The following minutes are a summary of items on the agenda. This meeting may be viewed in its entirety by accessing the video of the same date online via the Town's website at www.frontroyalva.com for a limited time.

Roll Call by Clerk of Council

PRESENT: Mayor Lori A. Cockrell
Vice Mayor R. Wayne Sealock
Councilman Joshua L. Ingram
Councilwoman Amber F. Morris
Councilman H. Bruce Rappaport
Councilwoman Melissa DeDomenico-Payne
Councilman Glenn E. Wood

OTHERS PRESENT: Town Manager Joseph E. Waltz
Town Attorney George M. Sonnett, Jr.
Clerk of Council Tina L. Presley
Various members of the staff and public

Continued Review of FY25 Proposed Budget

A. Ordinance Amendment to Town Code Chapter 134 Pertaining to Sewer Rates – Finance Director BJ Wilson advised that the recommended increase was approximately 2.25% based on the Town consultant's analysis noting that this was the last year of a 5-year increase and a rate study was slated for next year. Council agreed to advertise for a public hearing to be held on April 22nd.

B. Advertisement of 2024 Real Estate and Personal Property Tax Rates – Mr. Wilson gave a short presentation "Calendar Year 2024 Real Estate & Personal Property Tax Rates". He began with the real estate tax rate noting 1) that the real estate reassessments will be every two years where previously it was every four years, 2) based on 2024 proposed real estate tax revenue $0.01 of real estate tax rate = $178,886 in revenue, 3) real estate tax rate is proposed to remain the same at $0.10 per $100 of value, and 4) a property with an assessed value of $371,300 would have an annual Town real estate tax bill of $371.00 ($185.50 due June 2024 and $185.50 due December 2024). He advised that a reassessment is slated for 2025.

Mr. Wilson showed a Real Estate Comparison Chart noting the various values per $100 ($0.90 to $0.13), noting the estimated tax revenue for each and the revenue difference from the FY25 proposed budget. Mayor Cockrell confirmed that if the tax rate was back at $0.13 the annual tax bill for a $371,000 assessment would be $483.00 and the annual revenue would be increased to $536,000. Councilman Rappaport voiced concern that some secondary roads needed paving. Councilwoman DeDomenico-Payne asked what staff's recommendation was and Mr. Wilson advised that it was at Council's desire but cautioned that once the advertisement was set at a rate Council could not increase but could decrease during the public hearing. Councilman Wood reminded Council that there was no money for derelict properties, code officer, walkability around Town, etc. and that it depended on the goals of Council.

Mr. Wilson continued with the personal property tax rate noting that 1) the personal property tax rate was proposed to remain the same at $0.64 per $100 and based on 2023 personal property rate $0.01 = $14,055 in revenue, 2) preliminary information shows that personal property values will decrease in 2024, 3) annual revenue associated with personal property included in the FY24 budget = $579,320, vehicle license fees (aka decals) = $384,185 and Virgina Personal Property Tax Relief = $287,865. He explained that the personal property tax relief was credited to qualifying personal use vehicles and that the Commonwealth of Virginia had paid the Town $287,865 each year since 2005 based on the cap. He continued that the Town was mandated to equalize the tax relief rate noting that the Town's tax relief rate for qualifying vehicles value in 2023 was 46% and based on trends the rate would need to be adjusted to 42% for 2024. He stated that the tax relief from the state remained consistent and that tax rates have remained the same since 2011. He continued that the personal property tax revenue was expected to decrease according to the Kelley Blue Book noting that new car prices had fallen 3.5% and used car prices had fallen 4% in the last year.

Mr. Wilson asked that Council direct staff to advertise tax rates and hold a public hearing on April 22nd. He reiterated that once advertised the rates may be decreased at time of approval but may not be increased.

Councilwoman Morris voiced concern that raising real estate tax rates would possibly be passed on to the renters and stated that the personal property tax rate was where to look. Mayor Cockrell noted that she was not a fan of raising taxes especially when the County was considering it.

Town Manager Waltz noted that staff did a great job balancing the proposed budget but cautioned that it would be more of a struggle next year. He stated that the cost of doing business was increasing and referred to this year's proposed budget where $12 million was tax based and the other $38 million was service based. Ms. Morris reflected on the money that had gone towards the EDA crisis and lawsuits that the taxpayers were burdened with as a Town citizen and as a County citizen. She suggested finding different revenue streams in economic development so that the Front Royal Economic Development Authority (FREDA) could bring employers into Town for jobs and revenue. Councilman Rappaport noted two choices: commercial development or raise taxes. There was discussion about residential development and how they were not revenue sources. Mrs. DeDomenico-Payne hesitated to put more burden on the taxpayers. She suggested more money go towards FREDA activities and confirmed with Mr. Wilson that it was possible to pull from tourism for this. There was discussion about money going towards aesthetics in the entrance corridors and 55+ communities generating revenue. Mr. Wilson explained tax relief deferred and exemption for the elderly and veterans. Council agreed to advertise for no tax increase for a public hearing to be held on April 22nd.

<u>C. Advertisement of Annual Appropriation Ordinance for Year Ending June 30, 2025</u> – Mr. Wilson advised that the proposed advertisement for the budget was included in the packet and since Council was not raising taxes the document before them stayed the same. Mayor Cockrell questioned when the solid waste rates would be brought back before Council. Mr. Wilson advised that the rates had been incorporated into the appropriation ordinance with some contingency built in. He anticipated coming back soon with the solid waste rates. Council agreed to advertise for a public hearing to be held on April 22nd.

Old Business

<u>A. Out of Town Utility Connection Application from the Catholic Diocese of Arlington and Warren County Board of Supervisors</u> – Mr. Waltz reminded Council that they were to address the connection tonight. He verified that the Town owned the land that W. Criser Road was on including approximately ten feet beyond the pavement; however, a boundary line adjustment was needed to bring the road into the Town Corporate Limits. Mayor Cockrell recapped the presentation from CHA a few weeks ago that showed the Town's water and sewer situation. She advised that the Town was obligated to provide water and sewer to anyone within the Town Corporate Limits and commercial in the Rt 522 corridor. She continued that there were no real estate taxes collected from the church and that the first 3,000 gallons of water were free due to being a church.

Councilman Wood reiterated that the Town owned ten feet from the pavement and questioned what Council wanted noting that the safety of the children was important, and the church was willing to pay for the sidewalk in exchange for in-town utility rates. Mr. Waltz stated that sidewalk could not be installed for

$125,000. At this point, the Mayor allowed Marissa Whitacre from Greenway Engineering to speak on what the church previously offered. She advised that the $125,000 covered 750 feet of frontage on Criser Road, curb and gutter, two handicap entrances, stormwater collection at 600 feet with 15-inch pipe and 25% contingency noting that the calculation did not include moving utility poles or road work. Mr. Waltz advised that there were three utility poles that would have to be moved which were included in the imbedded costs. He voiced his concern that safety for pedestrians was more of an issue from Skyline Vista Drive to S. Royal Avenue because of no barrier but the other half of W. Criser Road had a barrier.

Vice Mayor Sealock stated that Town citizens needed to be taken care of first before stepping outside the Town limits. Councilwoman DeDomenico-Payne questioned whether there would be a strain on the infrastructure for the out-of-town connection. Mr. Waltz advised that the church was a small user, and it would not crash the system based on their application of 4,000 gallons a day. Town Attorney George Sonnet confirmed that the Town was required to serve inside the corporate limits and the Rt 522 Corridor per Payment in Lieu of Taxes (PILOT) Agreement and that there was no right to service to industries in the corridor only commercial.

Councilman Rappaport voiced concern with the church building a septic system so close to the river.

Mr. Waltz stated that the boundary line adjustment would be proposed to the County to bring W. Criser Road into the corporate limits reiterating that the Town owned the land but not the road. He confirmed that the boundary line adjustment would not impact the church.

The discussion about placing the $125,000 into an agreement as a condition for in-town water and sewer rates ensued. Mr. Sonnett and Mr. Waltz concluded that due to the rates being part of an enterprise fund and sidewalk installation was part of the general fund negotiations on accepting the $125,000 was not reasonable as an exchange. It was noted that there would be no profit from the exchange.

Councilman Ingram reiterated that Council was to either give the church water and sewer at an out-of-town rate or nothing at all. Mr. Waltz suggested adding the moratorium to the Town Code approving the out-of-town connection.

Discussion ensued about the requirement to provide water to the Rt 522 Corridor or other areas outside the Town limits if the capacity were to become low. It was noted that the moratoriums could be revisited and possibly removed from the Town Code. Mr. Sonnett stated that water agreements (contracts) are issued to all out-of-town users noting that they contain a provision *"as long as there is excess capacity".* He explained that there had been many contracts signed the last 20 – 30 years and he could not guarantee that the provision was in each and every one. Mr. Waltz advised that there would be a contract with the church that would be approved by Council on the 22nd along with the Town Code amendment to add the property to the list of moratoriums. Council agreed to advertise for a public hearing to be held on April 22nd.

<u>B. Appalachian Trail Head Project Funding</u> – Mayor Cockrell recapped the presentation from the Advisory Committee for Environmental Sustainability (ACES) at a previous work session and that they were asking the Town for $8,200 to pay for a Feasibility Study. Councilman Rappaport confirmed that three quotes were required since the threshold was $5,000. Councilman Ingram voiced concern that the project would increase more local foot traffic than trail traffic. Mr. Waltz advised that the quotes could come in slightly

higher than the $8,200 and the small difference would be handled administratively. Mayor Cockrell confirmed that this was for the study and not the project. Council agreed to add to the April 22nd agenda.

Goals/Action Steps – Town Manager Waltz passed out information from the retreat that stated the Council's Mission, Vision and Goals and the FY24 Goals and Action Plan. He reviewed the goals and advised of the ones that had been completed. He then passed out the 2023 Annual Report reviewing various parts of it. Council voiced their satisfaction noting that they were very impressed and thanked Mr. Waltz and staff for their hard work.

CLOSED MEETING

Councilwoman Morris moved seconded by Vice Mayor Sealock that Town Council convene a closed meeting, pursuant to Sections 2.2-3711 and 2.2-3712 of the Code of Virginia, for the following purpose: 1) pursuant to Section 2.2-3711(A)(8) of the Code of Virginia, for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, more specifically, the conditional vacation and sale of a portion of N. Royal Avenue and an unimproved alleyway between N. Royal Avenue and Virginia Avenue; and,2) pursuant to Section 2.2-3711(A)(7) of the Code of Virginia, consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body, more specifically, Town of Front Royal v. Front Royal Limited Partnership.3) pursuant to §2.2-3711(A)(1) of the Code of Virginia, for the discussion, consideration, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees, or employees of any public body, more specifically the Board of Zoning Appeals.

Vote: Yes – Councilmembers Sealock, Ingram, Morris, Rappaport, DeDomenico-Payne, Wood
No – N/A
Absent – N/A
Abstain – N/A ROLL CALL

Councilman Wood moved seconded by Councilwoman Morris 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 – Councilmembers Sealock, Ingram, Morris, Rappaport, DeDomenico-Payne, Wood
No – N/A
Absent – N/A
Abstain – N/A ROLL CALL

Adjourned approximately 9:39PM

Approved by Town Council

Date: April 22, 2024