



DRAFT
Town Council Special Meeting
February 5, 2026 – 6:00 PM
Cape Charles Civic Center, 500 Tazewell Avenue

CALL TO ORDER

Mayor Charney called the Town Council Special Meeting to order at 6:00 p.m.

ROLL CALL

Council Members present: Mayor Charney, Vice Mayor Buchholz, Councilmen Grossman and Newman, and Councilwoman Ashworth. A quorum was established.

Others in attendance: Town Manager Rick Keuroglian, Project Manager Bob Panek, Treasurer Marion Sofield, Assistant Treasurer Adrian Oei, Planning & Zoning Director Katie Nunez, Harbor Master Paula Davis, Human Resources Director Jodi Outland, Assistant to the Town Manager Pam Endlein, and Town Clerk Libby Hume

There were two 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 COMMENTS

Town Clerk Libby Hume reported that no one had signed up to speak nor were there any written comments received.

ORDER OF BUSINESS

A. Presentation re: Soft Close of FY 25 Budget

Assistant Treasurer Adrian Oei presented the unaudited soft close of Fiscal Year 2025 reviewing the internal year-end closing procedures, including verification of beginning balances, reconciliation of cash accounts to the general ledger, review of accounts payable and receivable, confirmation of debt balances, analysis of deferred revenue, and accrual of property tax collections received within 60 days of fiscal year-end. Treasurer Marion Sofield emphasized that the figures remained unaudited pending the upcoming external audit.

Total fund balance as of June 30, 2025 was reported at \$19,278,020. The General Fund balance was \$18,508,421 and the Capital Fund balance was approximately \$1.5 million. Harbor operations showed measurable improvement during the Town's first partial year managing the harbor in-house.

Mayor Charney questioned the slight decrease in real estate tax revenue despite new home construction. Staff explained that the real estate tax rate had been reduced beyond the equalized rate following reassessment increases. Vice Mayor Buchholz noted the reduction was supported by prior year surplus and utility sale proceeds. Councilman Grossman reminded Council that over \$4 million of the fund balance had already been committed within FY 26 projections.

B. FY 2026 Mid-Year Budget Amendment

Adrian Oei presented the proposed FY 2026 Mid-Year Budget Amendment affecting the General, Capital, and Harbor Funds. The General Fund required additional appropriations totaling \$46,166, offset by increased dividend and interest income. The amendment maintained a balanced budget.

Capital Fund adjustments reflected reallocations of previously approved expenditures. Harbor Fund adjustments reflected stronger-than-expected revenues and corresponding increases in

seasonal wages, overtime, merchant service charges, fuel purchases for resale, and resale inventory.

Councilwoman Ashworth inquired about merchant service charges. Harbor Master Paula Davis explained that the DOCKWA reservation system integrated payment processing set the merchant service fee rate.

Motion made by Councilman Grossman, seconded by Councilwoman Ashworth, to approve the FY 2026 Mid-Year Budget Amendment as presented. The motion was approved by unanimous vote.

C. Presentation – Mason Avenue Electrical Upgrade Plan

Project Manager Bob Panek presented findings from a field review of Mason Avenue. Infrastructure constraints on the north side of Mason Avenue were identified, including oversized tree roots, narrow sidewalk clearances, and missing ADA-compliant curb ramps. Staff estimated approximately \$85,000 in corrective work might be required before conduit installation.

There was discussion as follows: i) Council discussed prioritization of the infrastructure from Harbor Avenue to Bay Avenue, Strawberry Street lighting, and ADA improvements; ii) Councilwoman Ashworth expressed preference for prioritizing Strawberry Street lighting; iii) Mayor Charney emphasized phasing projects responsibly to avoid partial completion; iv) Councilman Newman stressed pedestrian accessibility concerns along Mason Avenue; v) Vice Mayor Buchholz discussed underground utility complexity on Strawberry Street; vi) Councilman Grossman emphasized timing and engineering considerations stating that the work had to be completed during this fiscal year and time was running out; Bob Panek stated that an Invitation for Bid (IFB) could be advertised for the Harbor Avenue to Bay Avenue infrastructure. The base bid would be for conduit, wiring, the junction box, and pedestals with a bid alternate for lights. The Town would purchase the lights which were about \$4K each, and contract to put in the foundations and install the lights. We should be able to apply the \$50K grant. He did not think that the required information for Strawberry Street would be available in time since an engineer would have to be contracted to identify the needs for Strawberry Street.

Consensus direction was provided to prepare an IFB for the Harbor Avenue to Bay Avenue infrastructure as suggested by Bob Panek, a Request for Proposals for engineering services for Strawberry Street lighting and continue coordination with VDOT regarding ADA ramp responsibilities.

TOWN MANAGER COMMENTS

Town Manager Rick Keuroglan commented as follows: i) He thanked staff for their hard work in putting together the FY 26 mid-year budget and FY 25 soft close; ii) Short-Term Rentals (STR) – Staff was working through the STR software issues and working hard to address concerns. Katie Nunez and Jeb Brady successfully assisted an individual this week who was really frustrated. He was thrilled how staff worked together to resolve the issues; iii) He read a letter from Clelia Sheppard and MaryAnn Roehm thanking the Town for providing funding from the Virginia Commission for the Arts (VCA) Creative Communities Grant which entailed a \$4,500 grant from the Town as well as a \$4,500 match from the VCA. (Please see attached.); iv) He contacted Ricky Wiatt, from VHB (the consultant assisting the Town with the Beachfront Master Plan), asking about the Rural and Tribal Assistance (RTA) grant. Unfortunately, the grant had not yet been awarded. This affected our timeline for the grant cycle of the Department of Transportation’s Better Utilizing Investments to Leverage Development (BUILD) grant which was due by the end of this month. Ricky Wiatt was not ready to submit the application on our behalf. There was another grant, the Land and Water Conservation Fund Assistance Program, but this was a smaller grant that required a match; v) The Affordable Housing Committee received responses to their detailed questions and would be meeting on February 6 at 2:00 p.m. to review the answers. The respondents would be invited for interviews at

a later meeting; vi) He was aware of social media postings with rumors about the Hump. He issued a press release with some facts. Councilwoman Ashworth thanked Rick Keuroglan for sending out the press release to help mitigate the rumor mill; vii) He received a call from the special prosecutor letting him know that all interviews had been completed and they were moving forward with the case; viii) New Municipal Building - Our consulting firm was working on the last updates related to the new building code. The site plan and revisions were supposed to be completed by the end of January and the update for the drawing based on the new building code should be completed by the end of February. We were targeting mid-March to release the Invitation for Bid; ix) Council would receive the draft budget calendar tomorrow via email; x) He asked for clarification on Town grants for non-profit organizations. He had heard that Council was trying to discontinue the grant application from the budget cycle. Vice Mayor Buchholz stated that Council was pulling back from providing grants to organizations as the amounts were overwhelming, but would continue to apply for the VCA grant for Arts Enter, and other organizations that partner with the Town such as Citizens for Central Park for the summer concerts, Cape Charles Main Street, Cape Charles Volunteer Fire Company, etc. Councilman Grossman added that the Town had a set of organizations that we assisted; xi) Jodi Outland was working with him to add a merit component to the Town's salary system. It would be presented to Council during the budget meetings; xii) The Historic District Review Board and Planning Commission were holding a joint meeting to review the proposed zoning text amendments to the Historic District Overlay ordinance and new Appendix G to the Design Guidelines. Katie Nunez added that afterwards, the Planning Commission would compile all of the information received and their recommendations would be provided for Council review at a joint work session with the Planning Commission and Town Council; xiii) The CAPE Values would be on the February 19th Council meeting agenda; xiv) He was working on a continuity plan in case of emergency. He had a template which he would provide to the department heads to create their standard of operations plan. After everything was compiled, it would be presented to the Council; xv) The Strategic Planning Session was scheduled for February 28th. The Planning Commissioners and representatives from the Historic District Civic League, Citizens for Central Park, and Cape Charles Main Street would be invited to participate. He thought the day would be broken out into two sessions – a morning and an afternoon session. The first session would be a review of the strategic plan and survey responses and discussion to try to determine what was working and what was not working. The second session would be for decisions to be made. He asked if Council would like all attendees to participate in both sessions or whether just having the Council and Commissioners in the second session. Councilman Grossman stated that everyone should be in attendance to discuss the priorities and make any adjustments based on public input, adding that he preferred one session with everyone in attendance. After further discussion, the time was set from 9:00 a.m. until 1:00 p.m.; xvi) A work session was scheduled following the regular February meeting to review the survey results.

MAYOR & COUNCIL COMMENTS

Councilman Grossman provided updates on several bills under review by the General Assembly in Richmond. Things were different this year with the Democrats having an overwhelming majority in the House and decisions being made regardless of how localities felt. Last year, a bill allowing accessory dwelling units (ADUs) by right was introduced but was pushed out. This same bill was back this year with no parking requirement associated with operation of ADUs. This bill was now on the docket and being pushed through at the state level. A lot of bills were being forwarded, which was very different than in the past. One particular bill would force each locality to develop a plan to build 7.5% more housing over five years beginning January 1, 2028. He did not know how localities would be able to do this. Katie Nunez added that crossover day was February 18th where bills out of committee were swapped between the House and the Senate. Housing growth density allowance appeared to be carried over and had momentum. The bill on ADUs did not concern Cape Charles since we had an ordinance. Housing was the buzz word now in Richmond. There were about 60 housing bills. A big one would allow housing in all districts including commercial. This one was really concerning, and almost all localities expressed their concern about this if it were to be allowed by

right. Councilman Grossman noted that he wrote a letter to Senator DeSteph expressing his opposition.

There were no other comments.

ANNOUNCEMENTS

- February 16, 2026 – Town Offices Closed for Presidents’ Day
- February 19, 2026 – Town Council Regular Meeting

ADJOURNMENT

Motion made by Councilman Grossman, seconded by Vice Mayor Buchholz, to adjourn the Town Council Special Meeting. The motion was approved by unanimous vote.

The meeting adjourned at 7:48 p.m.

Adam Charney, Mayor

Libby Hume, Town Clerk

DRAFT

Mason Avenue Electrical Upgrade

February 5, 2026



History

- Streetlight problem on west end of north side. Undersize wiring causes voltage drop that negatively affects lighting.
- Holiday tree lighting is awkward and unsafe. Surface wiring along sidewalk from light poles to trees.
- Invitation for bids issued early 2025. One bid for over \$400K.
- Recent on-site review of the project with the contractor.
- Many impediments should be corrected to prepare site for electrical work.



Current Situation – North Side

- Ten light poles between Peach & Harbor.
- Twenty-two planting beds (half have trees).
- Five large or poorly positioned trees.
- Sixteen planting beds are too wide:
 - Three provide adequate space for a standard 5' wide sidewalk in RoW.
 - Nine provide less than 4'.
 - The most constricted is about 1.5'.
- Two handicap accessible parking spaces need ramps.

Current Situation – South Side

- South side is in better condition.
- No undersize wiring.
- Seven light poles between Peach and Harbor.
- Seventeen trees and several long and more narrow planting beds.
- No constricted sidewalk until war memorial.
- One oversize tree.
- One crosswalk needs handicap accessible ramp.



Corrective Actions

- Remove 6 trees on north side & 1 on south side. Estimate - \$35K.
- Narrow up 16 planting beds on north side, about 380 square feet, to provide 5' wide concrete sidewalk. Estimate - \$10K.
- Construct handicap parking accessible ramps at Strawberry and Pine on north side. Estimate - \$20K.
- Construct handicap accessible ramp at west Strawberry Street crosswalk on south side. Estimate - \$10K.
- Plant appropriate replacement trees and other landscaping in vacant beds. Estimate - \$10K.



Corrective Actions

- Coordinating with CCMS and CCHDCL on desired streetscape:
 - Number, locations and types of trees.
 - Other landscaping in beds.
 - Structural enhancement of beds.
 - Additional streetlights; north side Mason (Harbor - Bay), Strawberry.
- CCMS has engaged Commonwealth Preservation Group (CPG) to provide recommendations.

Electrical Upgrade

- Design basis for restructured Invitation For Bids:
 - Increase power supply on north side to 200 amps.
 - New 2” diameter conduit & correctly sized wiring on north side.
 - Intercept existing conduit and wiring on south side.
 - In-ground junction boxes for streetlights and trees.
 - Power pedestals with GFCI outlets in planting beds.
 - Separate circuits for each block.



Phasing

- Phase 1 - \$164K available in FY 2026 budget.
 - Includes \$50K Northampton Tourism grant available **only** for electrical.
- Estimated \$85K for site preparatory work.
- Estimated \$50K for conduit, wiring, junction boxes, etc., north side of Mason (Harbor - Bay). Provides for future streetlights and power pedestals for tree lighting.
- Prepare estimates for future phases after getting actual cost of Phase 1 work and reviewing CPG recommendations.



Phasing

- Examples:
 - North side of Mason - conduit, wiring, junction boxes and power pedestals from Peach to Harbor. Connect to Harbor-Bay segment.
 - South side of Mason - junction boxes and power pedestals.
 - Strawberry (Mason-Randolph) - conduit, wiring, junction boxes and power pedestals.
 - Install streetlights Harbor-Bay (6) and Strawberry (6).
 - Enhancement of planting beds.
- Include in CAMP and FY 2027 budget.