



TOWN COUNCIL WORK SESSION

Monday, June 1, 2015 @ 7:00pm
Front Royal Administration Building

1. AMI Consulting Services Presentation

Summary: The Town of Front Royal has been encumbering funds over the past 10 years for the implementation of an Advanced Metering Infrastructure for the Energy Services department. In the fall of 2014, a steering committee was formed to develop a proposal for a business plan to determine if there is a good business case for Front Royal to implement an AMI Solution. The committee was comprised of five members representing Finance, Energy Services and IT.

Staff Evaluation: Staff received eight (8) responses to the RFP for AMI consulting services. The steering committee evaluated all responses and ranked them based on the evaluation criteria in the RFP. The Committee then met with the top three candidates for further evaluation on their response to the RFP.

Staff Recommendations: The steering committee recommends Utiliworks for the AMI consulting services based on their response to the RFP and the follow-up meeting with the firm. Utiliworks has the experience, capabilities and skill level to properly evaluate all AMI technology and determine if there is a good business case for implementation of this technology.

Council Discussion:

Mr. Waltz noted that automatic metering infrastructure had been discussed for about ten years and the Town has been placing money aside a little at a time, and a steering committee had been developing an RFP to determine if it was a good investment for the Town. He stated that a third party view was preferred and they reduced it to three RFP responses, with one top candidate, Dave Shpigler, of Utiliworks, regarding system automation programming. He reviewed the key steps to moving forward in the process of choosing the automatic meter reading best of the vendors available for the Town.

Mr. Shpigler noted that they would issue a data request to identify the specific characteristics of the electric grid and system operations and hold onsite kickoff meeting to address project scope, timeline, communications plan and housekeeping items. He stated they would review other localities to determine how they benefited to determine what worked and how those benefits could be incorporated into Front Royal's program. He explained that they would use their developed program to understand the organizational impact to gather the elements that work and those weaknesses that need to be addresses within the system.

Mr. Shpigler commented that they would examine the process flow issues and technologies, as well as how the Town would process the data received. He explained that they would examine how the Town would use the data received and how they would need to address system requirements. He noted that the technology options available would need to be reviewed to narrow the available choices. Mr. Shpigler stated that they would identify the costs and benefits of the potential program and also seek alternative options and the pros and cons of every optimal choice. He stated that they would present a final project to the Town within a three month timeframe, perhaps just under that time.

Mr. Shpigler noted that they have been helpful in locating grant funding for some localities from state funding and they would assist the Town with said research. Mayor Darr asked about once the choice has been made for the specific vendor, does the company stay with the Town through the whole process. Mr. Shpigler stated that they can stay through the process to implementation, though the specific Town's RFP was to examine just the process at this time.

Mayor Darr recommended that Councilman Tewalt obtain a full intake of the program from Mr. Waltz and Mr. Burke. Council noted that they would consider it for the regular agenda.

2. AMP Solar Phase II Project Presentation

Summary: American Municipal Power (AMP) has opened the subscription to the new Solar Phase II projects to its members. The project will have an AMP ownership arrangement and will be a "take-or pay" power sales contract. It is proposed that all solar array installations will reside behind the members' meter. Construction of the first site will start in a couple of months with additional installations as subscribed through the subscription process thereafter. AMP has compiled a list of an additional 19 sites to be built as subscription warrant construction.

Staff Evaluation: Staff is currently evaluating the feasibility study and other supporting documentation for the solar project.

Staff Recommendations: Staff will provide recommendations in a future work session after evaluation of project is complete and further direction from Town Council.

Alice Wolfe, of AMP Solar, presented the following to Council:

AMP Solar Phase II Overview

- AMP Members submitted potential solar sites (37 proposed, 20 selected)
- Sites are owned or leased by the municipality
- Sites are located behind the municipality's meter
- All sites are planned to be rolled into one project
- Project will have a single energy rate and a single capacity rate (except for small sites)
- Participants will receive capacity and energy from the entire portfolio

Site Ranking

- Sites are ranked from the projected most cost-effective to the least (\$/MWh)
- Factors that affect this ranking:
 - Local solar irradiance
 - Size of site: ability to spread fixed costs over a larger roads needed
 - Lease and vegetation control costs
 - Forecasted capacity & transmission savings project
- Civil work required: tree removal, storm water retention
- Once Power Sales Contract in effect and Participants Committee formed, Participants decide on sites to be developed based on subscription amount

Power Secure Solar (PSS)

- AMP has partnered with Power Secure Solar (PSS)

- Procure equipment, and Construct the installations
- PSS will use contract laborers from local markets to increase local jobs
- AMP and PSS signed non-binding Master Development Agreement and Preliminary Services Agreement (site evaluation)
- AMP will sign individual EPC contracts for each installation – PSS is an EPC contractor: they can Engineer the facilities
 - AMP has committed to construction at the Coldwater site
 - PSS has completed over 70 projects in 10 states to date – Construction of other sites is dependent upon subscription

Power Secure's Pricing Structure

- Guaranteed Maximum Price (GMP)
 - Fully developed estimate, including equipment excess
 - If PSS's estimates are high, savings go into contingency fund
 - If contingency not used, savings shared w/PSS; If PSS's estimates are too low, PSS covers the excess
- Hometown Connections discount
 - Hometown negotiates discounts on behalf of APPA Members
 - 1% discount applied to PSS's total costs

Project Operation

- AMP will own and operate
- Multiple sites diversifies risk and provides redundancy
- Minimal labor required
 - AMP will remotely monitor sites and send personnel to site when needed
- Typically 25 year warranty on modules and 10 year warranty on inverters

Solar Project Benefits

- Solar provides peaking capacity and transmission savings
- Participation in the solar project diversifies power supply
- The project provides long-term cost stability
- Multiple sites diversifies risk
- Reduces members' reliance on wholesale markets
 - Provides a cost-effective, safe, environmentally friendly, asset- based alternative to wholesale capacity market

AMP Solar Phase I Project

- 3.54 MW AC in Napoleon, Ohio
- Commissioned in August 2012
- Pilot Project
- Brownfield site
- 21 acres of panels

AMP Solar Phase II Project

- Because sites are located behind the meter, they will reduce AMP member loads during transmission and capacity peaks
- Capacity & transmission peak-shaving savings will be applied to reduce the project rate

Financing Assumptions

- Use of AMP's Line of Credit during construction period
- Fixed rate tax exempt bonds issued January 2017
 - 4.5% interest rate
 - 25 year term
- AMP is investigating possible "tax equity" structure to lower costs
 - Allowed under Power Sales Contract, as long as projected to lower costs. May require PSC modifications. (Requires Participants approval)

Project Billing

- All sites output settled hourly in total
- All Participants receive their project contract share of the hourly output
- Price is based on locational pricing and production at each site on a weighted average
- Participant responsible for congestion to load

Key Provisions in Power Sales Contracts

- Long Term Take or Pay Contracts (lowest cost financing) Participants will subscribe for fixed shares (in kW and %) of the output of the Project
- All Participants will receive their shares of the Project (Contract Resources) at the Project Virtual Bus at the same "Project Rate" Key Provisions in Power Sales Contracts
 - Termination at Participants' option once debt paid off
- 25% Step Up Provision (mitigate "weak link" analysis)
- Project Costs are O&M Expense of the Member
- Members pledge rates to cover costs
- A committee of Participants will have both decision making and advisory roles on Projects – Possible "tax equity" advantaged structure

Super Majority of Participants

- 75% of all Project Shares (in kW)
- Approval required for:
 - Any sale or transfer to third parties by AMP of any interest in Project, except as specifically permitted
 - Termination of Power Sales Contract after Bonds paid

Community Solar Option

Community solar: single installation shared by many retail customers – Comparable to AMP's single installation projects – But the municipality subscribes the solar kW's (or kWh's) to its retail customers (commercial, industrial or residential) – Competitive offering • Program rate, design, sign-up method, etc. is largely the utility's choice • AMP will develop templates & marketing materials • Must not have adverse tax consequences • Each municipality chooses whether to offer or not

Council Discussion:

In response to Council's questions, Ms. Wolfe noted that should someone drop out of the project, then AMP would spread the percentage over the remaining localities. She stated the wind project ends in 2022 as it was a purchase project, not owned, as shown on the slide. Ms. Wolfe stated that there would be a large section of trees that would need to be removed around the farm site that the Town or at least significantly trimmed. She added that they most likely would not need any type of AMP employee on site permanently in Front Royal.

Mr. Waltz noted that he would return to Council and provide a recommendation in full in the next couple of weeks in order the full data to the Town. Ms. Wolfe answered Mayor Darr's question, noting that the REC's can be sold or kept over the long haul, though they have dropped significantly in price in recent years.

3. Cool Harbor Motel Lease Agreement Renewal – Town Attorney

Summary: On September 23, 2002, the Town of Front Royal entered into a lease with the owner, Solid Gold, Inc., of Cool Harbor Motel, (hereafter "Cool Harbor Motel") for a portion of the right of way of 15th Street consisting of approximately 675 square feet (0.0155 acre, or a bit more than 1/100 acre), for a period of fifteen (15) years to end June 30, 2017. Monthly rental was agreed upon at \$300 per year. A copy of the lease is attached. This lease was to allow the continuance of an encroachment of a small part of the Motel which apparently was erected by the original owner, Homer LeHew, when the Motel was originally built on or about 1949. It has apparently been leased from the Town to the owners of the Motel at least since 1956. The managing officer/owner of Cool Harbor, Julie Wang, wishes to renew the lease at this time, as there is a good likelihood that she will be travelling in 2017 when the lease renewal comes due, and she does not wish to miss the renewal date. A copy of her letter to the Town Attorney explaining her request to renew the lease at this time is also attached.

The reason for asking for a five (5) year lease renewal period is triggered by the Constitution of Virginia:

The Constitution of Virginia [1971] Article 7 Local Government Section 9. Sale of property and granting of franchises by cities and towns. — No rights of a city or town in and to its waterfront, wharf property, public landings, wharves, docks, streets, avenues, parks, bridges, or other public places, or its gas, water, or electric works shall be sold except by an ordinance or resolution passed by a recorded affirmative vote of three fourths of all members elected to the governing body.

No franchise, lease, or right of any kind to use any such public property or any other public property or easement of any description in a manner not permitted to the general public shall be granted for a longer period than forty years, except for air rights together with easements for columns of support, which may be granted for a period not exceeding sixty years. Before granting any such franchise or privilege for a term in excess of five years, except for a trunk railway, the city or town shall, after due advertisement, publicly receive bids therefore

Mrs. Wang would prefer to not go through the time and expense of the bid process. She would also prefer not to go through the time and expense of the Town's process of "Vacation of Streets/Alleys", attached, for such a small piece of property, even if the Town would be inclined to vacate a portion of 15th Street.

Council should decide if it wants renew, for a five (5) year period, a lease for the small encroachment of the Cool Harbor Motel on 15th Street.

Staff Evaluation: Staff does not anticipate 15th Street being widened so as to require that Cool Harbor not be allowed to remain where it has been located for the past 65 or more years.

Legal Evaluation: Staff Recommendations: Staff can think of no reason to not renew the lease to Cool Harbor Motel (Solid Gold, Inc.) for a five (5) year period.

Council Discussion:

Council inquired if previously it was listed at 15 years previously for a certain reason. Vice Mayor Tharpe gave some history of the property. Mr. Napier stated that they could give 15 years should they wish to, though they would need to renew it every five years. Council voiced that it should go on the consent agenda.

4. Ordinance Amendment to Town Code Section 98-3 and 98-15 Pertaining to Minimum Business Professional Occupational License (BPOL) Fee – Director of Finance

Summary: Chapter 98 Business Professional Occupational Licensing of the Municipal Code currently does not have a minimum licensing fee. The proposed revision for 98-3 would create a minimum fee of \$10.00 for business professional occupational licensing and the revision for 98-15 would add wording to expressly address failure to obtain a proper licensing.

Council is asked to consider revising Town Code section 98-3 & 98-15 to allow collection of a minimum business professional occupational licensing fee and to add wording to expressly address failure to obtain proper licensing.

Staff Evaluation: Under the current municipal code there is not a minimum fee for BPOL. Staff has issued licenses for as little as \$0.02 based on the grossed receipts of the business. Staff would like to have a minimum license fee to help cover costs associated with opening the account for BPOL, mailing/creating renewal forms, purchasing the decal, and general maintenance of the BPOL account.

Staff has reviewed surrounding localities and found that most localities do impose a minimum fee on BPOL. This minimum would not apply to those businesses who qualify for an exemption of BPOL such as 501-C3 non-profit agencies. The addition of wording to 98-15 would simply add the words “to obtain or” so that municipal code expressly addresses not only exhibiting a business license but also obtaining a license.

Budget/Funding: Minimal effect of budget, increase of BPOL would help offset costs of postage and office supplies. Expected increase is less than \$1,500.

Staff Recommendations: Staff recommends that council approve the updates/revisions as proposed.

Council Discussion:

In response to Council’s questions, Mrs. Breeden explained that the minimum would always be \$10. Mr. Napier noted that the State does allow a fee for an issue of the license and that fee can be removed from the account if they exceed the \$10.

5. Proposed Change to Public Parking Signs – *Director of Planning/Zoning*



Summary: The Town has received numerous complaints regarding parking signage used by the Town to identify the location of public parking spaces. Public comments have included remarks that the signage is not easily enough identifiable, too small, and difficult to read while driving. In response to these concerns, Town Staff has prepared the attached draft sign concepts for consideration by Town Council. The purpose of this agenda item is to review these concepts with Town Council and determine if any changes should be made.

The draft parking sign concepts are shown in various sizes, but are generally larger than the current parking signs used. The larger sign type would be better utilized in large parking lot areas, such as the Payton Street Parking Lot. The smaller signs would be used in different locations depending on the size needs of the location. In addition, Town Staff has incorporated the standard “P” parking symbol on each of the signs to further help visitor’s find public parking spaces. The concepts show two different styles. One style uses the existing arrow and font style of current parking signs in the downtown area. The other uses more modern font that would be easier to read while driving in a vehicle. Both signs would continue to use the current dark brown background that is used for downtown signage.

Council Discussion:

Council voiced support of the sign to the left above. Mayor Darr suggested placing them in the Peyton Street area to see how they look and then go from there. Council voiced their support, adding that they should also offer similar signs to Warren County for purchase.

6. Request for Placement of a Memorial to Patricia Windrow – *Town Manager*

Summary: The Town has received a request from Howard Klein and Sue Riner to install a five-sided, concrete memorial to honor Patricia Windrow near the sun dial that she designed by the caboose. Details about the memorial will be provided at the Work Session Council is requested to consider permitting the installation of a memorial to honor local artist Patricia Windrow near the caboose.

Staff Evaluation: Ms. Windrow was an artist who operated an art gallery at 401 Main Street and renovated numerous homes and buildings in Front Royal. In addition, Ms. Windrow painted murals at various local businesses and designed the canoe sundial near the Gazebo. Ms. Windrow also served a number of years on the Town’s Board of Architectural Review.

Staff Recommendations: Staff recommends Council consider authorization of the memorial.

Council Discussion: Mr. Burke presented a 3-d presentation of the design for Council's review, noting that it was to be installed at no cost to the Town. Councilman Egger asked about the images on the memorial. The representatives noted that the images would be in metal and would also be in color. Council discussed other memorials throughout the Town. Councilman Funk asked if the Town to have some type of reference where other works of art, such as the sundial and art at the Main Street Mill could be viewed. Mr. Burke noted that an updated list of her art locations could be kept at the Visitor's Center. Mayor Darr stated that Ms. Windrow was an icon through the Town and she brought tourism to the community without even trying through her art. He noted that he did not wish to riddle the Town with memorials, though Ms. Windrow was one that was definitely deserving.

Council voiced their support of placing it on the consent agenda.

7. MOU - Development/Operation of Public Recreational Facilities at Catlett Mountain

Landfill Site – *Town Manager*

Summary: The Town has received a draft MOU for the development and operation of recreational facilities at Catlett Mountain Landfill by Warren County. Council is requested to review and consider the MOU for recreational use of Catlett Mountain Landfill by Warren County.

Staff Evaluation: The Town Attorney has reviewed the draft MOU and determined that it addresses the Town's concerns and liability about use by the County.

Staff Recommendations: Staff recommends Council consider execution of the draft MOU for recreational use of the Catlett Mountain Landfill by Warren County.

Council Discussion:

Council noted that the MOU seemed appropriate and it should go on the consent agenda at this time.

8. Recommendations from Economic Committee

Top 15 Recommendations from Economic Committee to Town Council

1. Volunteer Committee for oversight of SBDC during their Town commitment
2. Hire a Champion for Front Royal (with a budget)
3. Ongoing Town Beautification
4. Improve Signage for Front Royal w/ emphasis on
5. Public Parking Locations (use color)
6. Increased Tourism Activity Implementation & Coordination
7. EDA/Avtex Development (Town Involvement)
8. Finalize Overhead Downtown Lighting & Installation
9. Town Building Inspector in Coordination w/ County
10. Main Street Program Funding
11. Obtain Façade Grants, etc.
12. Consumer/Business Counseling (SBDC)
13. Explore Parking Concerns & Expansion (lots, garages, etc.)
14. Sidewalks & Easements for Outdoor Commercial Use (tables w/ umbrellas, etc.)
15. More Town Sponsored Events in Conjunction with Civic Organizations
16. Establish Town Brand; expand professional, positive staff mindset

Council Discussion:

Mayor Darr noted that many of the issues seemed to be issues the Council would already be doing. He suggested that Council review them and comment and develop brief recommendations on the list and return the list Council at the next worksession.

9. Economic Community Development Position – *Councilman Tewalt*

Councilman Hrbek asked for the 2-3 year old job description and provide it to the entire Council. He added that perhaps Council can reclassify the Tourism Director into an economic development individual. Mayor Darr asked Ms. Martha Shickle, of the NSVRC, about the joint venture with the Town. Ms. Shickle stated that they were eager to support regional initiatives and supporting the Town with this position and other downtown strategies for support and revitalization. Mr. Burke noted that the NSVRC had some Staff Members where the Town could cost-share with in order to utilize their expertise and skills for tourism development and economic development.

Councilman Hrbek stated that they needed to detail the specifics of what they need for the Town and not rely only on tourism for economic development. Councilman Funk stated that the part time position would be preferred and Mr. Hrbek disagreed, noting that the full time position would more than pay for itself in meals taxes, if for example they brought in a large scale restaurant.

10. Council Discussion/Goals

Councilman Connolly stated that he was contacted by a citizen about downtown events and the noise ordinance. He noted that citizen stated that the gazebo should not have any amplified noise whatsoever.

Councilman Connolly asked about the sign ordinance being referred in it's entirety to the Planning Commission to make it easier for small businesses. Mayor Darr asked if it could be placed on a worksession.

Councilman Funk asked about dredging under the bridges. Mr. Burke stated that they are continuing to meet with VDot about the permitting process.

Councilman Egger stated that the Visitor's Center needed to be painted. Mrs. Breeden stated that it would be painted by the end of the fiscal year.

11. Closed Meeting – 1) Personnel Matters and 2) Consultation with Legal Counsel Pertaining to Actual or Probable Litigation and Consultation with Legal Counsel Regarding Specific Legal Matters

Motion to Go Into Closed Meeting

Councilman Connolly 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; and 2) for the following purposes, both pertaining to on-going and future legal issues with the County of Warren concerning the Route 522 Corridor area north of the Town of Front Royal: 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, pursuant to Section 2.2-3711. A. 7. of the Code of Virginia **AND** Consultation with legal counsel

employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, pursuant to Section 2.2-3711. A. 7. of the Code of Virginia.

Vote: Yes – Connolly, Egger, Funk, Hrbek and Tharpe

No – N/A

Abstain – N/A

Absent – Tewalt

(Mayor Darr did not vote as there was no tie to require his vote)

Motion to Certify Closed Meeting at its Conclusion

Councilman Connolly moved, seconded by Councilman Funk 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.

Vote: Yes – Connolly, Darr, Egger, Funk, Hrbek and Tharpe

No – N/A

Abstain – N/A

Absent – Tewalt

(By Roll Call)

Present: Mayor Darr, Vice Mayor Tharpe, Councilman Connolly, Councilman Egger, Councilman Funk, Councilman Hrbek, Finance Director Breeden, Town Attorney Napier, Clerk of Council Berry, Chief of Police Shiflett, Planning & Zoning Director Camp, Energy Service Director Waltz, Environmental Services Director Hannigan, IT Director Jones, members of the media and members of the public.

Absent: Councilman Tewalt