



TOWN COUNCIL

Special Meeting

April 9, 2020

(Rescheduled from April 8 Due to Internet Issues)

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. Business, Professional and Occupational License (BPOL)
 - *B. Fee Payments
5. Adjournment

April 8, 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 review the possible deferral of business, professional and occupational license (BPOL) taxes and certain fees without penalty and interest.
- 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: Business, Professional, and Occupational License Tax		AGENDA DATE: April 8, 2020
	SUBJECT/PROPOSAL/REQUEST: Deferral of payment of business, professional, and occupational license tax, without penalty and interest		ITEM NUMBER: 4A
	ATTACHMENTS: Ordinance 20200408A		FOR COUNCIL: Action (X) Information ()
	STAFF CONTACT (s): John Hozey	REVIEWED BY: John Hozey, Town Manager	

BACKGROUND:

The Coronavirus (COVID-19) situation has escalated significantly over just the past few weeks. Following the declaration of emergencies by both the Commonwealth of Virginia and Northampton County, the Town adopted a Declaration of Local Emergency on March 30. This provides the town manager with some flexibility to deal with the crisis, but it does not provide the town manager authority to change requirements that would otherwise need action by ordinance. With Governor Northam's recent stay-at-home order pushing the time horizon of this crisis well into June; several local codified deadlines may begin to constitute a hardship for our residents and businesses.

DISCUSSION:

To help provide some relief to our struggling local businesses, the Town has been searching for means to assist with short-term cash flow requirements. The business, professional and occupational license (BPOL) tax is currently due on April 15. The ordinance under consideration would extend this deadline without penalty or interest. The underlying tax will still be due the Town, but payment could be delayed until such time business revenue begins to rebound. The date of deferral is flexible, and Council may set any date it chooses (NLT December 5), but to provide meaningful relief, staff recommends September 30.

While our business community is no doubt in a tough spot during this crisis, it must also be pointed out that the Town will suffer financial distress as well. Deferring BPOL revenue into next fiscal year will be felt as lost revenue in this fiscal year. Additionally, it is reasonable to expect the COVID-19 effect will reduce other budgeted tax revenues for this fiscal year (Meals, TOT, Sales). It is still unclear what effect this will have on our current budget, but it will have an effect, and so it is prudent to consider a conservative posture as soon as possible.

RECOMMENDATION:

Despite the financial difficulty this will create for the Town, staff recommends approval of this ordinance. Future budget adjustments will be brought forward to accommodate lost revenues once a better understanding of the COVID-19 effect on our budget is understood.

“Move to adopt Ordinance #20200408A deferring the payment of business, professional, and occupational license tax, without penalty and interest, to mitigate adverse economic impacts suffered by businesses as a result of the COVID-19 pandemic disaster”

ORDINANCE 20200408A

AN ORDINANCE DEFERRING THE PAYMENT OF BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX, WITHOUT PENALTY AND INTEREST, TO MITIGATE ADVERSE ECONOMIC IMPACTS SUFFERED BY BUSINESSES AS A RESULT OF THE COVID-19 PANDEMIC DISASTER.

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, thereby invoking emergency powers given localities under §§ 15.2-1431 and 44-146.21; and

WHEREAS, in order to prevent the spread of COVID-19, Governor Northam has issued Executive Order Fifty-Three and Executive Order Fifty-Five, closing certain businesses and restricting the operations of others; and

WHEREAS, the COVID-19 pandemic has negatively impacted businesses operating in the Town of Cape Charles, making it difficult or impossible for many to bring in revenue; and

WHEREAS, pursuant to Chapter 38 of the Code of the Town of Cape Charles, businesses are assessed a business, professional and occupational license (BPOL) tax due on April 15; and

WHEREAS, reductions in revenue will severely hamper the ability of businesses to make the BPOL tax payment until such time that the COVID-19 disaster has receded, and normal business operations have resumed; and

WHEREAS, in order to assist local businesses impacted by the COVID-19 pandemic, the Town Council finds that the due date for BPOL tax in 2020 should be extended, without penalty or interest; and

WHEREAS, the Town Council further finds that the protection of the public health and the promotion of economic vitality are essential governmental objectives and constitute legitimate public purposes.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Cape Charles, Virginia, that notwithstanding any other law, ordinance, or regulation, including anything to the contrary in the Town Charter or Chapter 38 of the Town Code, that:

1. The BPOL tax due date shall be extended from April 15 to _____, 2020.
2. The Town Treasurer shall not assess any penalty or interest on BPOL taxes paid on or before the extended due date.
3. The Town Council reserves authority to extend the BPOL tax due date to a date no later than December 5, 2020, as may be deemed necessary to assist the businesses in the Town of Cape Charles during this time of local emergency and disaster.

ADOPTED by the Council of the Town of Cape Charles, Virginia, this 8th day of April 2020.

By: _____
Mayor

ATTEST:

Town Clerk



**TOWN OF
CAPE CHARLES**

AGENDA TITLE: Fee Payments

AGENDA DATE:
April 8, 2020

SUBJECT/PROPOSAL/REQUEST: Deferral of payment of certain deadlines and fees, without penalty and interest

ITEM NUMBER:
4B

ATTACHMENTS: Ordinance 20200408B

FOR COUNCIL:
Action (X)
Information ()

STAFF CONTACT (s):
John Hozey

REVIEWED BY:
John Hozey, Town Manager

BACKGROUND:

The Coronavirus (COVID-19) situation has escalated significantly over just the past few weeks. Following the declaration of emergencies by both the Commonwealth of Virginia and Northampton County, the Town adopted a Declaration of Local Emergency on March 30. This provides the town manager with some flexibility to deal with the crisis, but it does not provide the town manager authority to change requirements that would otherwise need action by ordinance. With Governor Northam's recent stay-at-home order pushing the time horizon of this crisis well into June; several local codified deadlines may begin to constitute a hardship for our residents and businesses.

DISCUSSION:

To help provide some relief to our residents during an uncertain time, the Town has been searching for ways to ease their interactions with the Town and to provide the flexibility they may need to deal with the requirements/restrictions imposed as a result of the COVID-19 crisis. Where within existing authority, the town manager will authorize payment plans and extensions of deadlines for normal business activities between residents and the Town. However, where such requirements are set by ordinance, Council action is required. The ordinance under consideration will broaden the town manager's authority in this area, and specifically authorize the extension of due dates without penalty for utilities and golf cart licenses.

Should it be necessary to extend deadlines for fees due the Town beyond July 1, such revenue would show as a loss in the current fiscal year, perhaps exacerbating the anticipated fiscal strain the COVID-19 effect will have on the Town's finances.

RECOMMENDATION:

Despite potential fiscal implications, staff recommends approval of this ordinance.

"Move to adopt Ordinance #20200408B, deferring the payment of certain fees, without penalty and interest, to mitigate adverse economic impacts suffered by the inhabitants and businesses of the Town of Cape Charles as a result of the COVID-19 pandemic disaster"

ORDINANCE 20200408B

AN ORDINANCE DEFERRING THE PAYMENT OF CERTAIN FEES, WITHOUT PENALTY AND INTEREST, TO MITIGATE ADVERSE ECONOMIC IMPACTS SUFFERED BY THE INHABITANTS AND BUSINESSES OF THE TOWN OF CAPE CHARLES AS A RESULT OF THE COVID-19 PANDEMIC DISASTER

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, thereby invoking emergency powers given localities under §§ 15.2-1431 and 44-146.21; 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 individuals to stay at home, closing certain businesses, and restricting the operations of other businesses; and

WHEREAS, as a result of the COVID-19 pandemic, many of the Town's inhabitants and businesses have lost, and will continue to lose, wages and revenue due to business closures, employee furloughs, reductions in force, reductions in hours, and illness; and

WHEREAS, reductions in wages and revenue will make it difficult for some inhabitants and businesses to make timely payment of fees for water and sewer services; trash collection; local licenses for golf carts; and similar services and licenses that are due prior to the expiration of Executive Order Fifty-Five on June 10, 2020; and

WHEREAS, in order to assist the Town's inhabitants and businesses impacted by the COVID-19 pandemic, the Town Council finds that the due dates for certain service and license fees due before June 10, 2020, should be extended without penalty or interest; and

WHEREAS, the Town Council further finds that the protection of the public health, safety and welfare, and the promotion of economic vitality are essential governmental objectives and constitute legitimate public purposes.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Town of Cape Charles, Virginia, that notwithstanding any other law, ordinance, Charter provision, regulation, or policy, the Town Manager is authorized and directed to extend the due dates for the following fees and licenses, without penalty, interest, or other late charge, to a date he deems reasonable:

1. Water and sewer fees assessed under § 72-7 of the Town Code.
2. Trash collection charges assessed under § 58-28 of the Town Code.
3. License fees for golf carts assessed under §42-31c of the Town Code.
4. Any other fee or charge due before June 10, 2020, which, in the opinion of the Town Manager, will work a financial hardship on the Town's inhabitants and businesses, provided that such due date is not mandated by state or federal law.

The Town Treasurer shall not assess penalty, interest or any other late charge on any fee extended by this ordinance or by exercise of the authority given to the Town Manager hereunder. The Town Manager is directed to inform the Town Treasurer, and publish notice on the Town's website, of all due dates extended under this ordinance or by exercise of the authority given hereunder.

By: _____
Mayor

ATTEST:

Town Clerk