



TOWN COUNCIL SPECIAL WORK SESSION
Wednesday, February 2, 2022, at 6:30pm
Police Department Community Meeting Room
900 Monroe Avenue

1. FY22 Budget Amendment to Accept Funds from Virginia Risk Sharing Association (VRSA)— *BJ Wilson*
2. Draft Freedom of Information Act (FOIA) Policy— *Steven Hicks*
3. Discover Front Royal FY23 Budget and Joint Tourism MOA 501(c)6— *Bethanie DeRose*
4. Fiscal Year 2022-2023 Proposed Budget Presentation — *BJ Wilson*
5. Advertisement of the 2022 Real Estate and Personal Property Tax Rate— *BJ Wilson*
6. Open Discussion/Town Manager Updates
7. CLOSED MEETING
8. Adjourn



Work Session Agenda Statement

Item # 01

Meeting Date: February 2, 2022

Agenda Item: FY22 Budget Amendment to Accept Funds from Virginia Risk Sharing Association (VRSA)

Summary: Council is requested to approve a FY22 Budget Amendment in the amount of \$30,524.00 to receive funds from Virginia Risk Sharing Association (VRSA) for a Town vehicle involved in an accident and to allow the Town Manager to approve the purchase of a replacement vehicle.

Budget/Funding: 1000-3410205	General Fund Insurance Recovery	\$30,524.00
3102-47005	Police Patrol Motor Vehicles	\$30,524.00

Staff Recommendation: to approve the budget amendment as requested. If approved, this item will be placed on the February 28th Consent Agenda for formal approval



Work Session Agenda Statement

Item # 2

Meeting Date: February 2, 2022

Agenda Item: Draft Freedom of Information Act (FOIA) Policy for the Town

Summary: Council has asked that staff draft a FOIA Policy for Council's consideration. The policy is a combination of other localities and what their policies contain as well as excerpts from the Freedom of Information Act (FOIA), § 2.2-3700 et seq. of the Code of Virginia. This Policy shall be approved by the Town Council initially and amendments made administratively and approved by the Town Manager as state code and internal procedures change.

Budget/Funding: None

Staff Recommendation: to approve the FOIA Policy with any adjustments as needed and place on the February 28th consent agenda for formal approval.

The Rights of Requesters and Responsibilities of the Town of Front Royal under The Virginia Freedom of Information Act (draft 2/2/22)

The Freedom of Information Act (FOIA), § 2.2-3700 et seq. of the Code of Virginia, guarantees citizens of the Commonwealth of Virginia, representatives of newspapers and magazines with circulation in the Commonwealth, and representatives of radio and television stations broadcasting in or into the Commonwealth access to public records held by public bodies, public officials, and public employees during regular office hours of the custodian of such records. The custodian will require the requester to provide his name and legal address (VA Code §2.2- 3704). All public records are presumed to be open, and may only be withheld if a specific, statutory exemption applies.

The purpose of FOIA is to promote an increased awareness and transparency of government activities and afford residents an opportunity to witness the operations of government.

A public record is any writing or recording — regardless of whether it is a paper record, an electronic file, an audio or video recording, or any other format — that is prepared or owned by, or in the possession of a public body or its officers, employees, or agents in the transaction of public business.

Requester's FOIA Rights

- You have the right to request, to inspect or receive copies of public records, or both.
- You have the right to request that any charges for the requested records be estimated in advance.
- If you believe that your FOIA rights have been violated, you may file a petition in district or circuit court to compel compliance with FOIA. Alternatively, you may contact the FOIA Council for a nonbinding advisory opinion.

How to Make a FOIA Records Request

You may submit a records request in several ways:

Email: foia@frontroyalva.com

U.S. Mail: FOIA Request, Attention: Town Manager Office, 102 E Main St., Front Royal, VA 22630

In Person: 102 E. Main Street, Front Royal, Virginia 22630

Online: via Town of Front Royal's website [Front Royal, VA | Official Website \(frontroyalva.com\)](https://frontroyalva.com)

How to Make a FOIA Records Request for the Police Department:

[Front Royal Police Department | Front Royal, VA \(frontroyalva.com\)](https://frontroyalva.com/police)

Fulfilling Your Request

The Town of Front Royal will respond to your request within five (5) working days of receiving the records request. "Day One" is considered the day after your request is received. The five-day period does not include weekends or holidays. FOIA requires that the Town make one of the following responses to your request within the five (5) working days:

- Provide the records that you have requested in their entirety.
- Withhold all the records requested, because all the records are subject to a specific statutory exemption. If all the records are being withheld, a response in writing will be sent with an explanation of the exemption. The response will identify the volume and subject matter of the records being withheld and state the specific section of the Code of Virginia that allows the records to be withheld.
- Provide some of the records that you have requested but withhold other records. An entire record will not be withheld only if a portion of it is subject to an exemption. In that instance, the portion of the record that may be withheld will be redacted, the remainder of the record will be provided. A written response stating the specific section of the Code of Virginia that allows portions of the requested records to be withheld will be sent.
- Inform you in writing that the requested records cannot be found or do not exist. However, if we know that another public body has the requested records, contact information for the other public body will be included in the response.
- If the Town of Front Royal cannot respond to a request within the five (5) working days, you will be informed in writing, explaining the conditions that make the response impossible. This will allow us seven (7) additional working days to respond to your request, giving us a total of 12 working days to respond to your request.

If you make a request for a very large number of records, and it is determined that it cannot be provided within twelve (12) working days without disrupting our other organizational responsibilities, the Town may petition the court for additional time to respond to your request. However, FOIA requires that we make a reasonable effort to reach an agreement with you concerning the production of the records before we go to court to ask for more time.

Costs

A public body may make reasonable charges not to exceed its actual cost incurred in accessing, duplicating, supplying, or searching for the requested records. No public body shall impose any extraneous, intermediary, or surplus fees or expenses to recoup the general costs associated with creating or maintaining records or transacting the general business of the public body. Any duplicating fee charged by a public body shall not exceed the actual cost of duplication. All charges for the supplying of requested records shall be estimated in advance at the request of the citizen as

set forth in subsection F of § 2.2-3704 of the Code of Virginia.

If the estimated cost is more than \$200, a deposit will be required (not to exceed the amount of the estimate), before proceeding with your request. The five (5) working days to respond to a request does not include the time between when we ask for a deposit and a response from the requester. All deposits shall be paid by check or money order made payable to the Town of Front Royal and delivered to the Town Manager's Office (Town Hall, 102 E. Main Street, 2nd Floor). Checks and money orders will be held and only deposited once the request is complete. Any outstanding balance due must be paid before or at the time the responding records are released. If money is owed from a previous FOIA request that has remained unpaid for more than thirty (30) days, the Town of Front Royal will require payment of the past-due bill before responding to a new request. Costs include items such as staff time, copying costs or any other costs directly related to supplying the requested records. It will not include general overhead costs. If requested, an estimate of the charges will be provided prior to supplying the records requested. This will allow you to know about any costs upfront or give the opportunity to modify your request in an attempt to lower the estimated costs. Personnel time for responses to FOIA request that require thirty (30) minutes or less of time spent searching will not be charged to you. The time fee charged for responses shall be based upon the annualized Town pay rate, plus the total annual costs of regular Town benefits for the individual(s) preparing a response to a FOIA request. In addition to personnel time, fees charged for copying and other costs shall be as follows (the Town will waive these costs, if \$2.00 or less, for any one-time FOIA request):

- Copies: \$0.15 per page
- Copies larger than 11 x 17 and/or require specialized equipment to reproduce: as determined by responding personnel, based on actual costs
- A double-sided document counts as two (2) pages
- Thumb drive, flash drive, USB, etc: \$1.00
- Actual mail costs will apply if more than two (2) ounces, otherwise no charge
- Other/specialty items (including audio/video recordings): as determined by responding personnel, based on actual costs

General Guidelines

A request must identify the records needed with "reasonable specificity." It does not refer to or limit the volume or number of records requested; instead, it requires that a request be specific enough to identify and locate records.

A request must ask for existing records or documents. FOIA allows for inspection or copying of records; it does not apply to a situation asking general questions about the work of a department or the Town, nor does it require a department to create a record that does not exist.

Records can be provided in the format in which they were created. For example, if you are requesting records maintained in an Excel database, you may elect to receive those records electronically, via e-mail, computer disk, thumb/flash drive, etc. or to receive a printed copy of

those records. You may be contacted if there are questions about a request, to ensure that the appropriate records are being provided.

Exemptions

The Code of Virginia allows any public body to withhold or exempt (redact) certain records from public disclosure. The Town of Front Royal commonly withholds or exempts records such as:

Common Exemptions:

- Portions of records that contain account numbers or routing information for any credit card, debit card, or other account with a financial institution of any person or public body (VA Code §2.2- 370501(13))
- Personnel records (VA Code § 2.2-3705.1 (1))
- Records subject to attorney-client privilege (VA Code § 2.2-3705.1 (2)) or attorney work product (VA Code § 2.2- 3705.1 (3))
- Vendor proprietary information (VA Code § 2.2-3705.1 (6))
- Records relating to the negotiation and award of a contract, prior to a contract being awarded (VA Code§ 2.2-3705.1 (12))
- Plans and information to prevent or respond to terrorist activity (VA Code §2.2-3705.2(4))
- Confidential Tax Information (VA Code §58.1-3)
- Criminal investigative files (VA Code §2.2-3706(A)(2)(a))
- For a full list of exemptions, See VA Code §2.2-3705.1

Policy Regarding the Use of Exemptions

- It is the Town of Front Royal's general policy to exempt any and all records that are allowed to be exempted, redacted, or excluded from production by law
- Any record exempt under the Virginia Code, which the custodian of the record has the option of disclosing, shall not be disclosed

For more information:

The Freedom of Information Advisory Council is available to answer any general questions you may have about FOIA. The Council may be contacted by email at foiacouncil@leg.state.va.us, or by phone at (804) 225-3056 or (toll free) 1-866-448-4100.

THE TOWN OF FRONT ROYAL INTERNAL FOIA POLICY

The Town of Front Royal will abide by the following procedures for responding to a FOIA request whether it be a records request or general questions:

- Once records request and/or general questions are received from any department (except the police department), they are to be sent via email to foia@frontroyalva.com.
- The Town Manager's Office oversees the above email and will determine what applicable department(s) will provide responses to the FOIA records request with a deadline on completing the request. If more time is needed, the department(s) are required to advise the Town Manager as soon as possible.

If it is determined that the request is for answers to general questions, they will be sent to the Town Public Information Officer (PIO) via pio@frontroyalva.com. While general questions are not a FOIA request under FOIA guidelines, it will be considered and answered accordingly. The five (5) working day period does not apply.

- On or before the deadline the applicable department(s) will provide all responsive records (if any) to the Town Manager's Office.
- If needed, the Town Manager's Office will submit records to the Town Attorney's Office for final review to ensure that records are required and/or allowed to be exempted, redacted, or withheld.
- The Town Attorney's Office will transmit all allowable records back to the Town Manager's Office for final coordination and transmittal to the requester, unless specifically asked by the Town Manager for the Town Attorney's Office to complete the transmittal to the requester.

Exceptions

- The Clerk of Council may answer questions or produce records directly related to previous Town Council meeting that may need clarification. The Clerk will determine if a question is to be directed to the PIO.
- The Police Department generally follows their own FOIA Policy but shall direct their legal questions to the Town Attorney, as needed.
- All press releases are reviewed by the Town Manager prior to distribution.

This Policy shall be approved by the Town Council initially and amendments made administratively and approved by the Town Manager as state code and internal procedures change.



Work Session Agenda Statement

Item # 03

Meeting Date: February 2, 2022

Agenda Item: Discover Front Royal FY23 Budget and Joint Tourism MOA 501(c)6

Summary: Bethanie DeRose from JLL will give Council an update for Discover Front Royal FY22 budget and FY23 proposed budget. In addition, staff will discuss the draft Front Royal-Warren County Joint Tourism MOA 501(c)6.

Budget/Funding: Town to allocate 100% of Tourism

- Initial Funding \$600,000 for 1.5 years ending June 30, 2022
- FY23 proposed budget \$582,500
 - Joint Funding: \$400,000
 - \$182,500 Encumber from FY22

Staff Recommendation: Staff recommends for Council to provide guidance regarding the Front Royal-Warren County Joint Tourism MOA 501(c)6 and Discover Front Royal FY22 budget update and FY23 proposed budget to be further reviewed and allow staff to gather information to provide during a future work session.

Discover Front Royal

Budget Update

FY22 January-June

FY23 Proposed



Joint Tourism Budget Presentation

- Mission:
 - Work to promote the growth of the tourism to the Town of Front Royal and the County of Warren, Virginia, from visitors outside the area through marketing and tourism development strategies.
- Introduction of Discover Front Royal
 - The Joint Tourism Committee has been working to oversee and manage the selected tourism contractor (JLL) since January of 2021.
 - All visitor facing efforts are managed by JLL and branded Discover Front Royal



Budget Foundational Understanding

- Town of Front Royal and Warren County to jointly and equally fund the tourism initiative
 - Tourism is a \$25 billion annual industry according to Virginia Tourism Corporation
 - Visitors are defined as those who travel into a destination from 50+ miles away
 - Our goal is to attract more visitors and increase our share of the visitor industry through day and overnight stays
 - Town & County to allocate 100% of tourism dollars to this effort
- Total DMO funding expectations set by RFP: \$400,000 per fiscal year as a baseline
- Initial funding allocation: \$600,000 for 1.5 years ending June 30, 2022
- On behalf of Discover Front Royal (DFR), JLL (tourism contractor) will pursue grants for additional funds as available

Budget Development Overview

- Budget development is a strategic planning effort
- Joint Tourism Committee approved supporting initiatives with allocated resources
- Funding needed to continue the mission and reinvigorate the tourism industry coming out of COVID
 - Organizational resources
 - Advertising and marketing
 - Events and festivals
 - Visitor services and visitor center programming

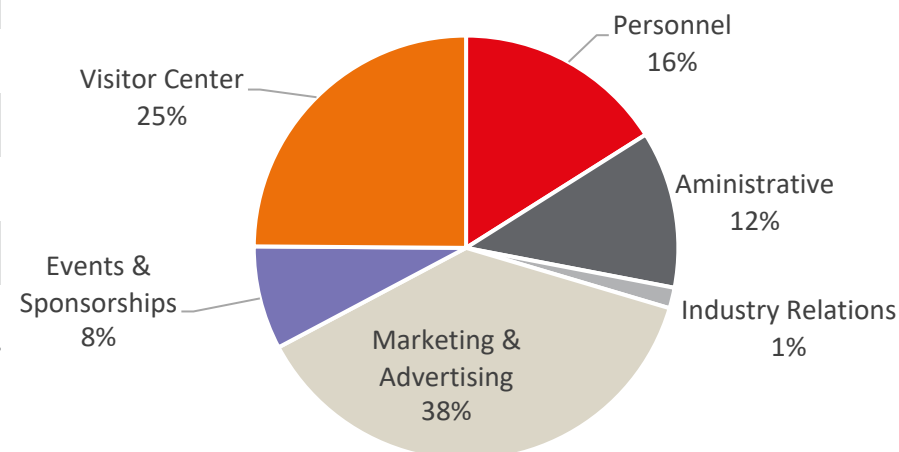
FY22 January to June Updated Budget

- Expenditures through December 2021 - \$211,542
 - Includes \$20k in awarded grants for marketing
- Funds remaining January-June - \$408,457
- Remaining FY22 January-June expenditures - \$317,428
- Anticipated community relations budget - \$5,000
- Proposed funds to roll forward into FY23 – \$91,000

Budget Category	Expenses
Personnel	\$50,942
Administrative	\$38,004
Industry Relations	\$5,000
Marketing & Advertising	\$119,500
Events & Sponsorships	\$25,000
Visitor Center*	\$79,000

*includes one time, hard costs for VC upgrades approved by JTC

FY22 Proposed Expenditures
through 6/30/22



Thank you

Questions?



Income Statement

Discover Front Royal

FY23 Budget

Account	
Income	
Contributions	400,000
Town of Front Royal	200,000
County of Warren	200,000
Grants	95,000
ARPA	75,000
VTC Other	20,000
Operating Reserve Funds (Prior Year allocations)	91,000
FY22 Roll Over	91,000
Interest Income	0
Other Income	0
Total Income	586,000
Gross Revenue	586,000
Operating Expenses	
Payroll Expenses	
Salaries	155,000
Managing Director	25,000
Tourism Director	65,000
Marketing Manager	45,000
Destination Services Manager	20,000
Employee Benefits & Payroll Taxes	25,500
Total Payroll Expenses	180,500
Administrative Expenses	
Accounting	25,000
Community Relations	20,000
Consulting	25,000
Insurance	5,000
IT	3,500
Legal	7,500
Local Travel & Meetings	5,000
Postage	1,000
Total Administrative Expenses	92,000
Industry Relations	
Industry Relations	2,000
Memberships and Dues	2,000
Total Industry Relations	4,000
Marketing	
Advertising	50,000
BRO	12,000
NVM	15,000
VTC	7,500
Recreation News	7,500
Virginia Living	8,000

Collateral Materials	25,500
Season Visitor Guide	18,000
Maps	5,000
Other	2,500
Social Media	35,000
FB	20,000
Insta	15,000
Digital Media	90,000
Google	25,000
NVM	15,000
BRO	10,000
VTC	15,000
Recreation News	10,000
Virginia Living	15,000
Trade Shows	0
Group Market	0
Events and Sponsorships	38,000
Appaloosa	5,500
Homesteaders Conference	2,500
Adventure Enablers	5,000
Festival of Leaves	5,000
Outdoor Race	10,000
Holiday Market on Main	5,000
Other	5,000
Website	40,000
Hosting (MMES)	4,000
Maintenance	500
SEO	500
Upgrades	35,000
Total Marketing	278,500
Visitor Center	
PT Labor	25,000
Operating Expenses	2,500
Upgrades	0
Total Visitor Center	27,500
Total Operating Expenses	582,500
Operating Income	3,500
Net Income	3,500

DRAFT Memorandum of Agreement (1/28/22)

*Of the Board of Supervisors of Warren County
And the Town of Front Royal*

FRONT ROYAL–WARREN COUNTY JOINT TOURISM

This **MEMORANDUM OF AGREEMENT** made this _____ day of _____, 2022 by and between the **Town of Front Royal, Virginia**, hereinafter referred to as the “Town”, and the **County of Warren, Virginia**, hereinafter referred to as the “County”, collectively hereinafter referred to as the “Parties”, stipulates that the Parties agree to the following:

I. PURPOSE

Since June 21, 1993, the Town had been responsible for funding the Visitor’s Center and tourism for the community as most hotels, motels, and restaurants that benefitted from tourism were located inside the limits of the Town. However, there was significant growth of the lodging industry in the County and outside of the Town’s limits. As a result, the County adopted an ordinance that increased the transient occupancy tax from two percent (2%) to five percent (5%). This increase became effective on July 1, 2017.

Upon the County adopting ordinance, the Parties entered into a Memorandum of Agreement that established the Front Royal-Warren County “Joint Tourism Advisory Committee”, hereinafter the “Committee”. The Parties wished to put additional resources into branding and marketing the community as a destination and to provide additional support and to enhance the restaurants, lodging establishments, and the many amenities to the community. The Parties appointed the Advisory Committee to advise, assist, support, and advocate for tourism policies, program, and activities to market and promote Front Royal-Warren County and its environs, and to serve as the “local tourism industry organization” referred to in Section 58.1-3819 of the Code of Virginia, as amended.

In January 2021, the Parties entered into an updated Memorandum of Agreement, tasking the Committee to direct, promote, and manage tourism development in the Front Royal and Warren County community after the Parties mutually selected a “Destination Marketing Organization”, hereinafter referred to as “DMO”. The procurement method was competitive negotiation, pursuant to the Virginia Public Procurement Act, where the Town solicited and subsequently publicly contracted with the DMO. While the County was assigned fiscal responsibility, both Parties equally appropriated and contributed to payment upon Committee approval.

Presently, all appropriations, roles, and responsibilities of the Committee and Parties shall remain until a 501c6 non-profit organization titled Discover Front Royal is established by the Committee.

II. DEFINITIONS

Local Lodging Partner – Referred to in Va. Code § 58.1-3819 of the Code of Virginia as amended includes hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days.

Tourism - In accordance with Code of Virginia § 58.1-3819 as amended, attracts travelers to the locality, increases occupancy at lodging properties, and generates tourism revenues in the locality.

III. OBLIGATIONS

The Committee shall:

1. Create a 501c6 organization named Discover Front Royal. Once the non-profit is created, the Committee shall dissolve.

Discover Front Royal shall:

1. Become the Virginia Tourism Corporation's (VTC) "Destination Marketing Organization" of record.
2. Accept transfer of all assets, social media, and any other content previously created for and associated with "Discover Front Royal".
3. Manage the Plan of Work and Visitors Center by directing and promoting tourism in the Front Royal-Warren County community to increase overall tourism revenue.
2. Submit and present upcoming fiscal budget by January 1st each year to the Parties that includes the budget, funding plan, and all grants, donations, and gifts.
3. Select and appoint non-profit Board Members.
4. Encourage individuals, businesses and both Parties to achieve "Goals of Parties" outlined in section IV.

The Town of Front Royal shall:

1. Designate one member of Council and one member of Town staff to the Discover Front Royal Board as non-voting members to achieve "Goals of Parties" outlined in section IV.
2. Intend to match an amount equal to Warren County's contribution to sustain Discover Front Royal, subject to annual budget approval.
3. Lease the Visitors Center to Discover Front Royal.
4. Transfer the VTC "Destination Marketing Organization" recording to Discover Front Royal.

5. Transfer of all assets, social media, and any other content previously created for and associated with “Discover Front Royal” to the Discover Front Royal non-profit organization.

The County of Warren, Virginia shall:

1. Designate one member of the Board of Supervisors and one member of County staff to the Discover Front Royal Board as non-voting members to achieve “Goals of Parties” outlined in section IV.
2. Annually budget and equally appropriate to Discover Front Royal, at a minimum, the amount of its transient occupancy tax designated for tourism and travel marketing based upon Section 58.1-3819 of the Virginia Code, as amended.

IV. GOALS OF PARTIES

1. *Citizen Understanding* - Increase the economic value of tourism and travel to the Town of Front Royal and County of Warren and its citizens and businesses and encourages inter-community collaboration on all matters relating to tourism development and promotion.
2. *Tourism*- Broaden awareness of the community's existing attractions, both natural and man-made, its heritage and historic sites, and services provided for travelers. This effort shall include awareness within the tourism industry and among the traveling public, with emphasis on regional initiatives whenever possible.
3. *Hospitality* - Ensure that travelers to and through Front Royal-Warren County are served hospitably and have ready access to information on tourist services and points of interest.
4. *Tourism Development* - Pursue with the two Economic Development Authorities of both Parties, an overall economic development program to include the development of additional visitor accommodations such as lodging and conference facilities, restaurants, campgrounds, public parks, and other attractions.
5. *Scenic Beauty* - Encourage programs whose purpose(s) are to preserve and enhance the scenic beauty of the Parties, particularly along its public highways.

V. AMENDMENTS

This Memorandum of Agreement may be amended or altered in whole or in part upon approval by the Front Royal Town Council and the Warren County Board of Supervisors. This Memorandum of Agreement may be terminated by either party within ninety (90) days written notice given to the other party.

Approved by the County of Warren Board of Supervisors on the ____ day of _____, 2022.

FOR THE COUNTY OF WARREN, VIRGINIA

Cheryl L. Cullers, Chair, Board of Supervisors

Attest:

Dr. Edwin C. Daley, County Administrator

Approved by the Front Royal Town Council on the ____ day of _____, 2022.

FOR THE TOWN OF FRONT ROYAL, VIRGINIA

Chris W. Holloway, Mayor, Town of Front Royal

Attest:

Tina L. Presley, Clerk of Town Council

Approved as to Form:

Caitlin W. Jordan, Senior Assistant County Attorney, County of Warren, Virginia

George Sonnet, Assistant Town Attorney, Town of Front Royal



Work Session Agenda Statement

Item # 4

Meeting Date: February 2, 2022

Agenda Item: Fiscal Year 2022-2023 Proposed Budget Presentation

Summary: Staff will review highlights of the FY22-23 Proposed Budget with Town Council.

Budget/Funding: N/A

Staff Recommendation: Staff recommends for council to discuss any items included in the FY23 proposed budget to be further reviewed and allow staff to gather information to provide during a future work session.

Tourism

FY23 Lodging Revenue Budgeted	\$ 317,935
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FY22 Tourism Professional Service Budget Remaining	\$ 162,440
FY21 Tourism Dollars Carried Forward	\$ 96,436
Total	\$ 258,876



FY23 Proposed Budget		
Visitor Center Part-Time Personnel	\$	72,390
Professional Services (Consultant/Joint Tourism)	\$	100,000
Advertising	\$	1,000
Tourism Promotion	\$	2,500
Office Supplies	\$	200
Uniform & Wearing Apparel	\$	400
Travel/Education	\$	1,000
Volunteer Appreciation	\$	200
Dues & Memberships	\$	500
Cultural Activities (Grant Funding)	\$	9,500
Bus System (Trolley)	\$	60,000
Special Event & Public Arts Coordinator Personnel	\$	73,115
S/E Advertising	\$	4,000
S/E Office Supplies	\$	1,000
Special Events	\$	40,000
S/E Travel & Education	\$	5,000
FY23 Proposed Budget Tourism Total		\$ 370,805

Steven W. Hicks
Town Manager
Proposed FY 2022-2023 Budget
Work Session

February 2, 2022
Police Department
6:30pm



102 E. Main Street | Front Royal, VA 22630 | frontroyalva.com

Goals

Goal 1: Economic Development & Community Events

Goal 2: Infrastructure

Goal 3: Appearance

Goal 4: Communication

Goal 5: Our Employees



Goal 1: Economic Development & Marketing

- Comprehensive Plan Update
- Town's Economic Development Authority (FREDA)
- Marketing and quality recruitment – restaurants and businesses
- Joint Tourism Committee (JTC)
- Retain and identify key industries and employers
- Streamline permit and code inspection process
- Pro-Business and customer service reputation
- Special events and public arts coordination
- Night-life



Goal 2: Infrastructure

- Inflow & Infiltration Abatement
- Redundant Waterline
- Water and Sewer replacements and expansion
- Pothole and paving overlay
- Smart water meters – AMR
- 5-Year Capital Improvement Program Modeling



Goal 3: Appearance

- Dilapidated Buildings
- Property code enforcement
- Gateway and Entryways
- Community Beautification
- Holiday decorations



Goal 4: Communication

- Video spotlight
- PIO & FOIA - Timely and accurate news release policies
- Social media targeting
- Town's Quarterly Newsletter
- Enhance website notification process
- Financial software system upgrade study
- Automated Call Notification System



Goal 5: Our Employees

- New insurance for employees
- New position for Human Resource Department
- Wellness Program
- Employee appreciation
- Succession planning
- Cross training
- Coaching and Annual Performance Reviews (Average 4%)
- Core training – all employees
- Council and staff retreats



Snapshot - Total Budget

- \$48 million
- 2% increase of \$1 million
- \$14.4 million personnel
- 170 employees



Total Budget \$48 million (+2%)

General Fund and Special Projects: \$12.1M (6% increase)

Streets: \$2.9M (11% increase)

Electric: \$ 19.6M (1% increase)

Water: \$5.1M (-2% reduction)

Sewer: \$6.3M (-3% reduction)

Solid Waste: \$1M (flat)



BJ Wilson
Finance Director

FY 2022-2023 Budget
Revenue Forecasting



102 E. Main Street | Front Royal, VA 22630 | frontroyalva.com

FY23 Revenue Forecasting

- Forecasting is not a precise science
 - Virginia revises revenues multiple times throughout year
- Data used in forecasting is collected from many different internal and external sources deemed reliable and appropriate at the time
 - AMP Ohio/Consulting
 - Virginia Department of Transportation
 - Historic trends/institutional knowledge
 - Town businesses/citizens
 - Staff feedback
- Even with most reliable data there continues to be a level of uncertainty in forecasting due to COVID-19 impacts



FY 22-23 Revenues

	<u>FY23</u>	<u>FY22</u>	<u>Difference</u>	
General Fund	12,151,700	11,534,505	617,195	5%
Streets	2,984,900	2,688,580	296,320	11%
Special Projects	752,495	535,040	217,455	41%
Electric	19,615,720	19,477,650	138,070	1%
Water	5,143,155	5,257,520	(114,365)	-2%
Sewer	6,307,870	6,507,715	(199,845)	-3%
Solid Waste	1,069,035	1,071,960	(2,925)	0%
	\$ 48,024,875	\$ 47,072,970	\$ 951,905	



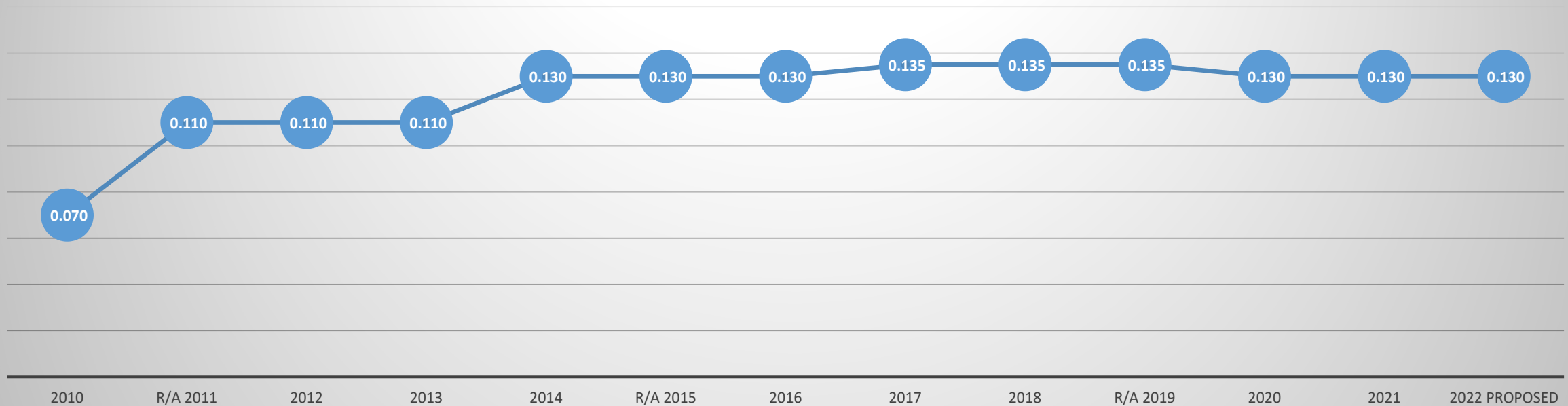
General Fund Revenue Highlights

	<u>FY23 Proposed</u>	<u>FY22 Adopted</u>	<u>Difference</u>	<u>%</u>
Meals Tax	2,079,955	1,855,845	\$ 224,110	12%
Sales Tax - Warren	1,327,355	1,145,910	\$ 181,445	16%
BPOL	800,730	685,890	\$ 114,840	17%
Personal Property Tax	489,150	362,250	\$ 126,900	35%
Building Inspections	75,000	0	\$ 75,000	New Item
Lodging Tax	317,935	255,540	\$ 62,395	24%



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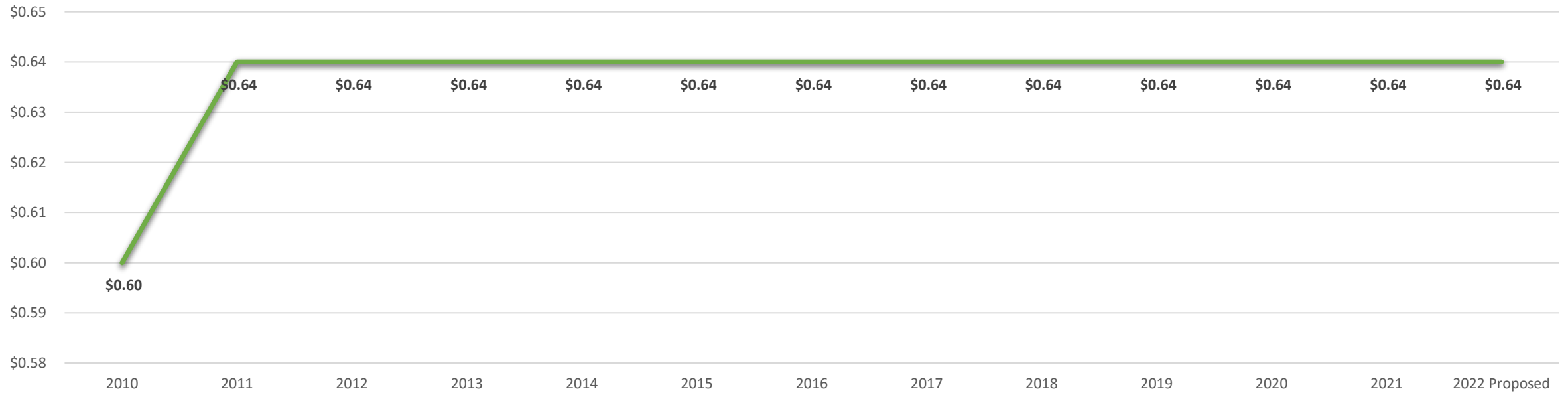
Real Estate Tax Rate Per \$100 Assessed Value (\$1.7 Million Revenue)



- Based on 2021 Real Estate Value \$0.01 of RE Tax Rate = \$135,505 in revenue
- Last reassessment was completed in 2019; which occurs every 4 years
- Next reassessment to be completed by 2023



Personal Property Rate Per \$100 of Value



- Personal Property Tax rate proposed to remain at \$0.64 per \$100
 - Based on 2021 Personal Property Values \$0.01 of PP Tax Rate = \$12,270 in revenue



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Enterprise Fund Sales of Service

	<u>FY23 Proposed</u>	<u>FY22 Adopted</u>	<u>Difference</u>	<u>%</u>
Electric Current	19,228,435	18,752,550	\$ 475,885	3%
Water Sales	4,807,260	4,997,630	\$ (190,370)	-4%
Sewer Sales	5,703,105	6,033,095	\$ (329,990)	-5%
Solid Waste Sales	1,012,650	1,003,730	\$ 8,920	1%



Revenue Impacts for Enterprise Funds

- COVID-19; previous year budgeted revenues very conservatively
- Weather
- Major water/sewer industrial user discontinued service in 2020
- Scheduled sewer rate increases incorporated into FY23 Proposed Budget
- No FY23 Proposed increase for Electric, Water, or Solid Waste



Sewer Recommended Rate Increases

	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2026</u>
Cost for 5,500 Gallons Sewer	\$ 52.74	\$ 54.58	\$ 55.82	\$ 57.07	\$ 58.36	\$ 59.68
\$ Change		\$ 1.84	\$ 1.24	\$ 1.25	\$ 1.29	\$ 1.32
% Change		3.5%	2.25%	2.25%	2.25%	2.25%

- Sewer Rate Increase 2.25% for FY23 Proposed based upon Stantec Consulting's recommendation
- Water rates are not proposed to change for FY2023



Proposed Revenues vs Actual Revenues

- Revenues included in the FY22-23 Proposed Budget have been projected based upon current trends & minimal impact related to COVID-19
- Staff may request Town Council to approve budget amendments if revenues appear to be tracking significantly different than budgeted amounts

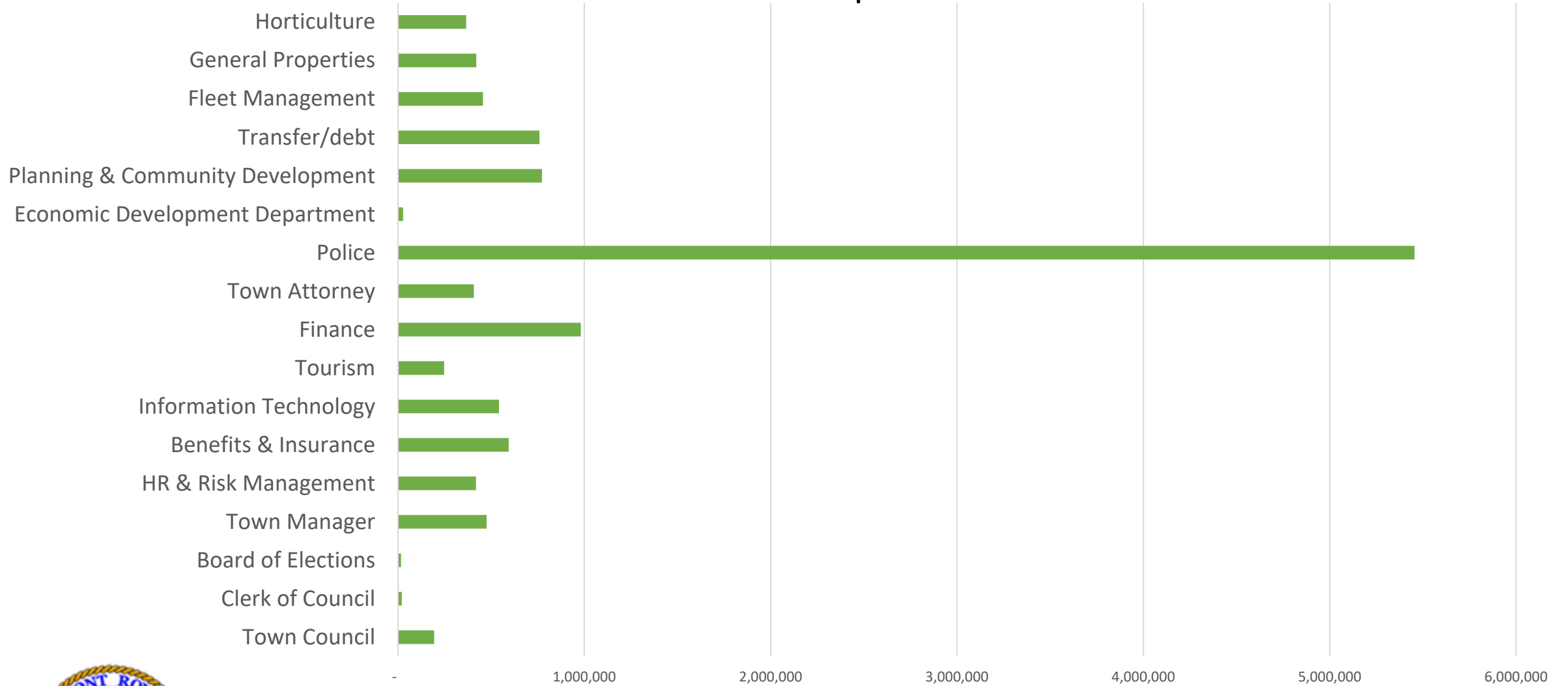


FY 2022-2023 Proposed Expense Budget



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General Fund Expenditures



Personnel Highlights

- \$8.4M - General Fund Budget (69% of total expenditures)
- Coaching and Annual Performance Reviews
- Average 4% performance-based merit increase
- Human Resource Analyst
- Special Events & Public Arts Coordinator



Goal 1: Economic Development & Tourism

- \$50K – Special Events
- \$247K – Tourism
- \$10K – Cultural Activities (50% supplied by state grant funding)
- \$18K – EDA Board Salaries



Goal 2: Infrastructure

- \$172K – Primary Paving Plan
- \$264K – Secondary Paving Plan
- \$740K – Waterline Upgrades in conjunction w/ Paving Plan
- \$80K – PRV Vault
- \$200K – I&I Abatement



Goal 3: Appearance

- \$79K – Property Code enforcement carried forward
- \$10K – Holiday decorations
- \$13K – Landscape beautification



Goal 4: Communication

- \$50K – Special Events
- \$15K – PIO Services
- \$15K – Forms Update
- \$7K – Strategic Plan



Goal 5: Our Employees

- \$438K – Performance Based Merit increase (4% Avg)
- \$106K – Medical Insurance Increase (7%)
- \$202K – Training & Retreats



Council Initiatives

<u>Description</u>	<u>FY23 Amount Budgeted</u>
Main Street Walking Mall (Concept Design Layout/Amenities)	\$ 15,000.00
Form Update	\$ 15,000.00
Landscaping Standard Plan	\$ 1,000.00
Street Standard Update	\$ 5,000.00
Flood Plan Update	\$ 5,000.00
Storm Water Management	\$ 15,000.00
Strategic Plan Link to Budget Process	\$ 7,000.00
Sidewalk, Curb, Gutter General Plan Associated with Paving	\$ 258,765.00
AMI for Electric Meters (Year 1 of 3)	\$ 500,000.00
Bond Rating Financial Consultant (Year 1 of 2)	\$ 37,500.00
HR Employee Handbook & Compensation Study	\$ 35,000.00
Shelter for Trolleys	\$ 5,000.00
Public Transportation (Includes Funds for Additional Services)	\$ 60,000.00
TOTAL	\$ 885,500.00



NEXT STEPS

- February 14, 2022 – Work session Town Manager Recommendation
 - February 15, 2022 – Submit advertisement for annual tax rates
 - March 14, 2022 – Additional Work Session discussion as needed
 - March 28, 2022 – Public Hearing & Approval of Town Tax Rates
 - April 25, 2022 – Public Hearing & Approval of FY23 Budget
-
- The Town must provide the Warren County Commissioner of Revenue's Office with the approved ***tax rates in April*** to avoid delays in mailing of tax bills.



Questions
Proposed FY 2022-2023 Budget
Work Session

February 2, 2022
Police Department
6:30 PM



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Work Session Agenda Statement

Item # 5

Meeting Date: February 2, 2022

Agenda Item: Advertisement of the 2022 Real Estate and Personal Property Tax Rate

Summary: Council is requested to discuss and provide staff with direction on advertising the 2022 Personal Property & Real Estate Tax Rates.

The 2021 Town of Front Royal Real Estate Tax was \$0.13 per \$100 of assessed value and the Personal Property Tax Rate was \$0.64 per \$100 of assessed value with a Personal Property Tax Relief Rate of 53% for qualifying vehicles/values.

The FY2022-2023 Proposed Budget includes revenues based on the Real Estate Tax rate, Personal Property Tax rate, and Personal Property Tax Relief rate remaining the same as 2020; which represents no increase.

The Town is mandated by the Code of Virginia to equalize the Personal Property Tax Relief Rate based upon the amount of tax relief provided to the Town from the Commonwealth of Virginia. Based upon calculations from the most recent personal property values the 2022 Personal Property Tax Relief Rate is recommended to be 49% for qualifying vehicles/values.

Council is requested to provide staff with direction for advertising of the 2022 tax rate, so that a public hearing can be added to the March 28th, 2022 agenda.

Budget/Funding: FY23 proposed revenues have been budgeted based upon tax rates remaining the same and personal property tax relief being adjusted to 49% for qualifying vehicles.

Staff Recommendation: Staff recommends for Council to approve tax rates to remain consistent with FY22-23 Proposed Budget and for tax rates to remain the same as 2021, which represents no increase over the current rate and to adjust the Personal Property Tax Relief from 53% to 49% as mandated by the Commonwealth of Virginia.



Work Session Agenda Statement

Item # 07

Meeting Date: February 2, 2022

CLOSED MEETING

I move that Town Council convene and go into Closed Meeting for the following purposes:

- 1) to consider a potential amended proposed voluntary economic growth-sharing agreement with the Board of Supervisors of Warren County or potential future annexation issues regarding the area in the vicinity of Route 522 North of the Town of Front Royal, pursuant to the following: a. The discussion or consideration of 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, under Va. Code Section 2.2-3711. A. 6 and b. Consultation with legal counsel employed or retained by Town Council regarding specific legal matters requiring the provision of legal advice by such counsel, under Va. Code Section 2.2-3711. A.8 and with respect to a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community, to consider the Town's legal position and strategy with respect to potential legal issues concerning Town water and sewer service development fees (connection or tap) fees and related expenses, pursuant to Va. Code Section 2.2-3711. A. 8. of the Code of Virginia, as well as discussion concerning, pursuant to Section 2.2-3711. A. 5. of the Code of Virginia; and,
- 2) for the discussion, consideration, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body specific to the performance of the Town Manager including Executive Director of the Front Royal Economic Development Authority, pursuant to Virginia Code Section 2.2-3711.A.1 of the Code of Virginia.

Motion to Certify Closed Meeting at its Conclusion *[At the conclusion of the Closed Meeting, immediately re-convene in open meeting and take a roll call vote on the following:]*

I move 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.