



TOWN COUNCIL
Special Meeting
April 16, 2020
Cape Charles Civic Center
via Electronic Communications
6:30 PM

1. Introduction by Mayor Dize
2. Call to Order
 - A. Roll Call
 - B. Establish quorum
3. Public Comments re: Agenda Items Only (accepted via email to clerk@capecharles.org during the meeting)
4. Special Meeting Order of Business:
 - *A. Short Term/Vacation Rentals and Enforcement
 - *B. FY 2020 Recommended Budget Adjustments
5. Adjournment

April 16, 2020 Town Council Special Meeting

Item 1 – Introduction to Meeting by Mayor Dize

- This special meeting of the Town Council is being held electronically as provided under Code of Virginia Section 2.2-3708.2 Subsection A.3 which permits public bodies to meet by electronic communications without a quorum physically assembled at one location since, on March 12, 2020, Governor Northam declared a state of emergency for the Commonwealth of Virginia arising from the novel Coronavirus (COVID-19) pandemic.
- The purpose of this meeting is to discuss the issue of short term/vacation rentals and review recommended adjustments for the fiscal year 2020 budget.
- An audio recording is being made of this meeting. This meeting is also being live-streamed on Facebook, as well as being video-taped for viewing from the Town's website after processing.
- Public comments will be accepted this evening via Facebook Live and emails to clerk@capecharles.org. Comments were also solicited to be emailed to the Clerk prior to the meeting.
- All votes taken this evening will be by roll call vote and recorded in the minutes.
- Any Council members who leave the meeting or arrive after start of the meeting must verbally note their attendance.
- Only essential business of the Town of Cape Charles can be done in this manner.
- These procedures will remain in effect until the COVID-19 crisis has been alleviated.
- Do any of the Council members have any questions about this process?

 TOWN OF CAPE CHARLES	AGENDA TITLE: Short Term/Vacation Rentals and Enforcement		AGENDA DATE: April 16, 2020
	SUBJECT/PROPOSAL/REQUEST: Temporarily closing short-term rental operations		ITEM NUMBER: 4A
	ATTACHMENTS: Ordinance 20200416		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): John Hozey	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

The Coronavirus (COVID-19) situation continues to evolve and be a public health concern. Following adoption of a declaration of local emergency by the Town Council on March 30; the Mayor issued a formal request for all short-term rental operations to cease until state guidance eased restrictions on travel. Most of these businesses have voluntarily complied and the number of visitors to Town is significantly lower than would otherwise be the case for this time of year. However, it is not fair that businesses who are doing the civically responsible thing are taking a financial hit, while those irresponsible businesses continue to rent their units and profit at the expense of public safety.

DISCUSSION:

The Commonwealth of Virginia does not delegate broad authority to its local governments. Local governments can only exercise authority granted by the General Assembly and then adopted locally. This limits what the town can do under normal circumstances. But given the emergency declarations at the state and county level, it is now possible to adopt a local ordinance making it a criminal offense to operate a short-term rental during this public health emergency.

The proposed ordinance would make it a Class 3 misdemeanor to operate such rentals in Cape Charles for as long as the Governor's executive orders remain in effect. The maximum penalty would be \$500 per offense, with each day constituting a new offense.

Note that this ordinance would not interfere with the rights of individual property owners. It would only apply to short-term rentals where there was no ownership interest.

RECOMMENDATION:

Staff recommends adoption of this ordinance.

ORDINANCE 20200416

AN ORDINANCE TEMPORARILY CLOSING SHORT-TERM RENTAL OPERATIONS IN THE TOWN OF CAPE CHARLES, VIRGINIA, IN ORDER TO PROTECT THE PUBLIC HEALTH AND SAFETY BY PREVENTING THE FURTHER SPREAD OF THE CORONAVIRUS (COVID-19).

WHEREAS, on March 12, 2020, the Governor of the Commonwealth of Virginia, Ralph Northam (“Governor Northam”) issued Executive Order Fifty-One declaring a state of emergency due to the spread of COVID-19, a public health threat and disaster; and

WHEREAS, by ordinance adopted March 30, 2020, the Council of the Town of Cape Charles (“Town Council”) declared the COVID-19 pandemic to be a local emergency and disaster and invoked emergency powers given localities under §§ 15.2-1431 and 44-146.21 of the Code of Virginia; and

WHEREAS, § 15.2-1102 of the Code of Virginia and § 2.2 of the Town Charter authorizes the Town of Cape Charles (“Town”) to take necessary and desirable action to protect the public health, safety and welfare; and

WHEREAS, COVID-19 spreads person-to-person, transmitted via respiratory droplets, and can be spread from an infected person who does not have symptoms to another person, and therefore, unnecessary person-to-person contact increases the risk of transmission and spread of COVID-19; and

WHEREAS, testing indicates that COVID-19 can remain on certain surfaces for several days, unless such surfaces are thoroughly cleaned and sanitized against viruses; and

WHEREAS, in order to prevent the spread of COVID-19, Governor Northam has issued Executive Order Fifty-Three and Executive Order Fifty-Five, ordering, with limited exception, individuals to stay at home; closing all public beaches for all activity, except exercising and fishing; closing certain businesses, including recreational and entertainment businesses, and restricting the operations of other non-essential businesses; prohibiting all public and private in-person gatherings of more than ten individuals, other than the operation of businesses not required to close and the gathering of family members living in the same residence; and mandating six feet of separation among individuals other than family or household members or caretakers; and

WHEREAS, the emergency restrictions imposed by Governor Northam shall continue until June 10, 2020, unless extended or rescinded earlier; and

WHEREAS, in order to suppress person-to-person contact and other conditions that are dangerous to the public health, and to ensure adherence to Governor Northam’s Executive Orders, the Council of the Town of Cape Charles, Virginia (“Town Council”) finds it necessary to prohibit, with limited exception, the operation of short-term rental operations; and

WHEREAS, the Town Council further finds that the protection of the public health and the prevention of the spread of communicable disease is an essential governmental objective and constitutes a legitimate public purpose.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Cape Charles, Virginia, that notwithstanding any Charter provision, ordinance, regulation or policy to the contrary, and except as provided below, any short-term rental, as defined in § 15.2-983 of the Code of Virginia, shall immediately cease operations and shall remain closed for so long as the restrictions set out in Executive Order Fifty-Three and Executive Order Fifty-Five are in place. The following short-term rental operations may continue to operate in strict accordance with all Executive Orders issued by the Governor of Virginia and Orders of Public Health issued by the State Health Commissioner:

1. Time-shares, as defined in § 55.1-2200 of the Code of Virginia, and similar occupancies by persons having an ownership interest in the property, provided such properties are not rented to short-term tenants.
2. Any occupancy of a short-term rental by a person or persons required by state or federal order to quarantine-in-place, provided that (i) the short-term rental was occupied by such person or persons prior to the adoption of this ordinance, and (ii) the owner or occupant provides the Town Manager or his designee suitable evidence or explanation of the need for the quarantine.

This ordinance shall be enforced by the Town Manager or his designee. Any person or entity willfully violating, or refusing, failing, or neglecting to comply with this ordinance shall be guilty of a Class 3 misdemeanor. Each day of violation shall constitute a separate offense. This ordinance may also be enforced by injunction or other appropriate remedy.

This ordinance shall be effective immediately and unless rescinded or extended by the Town Council, shall continue in effect for so long as the restrictions imposed by Executive Order Fifty-Three and Executive Order Fifty-Five remain in place.

ADOPTED by the Council of the Town of Cape Charles, Virginia, this 16th day of April 2020.

By: _____
Mayor

ATTEST:

Town Clerk



**TOWN OF
CAPE CHARLES**

AGENDA TITLE: FY 2020 Recommended Budget
Adjustments

AGENDA DATE:
April 16, 2020

SUBJECT/PROPOSAL/REQUEST: FY2020 Budget
Adjustments

ITEM NUMBER:
4B

ATTACHMENTS: Budget Report

FOR COUNCIL:
Action (X)
Information ()

STAFF CONTACT (s):
John Hozey

REVIEWED BY:
John Hozey, Town Manager

BACKGROUND:

The Coronavirus (COVID-19) situation has dramatically altered life and business globally, right down to the Town of Cape Charles. The effects of pandemic related business closures/restrictions and stay-at-home orders has had a devastating impact on economies everywhere. Since Cape Charles receives a significant portion of its annual revenue from business related taxes, the Town's actual revenue this year will be much less than originally budgeted.

DISCUSSION:

The attached budget report outlines expected revenue shortfalls and proposed expenditure adjustments to maintain a balanced budget through the end of the current fiscal year (June 30). Where normally the town manager would make minor budget adjustments and report that back to Council; the magnitude of these adjustments makes it appropriate to seek formal Council concurrence of the aggregate.

As some of the lost revenue this year was delayed and is expected to be realized in the next fiscal year, certain expenditures that could also be delayed until next fiscal year are among the proposed adjustments. However, most of the lost revenue will be just that, lost for this year. So the budget was scrubbed hard to find savings and reductions that would have the least impact on service delivery. The resulting budget is balanced, but extremely tight. There is very little "wobble-room" left. Staff will be happy to answer any questions you might have during the meeting.

RECOMMENDATION:

Staff requests Town Council concurrence with the budget adjustments proposed on the attached budget report.

Cape Charles FY 20 Budget Adjustments

COVID-19 Effect: Anticipated Budget Shortfall **\$ 201,898.00**

Revenue:	
Property taxes and penalties (courts & DMV closed)	\$ (10,500.00)
Golf Cart Decals	\$ (4,000.00)
Business Licenses	\$ (66,000.00)
Admissions Taxes	\$ (5,000.00)
Transient Occupancy Taxes	\$ (40,000.00)
Meals tax	\$ (206,876.00)
Lease Revenue (Shanty)	\$ (3,875.00)
Add'l Planning/Building revenue earned	\$ 38,790.00
Add'l investment revenue	\$ 7,500.00
Other miscellaneous revenue and addt'l funds appropriated	\$ 88,063.00

Possible Budget Adjustments **\$ 201,898.00**

PNC 2013 Finance Proceeds - shift to other capital projects (not Trail)	\$ 53,867.00
Delay Phase 3 Contract w/ Sheri Shuck	\$ 15,000.00
Transfer from wayfinding Signs	\$ 38,000.00
Delay Comp Plan Contract	\$ 16,000.00
Reduced Contribution to CCMS	\$ 14,000.00
Postpone mini-split for archive storage	\$ 4,000.00
Travel, training & education	\$ 24,000.00
Recreation reductions	\$ 5,200.00
Health ins savings, personnel lapse	\$ 11,000.00
Friends of the Library programming contributions	\$ 3,100.00
Library-books, etc., ordering less	\$ 3,500.00
Fuel savings (reduced cost, officer out)	\$ 5,000.00
Remainder of contingency	\$ 12,731.00
Additional costs due to COVID response	\$ (3,500.00)
2 laptops, small printer, wi-fi imprvmnts & safety and cleaning supplies	

Net shortfall plus adjustments	\$ -
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