. The final pricing terms of the Local Bond will be determined by VRA, subject to VRA’s Purchase Price Objective and market conditions described in the recitals hereof; provided, however that (i) the Local Bond shall have a maximum aggregate principal amount not to exceed \$7,300,000 (ii) the interest rate on the Local Bond shall not exceed a maximum true interest cost of 5.50% per annum (exclusive of “supplemental interest” as provided in the Local Bond) and (iii) the Local Bond shall mature not later than December 31, 2053. Subject to the preceding terms, Town Council further authorizes VRA to determine the aggregate total of principal and interest payments on the Local Bond and establish an amortization schedule for the Local Bond including the dates and amounts and the optional and extraordinary prepayment provisions, if any, of the Local Bond, all in accordance with the provisions hereof.

As set forth in the Local Bond Sale and Financing Agreement, the Town agrees to pay such “supplemental interest” and other charges as provided therein. The principal of and premium, if any, and interest on the Local Bond shall be payable in lawful money of the United States of America.

4. Payment and Redemption Provisions. The principal of and premium, if any, and interest on the Local Bond shall be payable as set forth in the Local Bond and the Local Bond Sale and Financing Agreement. The Town may, at its option, redeem, prepay or refund the Local Bond upon the terms determined in accordance with Section 3 above and set forth in the Local Bond Sale and Financing Agreement.

5. Execution and Form of Local Bond. The Local Bond shall be signed by the Mayor or Vice Mayor of the Town and the Town’s seal shall be affixed thereon and attested by the Town Clerk. The Local Bond shall be issued as a typewritten bond in substantially the forms

of Exhibit A attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Ordinance as may be approved by such officers, whose approval shall be evidenced conclusively by the execution and delivery of the Local Bond.

6. Pledge of Full Faith and Credit. The Town's full faith and credit are pledged to secure the payment of the principal of, premium, if any, and interest on the Local Bond. Unless other funds are lawfully available and appropriated for timely payment of the Local Bond, the Town agrees to levy an annual tax upon all property subject to local taxation in the Town sufficient to pay the principal of and premium, if any, and interest on the Local Bond.

7. Preparation of Printed Local Bond. The Town shall initially issue the Local Bond in typewritten form. Upon request of the registered owner and upon presentation of the Local Bond at the office of the Registrar (as hereinafter defined), the Town shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Local Bond in printed form in an aggregate principal amount equal to the unpaid principal of the Local Bond in typewritten form, in denominations of \$5,000 and multiples thereof (except that one Local Bond may be issued in an odd denomination of not less than \$5,000), of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Local Bond may be executed by manual or facsimile signature of the Mayor or Vice Mayor of the Town, the Town's seal affixed thereto and attested by the Town Clerk; provided, however, that if both such signatures are facsimiles, no Local Bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten Local Bond surrendered in any such exchange shall be canceled.

8. Registration and Transfer of the Local Bond. The Town appoints the Treasurer of the Town as paying agent and registrar (**the "Registrar"**) for the Local Bond. If deemed to be in its best interest, the Town may at any time appoint a qualified bank or trust company as successor Registrar. Upon surrender of the Local Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the Town shall execute, and the Registrar shall authenticate and deliver in exchange, a new Local Bond or Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Town, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment of principal, premium, if any, and interest, and the exercise of all other rights and powers of the owner, except that installments shall be paid to the person or entity shown as owner on the registration books on the 15th day of the month preceding each interest payment date.

9. Mutilated, Lost or Destroyed Local Bond. If the Local Bond has been mutilated, lost or destroyed, the Town shall execute and deliver a new Local Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Local Bond or in lieu

of and in substitution for such lost or destroyed Local Bond; provided, however, that the Town shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the Town in connection therewith and, in the case of a lost or destroyed Local Bond, (a) has filed with the Town evidence satisfactory to the Town that such Local Bond was lost or destroyed and (b) has furnished to the Town satisfactory indemnity.

10. Arbitrage Covenants. The Town covenants that it shall not take or omit to take any action the taking or omission of which will cause the VRA Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (**the “Code”**), or otherwise cause interest on the VRA Bonds to be includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law. Without limiting the generality of the foregoing, the Town shall comply with any provision of the Tax Compliance Agreement that may require the Town at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bond, unless the Town receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the VRA Bonds from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The Town shall pay any such required rebate from legally available funds.

11. Tax Compliance Agreement. Such officers of the Town as may be requested are authorized and directed to execute and deliver a tax compliance agreement in relation to the Local Bond being purchased with proceeds of VRA Bonds (**the “Tax Compliance Agreement”**) in the form approved by the Mayor or Vice Mayor of the Town or the Town Manager, or any of them, in collaboration with the Town’s bond counsel, with such completions, omissions, insertions and changes as may be approved by the officers of the Town executing such Tax Compliance Agreement, whose approval shall be evidenced conclusively by the execution and delivery thereof.

12. Private Activity Bond Covenant. The Town covenants that it shall not permit the proceeds of the Local Bond or the Related Financed Property (as defined in the Local Bond Sale and Financing Agreement) to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or the facilities financed with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Town receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the VRA Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the Town need not comply with such covenants.

13. Official Statement. The Town authorizes and consents to the inclusion of information with respect to the Town contained in VRA’s Preliminary Official Statement and VRA’s Official Statement in final form, both prepared in connection with the sale of the VRA

Bonds. The Mayor of the Town, the Vice Mayor of the Town or the Town Manager, each of whom is authorized to act, are authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12, including execution and delivery of a continuing disclosure agreement as deemed necessary by VRA.

14. SNAP Investment Authorization. The Town Council has determined to authorize the Town Manager and the Town Treasurer, if and as necessary, to utilize SNAP in connection with the investment of the proceeds of the Local Bond.

15. Other Actions. All other actions of Town officials in conformity with the purposes and intent of this Ordinance and in furtherance of the issuance and sale of the Local Bond and the financing of the Project are ratified, approved and confirmed. The Town officials are authorized and directed to execute and deliver all agreements, certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Local Bond pursuant to this Ordinance and the Local Bond Sale and Financing Agreement and the financing of the Project.

16. Effectiveness and Filing of Ordinance. This Ordinance shall become effective immediately upon its passage. After such passage, a certified copy of this Ordinance shall be filed by the Town Clerk with the Clerk of the Circuit Court of the County of Northampton, Virginia. The filing of this Ordinance with the Clerk of the Circuit Court of the County of Northampton, Virginia shall be deemed to be the filing of an initial resolution or ordinance with such Court for all purposes of the Act. Any ordinances or resolutions inconsistent herewith previously adopted by the Town Council are amended to be consistent with this Ordinance.

On motion of _____, seconded by _____, the foregoing Ordinance was adopted at a regular meeting of Town Council on September 16, 2026. Members of the Council voted as follows:

Ayes

Nays

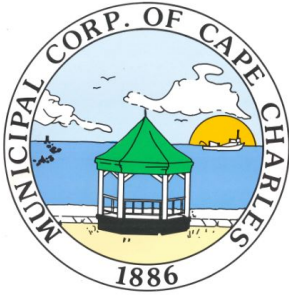
Absent

Abstentions

Adopted this 16th day of September, 2026.

The undersigned Town Clerk of the Town of Cape Charles, Virginia, hereby certifies that the foregoing constitutes a true and correct copy of an Ordinance and Resolution adopted at a meeting of the Town Council of the Town of Cape Charles, held on September 16, 2026. I hereby further certify that such a meeting was a regular meeting, duly called and held, and that during the consideration of the foregoing Ordinance and Resolution, a quorum was present.

Town Clerk of the
Town of Cape Charles, Virginia

	Agenda Title:	Agenda Date:
	Reimbursement Resolution	September 16, 2026
	Subject/Proposal/Request:	
	Reimbursement of Town-paid expenditures prior to bond issuance.	
Town of Cape Charles	Attachments:	For Council:
	1. Resolution 20260916 reimbursement resolution REV2	Action
	Staff Contact(s):	Reviewed by:
	Marion Sofield, Treasurer	Marion Sofield

Background:

The Town may incur limited expenditures during the time between awarding the construction contract and receipt of funds from closing on a general obligation bond.

Item Specifics:

Resolution 20260916 allows the Town to recover any allowable expenditures between the time the contract is executed and the final funding event occurs.

Recommendation:

Staff recommends Council review and adopt Resolution 20260916 to allow the Town to be reimbursed for any allowable monies expended prior to bond financing being in place.

RESOLUTION 20260916

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CAPE CHARLES, VIRGINIA DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE AND/OR TO BE MADE IN CONNECTION WITH TOWN CAPITAL PROJECTS

WHEREAS, the Town of Cape Charles, Virginia (**the “Town”**) is a political subdivision organized and existing under the laws of the Commonwealth of Virginia;

WHEREAS, the Town has paid, beginning no earlier than (60 days prior to adoption of this resolution), or will pay, on and after the date hereof, certain expenditures (**the “Expenditures”**) in connection with construction of a new Town municipal building and other capital improvements identified in the Town’s Capital Asset Management Program and Capital Management Plan (**together, the “Project”**); and

WHEREAS, the Town Council of the Town (**the “Council”**) has determined that those moneys previously advanced no more than 60 days prior to the date hereof and to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it may be necessary to reimburse the Town for the Expenditures from the proceeds of one or more tax-exempt financings (**the “Bonds”**); and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CAPE CHARLES, VIRGINIA, AS FOLLOWS:

Section 1. The Council hereby declares, in accordance with U.S. Treasury Regulation Section 1.150-2, as amended from time to time, the Council's intent to reimburse the Town with the proceeds of the Financings for Expenditures with respect to the Project made on and after the date which is no more than 60 days prior to the date hereof. The Town reasonably expects on the date hereof that it will reimburse itself for the Expenditures with the proceeds of the Bonds.

Section 2. Each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditures), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Town so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Town.

Section 3. The maximum principal amount of Bonds expected for the Project is \$7,300,000.

Section 4. The Town will make a reimbursement allocation, which is a written allocation by the Town that evidences the Town's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Town recognizes that exceptions are available for certain “preliminary expenditures,” costs of issuance, certain de minimis amounts, expenditures by “small issuers” (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.

Section 5. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED THIS 16th day of September, 2026.

By: _____
Adam Charney, Mayor

The Clerk of the Town Council of the Town of Cape Charles, Virginia hereby certifies that the above-referenced resolution was adopted by a majority vote of the Town Council at a regular meeting of the Town Council, duly called and held on September 16, 2026, during an open meeting, as follows:

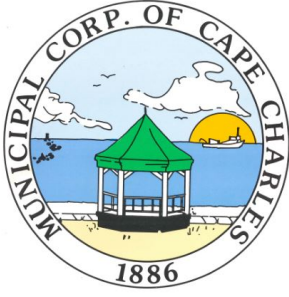
AYES:

NAYS:

ABSTENTIONS

Attested to:

Libby Hume, Clerk
Town Council of the Town of
Cape Charles, Virginia

	Agenda Title:	Agenda Date:
	Fire Department Surcharge for Building Department Permits	September 16, 2026
	Subject/Proposal/Request:	
	Increasing Fire Department Surcharge for Building Department Permits	
Town of Cape Charles	Attachments:	For Council:
	None	Approval
	Staff Contact(s):	Reviewed by:
	Libby Hume, Town Clerk	Rick Keuroglian

Background:

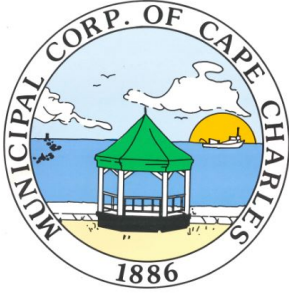
About 20 years ago, the Town Council approved adding a 10% surcharge to all Building Department Permits. 80% of the collected fees were distributed quarterly to the Cape Charles Volunteer Fire Company and the remaining 20% went to the Northampton County Fire & Rescue to support neighboring volunteer fire departments providing mutual aid within Cape Charles.

Item Specifics:

During the August 5, 2026 work session to review the Building, Planning & Zoning Fee Schedule, discussion was held regarding this surcharge, with a consensus to increase the surcharge from 10% to 25% to assist the Fire Department with their equipment and apparatus purchases.

Recommendation:

Staff recommends increasing the Fire Department surcharge, which is added to all Building Department permits, to 25% effective immediately.

	Agenda Title:	Agenda Date:
	Building, Planning & Zoning Fee Schedule	September 16, 2026
	Subject/Proposal/Request:	
	Approve FY 2027 Building, Planning & Zoning Fee Schedule	
Town of Cape Charles	Attachments:	For Council:
	1. Proposed FY2027 FEE SCHEDULE for Building Planning Zoning	Action
	Staff Contact(s):	Reviewed by:
	Libby Hume, Town Clerk	Rick Keuroglian

Background:

The Building, Planning & Zoning Fee Schedule is reviewed and approved by the Town Council periodically.

Item Specifics:

The proposed FY 2027 Building, Planning & Zoning Fee Schedule was reviewed by the Town Council at the August 5, 2026 Work Session. Several modifications were made to the fee schedule that was initially approved on June 17, 2026 during the FY 2027 Budget adoption.

Recommendation:

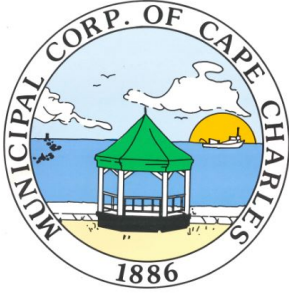
Staff recommends Council approval of the FY 2027 Building, Planning & Zoning Fee Schedule as revised during the August 5, 2026 Town Council Work Session.

TOWN OF CAPE CHARLES - Building, Planning & Zoning Fee Schedule
EFFECTIVE July 1, 2026 - **PROPOSED CHANGES HIGHLIGHTED**

	Type of Permit or Review	Charge or Fee
BUILDING	1. Residential: (repair, alteration, demolition, construction)	
	a. Single inspections w/ no permit required	\$35
	b. Less than Up to \$2,500	\$50
	c. \$2,500 \$2,501 - \$10,000	\$50 + 0.5% project cost over \$2500
	d. \$10,000 \$10,001 +	\$125 + 0.5% project cost over \$10,000
	e. Demolition	\$50
	2. Commercial: (repair, alteration, demolition, construction)	
	a. Single inspections w/ no permit required	\$35
	b. Less than Up to \$2,500	\$75
	c. \$2,500 \$2,501 - \$10,000	\$75 + 1% of project cost over \$2,500
	d. \$10,000 \$10,001 +	\$175 + 1% of project cost over \$10,000
	e. Demolition	\$100
	3. New Construction: Per BOCA/ICC permit fee tables based on building square footage and at 100% departmental operational costs as determined by Council in 2001	
	Notes applicable to Items 1, 2 & 3 above	
	1. A 2% to all permit fees for state surcharge. A mandatory 2% state levy is added to all permit fees per Code of Virginia Section 107.2 to support training programs of the Virginia Building Code Academy.	
	2. Permits include initial/first inspection and a follow-up inspection for a failure inspection.	
	3. Add 10% 25% to Base Fee for Fire Department (before tax and not to be taxed).	
	4. Certificates of Occupancy	
	a. Permanent Certificant of Occupancy	Included in cost of permit
	b. Certificate of Occupancy when no permit is issued	\$100
	c. Temporary Certificate of Occupancy	\$800 (per issuance) / Max. of 2 issuances
	d. Rental Certificate of Occupancy	\$150 or Free with STR Administration Fee
	5. ADDITIONAL FEES	
	a. Inspection fee for 3rd inspection of the same item	\$40
	b. Inspections scheduled outside normal business hours	\$75
	c. Fee for starting work without a permit	\$300
	d. Underground Fuel Tank Removal	\$100 per tank
ZONING	5. Zoning Clearance	
	a. As part of a building permit or a Certificate of Appropriateness application	\$0
	b. All other approved by administrative review	\$150
	c. Zoning Determination Letter	\$200▶
	d. Trees/Landscaping	
	1.) Tree Removal Permit	\$20/tree OR No fee if tree is hazardous
	2.) PENALTY - Tree removal without a permit	\$300/tree
	e. Variance or Exception to CBPA Application to Board of Zoning Appeals	\$500**▶
	f. Signage	
	1) All Permanant, Freestanding, Wall and Other (Canopy, Projecting, Awning, Marquee, Directory) pursuant to Town Code Chapter 32, Sections 32-120 thru 32-122 (all Residential, Commercial, Harbor and Industrial Zoning Districts & Accawmacke PUD District Ordinance	\$75 = 12 sq. ft or less: \$75 plus \$2 per sq. ft over 12 sq. ft
REVIEW BOARD	2) No permit required nor fee imposed to any temporary sign pursuant to Town Code Chapter 32, Sections 32-120 thru 32-122 (all Residential, Commercial, Harbor, and Industrial Zoning Districts) & Accawmacke PUD District Section 9.13.2 (B), 9.13.5 (C & D)	No Permit Required and No Fee
	g. Short Term Rental (STR) Administrative Fee	\$450
	6. Historic District Review Board Application Fee	
	a. Routine Maintenance per CC Historic District Design Guidelines Appendix G	No Application and No FEE
	b. New Construction - Residential	\$1,000
	c. New Construction: Commercial or Commercial/Residential Mixed Use	\$2,000
	d. Renovation	
	1) Minor Work authorized by Town Code Chapter 32, Section 32-226 (b) & HDRB Guidelines Appendix G, residential and/or commercial - Administrative Review and Approval only	\$50
	2) Major Work - Residential (Exterior Renovations) authorized by Town Code Chapter 32, Section 32-226 (c) & HDRB Guidelines Appendix G for the following: accessory structures, awnings, canopies, carports, decks, driveways, reroofing, shutters, stairs, and steps.	\$125

	Type of Permit or Review	Charge or Fee
HISTORIC DISTRICT	3) Major Work - Residential (Exterior Renovations) authorized by Town Code Chapter 32, Section 32-226 (c) & HDRB Guidelines Appendix G for the following: additions, alterations, architectural style projects; building relocations; chimneys; doors; foundations; masonry, porches, removals, siding, windows.	\$500
	4) Major Work - Residential (Exterior Renovations) authorized by Town Code Chapter 32, Section 32-226 (c) & HDRB Guidelines Appendix G to return a contributing structure to its original historic appearance.	\$450 No fee
	5) Major Work - Commercial	\$1,000
	6) Major Work - Demolition of structure (Contributing Structures Only)	\$500
	e. Sign Review by HDRB if a new canopy/awning/marque or wall/hanging/projecting sign requires new affixment to a historic building	\$50
	f. Extension of approved Certificate of Appropriateness (CoA)	\$25
	g. Modification to an approved and active Certificate of Appropriateness (CoA)	
	1) Administrative Issued CoA	\$50
	2) HDRB Issued CoA	\$200
	h. Working without an approved and active Certificate of Appropriateness (CoA) or After the Fact Permit Fee	\$1,000
APPEALS	7. APPEALS (All fees and charges are refundable if appeal approved)	
	a. Appeals Application to Board of Zoning Appeals	\$500**
	b. Certificate of Appropriateness Appeals to Town Council	\$500**
	c. Appeals Application to Building Code Board of Appeals	\$250**
HARBOR AREA REVIEW BOARD	8. Harbor Area Review Board Certificate of Approrpriateness	
	a. Development Certificate	\$750/application base fee + \$100 per acre**
	b. Extension of approval	\$100
	c. Modification to an approved and active Certificate of Appropriateness (CoA)	\$250
ENVIRONMENTAL PERMITS	9. Environmental Permits	
	a. Wetlands & Coastal Dune Permit	\$500**▶
	b. Administrative Approvals Wetlands & Coastal Dune Permit: examples: boardwalk, walkway	\$100▶
	c. CBPA Exception, pursuant to CC Town Code Chapter 32, Article VII, Section 32-194- Application to the BZA	\$500**▶
	d. CBPA Administrative Waiver Permit for Maintenance Work of Vegetation in the RPA	\$50
	e. Erosion & Sediment Control Permit	\$500 + \$10/acre not to exceed \$1000▶
	f. Erosion & Sediment Agreement in lieu of plan	150▶
	g. Erosion & Sediment Inspection fees	\$40/hr with 1 hour minimum▶
	h. Erosion & Sediment Control Plan Review Fee	\$350▶
	i. Working without an approved and active Permit or After the Fact Permit Fee	\$1,000
SITE PLAN	10. Final Plan Review Fees	
	a. Residential	\$150/site
	b. Commercial	\$250/site #^▶
	c. Misc	\$150/site #^▶
PLANNING	11. Planning Applications	
	a. Regular Rezoning	
	1) Non-PUD	\$500 + \$50/acre**▶
	2) PUD	\$1,000 + \$50/acre**▶
	a. Amendment to Comprehensive Plan; Concept Approvals	\$550/application
	b. Conditional Rezoning	\$1,000 + \$50/acre**▶
	c. Zoning Text Amendment Petition Application - for consideration only by Town Council and/or Planning Commission	\$200/application
	d. Conditional Use Permit	
	1) Comprehensive Sign Plan	\$200**
	2) All Others CUPs	\$600**▶
SUBDIVISION	12. Subdivision through recordation	
	1) Concept or sketch plan review	\$100 + \$10/parcel▶
	2) Preliminary plat review	
	a) 3 lots or less	\$250 + \$50/lot #^▶
	b) 4 lots or more	\$1,000 + \$100/lot #^▶
	3) Final plat review	
	a) 3 lots or less	\$125▶
	b) 4 lots or more	\$250▶
	4) Subdivision modification	\$250▶
	5) Administrative Plat/Lot line adjustment	\$200▶
	6) Easement Plat	\$200▶
	7) Vacation of Plat	\$250▶
	All recordation of plats are the responsibility of the applicant	
OTHER	13. Deferral at the request of Applicant, if public hearing has been set (BZA, Planning Commission, HDRB, HARB, Town Council)	\$200

	Type of Permit or Review	Charge or Fee
NONPROFIT	Building, Planning & Zoning	Waiver of fees up to the amount of \$750 per project application for any nonprofit organization exempt from taxation under Internal Revenue Code Section 501
LEGEND with GENERAL NOTES		
*	<i>Advertising Costs, Actual</i>	
**	<i>Advertising Costs, Actual + Adjacent Property Owner Notification Mailing Costs, Actual</i>	
#	<i>3rd Party Review Costs - Water and Sewer Connections and Layout, including any re-reviews</i>	
^	<i>3rd Party Review Costs - Erosion & Sediment Control, including any re-reviews</i>	
►	<i>3rd Party General Review Costs -Engineering, Environmental, Legal, and Planning</i>	

	Agenda Title:	Agenda Date:
	Handicapped Parking Space on Mason Avenue	September 16, 2026
	Subject/Proposal/Request:	
	Construct a Second Handicapped Parking Space in the 200 Block of Mason Avenue	
Town of Cape Charles	Attachments:	For Council:
	None	Action
	Staff Contact(s):	Reviewed by:
	Bob Panek, Project Manager	Rick Keuroglian

Background:

There are now four handicapped parking spaces on Mason Avenue. Three are in the 300 block, two at the corner of Peach Street and one at the corner of Strawberry Street near Lemon Tree Gallery and the Palace Theatre. VDOT required that the two at Peach be built as part of the Community Trail, Phase 3 project to provide accessibility in that area. One is in the 200 block at the corner of Pine Street near the Library and Brown Dog Ice Cream. A business owner has requested that the Town facilitate the designation of an additional handicapped parking space at the eastern end of the 200 block at the corner of Strawberry Street near the Wilson Building.

Item Specifics:

Providing a second handicapped parking space in the 200 block is sensible. That is the longest block in the central business district, about 590' with only one space at the western end (Pine Street). In contrast, the 300 block is only about 310' long with three spaces servicing both ends of the block. An additional space at the eastern end of the 200 block would improve accessibility in that area, including for the public restrooms that are being built on the west side of Strawberry Street.

However, simply designating a space with signage but without an access ramp, which is commonly done in residential districts, does not make sense. While it would provide a reserved parking space, it would also invite a tripping hazard at the curb for mobility-impaired persons patronizing businesses. The Town recently built ramps to

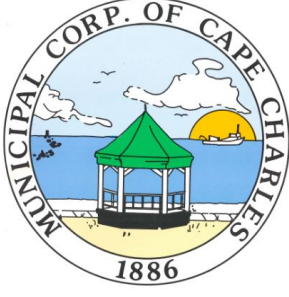
eliminate this problem at two of the handicapped parking spaces and a crosswalk on Mason Avenue. We should not now create a new space that is not ADA-compliant.

We estimate that building an ADA-compliant space with an access aisle and ramp will cost about \$5,000 - \$6,000. Two existing spaces will be subsumed into the new space. While this amount is within the Town Manager's contract approval authority, it is an emergent project not in the approved budget. However, funds can be made available within the Mason Avenue Electrical Upgrade project, budgeted at \$200,000, as was done last fiscal year to correct impediments along the street.

We are currently working with the Cape Charles Main Street design committee on a streetscape plan (planting beds, trees, streetlights, power pedestals) for Mason Avenue and Strawberry Street (Mason to Randolph). This will be the basis for the scope of work to be advertised for construction bids. We will incorporate the additional ADA-compliant parking space into the plan.

Recommendation:

Authorize construction.

	Agenda Title:	Agenda Date:
	Ownership Transfer for ANEC Electric Vehicle Charging Stations	September 16, 2026
	Subject/Proposal/Request:	
	Transfer of Ownership of the Electric Vehicle Charging Stations in the Mason Avenue Parking Lot from ANEC to Town of Cape Charles	
Town of Cape Charles	Attachments:	For Council:
	1. Asset Transfer Agreement 2. ANEC July Invoice 3. Reports	Action
	Staff Contact(s):	Reviewed by:
	Libby Hume, Town Clerk	Rick Keuroglian

Background:

In the spring of 2024, A&N Electric Cooperative (ANEC) installed two electric vehicle (EV) charging stations in the Mason Avenue parking lot.

Item Specifics:

ANEC desires to discontinue its ownership and operation of the EV charging stations and has approached the Town about assuming ownership of the stations for the sum of \$1.00.

ANEC provided annual reports for 2024, 2025 and 2026 through July showing the duration of use, energy usage, the charges for energy and parking, processing fees paid, and the total revenue.

The Asset Transfer Agreement, annual reports, and the ANEC invoice for the period from July 8, 2026 through August 5, 2026 are attached for review.

Recommendation:

Staff recommends Council review the attached documentation, discussion of the Asset Transfer Agreement provided by A&N Electric Cooperative and, if deemed appropriate,

authorization for the Town Manager to execute the agreement.

ASSET TRANSFER AGREEMENT

This Agreement is dated _____, 20__ (this "Agreement") and between **A&N Innovative Solutions, LLC**, a Virginia limited liability company ("Seller"), and **[Municipality]**, a political subdivision of Virginia ("Buyer", and together with Seller, the "Parties", and each, a "Party").

Recitals

WHEREAS, Seller owns and operates certain Goods (as defined below) located within the jurisdiction of Buyer;

WHEREAS, Seller desires to discontinue its ownership and operation of such Goods

WHEREAS, Buyer desires to assume ownership of the Goods and to continue, modify, or discontinue operation thereof in its sole discretion; and

WHEREAS, Seller desires to transfer ownership of the Goods to Buyer for nominal consideration.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Agreement

1. Conveyance. In consideration of the covenants and agreements set forth herein and of the payment to Seller as agreed by the Parties of One and 00/100 Dollar (\$1.00) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby sells, assigns, transfers, conveys, grants, bargains, and delivers to Buyer all of its right, title, and interest in and to the goods described on Exhibit A attached to and made a part of this Agreement (the "Goods").

2. Disclaimer of Warranties. **SELLER AND BUYER AGREE THAT THE GOODS ARE SOLD BY SELLER AND PURCHASED BY BUYER "AS IS," "WHERE IS," AND "WITH ALL FAULTS." SELLER MAKES NO, AND HEREBY DISCLAIMS ANY, REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (A) WARRANTY OF MERCHANTABILITY; (B) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (C) WARRANTY OF TITLE; (D) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; (E) WARRANTY OF OPERATIONAL PERFORMANCE; (F) WARRANTY OF FUTURE RELIABILITY; (G) WARRANTY OF REMAINING USEFUL LIFE; OR (H) WARRANTY OF COMPLIANCE WITH FUTURE LAWS OR REGULATIONS; WHETHER EXPRESS OR IMPLIED, ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, SELLER DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED**

WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE. BUYER ACKNOWLEDGES THAT IT HAS HAD AN OPPORTUNITY TO INSPECT THE GOODS AND ACCEPTS THEM IN THEIR EXISTING CONDITION. BY ACCEPTING THIS AGREEMENT, BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY MADE BY SELLER, OR ANY OTHER PERSON ON SELLER'S BEHALF.

3. Transfer of Responsibility; Risk of Loss. Upon execution of this Agreement, ownership, operation, maintenance, repair, replacement, insurance, permitting, software selection, networking, utility service costs, and all other responsibilities associated with the Goods shall transfer to Buyer. Beginning upon execution of this Agreement, Buyer assumes all risk of loss associated with the Goods. Following transfer, Buyer shall be solely responsible for selecting, procuring, implementing, and maintaining the Goods or any related platforms or services.

4. Transition Support. Seller agrees to provide limited transition support for a period of ninety (90) calendar days following the date of this Agreement (the "**Support Period**"). During the Support Period, Seller shall: (a) provide available operational records relating to the Goods; (b) facilitate knowledge transfer regarding operations of the Goods; (c) respond to reasonable technical questions regarding historical operation of the Goods; and (d) coordinate transition of any existing vendor relationships where feasible (collectively, the "**Transition Support**"). The Transition Support shall not include: (i) guaranteed repair services; (ii) equipment replacement; (iii) software subscription costs; (iv) utility costs; (v) capital improvements; or (vi) emergency response obligations. At the conclusion of the Support Period, all operational and maintenance responsibilities shall rest exclusively with Buyer. Seller shall have no obligation to provide or maintain any Transition Support after the expiration of the Support Period.

5. No Assumption of Prior Liabilities. Buyer does not assume any liabilities of Seller arising prior to the date of this Agreement. Seller remains responsible for obligations incurred prior to the date of this Agreement.

6. Indemnification. To the fullest extent permitted by law, Buyer shall defend, indemnify, and hold harmless Seller and its officers, directors, members, managers, employees, agents, successors, and assigns from and against any claims, damages, losses, liabilities, penalties, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) ownership of the Goods after the date of this Agreement; (b) operation of the Goods after the date of this Agreement; (c) maintenance, repair, or replacement activities after the date of this Agreement; (d) public use of the Goods after the date of this Agreement; or (e) any environmental liabilities or conditions arising from the Goods after the date of this Agreement. The obligations of Buyer under this Section shall survive the execution of this Agreement.

7. Limitation of Liability. Neither Party shall be liable to the other for indirect, incidental, consequential, special, punitive, or exemplary damages arising from this Agreement, regardless of whether such damages were foreseeable or whether either Party was advised of the possibility of such damages; *provided, however*, that this limitation shall not limit or reduce Buyer's indemnification obligations under Section 6.

8. Further Assurances. Each Party shall, and shall cause its affiliates to, from time to time at the other Party's request at the requesting Party's expense, furnish the other Party such further information or assurances; execute and deliver such additional documents and instruments; and take such other actions and do such other things, as may be reasonably necessary to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby.

9. Recitals. The recitals set forth at the beginning of this Agreement shall be deemed an integral part of this Agreement and the interpretation of its terms and conditions.

10. Successors; Assigns. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

11. Authority; No Conflicts. Each Party represents that (a) it has full power and authority to enter into this Agreement and to perform its obligations hereunder, (b) this Agreement has been duly authorized, executed, and delivered by such Party, and (c) the execution, delivery, and performance of this Agreement does not and will not conflict with or result in a breach of any agreement, instrument, or obligation to which such Party is bound.

12. Governing Law. This Agreement is governed by, and construed in accordance with, the laws of the Commonwealth of Virginia.

13. Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

14. Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the Parties regarding the transfer of the Goods and supersedes all prior negotiations, discussions, and understandings. Any amendment must be in writing and signed by authorized representatives of both Parties.

15. Waiver. No waiver by any Party of any breach or default hereunder shall be deemed a waiver of any subsequent breach or default, nor shall any delay or omission on the part of any Party to exercise any right hereunder operate as a waiver thereof.

16. Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

17. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns, and nothing herein shall be construed as conferring any rights upon any other person or entity.

18. Survival. The provisions of Sections 2, 5, 6, 7, 12, 14, 16, 17, and 18 shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

IN WITNESS WHEREOF, Seller and Buyer have each duly executed and delivered this Agreement as of the date first written above.

SELLER:

A&N Innovative Solutions, LLC
a Virginia limited liability company

By _____

Name:

Title:

BUYER:

[MUNICIPALITY]
a political subdivision of Virginia

By _____

Name:

Title:

EXHIBIT A

DESCRIPTION OF THE GOODS

The Goods include:

1. Electric vehicle charging equipment identified below;
2. Associated mounting hardware;
3. Existing signage related to charger operation;
4. Existing electrical equipment dedicated solely to charger operation; and
5. any available equipment manuals and documentation in Seller's possession.

The Goods do not include:

- A. Any software licenses that are not assignable by the software provider;
- B. Any network service agreements;
- C. Any charging management platform subscriptions;
- D. Any third-party service contracts;
- E. Any utility accounts; or
- F. Any other assets not specifically identified in this Exhibit A.

Electric vehicle Charging Equipment

Location: _____

Charger Manufacturer: _____

Model Number: _____

Serial Number(s): _____

Power Rating: _____

Number of Charging Ports: _____

Associated Equipment Included: _____

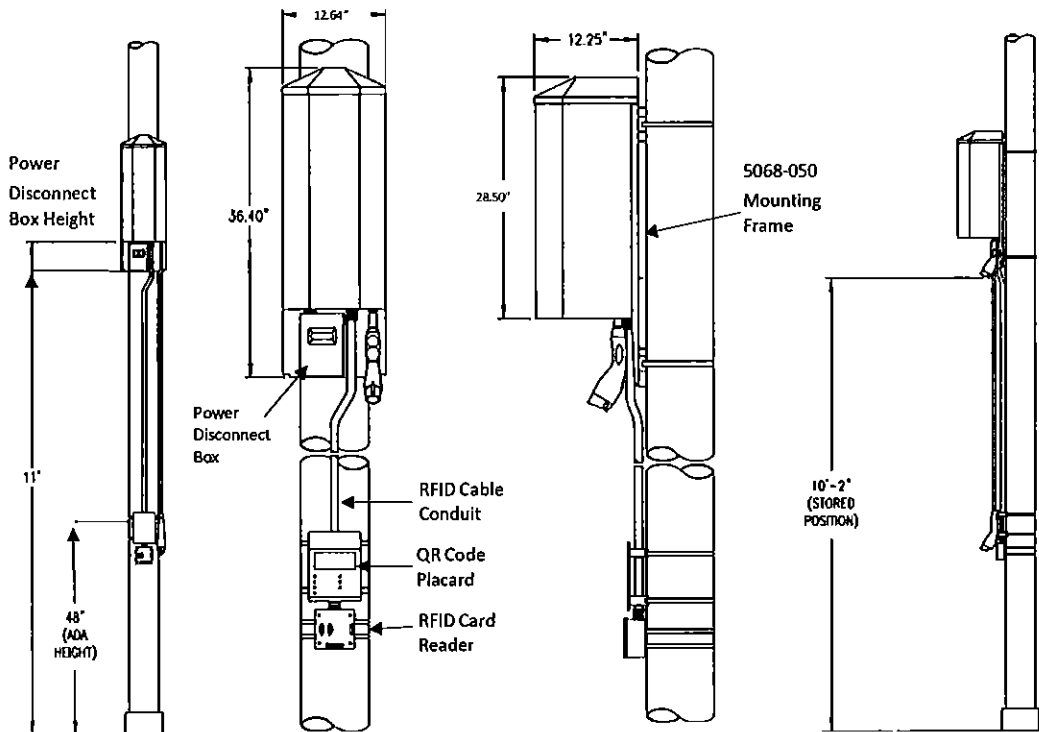
[Product Specifications begin on the following pages]

		PRODUCT SPECIFICATION	
Smart Level 2 EVSE with Automatic Cable Management, Single Utility Pole		Product Line: EVSE	
		Product: 3704 Utility Pole Series	
The Model 3704 Utility Pole Series electric vehicle charger provides 208 - 240V AC up to 40A. Designed as per the SAE J1772 requirements to meet or exceed all safety codes specified by UL and NEC, the unit is engineered for exterior utility pole mounting, while meeting or exceeding all NEMA 3R specifications. The charger receives power from the utility pole, removing the need for trenching, conduits, long runs, etc. In addition, a power disconnect box is installed on the 5068-050 Mounting Frame to easily remove input power to the charger for pre-wiring or for any maintenance or cycle testing. The charger is equipped with a state-of-the-art cable management system, which fully retracts and protects both the cable and the connector from harsh weather and vandals. The cable management system is ADA compliant and eliminates tripping hazards. Modular in design, the charger can be configured for ID card and credit/debit processing through the addition of an RFID Card Reader, and a QR Code Reader that communicates with fobs or cellphones via mobile applications. Communication options are available for facilitating communication between the 3704 and host network for data collection purposes.			
Description: The Model 3704 is a 9.6 kW utility pole-mounted EVSE charger with AutoCoil™ cable retraction, capable of providing up to 40A at 208-240VAC, single phase at 50/60 Hz. The charger provides up to 9.6 kW (208/240 VAC @ 40A) to the electric vehicle when activated. It is also available at 7.2 kW (208/240 VAC @ 30A). This unit complies with the SAE J1772 specifications for supplying electrical power to a J1772-compatible Electric Vehicle (EV). When the 3704 has been activated for a charge cycle via either an ID card or QR Code, the cable drops to the ADA height of 48 inches and the user simply pushes the button on the J1772 connector to walk the cable to the vehicle for charging. Data Router: The charger is equipped with a Data Router providing five LEDs indicating the status of the charger. Cable Management: The J1772 power cable and connector are stored high above when not in use, and locked in place for protection from vandals. When a valid charge activation is received, the connector drops to an ADA height of 48 inches and the user simply pushes the button on the J1772 connector to walk the cable to the vehicle for charging. When the button is released, the cable stops. Before plugging into the vehicle, the button can be depressed again if more cable is required. When the connector is removed from the vehicle, the cable automatically retracts to the stored position.		Power Management: The charger provides up to 9.6 kW (208/240 VAC @ 40A) to the electric vehicle when activated. It is also available at 7.2 kW (208/240 VAC @ 30A). Power is continually monitored and the charger disconnects power to the vehicle if the voltage deviates from the acceptable range, or if the load current exceeds the maximum level. The charger can also receive <i>Load Shed</i> commands via host communication networks, signaling it to reduce power by either percent of total or to designated current levels, including simulated Level 1 (7A). The 3704 also includes a Random Start feature. In the event of a deep voltage sag or momentary power outage, it delays its restart for a random time period of between two to five minutes after the power has been restored. Once the charger restarts, it <i>ramps up</i> to the required maximum power at a rate of 1A/second. This prevents power surges when restoring power to multiple chargers. Communication Options: A Gateway Module with a cellular host connection can be installed internally to facilitate two-way communication with the host network. The 3704 communicates to the internal Gateway directly, or multiple chargers can use Zigbee to talk to one charger/Gateway using the ZigBee Mesh protocol, allowing wireless connections. ZigBee networks are secured by 128-bit symmetric encryption keys, so security is assured. The Gateway Module then connects to an external network via a Cellular modem. The Cellular modem securely transmits encrypted payment data to and receives authorizations from external PCI-compliant processors. Communication can also link the EVSE network with third-party network management providers for reporting and call center support.	
Label Description: 3704 EVSE for Utility Poles		Product Code: 3704-A04xx	
© EVSE LLC 2020. All Rights Reserved. This specification is confidential and shall not be duplicated, published or disclosed, in whole or in part, without prior written permission of EVSE LLC. This specification is subject to change without notice.		Marketing: DS	Engineering: GC
		Date: 7/20/20	Date: 7/20/20
EVSE LLC, 89 PHOENIX AVE., ENFIELD, CT 06082 PHONE (860) 745-2433		8/10/2020	Page 1 of 4

**PRODUCT SPECIFICATION (Continued)****Safety:**

- Tamper Resistent -** The J1772 power cord and connector are typically stored 11 feet above and are locked mechanically in the storage position to prevent vandalism.
- Extension -** The cable initially lowers to an ADA height, and by pressing the switch on the J1772 connector, the cable is driven out to the desired length.
- Jam Resistent -** If you pull the charging cable while it is retracting or if the cable gets caught on anything, cable retraction will stop. The cable will make one additional attempt to retract. Thereafter, pressing and releasing the switch on the J1772 connector will restart the cable retraction process.
- Spark Resistent -** Electrical power is not applied to the power connector until the J1772 connector is fully inserted into the power inlet on the Electric Vehicle and communication between the vehicle and charger has been established. When the switch is pressed on the J1772 connector, voltage is instantly removed.
- Shock Resistent -** The Model 3704 EVSE is equipped with a Ground Fault Circuit Interrupter (GFCI) which will disconnect the electrical voltage from the power cord and connector, should current leakage to ground exceed 20 mA. The GFCI circuit is automatically tested at the start of each charge sequence. The GFCI will attempt three re-closures to see the ground fault cleared before reporting a problem.
- Over Current -** The Model 3704 EVSE, when in use, continuously monitors the current being delivered to the EV. Should the current exceed 32A for 15 seconds, the Model 3704 EVSE will disconnect the power to the EV before the breaker trips. After disconnecting, the 3704 will auto-reset.
- Low-Line -** The source voltage to the Model 3704 EVSE is continuously monitored while in use. Should the voltage drop below 180 VAC, the EVSE will disconnect the voltage to the EV to prevent damage to the EV's electronic circuits. When the voltage returns to above 200 VAC, the power will be restored to the EV.
- Cold Load Start -** If power fails while the Model 3704 EVSE is connected and charging an EV, charging will automatically resume when power is restored. No user intervention is required. The charging will however, be randomly delayed from 2 to 5 minutes to prevent the power grid from incurring a large power surge.
- Plug-Out Detection -** The model 3704 EVSE is equipped with a Plug Out Detection circuit that identifies when the connector is attached to the electric vehicle. This allows the EVSE to immediately remove electric power from the electric vehicle before the connector is totally removed from the vehicle inlet.
- Disconnect Switch -** The separate 5068-050 Mounting Frame is equipped with a disconnect switch for locally shutting off power in the event the unit needs to be serviced or inspected.

3704 Mechanical Drawings:



**PRODUCT SPECIFICATION** (Continued)SpecificationsElectrical Input:

Power Input: 9.6 kW (or 7.2 kW)
Voltage Input: 208-240 VAC 50/60Hz
Current Input: 40A (or 30A)
Stand By Power: Less than 10W typical

Electrical Output:

Power Output: 9.6 kW (or 7.2 kW)
Voltage Output: 208-240 VAC
Current Output: 40A (or 30A)
Charging Connector: SAE J1772 EV Connector on an 25' retractable cord

Safety:

Compliance: IEC/UL/CSA C22.2 NO. 61010-1, UL2594, UL2231-1&2, NEC Article 625, SAE J1772
EMC Compliance: FCC Part 15 Class A, Canadian ICES-003
Surge Protection: 6KV @ 3000A
Ground Fault: Internal 20 MA CCID with auto re-closure (three attempts)
Ground Wire Detection: Continuous Monitoring
Over Current Protection: 42A
Plug Out Detection: Power terminates as per SAE J1772

Communications:

Cellular (Host) FCC ID: XMR201808EC25AF, IC: 10224A-201808EC25AF
Zigbee (Charger to Charger) FCC ID: MCQ-PROS2B, IC: 1846A-PRO S2B

Environmental:

Enclosure: NEMA 3R
Vandal Proof: Cable is locked when stored and typically mounted 11 feet up on the pole
Operating Temp: -22°F to 122° F (-30° C to 50° C)
Operating Humidity: Up to 95% non-condensing

General:

Dimensions 28.50 in (h) x 12.64 in (w) x 12.25 in (d)
Weight 33 lbs.
Mounting Use 5068-050 Mounting Frame



Total
Amount Due

\$251.89

Due Upon Receipt

Pay Online: www.anec.com
 Pay by Phone: 855.940.4016
 Member Services: 757.787.9750
 Email: memberservices@anec.com
 Office Hours: M-F 7:30 AM - 4:30 PM

Member Name **A&N INNOVATIVE SOLUTIONS**
 Account # **3220600**

Billing Date: 08/12/2026
 Current Bill Due Date: 09/07/2026

Previous Balance	\$488.01
Late Fee	-\$2.53
Payments Received	-\$485.48
Balance Forward	\$0.00
Current Charges	\$251.89
Total Amount Due Upon Receipt	\$251.89

Service Address: **MASON AVE**

Service Description: **EV CHARGER**

Rate Schedule: **Schedule B-1**

Meter No.	Service Dates		Days	Readings		Multiplier	kWh Usage	Peak Billing kW	Peak Billing kW Date/Time
	From	To		Previous	Present				
152214986	07/08/26	08/05/26	28	17328	18879	1	1,551	12.960	08/01/26 12:15 PM

Detail of Charges

Distribution Delivery Service

Access Charge				\$27.90
Energy Delivery Charge	1,296 kWh @	0.03070		\$39.79
	255 kWh @	0.02920		\$7.44
Demand Charge	12.960 kW @	0.75000		\$9.72
				\$84.85

State and Local Taxes

Virginia Consumption Tax	\$2.43
Cape Charles Town Tax	\$5.82
Virginia Sales and Use Tax Surcharge	\$0.69
	\$8.94

Electricity Supply Service

Power Cost Adjustment	1,551 kWh @	0.00693		\$10.75
Demand Charge	12.960 kW @	1.25000		\$16.20
Energy Charge	1,551 kWh @	0.08456		\$131.15
				\$158.10

Other Charges and Credits

\$0.00



PO Box 290
 Tasley, VA 23441-0290

Our records indicate your telephone number is: (757) 787-9750
 Please provide an updated number if this is incorrect.

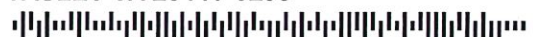
A&N INNOVATIVE SOLUTIONS
 PO BOX 290
 TASLEY VA 23441-0000

4 8

Account Number	3220600
Total Amount Due Upon Receipt	\$251.89
Total Due If Paid After 09/07/2026	\$255.54

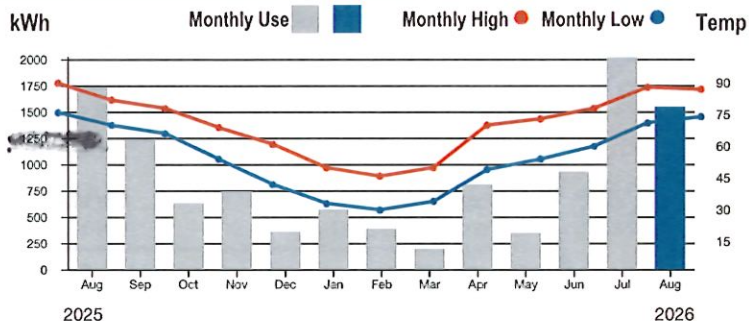
Send Payment to:

A&N ELECTRIC COOPERATIVE
PO BOX 290
TASLEY VA 23441-0290



490390003220600000025189000025554081320262

Comparison Energy Use



Explanation of Charges

Distribution Delivery Service

Costs to maintain wires, transformers, substations and other equipment used to deliver electricity to your home or business.

Access Charge

Monthly fixed charge to recover costs of maintaining your service, regardless of the amount of electricity used.

Electricity Supply Service

Costs for the generation and transmission of electricity by our wholesale power supplier.

Demand Charge

The measure of how much total electricity is being used at a given point in time and is based on the monthly peak billing kW registered at the peak billing kW date/time. Peak billing kW is reset monthly.

Power Cost Adjustment

Per kWh adjustment that covers changes in our wholesale power costs.

State and Local Taxes

State and either county or town taxes, depending on service location, that are billed based on consumption.

Sales and Use Tax Surcharge

Flat fee that recovers the cost of sales tax paid by the Cooperative.

Other Charges and Credits

Summary of products, services and other charges or credits on your account.

Pay with cash at participating retailers. \$1.50 fee will be applied. Find a location near you at pay.vanilladirect.com/pages/retailers



799366433650004903900032206006

For full terms and receipt visit: www.vanilladirect.com/pay/terms and vanilladirect.com/pay/ereceipt

Monthly Energy Use

This Month

1,551 kWh
28

Last Month

2,023 kWh
35

This Month Last Year

1,734 kWh
35

Your Average Daily Use

Avg Daily Use

55 kWh

Avg Daily Cost

\$8.70

Avg Daily High

87 °F

Apply Now for the 2027 Youth Tour



Local high school students have the opportunity to earn an unforgettable trip to Washington, D.C., through A&N Electric Cooperative's 2027 Youth Tour selection contest. Applications are being accepted through Friday, Oct. 16.

This year, students can choose the application format that best fits their talents by submitting either a traditional essay or a video. Visit the Youth Tour page at anec.com for eligibility requirements and application details.

Each year, A&N Electric Cooperative sponsors up to six local students to join more than 2,000 participants from electric cooperatives across the country for the National Electric Cooperative Youth Tour. During the weeklong experience, students explore the nation's capital, meet elected officials, build leadership skills and learn how electric cooperatives strengthen the communities they serve.

Don't miss this chance to represent your community, make lifelong memories and experience our nation's capital in a way few students ever do.

Local high school juniors and seniors are eligible to apply.



PAYMENT OPTIONS

www.anec.com/your-account/billing-payment-options/



SmartHub

Fast, easy payments through your SmartHub online or mobile account.



Auto Pay

Secure monthly direct debit from a bank account or credit card.



Western Union

Visit westernunion.com for a complete list of locations.



Pay by Phone

Call our secure payments line 24/7/365 at 855.940.4016.



Money Gram

Visit moneygram.com for a complete list of locations.



In Person

M-F 7:30 AM - 4:30 PM
ANEC office located at 21275 Cooperative Way in Tasley, VA

CAPE CHARLES 2024

MONTH	DURATION	ENERGY	ENERGY CHARGE	PARKING CHARGE	PROCESSING FEE	TOTAL REVENUE	Events
JANUARY							
FEBRUARY							
MARCH							
APRIL	21:04:40	101.6	\$ 45.72	\$ 12.00	(\$4.04)	\$ 53.68	8
MAY	83:23:48	349.5	\$ 157.26	\$ 27.00	(\$12.90)	\$ 171.36	18
JUNE	118:08:56	544.8	\$ 245.14	\$ 27.00	(\$19.05)	\$ 253.09	18
JULY	103:51:35	456.6	\$ 242.31	\$ 22.50	(\$18.54)	\$ 246.27	15
AUGUST	84:20:48	517.2	\$ 284.47	\$ 39.00	(\$22.64)	\$ 300.83	26
SEPTEMBER	34:30:34	184.2	\$ 101.33	\$ 13.50	(\$8.04)	\$ 106.79	9
OCTOBER	112:17:12	411.1	\$ 226.11	\$ 19.50	(\$17.19)	\$ 228.41	13
NOVEMBER	78:38:16	235.3	\$ 129.42	\$ 10.50	(\$9.79)	\$ 130.12	7
DECEMBER	22:34:46	169.20	\$ 93.06	\$ 7.50	(\$7.04)	\$ 93.52	5
2024 TOTAL	658:50:35	2969.45	\$ 1,524.80	\$ 178.50	(\$119.23)	\$ 1,584.07	119

CAPE CHARLES 2025

MONTH	DURATION	ENERGY	ENERGY CHARGE	PARKING CHARGE	PROCESSING FEE	TOTAL REVENUE	EVENTS
JANUARY	1:04:59	8.44	\$ 4.64	\$ 3.00	(\$0.53)	\$ 7.11	2
FEBRUARY	2:37:43	17.99	\$ 9.89	\$ 3.00	(\$0.90)	\$ 11.99	2
MARCH	33:55:01	145.51	\$ 80.03	\$ 7.50	(\$6.13)	\$ 81.40	5
APRIL	13:53:42	60.46	\$ 33.25	\$ 4.50	(\$2.64)	\$ 35.11	3
MAY	55:11:44	291.51	\$ 160.33	\$ 13.50	(\$12.17)	\$ 161.66	9
JUNE	194:08:00	759.76	\$ 417.87	\$ 45.00	(\$32.40)	\$ 430.47	30
JULY	251:55:53	797.61	\$ 438.69	\$ 51.00	(\$34.28)	\$ 455.41	34
AUGUST	178:17:08	578.22	\$ 318.02	\$ 46.50	(\$25.52)	\$ 339.00	31
SEPTEMBER	115:42:06	104.84	\$ 57.66	\$ 21.00	(\$5.51)	\$ 73.16	14
OCTOBER	12:08:57	292.38	\$ 160.81	\$ 27.00	(\$13.15)	\$ 174.66	18
NOVEMBER	9:24:23	119.31	\$ 68.01	\$ 9.00	(\$5.39)	\$ 71.62	6
DECEMBER	68:12:47	104.29	\$ 59.45	\$ 22.50	(\$5.74)	\$ 76.21	15
2025 TOTAL	1080:32:23	3280.32	\$ 1,808.65	\$ 253.50	(\$144.35)	\$ 1,917.80	169

CAPE CHARLES 2026

MONTH	DURATION	ENERGY	ENERGY CHARGE	PARKING CHARGE	PROCESSING FEE	TOTAL REVENUE	EVENTS
JANUARY	93:24:18	231.84	\$ 132.15	\$ 15.00	(\$10.30)	\$ 136.85	10
FEBRUARY	22:50:50	152.00	\$ 86.64	\$ 18.00	(\$7.32)	\$ 97.32	12
MARCH	96:21:36	498.03	\$ 283.88	\$ 22.50	(\$21.45)	\$ 284.93	15
APRIL	127:06:33	441.53	\$ 251.67	\$ 19.50	(\$18.98)	\$ 252.19	13
MAY	177:20:37	922.55	\$ 525.85	\$ 48.00	(\$40.17)	\$ 533.68	32
JUNE	169:02:35	1489.04	\$ 848.75	\$ 81.00	(\$65.08)	\$ 864.67	54
JULY	0:00:00	1,501.29	\$ 855.74	\$ 76.50	(\$65.26)	\$ 866.98	51
AUGUST							0
SEPTEMBER							0
OCTOBER							0
NOVEMBER							0
DECEMBER							0
2026 TOTAL	686:06:29	5236.28	\$ 2,984.68	\$ 280.50	(\$228.56)	\$ 3,036.62	187

Cape Charles	Billing Period	Pres Rdg Dt	kWh Usage	Demand Rdg	Use Revenue	Demand Revenue	Reporting Revenue
	26-Aug	8/5/2026	1,551	12.96	217.03	25.92	242.95
	26-Jul	7/8/2026	2,023	13.032	274.01	26.06	300.07
	26-Jun	6/3/2026	935	12.919	142.14	25.84	167.98
	26-May	5/6/2026	353	8.796	71.04	8.8	79.84
	26-Apr	4/8/2026	813	17.054	119.17	17.05	136.22
	26-Mar	3/4/2026	201	8.676	50.47	8.68	59.15
	26-Feb	2/4/2026	391	16.008	71.79	16.01	87.8
	26-Jan	1/7/2026	573	16.939	92.22	16.93	109.15
	25-Dec	12/3/2025	363	8.657	68.89	8.65	77.54
	25-Nov	11/3/2025	747	17.182	112.24	17.19	129.43
	25-Oct	10/2/2025	635	16.889	99.6	16.89	116.49
	25-Sep	9/4/2025	1,236	16.685	167.47	33.37	200.84
	25-Aug	8/6/2025	1,734	17.376	223.69	34.75	258.44
	25-Jul	7/2/2025	1,188	17.21	162.04	34.42	196.46
	25-Jun	6/4/2025	685	17.249	105.24	34.5	139.74
	25-May	5/5/2025	242	17.052	55.79	17.05	72.84
	25-Apr	4/3/2025	176	8.635	48.18	8.64	56.82
	25-Mar	3/5/2025	87	8.57	36.92	0	36.92
	25-Feb	2/3/2025	44	8.53	32.46	0	32.46
	25-Jan	1/2/2025	442	17.153	73.76	0	73.76
	24-Dec	12/4/2024	296	17.431	57.11	0	57.11
	24-Nov	11/4/2024	622	17.438	89.27	0	89.27
	24-Oct	10/4/2024	214	8.777	49.02	0	49.02
	24-Sep	9/3/2024	854	17.256	119.26	0	119.26
	24-Aug	8/2/2024	716	17.23	104.49	0	104.49
	24-Jul	7/2/2024	951	17.28	129.63	0	129.63
	24-Jun	6/4/2024	632	17.143	96.16	0	96.16
	24-May	5/6/2024	175	8.621	45.35	0	45.35
	24-Apr	4/5/2024	0	0	27.9	0	27.9