



TOWN COUNCIL

Special Meeting

Town Hall
May 1, 2014
6:00 PM

At 6:00 p.m., Mayor Dora Sullivan, having established a quorum, called to order the Special Meeting of Town Council. In addition to Mayor Sullivan, present were Vice Mayor Bannon, Councilmen Bennett, Godwin, Sullivan and Wendell, and Councilwoman Natali. Also present were Town Manager Heather Arcos, Assistant Town Manager Bob Panek, Treasurer Debbie Pocock, Harbor Master Smitty Dize, and Town Clerk Libby Hume. There were three members of the public in attendance.

Mayor Sullivan announced the business for the evening would be to discuss i) Changing the day of the May Regular Meeting; and ii) Clarification of changes made to the Town Code regarding Transient Occupancy Tax.

PUBLIC COMMENTS

There were no public comments heard or any comments submitted in writing prior to the meeting.

A. Changing Day of May Regular Meeting:

Mayor Sullivan stated that the Cape Charles Yacht Center had scheduled their Launch Ceremony which included a number of Federal, State and Local Dignitaries for May 15, 2014 beginning at 5:00 PM. The Town supported this project which would promote economic development, growth and add much needed jobs. If Council wanted to participate in this ceremony, the May Regular Meeting would have to be rescheduled.

Motion made by Vice Mayor Bannon, seconded by Councilwoman Natali, to adopt Resolution 20140501 to change the day of the May 2014 Cape Charles Town Council Regular Meeting to May 22, 2014. The motion was approved by majority vote. Roll call vote: Bannon, yes; Bennett, yes; Godwin, yes; Natali, yes; Sullivan, no; Wendell, yes.

B. Clarification of Changes Made to Town Code Regarding Transient Occupancy Tax:

Town Manager Heather Arcos stated that on April 22nd, Council reviewed Ordinance 20140422 – Revising Chapter 66-Taxation, Article IV-Transient Occupancy Tax, Sections 66-55 through 66-76 which was written to become effective on July 1, 2014. The main changes were i) removal of the requirement that 1% of the Transient Occupancy Tax (TOT) be forwarded to the Eastern Shore of Virginia Tourism Commission (ESVTC); and ii) increase of the TOT rate to 3.7%. After hearing public comments regarding the business owners having to reprogram their accounting systems, websites, etc. as well as the impact for visitors who had already paid for their vacations, Council approved the effective date of January 1, 2015. As adopted, all the changes would take effect January 1, 2015 and the Town would continue to accrue 1% of the TOT for the ESVTC until January 1, 2015. Heather Arcos asked whether that was Council's intent when the Ordinance was adopted. If that was not the intent, Robert's Rules of Order allowed Council, by a majority vote of the entire membership, to rescind the original vote, as long as the subject of the vote had not been acted upon.

There was some discussion and Council was in agreement that the January 1, 2015 effective date was meant for the rate increase only. Council reviewed the proposed change to Section 66-57 which outlined this change.

Mayor Sullivan referred to written comments provided by Ms. Donna Olney Kohler and Councilman Wendell requested that she be permitted to read her comments. (Please see attached.)

Motion made by Councilman Bennett, seconded by Councilwoman Natali, to rescind the motion relating to the adoption of Ordinance 20140424 regarding Transient Occupancy Tax which was adopted at the April 24, 2014 meeting. The motion was approved by unanimous vote. Roll call vote: Bannon, yes; Bennett, yes; Godwin, yes; Natali, yes; Sullivan, yes; Wendell, yes.

Motion made by Councilwoman Natali, seconded by Councilman Bennett, to adopt Ordinance 20140424 Revising Chapter 66-Taxation, Article IV-Transient Occupancy Tax, Sections 66-55 Through 66-76 effective July 1, 2014 and with January 1, 2015 as the effective date of the .7% increase. The motion was approved by majority vote. Roll call vote: Bannon, yes; Bennett, yes; Godwin, yes; Natali, yes; Sullivan, yes; Wendell, no.

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

Mayor Sullivan

Town Clerk

Comments Read By Ms. Donna Olney Kohler

My name is Donna Olney Kohler and I live at 711 Tazewell Avenue.

You have a draft dated April 24, 2014 for a transition plan for the Cape Charles By the Bay program. In your discussions, I would ask Council to consider removing Paragraph 2 under Additional Considerations which recommends development of a tourism board, and goes further to suggest what type of representation should be included in such a board.

Let's focus on the problem at hand, transitioning the website from one owner to another, and not get sidetracked by other issues.

Arts Enter hosted a meeting at Town Hall on April 16th to explain the Our Town grants. The discussion was that there is a need to work together but perhaps the better idea was to have an ad hoc, exploratory committee to decide what the needs are before forming any board or commission. There was discussion about not just focusing on tourism, but possibly also economic development. The Town's needs might be greater than simply having a group of volunteers decide how to allocate transient occupancy tax collections. Rather than form a board now, let's take the time to figure out what do we really need and want.

I do need to clarify that I am involved in Cape Charles By the Bay and have been responsible for the social media and advertising. My husband maintains the website. Neither of us are part of the Our Town committee.

I have been coming to Council these past few months because although I work on Cape Charles By the Bay, Our Town has not asked for my opinion or input for project sustainability or transition. I am also a member of the Cape Charles Bed & Breakfast Association which is technically the owner of the website. The association has not been asked for our thoughts or input either.

I say this because ideas are sometimes presented to Council but you don't necessarily have all of the information needed to make a well-informed decision. I believe that is the case here.

I thank Mayor Sullivan, Heather Arcos, and the Councilors who have reached out to ask questions for a better understanding of what you are being asked to do.