



**TOWN COUNCIL
Special Meeting
Cape Charles Civic Center
June 18, 2020
6:30 PM**

At approximately 6:30 p.m. Mayor William “Smitty” Dize, having established a quorum, called to order the Special Meeting of the Town Council. Physically present at the Civic Center were Mayor Dize, Vice Mayor Bennett, Councilmen Bannon, Buchholz, Follmer and Grossman, Councilwoman Holloway, Town Manager John Hozey, Town Clerk Libby Hume, Deputy Clerk Tracy Outten, and Chief Jim Pruitt. There were three members of the public physically in attendance and 35 viewers on Facebook Live.

RECOGNITION OF VISITORS / PRESENTATIONS

A. Oaths of Office for Newly Elected Council Members – Ms. Traci Johnson, Clerk of the Court

Ms. Traci Johnson virtually administered the oaths of office to Councilmen-elect Steve Bennett, Andy Buchholz, and Andrew Follmer. Their terms would begin July 1, 2020 and expire June 30, 2024.

PUBLIC COMMENTS (on agenda items only):

Town Clerk Libby Hume read four comments submitted in writing. (Please see attached.)

CONSENT AGENDA:

- A. Approval of Agenda Format
- B. Approval of Minutes:
 - i. April 9, 2020 Special Meeting
 - ii. April 16, 2020 Special Meeting
 - iii. April 30, 2020 Special Meeting
 - iv. May 14, 2020 Special Meeting
 - v. May 21, 2020 Public Hearing & Special Meeting
 - vi. May 21, 2020 Executive Session
 - vii. May 28, 2020 Special Meeting
 - viii. June 4, 2020 Special Meeting
- C. Approval of April 30, 2020 Financial Report

Mayor Dize asked that Item 6B-Vacation of Plat of Survey for Lots 336, 337 and 338B-Public Hearing Scheduled be changed to an action item.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to approve the Consent Agenda as amended, changing Item 6B to an action item as requested by Mayor Dize. The motion was approved by unanimous vote.

SPECIAL MEETING ORDER OF BUSINESS:

A. Code 42-3 – Adoption of State Law:

Town Manager John Hozey stated that from time to time, the Code of Virginia was amended regarding safety tactics to protect those traveling the highways, streets and roads in the Commonwealth. Adoption of an ordinance was an annual requirement to accept all amendments to the provisions and requirements set by the Code of Virginia in matters of regulation of motor vehicles and traffic in the Town of Cape Charles and any penalties for traffic violations. The ordinance would be effective July 1, 2020.

Motion made by Councilman Buchholz, seconded by Vice Mayor Bennett, to adopt Ordinance 20200618 to Adopt Amendments to the Code of Virginia § 46.2 and Title 16.1, Chapter 11, Article 9 (§ 16.1-278 Et Seq.) and Title 18.2, Chapter 7, Article 2 (§ 18.2-266 Et Seq.), if any, for Incorporation into the Cape Charles Town Code Chapter 42-Motor Vehicles and Traffic. Mayor Dize moved for adoption of Ordinance 20200618 as noticed and forewent reading of the ordinance. The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Buchholz, yes; Follmer, yes; Grossman, yes; Holloway, yes.

Councilman Grossman stated that he didn't believe the ordinance needed to be adopted every year since the Cape Charles Town Code language already incorporated the references to the Code of Virginia made in this ordinance regarding motor vehicles.

Chief Jim Pruitt stated that an ordinance had to be adopted each year.

John Hozey stated that he and the clerk would look into the issue for next year.

B. *Vacation of Plat of Survey for Lots 336, 337, and 338B – Public Hearing Scheduled:*

John Hozey stated that this item was necessary to correct and error made by former Town Planner/Zoning Administrator Zach Ponds when he mistakenly approved the property line vacation and relocation between lots 336, 337 and 338B along Tazewell Avenue. This approval resulted in lots 337 and 338B becoming non-conforming lots in the R-1 district for purposes of zoning. Lot 337 became an undersized lot and lot 338B now blocked access to the alleyway. The issue was referred to the town's legal counsel for their review. An ordinance must be adopted by the Town Council to vacate the plat of survey showing the property line vacation and relocation between lots 336, 337 and 338B made by John H. Severs and Sarah T. Severs, dated November 15, 2019, which is recorded in the Northampton County Clerk's office as instrument 200000012. Prior to adoption of the ordinance, the Town Council must hold a public hearing. In order to expedite the process, the public hearing had been scheduled for Thursday, July 2, 2020 during the Town Council Special Meeting. The issue would be on the July 16, 2020 Town Council Special Meeting agenda for action unless Council deemed it appropriate to take action at the July 2, 2020 Special Meeting immediately following the public hearing.

Motion made by Councilman Grossman, seconded by Councilman Bannon, to set the public hearing for July 2, 2020 with Council action during the meeting following the public hearing. The motion was approved by unanimous vote.

C. *Town Manager Updates:*

i. *2020 July 4 Options:*

John Hozey reported the following: i) The Governor didn't move to Phase 3 but provided guidance for Phase 3 which would increase the size of permitted gatherings from 50 to 250 with some entertainment options up to 1K; ii) Staff drafted four options for July 4th for Council review. (Please see attached.); iii) There were a lot of requirements for Phase 3, similar to those for the reopening of the beach. He expressed his concern about meeting all the requirements for the July 4th activities such as signage requirements, hand sanitizers, the need for more porta-potties, and continuous cleaning, as well as the expectation of exceeding 1K people. The Town could not guarantee that the requirements could be met, and he reluctantly offered his recommendation for option 4 as the safest option.

There was discussion as follows: i) Councilman Buchholz stated that the cap was for gatherings of groups, not the number of people on the beach. Cherrystone was still planning on their fireworks so people would come to Cape Charles to view them. The porta potty problem would be a nightmare; ii) Councilman Bannon recommended canceling all July 4th activities since most of the Town's residents were elderly. Why risk bringing people into Town for fireworks; iii) Councilwoman Holloway expressed her appreciation for the work done by staff and understood that option 4 was not easy. She heard the Governor's broadcast and didn't expect the maximum number of people to be 250 in Phase 3. She

thought creatively about doing the July 4th differently and safely. All vendors could be along the beach with the majority being food vendors. There was a need for additional food options for the 4th. We already had hand sanitizer around the Town and could add porta potties. There were never masses of people on the bayfront and typically no crowds until the evening. She asked Chief Pruitt for his opinion; iv) Chief Pruitt stated that the majority of the crowd was in the morning for the parade, then the fireworks at night. There were still a lot of people in town during the day but they were usually spread out; v) Councilwoman Holloway continued by recommending a golf cart parade throughout the town with spectators staying on their porches, similar to the Cape Charles Main Street (CCMS) Porch Party Happy Hour. This was a creative way to celebrate the 4th of July with the residents and visitors; vi) Vice Mayor Bennett stated that closing the town was out of the question. The Governor's notice stated that "events that cannot restrict the general public should not take place," but people would be coming into the Town regardless of the Governor's orders. Cape Charles was going to be packed and trying to put people into groups of up to 250 would not work. There was nobody out there who wanted a parade and fireworks more than he did, but he didn't see a realistic way to have the events. Even with the parade, people would come into Town and be in the streets, not just on porches; vii) Councilman Buchholz stated that he was leaning in favor of a golf cart parade until Vice Mayor Bennett spoke. Cherrystone was private property and would be holding their fireworks. Under the current guidelines, did Cherrystone have to keep the groups under 250?; viii) Councilman Follmer didn't think the idea of breaking people up into groups of 250 on the beach was the intent of the orders. The language, like stated by Vice Mayor Bennett, was very clear that we couldn't hold the fireworks. He agreed about the need for food trucks/vendors. If the Town could meet the requirements, then he was in favor of having the events. If the Town could not meet the requirements, he was opposed. Regarding the parade – If we could just have a golf cart parade, as discussed earlier, he didn't think it would draw as many people from outside the Town, and could be safely done; ix) There was much discussion regarding food trucks/vendors. Chief Pruitt noted that the only way to have food trucks on the bayfront was to shut down part of the street. The beach would be packed and there wouldn't be room for food trucks with the number of cars on the street; and x) John Hozey commented regarding the Town's limited police force and per the Governor's orders, activities of this nature would draw people and were strictly prohibited.

Motion made by Vice Mayor Bennett, seconded by Councilwoman Holloway, for new option 5, for a porch golf cart parade beginning at 10:00 a.m. running up and down the streets with a route to be determined.

Councilwoman Holloway stated that the key for success is for Jen Lewis to put out a nice flyer with guidelines. CCMS would assist. The number of golf carts could be limited. The event would be for the residents who could invite their friends to their porches to enjoy the parade.

John Hozey clarified that the parade would be for the benefit of the residents, not necessarily to attract huge crowds. Only golf carts would be permitted to participate, no bicycles, pedestrians, etc. There would be no emcee and no announcements would be made during the parade.

Councilwoman Holloway stated that no candy would be permitted to be thrown from the golf carts. This would be an opportunity for residents to celebrate the day. A safe and different event for our community. Councilwoman Holloway added that she had checked with the businesses and they were concerned with the potential crowds but didn't want to lose the July 4 tradition completely.

Mayor Dize added that the graduation parade was done successfully last month and felt a golf cart parade could be managed. Mayor Dize proceeded to call for a vote.

The motion was approved by majority vote with Councilman Bannon opposed.

ii. *Debt Refinance Options:*

John Hozey updated Council regarding debt refinance options. (Please see attached.) The Town would have another opportunity to submit an application in February 2021. Council could start discussion regarding this possibility in October. He wanted to bring forward a long-term capital improvement plan. If the market was still favorable, Council could think about refinancing debt and possibly borrowing some new money. Currently, the timing wasn't right and the numbers weren't right. The Town needed to get some things in order first to make it worthwhile to try again in 2021.

Vice Mayor Bennett thanked John Hozey for the effort.

iii. *Other Items:*

John Hozey updated the Council regarding the following: i) He announced the hiring of the new Town Planner/Zoning Administrator. Allyson Finchum was highly qualified with over 20 years' experience in Virginia. She had family on the east coast and staff was excited to have her on board. She would begin on or before July 1. She was currently the town manager/zoning administrator for Port Royal, Virginia; ii) He wanted to publicly thank Councilman Grossman for helping out in the planning department. He was a real lifesaver and Allyson would probably be contacting him with questions regarding ongoing projects; and iii) On a personal note, he would be off next Friday and Monday for his wife's birthday weekend in Virginia Beach. They had never been to Virginia Beach and were looking forward to their visit.

Mayor Dize asked Council for their parting comments.

Councilwoman Holloway commented as follows: i) She asked John Hozey for an update on the farmers' market. She read a notice in the Cape Charles Happenings that the farmers' market would start on Wednesday. The notice mentioned a band. CCMS saw the notice and needed to let the merchants know. John Hozey responded that the notice might have been premature, and that Jen Lewis was working on the market but was having difficulty getting five vendors to sign up. New procedures were needed, and staff was still trying to work things out. He would check with Jen Lewis and get back to Council; ii) The Virginia Department of Housing and Community Development decided to open up a COVID-19 recovery grant for tourism-related businesses. It would be a grant for municipalities up to \$500K. CCMS was working on the grant for the Town. Each business could receive up to \$10K for rent, reimbursement of overhead costs, etc. There was up to \$5K in technology changes for updates to websites, new point-of-sale systems, etc. CCMS had a team writing the grant and a Memorandum of Understanding (MOU) was needed from the Town to designate CCMS to apply for the grant. There was a quick turnaround for the grant. This was exciting news for businesses with 20 or less employees. There was another \$300K available if the Town had enough women and minority owned businesses. Councilman Grossman stated that the MOU might need to come to Council for approval. Councilwoman Holloway didn't know all the details but added that CCMS would draft the letter of agreement and send it to John Hozey. This was an exciting opportunity; and iii) CCMS was also working on a new Virginia Tourism Corporation grant for \$10K with no match.

Vice Mayor Bennett and Councilmen Bannon, Buchholz and Grossman did not have any additional comments.

Councilman Follmer stated that even though Council was all physically present at the meeting, he hoped the meetings would continue to be streamed live on Facebook. He received an overwhelming response from residents who loved the live-streaming and asked that the Town keep it going. John Hozey stated that it was the Town's intent to continue the live streaming to Facebook, although there were some technical issues that needed to be worked out.

Mayor Dize thanked everybody for attending adding that it was good seeing everyone.

Mayor Dize proceeded to read the announcements, adding that the Town offices would be closed tomorrow, June 19, for the new Juneteenth holiday. John Hozey added that Governor Northam made the decision to make Juneteenth a state holiday with two days' notice. Mayor Dize also added that the July 16 Council meeting would be a regular meeting.

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

The meeting adjourned at 7:24 p.m.

Mayor Dize

Town Clerk

**Comments & Information Provided in Writing
June 18, 2020 Town Council Special Meeting**

Peter Simpson, 628 Jefferson Avenue

Subject: 4th of July parade

Please do not cancel the parade. Our town needs this unifying event now more than ever.

Thank you for your continued hard work on behalf of our town!

Kay Phillips

Subject: Parade

Please give us a parade, concert and fireworks. This has been a very tough year and we all need something to cheer us up. I promise we'll be good!

Jo Ann Bawiec

Subject: 4th of July

Virginia is still under Phase II, per the governor. Even if Virginia moves to Phase III, the criteria of no more than 250 people would be exceeded by any planned 4th of July activities, such as fireworks, vendors and a traditional Cape Charles parade. Our town beach, Bay Ave and restaurants will be maxed out regardless of any scheduled, additional activities. Businesses are already struggling with visitors and residents being compliant with basic safety precautions. This challenge would be amplified by additional activities and increased crowds.

I do support the idea of residents / guests staying on their porches for a golf cart parade throughout the entire town. If a parade route included all streets and people complied with staying at their designated home (resident and guests), a celebration parade could be safely done.

Thank you.

Lori Smith

Subject: July 4th

Good afternoon, after listening to the Governor's update today regarding our current Phase as well as what to expect in Phase 3, I don't believe that we should have the traditional Cape Charles celebration. Although it is something that I have enjoyed and looked forward to for several years, I don't think it's the safest thing to do this year.

In line with the Porch Happy Hour that we did a couple months ago, having a parade in this fashion would still provide a safe celebration for everyone to maintain social distancing instead of having everyone crammed together on Mason Ave. Another option could be to have a band in the park with all families spread out celebrating from a safe distance.

I believe we all want to keep our town as safe as possible and I appreciate the steps that have been taken so far. Now doesn't seem like the time to push the limits.

Thank you for allowing me to share my thoughts.

**Potential 4th of July options to reduce public interactions
from our traditional celebration**

Option 1

Fireworks only. This option would be strongly recommended if Governor Northam does not significantly increase the size of authorized groups above 50. We could encourage folks to stay in or around their vehicle and 6 feet from others. While many people are unlikely to follow this guidance, many would, and it should at least be encouraged. Fireworks normally begin at 9:30 pm. We would pay to bring in two off duty county officers for extra security from 8:30 to 11:00 pm and have the State Police at the light to direct traffic after the fireworks.

Option 2

Parade and Fireworks. Adding in the parade does increase public interactions but does so for a fairly limited time which is spread out over a large area. This would provide the two most traditional components of any 4th of July celebration. If we have just these two events, we'd recommend holding the parade as late as 7 pm to further limit exposure concerns over the course of the day. We could advertise the parade route well in advance and encourage folks to spread out for the event. We would also prohibit the throwing of candy this year. The parade would end around 8:30 pm and then people could get in place for fireworks. This would keep people in Town, maybe spend some money, and wouldn't create traffic congestion with them going back and forth. These are two big draws so it would seem best to do them close together. We would pay to bring in two off duty county officers for extra security from 6:00 to 11:00 pm and have the State Police at the light to direct traffic after the fireworks.

Option 3

Parade, Vendors and Fireworks. If we went with this option, we suggest limiting exposure by having vendors set up later in the day and pushing off the parade until the afternoon or evening as described above. Vendors wouldn't set up until 1 pm to be ready to be open when the parade is over. The parade would go through at 2 pm (or 7 pm). Vendors would be open from 3 – 9 pm with the fireworks beginning at 9 pm. Some of the art vendors may drop out, but this is when food vendors make most of their money. Vendors would be spread out all along Bay Avenue. We would most likely have just one band in the evening between the parade and fireworks. We would pay to bring in two off duty county officers as extra security from 3 – 11 pm and have State Police direct traffic at the light once fireworks are over. A main benefit to having vendors is to assist with feeding all our visitors. Even with vendors, restaurants can have 2 hour wait times and sometimes run out of food.

Option 4

Cancel all activities this year. This is the safest option, and the one being chosen by most other communities. We have confirmed that should we cancel this year; we would not lose our fireworks deposit. That vendor has graciously offered to carry that deposit forward for next year's display. If we did decide to do any of the other options, we should brace ourselves for crowds much larger than our typical 4th of July celebration, since so many other communities have canceled. There is no way we can reasonably enforce any social distancing requirements or to make other public health accommodations for crowds of that size. Therefore, choosing to pursue any of the other options must be done with the full understanding that we would be incurring that associated increased public health risk.

Note: if either of the first three options are chosen, we will not have the volleyball, cornhole, horseshoes, guppie challenge or beautiful baby contests. We will also not do awards for the parade this year.

Town Manager Memorandum

June 18, 2020

RE: Debt Refinancing



Due to the FY2021 budget shortfall associated with the COVID-19 effect, and in light of current favorable market conditions, the Treasurer and I have been exploring options to refinance the Town's debt to help relieve some short-term cash flow requirements, without increasing maturities or overall debt liabilities.

Working with Davenport & Company as our financial advisor, we took a two-pronged approach that involved the simultaneous solicitation of banks and an application to the Virginia Resource Authority (VRA) for participation in the next round of their pooled financing program.

The results of these efforts proved disappointing. There was no interest from any of the banks, and when the refunding structures for VRA were analyzed, there was not sufficient benefit to justify participation.

The 2010A Bond issues for the General Fund and Utility Fund were analyzed. The following represented the potential net change to our debt service payments over the next ten years:

<u>General Fund</u>	<u>Utility Fund</u>
\$25,590	\$10,613
\$22,018	\$5,258
\$12,283	\$6,752
\$11,846	\$7,156
\$12,335	\$7,672
\$12,791	\$7,062
\$14,039	\$7,672
(\$49,044)	\$7,446
(\$50,370)	\$3,056
<u>(\$31,988)</u>	<u>\$3,891</u>
(\$20,500)	\$66,578

When the time-value of money is considered, the General Fund basically breaks even (using today's dollars) essentially trading some short-term cash for payments in later years; but that was not what we really set out to do. Additionally, the cost of this refunding (net in the numbers above), was approximately \$40,000, which is just not an efficient proposal. Had we seen potential real savings in the \$30,000 to \$40,000 per year range, that might have been meaningful enough to pursue.

With regard to the Utility Fund; while there remains some real dollar savings, it would require a debt service reserve of nearly \$200,000 in current cash. Considering the minimal annual savings associated with this refunding, it would not be prudent to tie up that much in reserve, especially since our unassigned reserves are already depleted.