TOWN COUNCIL WORK SESSION MINUTES

Monday, May 19, 2014 @ 7:00 p.m.
Front Royal Administration Building

1. <u>REC Interconnection Agreement</u> – *Director of Energy Services*

Summary: In July 2010, Rappahannock Electric Cooperative (REC) took over ownership of the northern part of the Alleghany power system in Virginia. Since the change of ownership, the existing document we had for the interconnection agreement with PJM does not apply because REC is not a transmission owner in the PJM network. The interconnection agreement is the instrument used to govern and operate the interconnection points between the Town and REC.

Staff Evaluation: The Town has been working over the past several years with REC on establishing an interconnection agreement. The Town has utilized American Municipal Power (AMP) legal staff to review the agreement with their outside FERC council.

Staff Recommendations: Recommend approval of interconnection agreement

Council Discussion: Hrbek asked if Waltz and AMP were comfortable.
Waltz noted that he, AMP and Napier were comfortable

Tewalt asked about cost – no cost per Waltz
Mayor asked if Rappahanock comfortable; yes per Waltz

Sayre – main purpose of this
Waltz – designate the connection points for transmission network and the facilities charges, the intervals for meter testing for revenue

Hrbek – gentlemens agreement up to this point?
Yes per Waltz

Mayor – on Consent Agenda

2. <u>Stranded Costs Associated with the AMPGS Project</u> – *Director of Energy Services*

Summary: Following the cancellation of the AMPGS project as a coal fired project in November 2009, AMP engage in legal council for its participants in prosecuting or depending any claims resulting from the cancellation. The stranded cost for this project was approximately 145M.

AMP and its participants were able to settle two primary claims made from Hitachi and Powerspan. In February 2011, AMP filed a complaint in the United States District Court against Bechtel seeking to recover its sunk cost resulting from the cancellation of the project. As the legal process continues, participants decided in

April that it was time for members to start the process of re-payment of the net AMPGS standard liability cost which for the Town of Front Royal is $500,270.00

Council is requested to discuss our payment options for the liability cost: lump sum, monthly for 15 years, or annually for 15 years.

Staff Evaluation: Staff has discussed the payment options with AMP. There is a 1% interest rate for payment plans. Staff recommends paying approximately $3,000 per month for 15 years until the Town has completed the rate study to determine the impact of full payment on our fund balance.

Staff Recommendations: Staff recommends paying approximately $3,000 per month for 15 years until the Town has completed the rate study to determine the impact of full payment on our fund balance.

Town Manager Recommendation: The Town Manager recommends paying approximately $3,000 per month for 15 years until the Town has completed the rate study to determine the impact of full payment on our fund balance.

Council Discussion:
Tewalt asked about "stranded"
Waltz – deposits, engineering work, etc. for the 8 megawatts for 1,000 units
Some communities were way over the amount
This money goes to AMP to pay off the debt to pay off the project, this is to settle the engineering and equipment costs

Sayre noted that we have diversified overall with our portfolio
Darr noted that the Town had and we are ahead with our electric portfolio in the balance of things

Breeden noted that the interest rates are 1.5 or 2.5% perhaps
Monthly paybacks are recommended, so if we choose a different route the adjustment would be easier to absorb within our AMP purchase of electricity

Darr noted that Council should vote on the matter publicly in order to have the issue in the citizens view

3. <u>Bid for Yard Crawler for Energy Services</u> – *Director of Energy Services*

Summary: The Energy Services department requested RFP's for the yard Crawler that was approved in the capital budget this year for $115,000.00. The Town of Front Royal received two bids with the lowest bid from Altec Industries for a price of $139,592.00.

Staff Evaluation: The mini-digger derrick bids prices were higher than budgeted due to increase cost and limited vendors for this product. At the present time, there are only two vendors for this product.

At the present time, the department has $109,379.00 for this purchase due to a purchase of a damaged truck bed for $5,621.00. The remaining funds needed for this purchase is $30,213.00.

Staff Recommendations: The department still has a need for this equipment and recommends approval with the additional funding coming from the reserve fund.

Council Discussion:
Hrbek – okay with electric fund reserve transfer
Funk – agree with the purchase, we need this equipment

4. <u>Expenditure of Asset Forfeiture Funds</u> – *Chief of Police*

Summary: Request is being made to utilize the asset forfeiture account to partially fund the acquisition of a Pre-owned Meggitt Firearms Training Simulator (F.A.T.S.). The simulator would be used to enhance/increase the training and proficiency of police officers in the use of firearms and use-of-force issues. The cost for this simulator when new was $47,600.00. The Police Department can purchase the simulator for $12,500. The Police Foundation will fund $6000.00. I will use $6500.00 from asset forfeiture funds. The simulator is one year old.

Staff Evaluation: The Firearms Training Simulator would greatly improve training for officers in the areas of firearms, use-of-force and decision making abilities under high levels of stress. The simulator provides a means to train and evaluate officers under these conditions while maintaining a high degree of safety for the officer involved. Use of the simulator also meets certain requirements under Virginia Administrative Code pertaining to firearms training as well as various case law decisions in reference to ongoing training pertaining to decision making and the use-of-force.

Budget/Funding: No budget impact; Use of already existing asset forfeiture funds

Council Discussion: $6,500 adjusted from asset forfeiture, to buy new would cost over $47,000

Tewalt asked about extended warranty cost
Shiflett noted that the warranty seems to be a money maker and the technician noted that they really have not had many problems to operate the equipment and they would not be purchasing the extended warranty

Sayre asked if other Departments would be offered the opportunity would use the equipment; Shiflett stated that it would be available to them, yes

Vice Mayor Parker asked about an area to set the equipment up; Shiflett noted that they did have space for the simulator

Darr - Consent Agenda

5. <u>Warren Heritage Society – Street Light Donation</u> – *Town Manager*

Summary: The Town has received a request from Patrick Farris, Executive Director of the Warren Heritage Society, that the Town consider donation of two street lights removed near the South Fork Bridge for preservation and use by the Heritage Society.

Council is requested to consider donation of two street light assemblies to the Warren Heritage Society. Donation will require action by Town Council at a regular meeting.

Staff Evaluation: Staff removed the street lights as part of the utility relocation work for the new bridge construction and have stored the lights for possible use by the Heritage Society.

Staff Recommendations: Staff recommends approval of the donation of two street light assemblies to the Warren Heritage Society.

Town Manager Recommendation: The Town Manager recommends approval of the donation of two street light assemblies to the Warren Heritage Society.

Council Discussion: Burke explained that Mr. Patrick Farris asked for street lights and acorn bulbs for history of street lighting
They are older and weathered and are of little use to the Town

Parker – if they are hooked up and working to illuminate the property then he supports it

Darr – Consent agenda, without the stipulation

6. <u>Disposition of 225th Anniversary Banners</u> – *Town Manager*

Summary: The Town has approximately forty (40) blue and red 225th Anniversary Banners that were displayed on the streets of Front Royal during 2013. The banners were originally purchased for $58 per banner.

Council Discussion: Council is requested to consider authorizing staff to sell the remaining banners at the Tourism Center. Town Council will need to authorize disposition at a regular meeting.

Staff Evaluation: Staff has provided a banner to the designer of the 225th Anniversary logo and will retain two banners for Town records. Staff recommends a price of $25.

Staff Recommendations: Staff recommends Council authorize staff to sell the 225th Anniversary banners at the Tourism Center for a price of $25.

Town Manager Recommendation: The Town Manager recommends Council authorize staff to sell the 225th Anniversary banners at the Tourism Center for a price of $25.

Mr. Burke noted that the Town paid $58 per banner and he asked that the Council authorize that the Town Staff allow them to be sold for $25.

Mayor Darr asked that the matter be placed on the next consent agenda.

7. <u>VRS Employer Contribution Rate Election Resolution</u> – *Town Manager*

Summary: The Town has been requested by VRS to determine the Employer Contribution Rate for the defined benefit retirement program. Two options are provided: 1) certified rate of 14.25%, or 2) alternate rate of 12.59%. Election of the alternate rate defers difference of the certified rate until a future budget, will result in a higher calculated contribution rate in the future, and requires the Town to include Net Pension Obligations in all future CAFR reportings.

Council is requested to consider the two Employer Contribution Rates for VRS. Town Council will need to designate the Employer Contribution Rate at a regular meeting.

Staff Evaluation: Staff has included the certified rate in the FY14-15 proposed budget.

Staff Recommendations: Staff recommends Council execute the resolution for the certified rate of 14.25%.

Town Manager Recommendation: The Town Manager recommends Council execute the resolution for the certified rate of 14.25%

Council Discussion: Burke – housekeeping matter
We have built the rate into our budget
Staff recommends that the VRS rate

Tewalt asked about the amount it had gone up
Burke – technically it had gone down about 5%
Breeden – been about the same, maybe about ¼%

Funk – if we take a break this year, then we pay more next year?
Burke – correct

Darr – Consent agenda

8. <u>Ordinance Amendment Pertaining to Motor Vehicular Laws</u> –*Town Attorney*

Summary: Va. Code § 46.2-1313 states that "[o]rdinances enacted by local authorities pursuant to this chapter may incorporate appropriate provisions of… [the State Code pertaining to motor vehicle laws].

…Nothing contained in this title shall require the readoption of ordinances heretofore validly adopted. Local authorities may adopt ordinances incorporating by reference the appropriate provisions of state law before the effective date of such state law; provided that such local ordinances do not become effective before the effective date of the state law. The provisions of this section are declaratory of existing law."

This has several benefits to localities: it allows localities to write traffic tickets on local summons, and retain the fines generated therefrom, thus helping pay for local law enforcement, keeping localities safer; it helps localities not have to constantly amend its local code of ordinances pertaining to traffic laws to keep in conformity with minor tweaks in the State Code pertaining to traffic laws; and it helps keeps local codes of ordinances shorter.

Council is requested to re-adopt Town Code Section 158-6, which incorporates the State Code traffic laws by reference.

Staff Evaluation: An Opinion of the Attorney General, 81-82 Va. AG, 272 held "local governing bodies may adopt statutes by reference and may also adopt statutory amendments by reference, provided the amendments to them are adopted subsequent to the statutory amendments." This means that annually, the Town must readopt Section 158-6 of the Town Code, which legally allows the Town to incorporate all the changes to the State Code traffic laws that have been made during the year.

Town Manager Recommendation: The Town Manager concurs with staff recommendation.

Council Discussion:
Napier noted that it was an annual routine matter

Mayor - Consent

9. <u>Council Appointments</u>

a. Vice Mayor
b. NSVRC Alternate Representative
c. NSVRC Non-Elected Representative
d. Library Board Ex-Officio Member
e. Royal Phoenix Easement Committee

Summary: Below is a list that requires Council's attention, as **<u>all terms expire June 30, 2014.</u>**

- <u>Vice Mayor</u> (currently N. Shae Parker)
- <u>Northern Shenandoah Valley Regional Commission (NSVRC) Alternate Representative</u> – an alternate must be an elected representative, said term to expire when elected representative's term expires (currently Vice Mayor Parker)

- Northern Shenandoah Valley Regional Commission (NSVRC) Non-Elected Representative – a non-elected representative to serve a 3-year term beginning July 1, 2014.
  (currently Planning/Zoning Director Jeremy Camp)
- Library Board – ex-officio member, said term to expire when councilmember's term expires
  (currently Vice Mayor Parker)
- Royal Phoenix Easement Committee - the committee is a workgroup that plans to modify easements at the Royal Phoenix Site, said term expires when councilmember term expires (currently Councilman Sayre)

Mayor Darr suggested extending all for six more months until the new Council begins. Mr. Burke suggested that Council reappoint Mr. Camp to the NSVRC. Council agreed.

Mayor Darr asked that the item be placed on the next consent agenda.

10. Work w/ the County of Warren & Citizens in the Chimney Fields Park Area – *Mayor Darr*

Darr explained the issues with softball field's Johnny Blue, the recent excavation matter, and the mailboxes that are on the County Park side
Darr noted that the Town Manager has asked if the mailboxes could be relocated to the property owners side of the street
Darr added that perhaps the residential parking could be adjusted to assist them as well
County said they would work with the Town as well

11. Council Discussion/Goals

Tewalt asked about the curbing to be removed along the bypass
Burke – can remove it – yes

Hrbek – path on John Marshall Highway has broken off; Burke they're working on it

Hrbek – behind Gold's broken off; Burke – they're working on it
Parts of a car in the creek since the flooding; Burke – oh – will check on it

Funk – Criser Road Bridge update: Burke – awaiting calls from bridge inspector

Mayor Darr asked about employees retiring officially
Burke – noted that they are all offered and some elect not to attend

Mayor Darr commended the Town of their efforts during this last flooding event

12. CLOSED MEETING –Personnel Matter

Motions to Go Into Closed Meeting

PARKER, THARPE======== moved, seconded by========== that Council convene and go into Closed Meeting for the purpose of assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of a public body, pursuant to Section 2.2 3711. A. 1. of the Code of Virginia.

INSERT MOTION HERE
INSERT MOTION HERE
INSERT MOTION HERE

Motion to Certify Closed Meeting at its Conclusion

PARKER, THARPE======== moved, seconded by ========== 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 MOTION HERE
INSERT MOTION HERE
INSERT MOTION HERE

Present:
All Council present
Mayor Darr, Vice Mayor Parker, Councilman Hrbek, Councilman Sayre, Councilman Funk, Councilman Tharpe, Councilman Tewalt, Town Manager Burke, Director of Finance Breeden, town Attorney Napier, Director
and Burke, Berry, Napier, Breeden, Waltz, Camp, Shiflett