

**TOWN COUNCIL
Regular Meeting
Cape Charles Civic Center
February 16, 2023
6:30 PM**

At approximately 6:30 p.m. Mayor Adam Charney, having established a quorum, called to order the Regular Meeting of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Butta and Grossman, and Councilwoman Holloway. Councilman Follmer was not in attendance. Also, in attendance were Town Manager John Hozey, Police Chief Jim Pruitt, Special Assistant to the Town Manager Julie Pruitt, and Town Clerk Libby Hume. There was one member of the public physically in attendance, and 14 viewers on Facebook.

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

RECOGNITION OF VISITORS / PRESENTATIONS/RECOGNITIONS:

There were no visitors, presentations nor any recognitions this evening.

PUBLIC COMMENTS: (3 MINUTES PER SPEAKER)

Susan Hudson, resident of Cape Charles

Ms. Hudson stated that she served on a committee that was formed to work on the short-term rental issues in Bay Creek, which were similar to those being experienced by the Town. She felt it would be a good idea to have a representative from their committee work with the Town regarding the issues. She was unsure whether the Planning Commission would be tasked with developing regulations or whether a committee would be formed. Bay Creek was part of Cape Charles and it would be a good idea to work together since the issues were the same, such as parking, overloading the water and wastewater systems, noise levels, too many people staying in a house, etc. There were some concerned full-time residents who bought into Bay Creek for the residential community. She feared for Cape Charles, as well as for Bay Creek, that what happened in Nantucket would happen here. Corporations bought properties and developed them for short term rentals, with no residents or owners living on Nantucket. She had seen some evidence of this happening here and wanted to know Council's thoughts regarding these issues.

Town Manager John Hozey asked Ms. Hudson for her contact information so he could reach out to her.

Town Clerk Libby Hume read emails from Ms. Julie Jones and Mr. Sam Jones into the record. (Please see attached.)

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

CONSENT AGENDA

- A. Approval of Agenda Format
- B. Approval of Minutes:
 - i. January 19, 2023 Town Council Public Hearing & Regular Meeting
 - ii. February 2, 2023 Public Information Meeting re: 2022 Community Strategic Plan Survey Results Presentation
- C. Approval of December 31, 2022 Financial Report

Motion made by Councilman Buchholz, seconded by Councilwoman Holloway, to approve the consent agenda items as presented.

Councilman Grossman moved that the minutes from the January 19, 2023 Public Hearing & Regular Meeting be pulled out for discussion. Councilwoman Holloway seconded the motion.

Councilman Grossman noted the item regarding the Library Material Reconsideration Procedure, adding that during discussion, Vice Mayor Bennett asked whether the procedure was needed or not since the Cape Charles Library's procedure should not be different from the other libraries in the Eastern Shore Public Library system. His motion was to approve the policy as written, not the reconsideration procedure.

John Hozey informed Council that Councilman Grossman had notified him of this error so he and the town clerk reviewed the video of the meeting, and he respectfully had to disagree with Councilman Grossman. Two items were brought to Council last month, a Development Policy and Reconsideration Procedure, but both were referred to as policies during discussion. The Development Policy was never discussed as there was nothing controversial about that, and it was included in the agenda materials for reference only. The Reconsideration Procedure that was approved by the Library Board was the item of discussion. He had made a suggestion to amend the Board-approved procedure related to the number of people needed to challenge a book. There was debate amongst Council and Council disagreed with his proposed amendment preferring to accept the procedure as written for consistency with the other libraries. The only thing discussed was the Reconsideration Procedure and the minutes showed approval of the Reconsideration Procedure. Councilman Grossman's motion just said "policy," but not which one. The only discussion occurring during the meeting was about the Reconsideration Procedure and the proposed amendment. The intent of the agenda item was to approve the Reconsideration Procedure.

Councilman Grossman stated that when he made the motion, his intent was to approve the policy, not the procedure since the procedure would have been different from the other libraries in the system. The vast majority of the conversation was about the procedure and Council agreed it was not what they wanted, so he moved to formally adopt the policy, but was not sure how the others understood it.

John Hozey explained that the policy was already in place and not up for discussion and reiterated that it was included in the materials for information only. Had the Council accepted his recommendation to amend the procedure provided by the Library Board, it would have been different from the other libraries but since Council rejected his amendment, the procedure was now consistent with the other libraries. Councilman Grossman referenced the word "policy" in his motion, as both documents were referred to as a policy during discussion, but he did not state which one he was referring to. He asked the intent of the Council members when they voted. Were they voting on the Development Policy or Reconsideration Procedure?

Vice Mayor Bennett, Councilman Butta and Councilwoman Holloway stated that they voted to approve the procedure for consistency with the other libraries.

John Hozey stated that Council's vote was to approve the procedure for consistency with the library system. He hoped that tonight's minutes would clear up the issue.

Councilman Grossman expressed his satisfaction with the outcome after tonight's discussion clarifying the issue, adding that the minutes would stand as written

The motion to approve the consent agenda items as presented was approved by unanimous vote.

UNFINISHED BUSINESS:

There was no unfinished business for review.

NEW BUSINESS:

A. *Short Term Rental Resolution:*

John Hozey stated that this item was deferred from February 2nd due to not having a quorum for that meeting. Although both the House and Senate bills had been tabled to committee for this session, those committees could report back, and the bills could come back in another form next year. He suggested moving forward with adopting a resolution as a statement of supporting local control. When he initially drafted the resolution, he intentionally wrote it using some aggressive language to get the attention of the legislators, however, since there was no longer any urgency in the matter, Vice Mayor Bennett contacted him suggesting several amendments to the language. He was supportive of Vice Mayor Bennett's amendments and felt that it would still show, for the record, the Town's support of local control. If the legislation was brought back, another, stronger worded resolution could be adopted.

Vice Mayor Bennett reviewed his recommended amendments striking four words from the original resolution. (Please see attached.)

Motion made by Vice Mayor Bennett, seconded by Councilman Grossman, to amend Resolution 20230216, striking the four words as described. The motion was approved by unanimous vote.

Motion made by Councilwoman Holloway, seconded by Councilman Buchholz, to adopt Resolution 20230216 Opposing Potential Legislation to Restrict a Locality's Ability to Manage Short Term Rentals as amended. The motion was approved by unanimous vote. Roll call vote: Bennett, yes; Buchholz, yes; Butta, yes; Grossman, yes; Holloway, yes.

Councilman Grossman requested that copies of this resolution, along with the resolution adopted by the Northampton County Board of Supervisors, be forwarded to the Virginia Municipal League (VML) for their records. John Hozey added that he would also send the resolution to our state representatives.

Councilman Butta suggested Council giving the town manager the authority to act on behalf of the Town Council in urgent legislative matters as recommended by the VML if in opposition to any potential legislation resulting in loss of local control. John Hozey stated that he considered adding this issue to the agenda, but due to the fact that the legislative session was almost over, he opted to wait until the next session to bring up the subject.

B. *Virginia Port Authority Aid to Local Ports Grant Request:*

John Hozey stated that the Town had utilized Virginia Port Authority (VPA) Aid to Local Ports (ALP) grants over the years to make improvements at the Harbor. ALP grant would pay up to 75% of the cost for capital projects, although he was not anticipating being granted that full amount. Rehabilitation of the inner harbor bulkhead, identified as a high priority in the evaluation of harbor capital assets prepared by Langley & McDonald, presented an opportunity for a new ALP grant request. This project was included in the approved Capital Asset Management Program (CAMP). The project could be done in two phases, but there were substantial cost savings if done at the same time. Staff's recommendation was to submit the grant for the maximum of 75% which amounted to \$228.7K. The cost for this project would be included in the Fiscal Year (FY) 2024 budget. John Hozey also noted that additional funding would be needed for the repair and reinforcement of the inshore breakwater that was significantly damaged during the storm in December. Langley & McDonald was preparing a design and cost estimate for this work, which would be substantial, possibly in the range of \$100-120K. It was preferable to accomplish this work during the current fiscal year before the start of the 2023 hurricane season. Funding recommendations would be forwarded to Council after the estimates were received.

The VPA required a letter signed by the Mayor by March 1st to request a new grant. The grant requests were typically considered in May with approved funding becoming available July 1st.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to authorize the Mayor to request a Virginia Port Authority Aid to Local Ports grant in the amount of \$228.7K for the rehabilitation of the inner harbor bulkhead. The motion was approved by unanimous vote.

C. *Budget Amendment Request for Purchase of Public Works Utility Vehicle and Equipment:*

John Hozey stated that a public works gator and tractor attachments were originally budgeted in FY 2023 to be purchased with USDA Rural Development funds. The funds were removed during the FY 2023 mid-year budget review because of the unavailability of the equipment due to supply chain issues. Since then, Public Works Manager John Lockwood was able to locate a supplier for a different brand of utility vehicle and tractor equipment for grounds maintenance for a lesser cost. The equipment included a utility vehicle, heavy duty 60" cutter, box blade, and 72" finish mower for a total of \$33,775. If the application was approved, the USDA Rural Development grant/loan would fund these purchases with an \$11,821 grant and five-year loan of \$21,954. In order to complete the purchase, the FY 2023 General Capital Budget Revenue and Expenditure lines each needed to be increased by \$33,775. The amount requested was below the threshold required for a public hearing for a budget amendment.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to amend the FY 2023 General Capital Budget increasing the Revenue and Expenditure lines by \$33,775 in order to purchase the equipment as outlined in the staff report. The motion was approved by unanimous vote.

D. *Town Manager Contract Renewal:*

John Hozey stated that his current employment agreement was a three-year agreement commencing on March 9, 2020 and expiring on March 9, 2023. The Town Council conducted his performance evaluation on February 9, 2023, and requested that a renewal employment agreement be brought forward for consideration this evening. The agreement presented this evening outlines the discussion from last week's meeting.

Motion made by Vice Mayor Bennett, seconded by Councilman Butta, to approve the new Town Manager Employment Agreement as presented. The motion was approved by unanimous vote.

TOWN MANAGER COMMENTS

John Hozey commented as follows: i) Every year around this time, the public works crew holds beach week bringing in equipment to rebuild the beach. This year's beach week was scheduled for March 13 through 18 as the tides would be the most favorable. Notices would go out and he asked that Council help spread the word. Currently there were no plans to close the beach, but if things got to the point of becoming unsafe, the beach would be closed to the public for several hours, typically in the mornings. Last year, there were irresponsible people getting in the path of the heavy equipment. Signs would be posted at the beach entrances and notices would be placed on the website and Facebook. Councilwoman Holloway asked whether a Nixle advisory could be issued. John Hozey stated his hesitancy in utilizing the Nixle system for non-urgent messages. He would check with the public works department before determining whether a Nixle message would be warranted; ii) At last week's work session, parking was discussed as one of the priority projects. He briefed Council that the Town had an ordinance on the books that we were authorized to enforce. He wanted to notify Council that staff was moving forward with enforcement. Public awareness notices, which were provided to Council for review earlier this evening, would be included in the utility bills next week. Staff also ran the license plates for all boats, trailers, campers, etc. currently stored on the Town street, and letters would be mailed directly to the owners providing them with information on several potential storage facilities. The intent was to ease into the process to provide ample time for

the owners to relocate their boats, trailers, campers, etc. May 1 was the targeted date to begin enforcement, which provides everyone with over two months' notice. Notices would also be published in the Gazette and posted on Facebook. Mayor Charney asked that Council also be provided with a copy of the letter going to the owners; iii) In case Council received any questions or complaints regarding the noise coming from the southside of the harbor an echoing throughout the Town, he wanted to inform everyone that the noise was not from Coastal Precast nor Cape Charles Yacht Center. Large rip rap boulders were brought to the property between Coastal Precast and the Yacht Center and were being loaded into dump trucks and transported out of town. He contacted the owner of the property who was very responsive and cooperative about the situation. The property owner would contact the job foreman to possibly mitigate some of the noise. It was expected to take about three to four weeks to remove all the boulders; iv) The updated strategic plan and priorities list was emailed to Council yesterday for their final review in hopes that the documents could be published prior to the weekend to give the public a full two weeks to review before the March 2nd public input session. To date, he had heard back from two of the Council. If he did not hear back from everyone by tomorrow (Friday), he would assume that there were no further changes and get the documents published.

MAYOR AND COUNCIL COMMENTS

Councilman Grossman stated that the County's budget preparations were ongoing. He provided Council with information related to the projected revenue so Council would be aware of what was happening at the County level regarding tax rates and assessments. The Board of Supervisors were holding a work session on February 28th to review the proposed budget – both revenue and expenditures together.

Councilwoman Holloway asked how the Cape Charles Day information was being communicated to the residents, especially related to the clean up teams and areas to be covered, adding that she felt that last year's system worked well. John Hozey responded that last year, the Mayor tasked Council to form their own teams, which did not go as planned. Some teams had more members than others. For this year, he suggested that everyone wanting to participate meet at the beach pavilion at 10:00 a.m. Once everyone was gathered, they would be divided into teams and provided with trash bags, and equipment. The areas to work would be decided at that time. Spruce-up Cape Charles would be from 10:00 a.m. until noon. Councilwoman Holloway suggested that designated areas be mapped out prior to the event, along with things needing to be done. Councilman Butta agreed, adding that the public works department could provide suggestions and areas needing attention. Councilwoman Holloway stated that since the public works staff kept the Town so clean, that was why some of the participants ended up pruning trees and shrubs. The participants felt that they had a purpose and were invigorated by being able to make a difference.

Mayor Charney, Vice Mayor Bennett, nor Councilmen Buchholz and Butta had any additional comments.

Mayor Charney read the announcements.

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

The Regular Meeting adjourned at 7:24 p.m.

Mayor Charney

Town Clerk

**February 16, 2023 Town Council Regular Meeting
Comments and Information Provided in Writing**

Julie Jones, Cape Charles resident

To: Mayor Charney, Councilwoman Holloway, Councilman Butta, Councilman Follmer, Councilman Grossman, Councilman Buchholz, Vice Mayor Bennet, Town Manager Hozey:

My husband and I purchased our home at 538 Monroe Avenue, in 2015.

At that time, there was only one long term rental in our block, which includes 12 homes on the south side.

The quiet, residential nature of our block was so appealing, that even though we had never owned an historic home before, or lived in a town, we were smitten.

In addition to the beautiful homes, we are blessed to have neighbors, both full-time and part-time, who know each other and look out for each other.

Many people called this "Mayberry:" quiet, beautiful, safe.

Then, about 4 years ago, some folks from Northern Virginia purchased one of the homes in our block. They invested about a year in sweat equity, to return the home to its original beauty.

Then they listed it on VRBO.

For \$4,000 per week.

The first summer was not bad.

Most of their guests were extended family units, who were quiet, respectful, and appreciative of our little paradise.

I guess \$4k is not a lot to pay for a week of paradise.

But last summer, things were different.

I caught a child, unsupervised, running his bike through my neighbor's flower garden.

Another group had 5 elementary school age kids who were recklessly riding their bikes, jumping the curb into the street, without looking for traffic. Up and down the boardwalk. Also unsupervised.

In September, a group of 9 women rented the house for about 4 days.

Nearly all 9 women drove separately, and took up all the street parking for 6 lots, in addition to 3 golf carts.

So much for peace and quiet.

Now the house next door has been sold, also to someone from Northern Virginia, and just hit VRBO before Christmas. And it appears it is already rented for the whole summer.

Currently, in the 500 block of Monroe Avenue, there is a total of 29 homes, counting the 4 duplexes as 2 homes each.

10 homes are definitely short-term rentals, another one sold last fall and it is rumored that the new owner intends to make it a short term rental.

So we are looking at 1/3 of the homes in our block being short term rentals.

There used to be young families living in those duplexes.

There were state troopers living in those duplexes.

There were Hispanic workers living in those duplexes.

Aren't these the very people who now need affordable/workforce housing?

That's how it was when we bought our home in 2015, diverse, but all of those duplexes are now short term rentals.

And with the exception of only one or two weeks, those short-term rentals have been sitting empty since Labor Day.

The vision statement of the Town of Cape Charles states:

Preserve our historical, natural, and cultural resources, while fostering a sense of community that enhances well-being and prosperity, now and for generations to come

How are you fostering a sense of community, when one third of the homes in one block of Monroe Avenue are short term rentals?

The people who live in the 500 block of Monroe know each other's names, the names of our kids and grandkids, the names of our dogs and cats.

If we notice something doesn't look right at a neighbor's home, we pick up the phone and call, or knock on their door, because that's what a sense of community means.

It is not cheap to maintain an old house.

We and our neighbors take great pride in keeping our historic homes repaired and painted, and our yards beautified with gardens and trees.

Because Cape Charles is a town, we pay taxes to both the town and Northampton County.

This past year, the tax assessment for our home, from Northampton County increased 72%.

We pay dearly for this sweet little piece of paradise, where we enjoy hosting family and friends and little grandchildren, but it is worth it to us.

What we do not appreciate is people who do not live here, are not part of our community, but who are making a huge profit selling the beauty, peace, quiet and safety which we cherish, and for which we pay dearly.

The only people who benefit from short term rentals are people interested in getting rich at the expense of small communities like ours.

I do not know how you fix this problem.

At the very least, while you are figuring this out, PLEASE put a moratorium on any additional short-term rentals.

Ultimately, you need to determine how many short-term rentals are acceptable, without further impacting the quality of life for those of us who call this little town "home."

It can be done.

It has been done in other places.

Please do this sooner rather than later, before we lose this sense of community.

Thank you for your service to Cape Charles and its people.

UPDATED 1:42 p.m. Re: PLEASE do something about the proliferation of short-term rentals in our town

I just heard that our neighbor, George, **who has been renting his cottage at 520 Monroe Avenue for 32 years**, has been given until **April 1** to move out, because the owner plans to sell it.

George is in his 60s.

He works on and off with watermen in Oyster, I think.

He also cuts the grass of many of our neighbors, plus he also cuts and edges grass along the sidewalk in our block, in our alley.

He maintains the yard of his home.

He painted the cute old barn red.

He watches out for everyone's home.

Where is George going to live?

Are you really ok with this?

Someone who has been a contributing member of this town for 32 years now has to find another place to live, so we can add another short-term rental to our already overcrowded block?

Seriously?

You are ok with this?

Search your hearts, because George is just the most recent victim, but not the last.

Sam Jones, Cape Charles resident:

Mr. Mayor, Town Council and Town Manager:

My name is Sam Jones, and my wife and I live at 538 Monroe Avenue. Thank you for the opportunity to speak and for your service to the community.

First, I fully support the Town's resolution opposing the Senate Bill and similar legislation that removes the authority of the Town to govern short-term rentals. The variety of Virginia's cities, counties and towns preclude the one size fits all model proposed in this legislation.

Second, I support the Town Council and Town Manager giving a high priority to development of Town specific rules and regulations regarding short-term rentals. As you do so please consider the balance between the number of full-time residential/non-rental properties and the number of short-term rentals allowed. Specifically, consider placing a moratorium on issuing any new short-term rental licenses until your work is complete. One of your primary goals is to maintain the quality and character of Cape Charles. Limiting the number of short-term rentals will ensure that you have full-time citizens to serve on your boards and commissions and maintain the volunteer base needed for the many events that contribute to the character of our town. While issues of trash, parking and noise are important, an appropriate balance between full-time residents and short-term rentals is the overarching issue.

Finally, I just learned of a Cape Charles citizen who, after renting a house for over 30 years, must vacate the house this spring so it can be renovated and likely turned into a short-term rental. It is a shame since this just the type of worker the Town hopes to support with its workforce housing initiative.

Thank you.

Item #7A – Resolution 20230216 as amended by Council:

**TOWN OF CAPE CHARLES, VIRGINIA
RESOLUTION 20230216
OPPOSING POTENTIAL LEGISLATION TO RESTRICT A LOCALITY'S
ABILITY TO MANAGE SHORT TERM RENTALS**

WHEREAS, the Mayor and Town Council of Cape Charles are committed to protecting the quality of life and property rights of all town citizens; and

WHEREAS, short-term rentals, while being an important part of the Cape Charles economy, continue to grow in number, impacting traditional lifestyles, and are creating a ~~significant~~ lack of much needed affordable, long-term rental units and workforce housing; and

WHEREAS, the Virginia General Assembly is currently considering legislation - Senate Bill 1391 and House Bill 2271, which would significantly curtail the locality's ability to regulate by ordinance any short-term rental property managed by a Virginia realtor, while providing ~~unethical targeted~~ economic advantages to such realtors; and

WHEREAS, the argument that the state licensure process for realtors provides localities with improved protections is tantamount to saying that local building code officials no longer need to inspect work done by state licensed contractors, an unsupportable notion; and

WHEREAS, the circumstances, impacts, and benefits surrounding short term rental units are distinctly different for each community throughout the Commonwealth; and

WHEREAS, a statewide, one-size-fits-all solution to such a uniquely local issue, is not only a ~~severe~~ disservice to all constituents, but fundamentally erodes the very concept of local self-governance; and

WHEREAS, the Town of Cape Charles believes the enactment of such legislation could violate the property rights of Cape Charles citizens and effectively eliminate the Town's ability to manage this important housing option for its residents, which is currently allowed through the Town's Comprehensive Plan and Zoning Ordinance.

NOW, THEREFORE BE IT RESOLVED, that the Town Council of the Town of Cape Charles opposes SB 1391, HB 2271, or any other similar legislation.

Adopted this 16th day of February 2023.

TOWN OF CAPE CHARLES

By: _____
Mayor

ATTEST:

Town Clerk

December 2022 Treasurer's Report

Page 1 – Cash Position

- \$2,500,000 was moved to a new longer term (1-3 years) Virginia Investment Pool Account from the operating and money market accounts. It earned over \$6,000 in interest in the first month.

Page 2 – Revenue vs. Expenditures

- Harbor dockage is at 50% of budget for the first half of the year. Only 4% of the repair and maintenance budget has been expended.

Page 3 – Capital Projects

- A payment of \$11,554 was made to HBA for work on the Municipal Center and Library project.

Page 4 – Tax Collection Rate

- Real property tax collection is at 95% of budget, 93% of what was billed.
- Vehicle assessments increased so much in 2022, that even though the personal property tax rate was cut in half by Council, the office still billed 145% of what was budgeted (based on last year's assessments.)
- Personal property taxes are not due until January 5th, 2023.

Page 5 – Tax Revenue Trends

- The decrease in harbor dockage over last year is likely due to a change in accounting method. The end of the fiscal year will bring the two methods into alignment and will be a better gauge of performance.
- Local business-related tax collections continue to increase. Transient Occupancy tax has more than doubled since 2020.
- Building permits and planning/zoning fees are 113% higher than in 2020, and 24% over 2021.

MUNICIPAL CORPORATION OF CAPE CHARLES
TREASURER'S REPORT
December 31, 2022

<u>Cash on Hand</u>	<u>11/30/2022</u>	<u>12/31/2022</u>	<u>Increase/ (Decrease)</u>
Atlantic Union Bank Checking Account	\$1,184,223	\$490,801	-\$693,422
Atlantic Union Bank Money Market Account	\$2,856,113	\$831,325	-\$2,024,788
LGIP Account 1 - Unrestricted	\$105,666	\$106,045	\$380
LGIP Account 2 - Unrestricted	\$305,825	\$307,032	\$1,206
Total Cash On Hand	\$4,451,827	\$1,735,203	-\$2,716,624

<u>Restricted and Reserved Cash Balances</u>	<u>11/30/2022</u>	<u>11/30/2022</u>	<u>Increase/ (Decrease)</u>
Atlantic Union Bank Checking Account - Police Funds	\$431	\$431	\$0
LGIP Account 2 - Restricted for USDA loan covenant	\$30,033	\$30,033	\$0
Atlantic Union checking Acct Library CD converted to cash	\$11,131	\$11,131	\$0
Atlantic Union Bank Checking Acct - E-Summons Revenue Rsrvd	\$9,810	\$9,890	\$80
US Bank - Reserved per VRA Interest Free Loan Requirements	\$258,143	\$258,834	\$691
Wells Fargo 2010 Debt Service pass through account #300	\$2,938	\$2,947	\$8
Wells Fargo 2010 Debt Service pass through account #308	\$769	\$771	\$2
Atlantic Union Money Market # ARPA CRF #5847	\$884,603	\$884,792	\$189
Virginia Investment Pool Liquidity Acct#1 Facility Fees Rsrvd (Utilities)	\$2,743,033	\$2,774,161	\$31,128
Virginia Investment Pool Liquidity Acct#2, Surety Bond Escrow Rsrvd	\$144,122	\$105,206	-\$38,915
Virginia Investment Pool Liquidity Unassigned	\$0	\$2,506,788	\$2,506,788
Total Cash Held in Reserve	\$4,085,013	\$6,584,984	\$2,499,971
Total Cash - All Accounts	\$8,536,840	\$8,320,187	-\$216,653

DEBT SERVICE

Net Debt as of Current Reporting Month End
(Excludes USDA vehicle and equipment loans)

\$5,582,148

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

December 31, 2022

REVENUE VS. EXPENDITURES

<u>FUND</u>	<u>CURRENT MONTH</u>	<u>PRIOR YEAR-TO-DATE</u>	<u>CURRENT YEAR-TO-DATE</u>	<u>INCREASE/ (DECREASE) YTD</u>	<u>ANNUAL BUDGET</u>	<u>% REALIZED/ EXPENDED FY23</u>
GENERAL Operations						
REVENUE	\$1,086,221	\$2,805,402	\$3,050,567	\$245,165	\$4,030,694	75.68%
EXPENDITURES	\$315,886	\$1,438,527	\$1,836,977	\$398,450	\$4,030,694	45.57%
NET	\$770,335	\$1,366,875	\$1,213,589	(\$153,286)	\$0	
GENERAL Capital						
REVENUE	\$4,231	\$42,030	\$48,693	\$6,663	\$1,950,314	2.50%
EXPENDITURES	\$11,554	\$7,824	\$174,123	\$166,299	\$1,950,314	8.93%
NET	(\$7,324)	\$34,206	(\$125,430)	(\$159,636)	\$0	
GENERAL Debt Service						
REVENUE	\$0	\$104,166	\$104,498	\$332	\$249,571	41.87%
EXPENDITURES	\$0	\$104,166	\$104,498	\$332	\$249,571	41.87%
NET	\$0	\$0	\$0	\$0	\$0	
GENERAL Special Activities						
REVENUE	\$0	\$201,564	\$567,270	\$365,706	\$919,350	61.70%
EXPENDITURES	\$0	\$245,578	\$61,460	-\$184,118	\$919,350	6.69%
NET	\$0	(\$44,014)	\$505,810	\$549,824	\$0	

MUNICIPAL CORPORATION OF CAPE CHARLES

TREASURER'S REPORT

December 31, 2022

REVENUE VS. EXPENDITURES

<u>FUND</u>	<u>CURRENT MONTH</u>	<u>PRIOR YEAR-TO-DATE</u>	<u>CURRENT YEAR-TO-DATE</u>	<u>INCREASE/ (DECREASE) YTD</u>	<u>ANNUAL BUDGET</u>	<u>% REALIZED/ EXPENDED FY23</u>
PUBLIC UTILITIES						
REVENUE - Operating	\$166,590	\$1,155,375	\$1,028,168	-\$127,207	\$2,137,020	48.11%
EXPENDITURES - Operating	\$73,922	\$697,706	\$766,342	\$68,636	\$1,120,101	68.42%
NET	\$92,668	\$457,669	\$261,826	(\$195,844)	\$1,016,919	
REVENUE - CAPITAL GRANTS, LOANS	\$0	\$0	\$0	\$0	\$0	#DIV/0!
REVENUE - FACILITY FEES	\$68,900	\$68,900	\$320,014	\$251,114	\$466,400	68.61%
EXPENDED - FACIL FEES, CAPITAL PROJECTS,DEBT SVC	\$68,900	\$68,900	\$481,539	\$412,639	\$1,016,919	47.35%
TOWN CONTRIB. & PENDING GRANTS	\$0	\$0	(\$161,525)	(\$161,525)	(\$1,016,919)	
HARBOR						
REVENUE - Operating	\$33,289	\$453,121	\$571,143	\$118,022	\$1,007,545	56.69%
EXPENDITURES - Operating	\$59,695	\$401,899	\$488,136	\$86,237	\$957,438	50.98%
NET	(\$26,407)	\$51,222	\$83,007	\$31,785	\$50,107	
REVENUE - GRANTS & LOANS	\$0	\$30,754	\$0	-\$30,754	\$41,893	0.00%
TRANSFERRED FM GEN FUND FOR DEBT SERVICE	\$0	\$33,094	\$32,825	-\$268	\$104,950	31.28%
EXPENDED - Capital Projects, Debt Svc	\$0	\$0	\$32,825	\$32,825	\$196,950	16.67%
TOWN CONTRIB. & PENDING GRANTS	\$0	\$63,847	\$0	(\$63,847)	(\$50,107)	
SANITATION						
REVENUE	\$23,080	\$123,138	\$139,995	\$16,857	\$442,253	31.65%
EXPENDITURES	\$24,056	\$91,405	\$128,064	\$36,659	\$442,253	28.96%
NET	(\$976)	\$31,733	\$11,931	(\$19,802)	\$0	

FY 2023 Capital Improvement Project Tracking Report

As of:
12/31/2022

	FY23 Status or Start Date	Percent of Completion	FY23 Budgeted	QTR 1 Expended	QTR 2 Expended	QTR 3 Expended	QTR 4 Expended	FY23 YTD Expended	(Over)/Under Budget
General Capital Fund									
Multi-Use Trails, Phase 3 Construction	<u>Pending</u>	1%	\$ 929,922	\$ 12,070	\$ -	\$ -	\$ -	12,070	\$ 917,852
Municipal Space Replacement Planning (ARPA)	<u>In process</u>	18%	\$ 550,000	\$ -	\$ 101,211	\$ -	\$ -	101,211	\$ 448,789
Library Upgrade & Condo-ization	<u>Pending</u>	0%	\$ 34,000	\$ -	\$ -	\$ -	\$ -	-	\$ 34,000
Mason Avenue Parking Lot Improvement	<u>Pending</u>	0%	\$ 20,000	\$ -	\$ -	\$ -	\$ -	-	\$ 20,000
Mason Avenue Restroom	<u>Pending</u>	0%	\$ 110,000	\$ -	\$ -	\$ -	\$ -	-	\$ 110,000
South Beach Restroom Renovation	<u>Pending</u>	0%	\$ 40,000	\$ -	\$ -	\$ -	\$ -	-	\$ 40,000
Gator for Public Works Staff	<u>Pending</u>	0%	\$ 26,500	\$ -	\$ -	\$ -	\$ -	-	\$ 26,500
Grounds Maintenance Equipment for PW	<u>In process</u>	73%	\$ 33,270	\$ 24,228	\$ -	\$ -	\$ -	24,228	\$ 9,042
Central Park Game Area for Adults (CCP)	<u>Pending</u>	40%	\$ 29,000	\$ -	\$ 11,614	\$ -	\$ -	11,614	\$ 17,386
Storage Facility (3 x conexes + roofing)	<u>Pending</u>	0%	\$ 20,000	\$ -	\$ -	\$ -	\$ -	-	\$ 20,000
Capital Project Contingency		0%	\$ 75,040	\$ -	\$ -	\$ -	\$ -	-	\$ 75,040
Public Trash Can Replacements, late FY22 project	<u>completed</u>	100%	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -	25,000	\$ -
subtotal	\$ -		\$ 1,892,732	\$ 61,298	\$ 112,825	\$ -	\$ -	174,123	\$ 1,718,609
Utility Fund -Water									
Keck Well Connection (Engineering)	<u>Pending</u>	0%	\$ 60,000	\$ -	\$ -	\$ -	\$ -	-	\$ 60,000
Utility Fund - Wastewater									
Sewer Pod Controller Upgrades Phase 2 of 5	<u>Pending</u>	0%	\$ 14,500	\$ -	\$ -	\$ -	\$ -	-	\$ 14,500
subtotal	\$ -		\$ 74,500	\$ -	\$ -	\$ -	\$ -	-	\$ 74,500
Harbor Fund									
Fuel System-Relocate Emergency Stop Switches	<u>Pending</u>	0%	\$ 10,000	\$ -	\$ -	\$ -	\$ -	-	\$ 10,000
Fuel Management System Replacement	<u>Pending</u>	0%	\$ 42,000	\$ -	\$ -	\$ -	\$ -	-	\$ 42,000
Inner Harbor King Pile & Waler Replacement Design	<u>Pending</u>	0%	\$ 40,000	\$ -	\$ -	\$ -	\$ -	-	\$ 40,000
subtotal	\$ -		\$ 92,000	\$ -	\$ -	\$ -	\$ -	-	\$ 92,000
TOTAL	\$ -		\$ 2,059,232	\$ 61,298	\$ 112,825	\$ -	\$ -	174,123	\$ 1,885,109

*ITEMS WITH CURRENT MONTH ACTIVITY ARE IN BOLD PRINT

MUNICIPAL CORPORATION OF CAPE CHARLES

December 31, 2022

YTD 2022 Real Estate Tax Collections

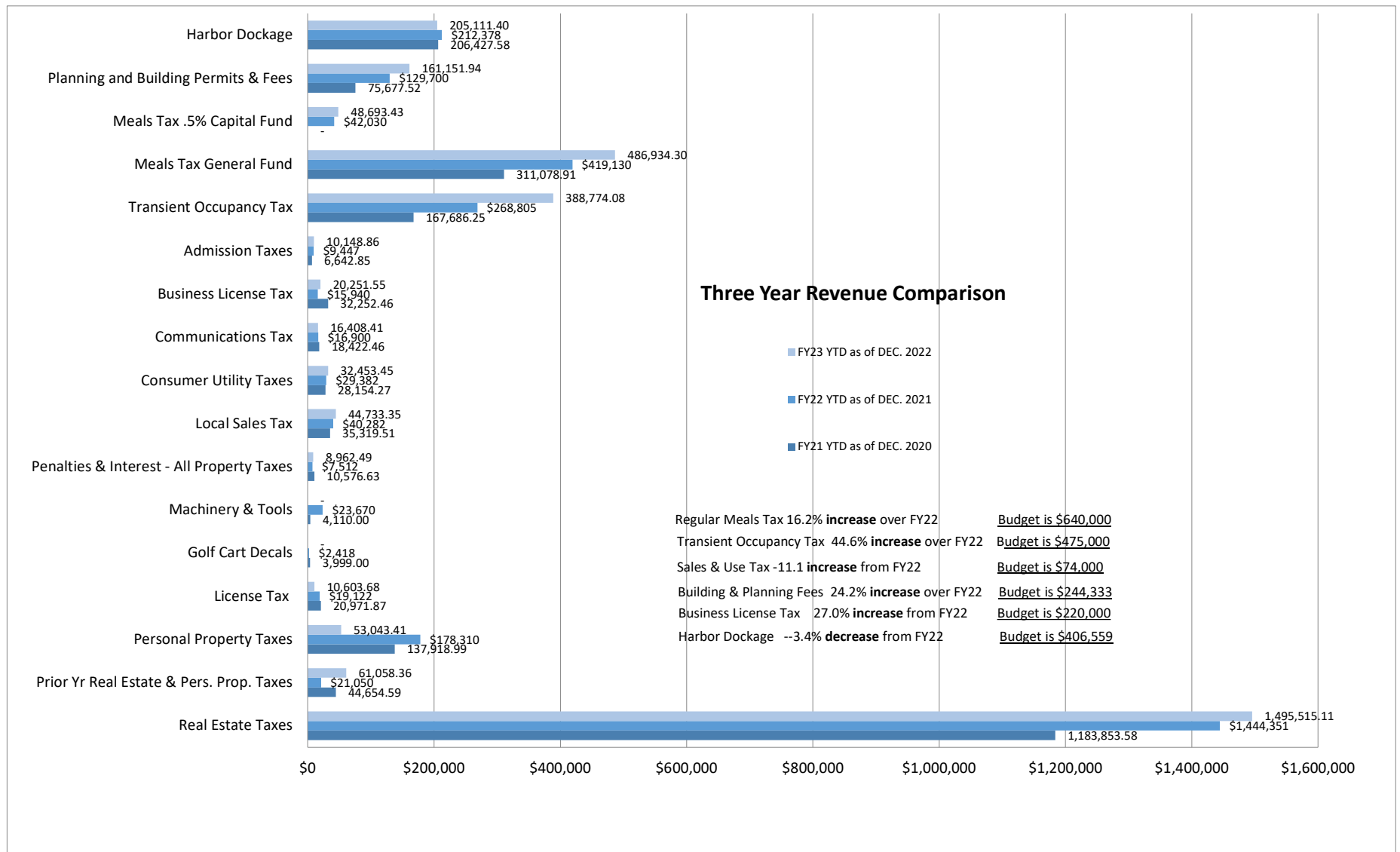
Total Taxable Land Value	302,643,900	
Total Improvement Value	447,005,000	
Exemptions	(9,455,398)	
Additional Assessments (SCC Utility)	4,074,010	
Total Real Estate Value (taxable)	744,267,512	
 Total Budgeted	 1,569,242	
Total Tax Billed	1,606,830	
Total Adjustments	447	
Total Collected YTD (percent of billed)	<u>1,495,515</u>	93%
Amount Due per Accounts Receivable	111,762	

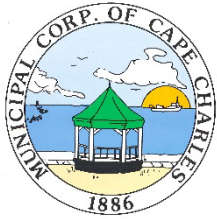
**YTD 2022 Personal Property Tax, Machinery and Tools Tax
& 2021 License Tax Collections**

Total Personal Property Value	23,243,305	
2022 Reduction Due to Proration	(879,146)	
Personal Property Billable Valuation	22,364,159	
2022 PPTRA Valuation Reduction	(9,568,117)	
 2022 Supplemental Assessments	 -	
2022 Supplemental PPTRA & Exonerations	-	
Personal Property Value, billed	-	
Total Value for 2022 & 2022 Supplemental	23,243,305	
 Total Budgeted	 140,000	
Total Tax Billed less PPTRA	204,003	
2022 Supplemental Tax Billing	-	
Total Adjustments & Additional Exonerations	15,936	
Total Collected YTD (percent of billed)	<u>53,043</u>	24%
Amount Due per Accounts Receivable	135,023	

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

Total Budgeted	76,462	
Total Collected (percent of budget)	<u>70,021</u>	92%
Amount Due Per Budget	6,441	





*Municipal Corp. of
Cape Charles*

The undersigned Clerk of the Council of the Town of Cape Charles, Virginia (the “Town”), hereby certifies that:

1. A meeting of the Council of the Town (the “Council”) was duly called and held on February 16, 2023 (the “Meeting”).
2. Attached hereto is a true, correct and complete copy of Resolution 20230216 (the “Resolution”) of the Town entitled as recorded in full in the minutes of the Meeting, duly adopted by a majority of the members of the Council present and voting during the Meeting.
3. A summary of the members of the Council participating at the Meeting and the recorded vote with respect to the foregoing Resolution as set forth below:

<u>Member Name</u>	<u>Present</u>	<u>Absent</u>	<u>Voting</u>		
			<u>Yes</u>	<u>No</u>	<u>Abstaining</u>
Adam Charney, Mayor	X				
Steve Bennett	X		X		
Andy Buchholz	X		X		
Ken Butta	X		X		
Andrew Follmer		X			
Paul Grossman	X		X		
Tammy Holloway	X		X		

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

Witness my signature and the seal of the Town of Cape Charles, Virginia this 16th day of February 2023.

Clerk of the Council
Town of Cape Charles, Virginia

(Seal)

TOWN OF CAPE CHARLES, VIRGINIA

RESOLUTION 20230216

**OPPOSING POTENTIAL LEGISLATION TO RESTRICT A
LOCALITY'S ABILITY TO MANAGE SHORT TERM RENTALS**

WHEREAS, the Mayor and Town Council of Cape Charles are committed to protecting the quality of life and property rights of all town citizens; and

WHEREAS, short-term rentals, while being an important part of the Cape Charles economy, continue to grow in number, impacting traditional lifestyles, and are creating a lack of much needed affordable, long-term rental units and workforce housing; and

WHEREAS, the Virginia General Assembly is currently considering legislation - Senate Bill 1391 and House Bill 2271, which would significantly curtail the locality's ability to regulate by ordinance any short-term rental property managed by a Virginia realtor, while providing economic advantages to such realtors; and

WHEREAS, the argument that the state licensure process for realtors provides localities with improved protections is tantamount to saying that local building code officials no longer need to inspect work done by state licensed contractors, an unsupportable notion; and

WHEREAS, the circumstances, impacts, and benefits surrounding short term rental units are distinctly different for each community throughout the Commonwealth; and

WHEREAS, a statewide, one-size-fits-all solution to such a uniquely local issue, is not only a disservice to all constituents, but fundamentally erodes the very concept of local self-governance; and

WHEREAS, the Town of Cape Charles believes the enactment of such legislation could violate the property rights of Cape Charles citizens and effectively eliminate the Town's ability to manage this important housing option for its residents, which is currently allowed through the Town's Comprehensive Plan and Zoning Ordinance.

NOW, THEREFORE BE IT RESOLVED, that the Town Council of the Town of Cape Charles opposes SB 1391, HB 2271, or any other similar legislation.

Adopted this 16th day of February 2023

TOWN OF CAPE CHARLES

By: _____
Mayor

ATTEST:

Town Clerk