



TOWN COUNCIL
Special Meeting
Cape Charles Civic Center
via Electronic Communications
April 9, 2020
6:30 PM

This Special Meeting of the Cape Charles Town Council was held by video conference in accordance with Code of Virginia § 2.2-3708.2, subsection A.3, resulting from Governor Northam's March 12, 2020 declaration of a state of emergency for the Commonwealth of Virginia arising from the Novel Coronavirus (COVID-19) pandemic. It was deemed impractical and unsafe to assemble physically due to the highly contagious nature of COVID-19.

The purpose of this meeting was to review the possible deferral of business, professional and occupational license (BPOL) taxes and certain fees without penalty and interest. An audio recording was made of the meeting, and the meeting was also live-streamed on Facebook, as well as video-taped for viewing from the Town's website after processing. Public comments were accepted in writing prior to the meeting. Viewers could also submit their comments via Facebook Live and emails to the clerk.

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 Town Clerk Libby Hume and Community Relations Manager Jennifer Lewis. In attendance via Zoom were Mayor Dize, Vice Mayor Bennett, Councilmen Bannon, Buchholz and Grossman, Councilwomen Burge and Holloway, and Town Manager John Hozey. There were no members of the public physically in attendance.

PUBLIC COMMENTS (AGENDA ITEMS ONLY):

Town Clerk Libby Hume read three comments submitted in writing prior to the meeting. (Please see attached.)

SPECIAL MEETING ORDER OF BUSINESS:

A. *Business, Professional and Occupations License (BPOL):*

Town Manager John Hozey stated that staff had been searching for means to assist local businesses with short-term cash flow requirements. The BPOL tax was currently due on April 15. The ordinance under consideration would extend this deadline for payment, not repeal the tax. The extended date was flexible and could be any time before December 5, 2020. Staff's recommendation was to extend the due date to September 30.

Mayor Dize read Ordinance 20200408A.

Motion made by Councilman Grossman, seconded by Vice Mayor Bennett, to adopt 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 and extending the due date to September 30, 2020.

There was discussion as follows: i) Extending the due date for BPOL would have an impact on the Town's revenue for this fiscal year; and ii) Some business owners had already submitted their BPOL tax payments estimating their revenue prior to the pandemic. These business owners would be provided the opportunity to adjust their revenue estimates.

The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Buchholz, yes; Burge, yes; Grossman, yes; Holloway, yes.

B. *Fee Payments:*

John Hozey stated that staff had been searching for ways to assist residents during this uncertain time. The ordinance under consideration would authorize the town manager to extend due dates for i) water and sewer fees; ii) trash collection charges; iii) license fees for golf carts; and iv) any other fee or charge due before June 10, 2020, which, in the town manager's opinion would work a financial hardship on the residents and businesses in the Town, provided that such due date was not mandated by state or federal law. No penalties, interest or other late charges would be assessed. John Hozey continued to state that Item 4 of the ordinance gave the town manager broad authority to make decisions regarding a number of fees or charges and he wanted it on the record that he intended to waive credit card fees during this period since the Town was requiring citizens and businesses to deal electronically with the Town.

Mayor Dize read Ordinance 20200408B.

Motion made by Councilman Grossman, seconded by Councilwoman Holloway, to adopt 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.

There was discussion as follows: i) There would also be no cutoffs for non-payment during this period; and ii) Council members expressed their support of waiving the credit card fees; and iii) Residents and businesses would be notified accordingly.

The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Buchholz, yes; Burge, yes; Grossman, yes; Holloway, yes.

Motion made by Vice Mayor Bennett, seconded by Councilman Buchholz, to adjourn the Town Council Special Meeting. The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Buchholz, yes; Burge, yes; Grossman, yes; Holloway, yes.

The meeting adjourned at 6:51 p.m.

Mayor Dize

Town Clerk

**Comments Provided in Writing
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Lisa Guzzardo, 156 Sunset Blvd

I appreciate the possibility of the lifting of penalties on late utility payments...I hope that those who are able to pay their bills still pay them. I assume there is benefit to the town in receiving utility bill payments on time. If this is so this should be mentioned during the council meeting. We will pay ours on time.

Also, I'm curious about timing for reactivating the Historic Review Board. Why are they not working remotely to continue approvals? Are they doing other emergency related activities or just doing nothing? My sister is planning to have a house built in town this year. Keeping approvals moving will benefit the overall economy of the town. Builders are still building homes but will soon run out of work if approvals don't start soon.

Thanks very much!
Lisa Guzzardo

Kate Rooney

Hello Town Council,

I am in favor of the two new ordinances that you will be considering tomorrow evening. I am in favor of electronic participation by council members.

Thank you,
Kate Rooney

Margaret Ballard, 115 Mason Avenue, #302

Dear Mayor Dize and Honorable Members of the Cape Charles Town Council,

I sincerely applaud your proposal to eliminate the onerous BPOL/gross receipts tax for Cape Charles businesses. Your initiative is courageous, smart and will allow the businesses in Cape Charles to have another survival tool in their toolkits as we move through these horrendous times.

I retired two years ago as Vice President, Advocacy, for the Hampton Roads Retail Alliance and the statewide Virginia Retail Federation. During the last 20 years of my career, I worked for these retail trade associations primarily representing small, independent retailers and service businesses at the Virginia General Assembly, local governments and the federal government.

For 15 years, my co-advocates and I fought to eliminate the BPOL tax at the state and local levels. In our research, we found that the tax was implemented to help Virginia finance the War of 1812 and had not been changed. The issue was originally brought to our attention by Mr. Ben Willis, Willis Wayside furniture in Virginia Beach, who hated the tax. He brought to our attention that BPOL is an unfair way to collect taxes on gross receipts before businesses attained their net income. We had many, many businesses, like Miller Oil Company in Norfolk, Taylor's Do-It Center in Virginia Beach and others who came to the General Assembly to testify. The legislature would not budge even though we proposed legislation that would roll back the tax and gradually replace it with other revenues. Finally, in 2011 Senator Frank Ruff carried a bill for us that passed, allowing localities to forgive gross receipts for businesses with \$1million and under. Only three cities chose to go this route; Norfolk, Virginia Beach and Herndon in Northern Virginia. And now, Cape Charles!

Your elimination of the tax will not only support the survival of existing businesses but will also help attract new businesses once we are back to a healthy economy. Thank you.

Best regards,
Margaret Ballard