



TOWN COUNCIL WORK SESSION MINUTES

Monday, March 31, 2014 @ 7:00pm
Front Royal Administration Building

1. Continued Discussion on Loop Study – *Town Manager*

Summary: Following the presentation of the Corridor Loop Study, staff contacted VDOT to explore the recommended route along Morgan Ford Road (Rt 624). VDOT has indicated that they do not own right-of-way along Morgan Ford Road north of the river crossing. The road is located within a prescriptive easement. The surrounding property is currently in Virginia Outdoors Foundation easement. Staff has contacted VOF to determine the process to obtain approval for this route

Council is requested to discuss the status of the recommended route for the Corridor Loop Study.

Staff Evaluation: Discussion with Warren County and VDOT staff indicates that approval of the route through the Rockland Community will be challenging

Staff Recommendations: Staff recommends that Council discuss options should the preferred route not be available. Staff will continue to pursue approval for the recommended route.

Town Manager Recommendation: The Town Manager recommends that Council discuss options should the preferred route not be available. Staff will continue to pursue approval for the recommended route.

Council Discussion:

Councilman Tewalt asked that VDOT be contacted regarding the prescriptive right of ways of 30 feet passed by the General Assembly.

Mr. Burke noted that this was just an update and Staff was still researching the instance.

2. Overview of FY2014-2015 Proposed Budget – *Director of Finance/Town Manager*

Budget Overview

TOTAL - \$39,236,120

General - \$12,151,950

Water - \$4,758,385

Sewer - \$4,683,205

Solid Waste - \$996,800

Electric - \$16,645,780

Budget Highlights - Capital

- ❖ Design Leach Run Parkway
- ❖ Water System Improvements
- ❖ Design Criser Road Bridge

- ❖ Software Maintenance
- ❖ Police Equipment
- ❖ Holiday Decorations
- ❖ Pavement Management
- ❖ Vehicle Replacements
- ❖ Design of Police Headquarters
- ❖ Repayment Phone System
- ❖ Evaluate Solid Waste Business
- ❖ Electric Rate Study
- ❖ Tablets for Council Meetings

Budget Highlights - Personnel

- ❖ Continue MPO Program
- ❖ Upgrade Part-Time Legal Assistant to Full-Time (midyear)
- ❖ Upgrade GIS Technician to Surveyor (mid-year)
- ❖ Establish Meter Technician Program
- ❖ Establish No Cost Basic, Single Health Insurance Option
- ❖ 4.8% Health Insurance Rate Increase to Town

General Fund - \$12,151,950

- Town Council
- Clerk of Council
- Town Manager
- Town Attorney
- Human Resources
- Risk Management
- Information Technology
- Planning & Zoning
- Tourism
- Finance
- Police Department
- Environmental Services
- Other - EDA Debt Service, VML Insurance, Etc.

FY 14-15 General Fund Revenue

Real Estate Tax - \$1.27M

Personal Property Tax - \$0.61M

Sales Tax - \$0.78M

BPOL - \$0.62M

Utility Taxes - \$0.28M

Lodging Tax - \$0.30M

Meals Tax- \$1.40M

PILOT- \$0.40M
Development Fees - \$0.04M
Law Enforcement - \$0.20M
Bank Taxes - \$0.22M
Grants - \$0.04M
State - \$2.57M
Fund Transfers - \$3.26M
Other - \$0.16M

General Fund Expense History

FY08-09 \$12.8M
FY09-10 \$12.1M
FY10-11 \$11.2M
FY11-12 \$11.9M
FY12-13 \$11.7M
FY13-14 \$12.1M
FY14-15 \$12.1M

General Fund Summary

FY09 - \$12.3M
FY10 - \$11.6M
FY11 - \$10.5M
FY12 - \$11.2M
FY13 - \$11.0M
FY14 - \$11.6M
FY15 - \$11.6M

Enterprise Funds

- ❖ Electric Fund - No Proposed Rate Increase
- ❖ Solid Waste Fund - No Proposed Rate Increase
- ❖ Water Fund - Proposed 6.5% Rate Increase (vs 8.5%)
- ❖ Sewer Fund - Proposed 10% Rate Increase (vs 30%)

Electric Rates

- ❖ No Rate Adjustment Proposed this Year
- ❖ Residential Facility Charge - \$6.24
- ❖ Residential Usage Charge - \$0.0849 per KWH
- ❖ Commercial Facility Charge - \$6.40
- ❖ Commercial Usage Charge (1st 700 KWH) - \$0.1151 per KWH
- ❖ Commercial Usage Charge (Over 700 KWH) - \$0.0756 per KWH
- ❖ Additional Demand Charge

Electric Fund - \$15,643,875

Energy Purchase -	\$12,650,000	76%
Capital -	\$2,076,000	12%
Personnel -	\$1,001,905	6%

O&M -	\$917,875	6%
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Electric Fund Summary

FY09 - \$12.8M

FY10 - \$13.1M

FY11 - \$15.9M

FY12 - \$15.2M

FY13 - \$14.8M

FY14 - \$15.5M

FY15 - \$15.6M

Water Rates

- ❖ Proposed 6.5% Rate & Connection Fee Increase
- ❖ First 3,000 Gallons - \$9.92 (Current - \$9.31)
- ❖ Additional 1,000 Gallons - \$8.51 (Current - \$7.99)

Water Fund - \$4,758,385

Capital	\$2,686,355	56%
Personnel	\$1,169,130	25%
O&M	\$902,900	19%

Water Fund Summary

FY09 - \$4.5M

FY10 - \$3.8M

FY11 - \$3.5M

FY12 - \$3.7M

FY13 - \$4.2M

FY14 - \$4.6M

FY15 - \$4.8M

Sewer Rates

- ❖ Proposed 10% Rate & Connection Fee Increase
- ❖ First 3,000 Gallons - \$17.30 (Current - \$15.72)
- ❖ Additional 1,000 Gallons - \$14.88 (Current - \$13.53)

Sewer Fund - \$4,683,205

Capital	\$2,230,000	48%
O&M	\$1,411,150	30%
Personnel	\$1,042,055	22%

Sewer Fund Summary

FY09 - \$2.6M

FY10 - \$2.7M

FY11 - \$3.1M

FY12 - \$3.4M

FY13 - \$4.8M

FY14 - \$4.3M

FY15 - \$4.7M

Solid Waste Rates

- ❖ No Rate Adjustment Proposed this Year
- ❖ Residential Collection (96 Gallon) - \$13.75 per month
- ❖ Residential Collection (32 Gallon) - \$12.00 per month
- ❖ Commercial - \$227.00 per dumpster per month
- ❖ Commercial (2x) - \$277.00 per dumpster per month

Solid Waste Fund - \$996,800

Personnel	\$718,420	72%
O&M	\$201,150	20%
Capital	\$77,230	8%

Solid Waste Fund Summary

FY09 - \$0.9M

FY10 - \$1.0M

FY11 - \$0.9M

FY12 - \$1.0M

FY13 - \$0.9M

FY14 - \$1.0M

FY15 - \$1.0M

Customer Impact

Single Residential Customer

(Water/Sewer - 3,000 Gallons - Electric - 900 kWh)

Utility	Current	Proposed	Monthly Difference	Annual Difference
Water	\$9.31	\$9.92	\$0.61	\$7.32
Sewer	\$15.72	\$17.30	\$1.58	\$18.96
Solid Waste	\$12.00	\$12.00	\$0.00	\$0.00
Electric	\$89.16	\$89.16	\$0.00	\$0.00
TOTAL	\$126.19	\$128.38	\$2.19	\$26.28

Not In Proposed Budget

- ❖ Construction – Police Headquarters
- ❖ Construction - Leach Run Parkway
- ❖ COLA, Merit Increase, or One Time Bonus
- ❖ Sick Leave Fiscal Liability
- ❖ Criser Road Trail
- ❖ Finance Software
- ❖ Town Building Inspections
- ❖ Construction – Electric Department Building
- ❖ Fleet Building Improvements

- ❖ Additional Fleet Staff
- ❖ Police 4-Wheeler & Trailer
- ❖ WTP Salary Adjustment
- ❖ WTP Swing Shift Operator
- ❖ Various Street Equipment
- ❖ The Proposed Budget was prepared in advance of the adoption of the additional \$0.02 per \$100 valuation Real Estate Tax dedicate for the construction of the Leach Run Parkway and the Police Headquarters
- ❖ The General Fund Budget will increase by approximately \$225,000 when advertised for Council's Consideration

Benefits Proposals

- ❖ Town Health Insurance Rates Increased 4.8%
- ❖ Due to Post-Employment Benefits Reserve Requirements, Eliminate Retiree Health Insurance Program for New Employees as of July 1, 2014
- ❖ Adjust Health Insurance Rates to Establish No Fee for Single Employee Basic Coverage
- ❖ Prepare for Elimination of Key Advantage by 2018

Pavement Management

FY 14-15

W 10th St
 McClendon St
 W 12th St
 Woodside Ave
 W 17th St
 W 15th St
 Happy Creek Rd
 N Royal Ave

FY 15-16

Dixie Ave
 S Commerce Ave
 Kerfoot Ave
 W 13th St
 Virginia Ave

FY 16-17

Sherwood Ave
 Kendrick Ln
 Cherry St
 Oak Ave
 Viscose Ave
 Garrison St
 North St
 Orchard St

FY 17-18

Kendrick Ln
W 18th St
S Commerce Ave
W 12th St
New Ave
Midland Ave

FY 18-19

Kendrick Ln
Highview St
Steele St
Warren Ave
Virginia Ave

Council Discussion:

Mayor Darr asked about the Enterprise transfer into the General Fund. Mrs. Breeden noted that the fund transfers were what the enterprise accounts paid into the General Fund in order to do their work in order to do their daily work (Finance Department for example functions for the Electric Department to collect payments for the Electric Department – and the Water & Sewer Fund also). She added that the fund was justifiable and fair.

Mayor Darr noted that they are getting the no interest loan and it was a significant savings to the Town. Councilman Tharpe stated that the assistance in every area would help the citizens.

Councilman Hrbek asked about phasing in the proposed rate increase for the 6.5% rate and connection fee increase. Mr. Burke noted that it would make the budget quite tight as it was going towards the additional plant requirements.

In response to Councilman Tewalt's questions, Mr. Burke noted that the Town's dumpster is more of a profit center compared to residential service. Mr. Burke added that the Town has adjusted their collection rates for dumpsters to be more competitive due to the complaints from Warren County.

Mr. Burke explained that Council was requested to use funds for the phone system reimbursement for a one-time bonus for employees.

Council discussed a few street areas they had concerns about regarding sites that could also be added to the paving list. Mr. Tewalt spoke to Mr. Burke about slurry seal and the benefits of doing so when applicable.

Mayor Darr encouraged Council to contact Mr. Burke or Mrs. Breeden to allow them to answer Council's questions prior to the upcoming worksession.

3. Letter of Support for Grant Application for YouthBuild Program – *Vice Mayor Parker/Mayor Darr*

Mrs. Linda Allen explained that she was passing out the model for the Center for Workforce Development: YouthBuild Program

Introduced: Arlene Ballou

DFR wants to partner with Ms. Ballou on the grant process and the model for the program. It would address the current needs of youth at risk while meeting the goals of the Department of Labor which is innovative in that it is a sustainable business that also provides job-skills training to youth while providing a business service to underserved communities and local businesses.

Ms. Ballou noted that the program she proposed would work with the community and Habitat for Humanity and assist them by obtaining their GED.

She stated that One Workforce was based on a program from Harlem, NY and the closest one was in Petersburg and in Washington, DC. Ms. Ballou stated that they would begin with about 25 students and for the first month they would have a probationary period.

Instead of funding, Ms. Ballou is asking the Town for support to assist with these youth that are falling through the cracks. She noted that they would also be speaking with the Northern Shenandoah Valley Regional Commission tomorrow for their support on this Federal Grant application. She requested a letter of support or resolution from the Town to assist with the grant program.

Councilman Hrbek encouraged her to reach out to the United Way as well. Ms. Ballou noted that they were reaching out to the

4. Discussion of Corridor Legal Funds — *Councilman Tharpe*

Removed at this time.

5. Council Discussion/Goals

Councilman Tewalt had concerns on Shenandoah Avenue with the bridge work and asked Mr. Burke to contact the VDOT contractor regarding the poor work.

Vice Mayor Parker asked about

Luray's 24 cent tax rate, and asked if they subsidizing the Luray Avenue advertising campaign. Mr. Burke noted that he could look into things.

6. CLOSED MEETING – Consultation with Legal Counsel

Motion to Go Into Closed Meeting

Vice Mayor Parker moved, seconded by Councilman Tewalt that Council convene and go into Closed Meeting pursuant to Virginia Code § 2.2-3711.7 for the purpose of consultation with legal counsel employed or retained by a public body regarding specific legal matters, specifically, issues that have arisen as a consequence of the 1998 voluntary settlement agreement, and amendment and Court proceedings relating thereto, between the Town of Front Royal and the County of Warren, requiring the provision of legal advice by such counsel.

INSERT VOTE HERE

INSERT VOTE HERE

INSERT VOTE HERE

Motion to Certify Closed Meeting at its Conclusion

Vice Mayor Parker moved, seconded by Councilman Tenvalt 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 Action 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.

INSERT VOTE HERE

INSERT VOTE HERE

INSERT VOTE HERE

FUNK & Sayre ABSENT

Staff present:

Burke

Berry

Breeden

Camp

Shifflet

Jones