

TOWN COUNCIL WORK SESSION

Monday, June 1, 2020 at 7:00 P.M.

Online via WebEx

1. Local Allocation for Federal Coronavirus Aid Relief and Economic Security – Interim Town

Manager Tederick expressed his excitement that the Town would be receiving between \$1 - \$1.5 Million from Warren County through the Federal CARES Act. He explained that the funds can be used for expenses not covered by FEMA as well as for economic recovery and delinquent utility bills. Town Finance Director Wilson added that the funds must be used by December 31, 2020.

Mayor Tewalt informed Council that in a meeting attended by Vice Mayor Sealock and himself, County officials recommended splitting the total funds in half and using \$1.7 million for a joint economic recovery plan to help small businesses and splitting the remaining \$1.7 million between Town and County to be allocated however they choose. They also recommended using \$60,000 off the top to aid the Chamber of Commerce.

Councilman Gillispie stated that he would like to see funds come straight to the town to administer, noting his agreeance in allocating \$30,000 for the Chamber. He expressed his belief that the majority of the money should go to help small businesses.

Councilman Thompson questioned if the Town could administer the funds themselves or needed to go through a third party. Councilman Gillispie asked which third party the County would be using for distribution. Vice Mayor Sealock explained that either the Front Royal/Warren County EDA or the Chamber of Commerce should be used as the third party. He added that in his meeting with the County, he explained that the Town already had a plan for economic recovery that is 'ready to go.' Councilman Thompson expressed her desire to be able to see the numbers proposed by the County before making an official decision.

Councilman Gillispie requested the Town Attorney 'weigh in.' Mr. Napier explained that he would need to take a deeper look at the formal wording of the CARES Act, but his initial assessment was that what the Board of Supervisors was suggesting is not legal. Mayor Tewalt stated that all the CARES Act funding had already been distributed to the County. Mr. Napier noted that the County has a legal requirement to share those funds.

Councilman Cockrell asked if there was another option. Councilman Thompson suggested Council table the discussion until the proper numbers and documentation from the County was presented to them. Vice Mayor Sealock requested Town Staff meet with County Administrator, Doug Stanley, to discuss the plan. Mr. Tederick said he was happy to schedule the meeting and admitted this was the first he was hearing of the proposal.

Councilman Holloway reminded Council the Town already has a good economic recovery plan in place. Councilman Cockrell stated her reluctance to give the County any answer until Council had seen all the options. She added that Small Businesses located in the Town pay taxes to both the Town and the County so the County should include them in their recovery plan. Councilman Meza

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stated his understanding of the benefits of using one process but that the Town is already set in a direction for recovery.

Mayor Tewalt added that the County could use the EDA as its third-party distributor while the Town would use the Chamber of Commerce. He suggested tabling the discussion further. Council agreed. He also requested he be present for the meeting between Town and County Staff.

2. **Continued Discussion of Local Economic Recovery** – Councilman Meza suggested the Town move forward with their Economic Recovery Plan. Councilman Thompson asked if the Town could still use a third party if they start now. Mr. Wilson explained that the suggestion through the CARES Act is to use a third party to distribute relief to businesses but that relief for delinquent utility accounts might be the exception. Mr. Tederick added that the Town should use a third party for transparency and an unbiased view.

Councilman Meza asked if the third party could be a board of citizens. Mr. Wilson explained that a board would need the ability to accept funds and then distribute them. Mr. Napier added that the Virginia Constitution states that local governments are prohibited from lending aid to private entities but can make gifts and grants to non-profits – specifically Chambers of Commerce.

Councilman Cockrell mentioned citizen feedback she had received about concerns for taking funds from the Town's reserves that would negatively impact services or increase taxes in the future. She added that if she knew the money from the CARES Act would be coming back to the Town she would be prepared to move forward.

Mr. Tederick reminded Council that their economic recovery plan included the distribution of \$1 million to Town businesses versus the distribution of \$1.7 million to BOTH town and County businesses.

Councilmen Meza and Gillispie both stated their belief that the Town should move forward with their Economic Recovery Plan as soon as possible. Mr. Wilson agreed that by the time Town Staff would be ready to cut their first check they should have received the funds from the County.

3. **Town EDA Discussion** – Councilman Gillispie opened by stating that the Front Royal/Warren County EDA brand is hugely damaged and will have a hard time attracting businesses in the future. He added that if the Town 'buys back' into the EDA they could become responsible for their debts. Councilman Meza explained that a Town EDA would give the ability to buy some of the blighted buildings, clean them up, and get them ready for businesses. He stated there are more advantages than disadvantages, with minimal cost, if any, to the Town. He closed by saying that the Town has already laid the groundwork but just needs to take the next steps.

Mr. Tederick presented an outline of dates to create a Town EDA by July 1st. The first notice would have to go out on June 3rd. Council all agreed to move forward.

4. **Chamber of Commerce Request for Funding** – The Chamber of Commerce requested \$5,000 per month through the end of the year for a total of \$30,000 from the town for operating expenses. They were unable to hold their largest fundraiser, The Virginia Wine and Craft Festival, due to COVID-19. Mr. Tederick recommended the Town use a portion of the CARES Act funding as the first option to aid the Chamber of Commerce. No Chamber members were present for the discussion.

Councilman Thompson explained she had many questions and wished to speak with a member of the Chamber before deciding. Councilman Meza stated his approval of lending the Chamber aid. He added that their events benefit the entire town. Council requested they hold a work session immediately following their next regular meeting in order to have a discussion with a Chamber representative. Councilman Meza suggested Council approve \$5,000 for the first month and make a decision about the rest of the year after their meeting.

5. **NSVRC Non-Elected Representative Term Expires** – Mr. Tederick explained that the non-elected representative for the NSVRC position is currently vacant. He recommended Interim Planning and Zoning Director, Chris Brock, be appointed until a new Director is hired. Council agreed.
6. **Closing Drive-Thru on Saturdays** – Mr. Wilson presented Council with an outline of total payments received through the Drive-thru on Saturdays. The number has decreased significantly since 2013 and he believes Town Finance Staff could better utilize their time during the week. Councilman Cockrell stated that she believes in what is most convenient for citizens. Councilman Thompson added that the drop box is open 24/7 so she saw no issue in closing the drive-thru on Saturdays. Councilman Gillispie agreed. Mr. Tederick said he would have Town Staff put out a public notice.
7. **2020 FR 5, 6, & 7 Basins Manhole Frame & Cover Replacements** – Mr. Wilson explained that as part of the DEQ Consent Order and in order to move forward with correcting the Town's inflow and infiltration abatement he recommended Council move forward with the project. He noted that funds could be used out of the fund balance and then reimbursed through financing. Mayor Tewalt asked Town Staff to add the project to the Agenda for the next Council Meeting.

Additional Discussion – Councilman Cockrell questioned if there was a plan in place for the continued weekend closing of Main Street. Mr. Tederick explained that the current process has required Family Fun Day Inc to pull a special even permit to allow the street closure. He recommended Council grant the Town Manager the authority to close streets during a pandemic, as necessary. This would allow him to authorize the Main Street closure through the end of fall without the need for a special event permit. Mr. Tederick also commended the Towns Public Works Department for their assistance in the set-up and clean-up over the weekend.

Councilman Cockrell added that it would be helpful for businesses to know the timeline so they can better prepare. Councilman Thompson questioned if Council could vote on the dates of

closure so 'then it's done.' Mr. Tederick noted that the Towns Legal Department recommended adding it to the consent agenda for an official vote.

8. Closed Meeting – Bond Repayment

Councilman Cockrell moved, seconded by Councilman Gillispie, that Council convene and go into Closed Meeting for the following purposes concerning the motion to discuss or consider a bond repayment resolution regarding recent large scale construction the Town has been involved in, under the following provisions of the Freedom of Information Act:

(1) The investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the Town would be adversely affected, pursuant to Section 2.2-3711. A. 6. of the Code of Virginia.

(2) The award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an Open Meeting would adversely affect the bargaining position or negotiating strategy of Town Council, pursuant to Section 2.2- 3711. A. 29. of the Code of Virginia.

(3) Consultation with legal counsel and briefings by staff members or consultants pertaining to actual litigation, where such consultation or briefing in Open Meeting would adversely affect the negotiating or litigating posture of Town Council pursuant to Section 2.2-3711. A. 7. of the Code of Virginia.

(4) Consultation with legal counsel employed Town Council regarding specific legal matters requiring the provision of legal advice by such counsel, pursuant to Section 2.2-3711. A. 8. of the Code of Virginia.

Vote: Yes – Councilmen Sealock, Cockrell, Gillispie, Holloway, Meza and Thompson

No – N/A

Abstain – N/A

Absent – N/A

ROLL CALL

Councilman Gillispie moved, seconded by Councilman Holloway that Council certify that to the best of each member's knowledge, as recognized by each Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.

Vote: Yes – Mayor Tewalt, Councilmen Sealock, Cockrell, Gillispie Holloway, Meza and Thompson

No – N/A

Abstain – N/A

Absent – N/A

ROLL CALL

Mayor adjourned the work session at 8:51 P.M.

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PRESENT: Mayor Tewalt, Vice Mayor Sealock, Councilman Cockrell, Councilman Gillispie, Councilman Holloway, Councilman Meza, Councilman Thompson, Interim Town Manager Tederick, Town Attorney Napier, Deputy Clerk of Council Lynn, Director of Finance Wilson, and those members of the public and press who were listening online.

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APPROVED:


Eugene R. Tewalt, Mayor

ATTEST:


Tina L. Presley Clerk of Council
Minutes Written by Mary Ellen Lynn Deputy Clerk of Council

Councilman Meza moved, seconded by Councilman Thompson approved the Work Session Meeting minutes of June 1, 2020 on June 22, 2020.

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