TOWN COUNCIL WORK SESSION
Monday, December 5, 2016 @ 7:00pm
Town Hall Conference Room

1. Community Development Block Grant (CDBG) Update (Downtown Revitalization Project) – *Director of Planning & Zoning*

Summary: The purpose of this agenda item is to provide Town Council with an update of the status of the Community Development Block Grant (CDBG). This project includes the creation of a Downtown Revitalization Plan with use of a planning granted awarded to the Town from the Virginia Department of Housing and Community Development. The Project Management Team (PMT) oversees the project with Town Staff, Staff of the NSVRC, and the hired consultants. The Downtown Revitalization Plan will include the following components:

- **Façade Improvement Program: As modeled from a few other communities in the Commonwealth, the Façade Improvement Program would provide "grants" to property owners in the selected Downtown Revitalization Area to improve their exterior facades. Property owners would be required to match the dollar value (up to $15,000 per building, or up to $20,000 for buildings with multiple storefronts). The grant funds would not have to be paid back by the property owner if they maintain the improvements and keep their building actively used by a business.**

Status*: Frazier Associates will return on December 8th to meet with property owners in a public meeting at Town Hall at 6PM. At the meeting, Frazier Associates will present the architectural renderings of properties that were selected to be examples used in the Downtown Revitalization Plan. Frazier will also present an informational document that was prepared for the overall proposed Façade Improvement Program.*

- **Branding Program: The branding program includes the creation of a brand in the Town that has the primary purpose of promoting economic development. The project is led by a Branding Committee, and Darwin has been hired as an expert branding firm to develop the brand. While the CDBG Project is focused on the Downtown Revitalization Area, the objective here is to develop a brand that is larger than just the downtown, and can encompass the entire community to distinguish ourselves to tourists and local citizens.**

Status*: A third public meeting is scheduled for December 6th at the WC Community Center at 6PM. Unlike the first two public meetings, the public at this meeting will only be spectators. The Branding Committee and Darwin will be working on finalizing the branding strategy and moving forward with development of the tag line and logo. Darwin is contracted to complete the overall branding playbook by Feb 15.*

- **Other Plan Components: The NSVRC is working with students from Shenandoah University to conduct a business survey and develop business recruitment and retention strategies that will be included within the Downtown Revitalization Plan. The NSVRC is also developing a parking study of the downtown that will include recommendations on a possible parking garage. The Downtown Revitalization Plan**

will also include strategies for physical improvements in the downtown area, including street lights, sidewalks, signage, and potentially a public bathroom facility near the Visitor's Center.

Status*: All components of the plan referenced above, are scheduled to be completed in early 2017, and will be brought forth to Town Council for approval at that time. The plan will be made part of an implementation CDBG Grant that is due at the end of March 2017 and will include a funding request to the State for implementation of plan. Matching funds contributed by the Town will enhance the chances of approval of the implementation grant. This consideration was submitted for consideration as part of this year's budget process.*

2. Proposed Town Charter Amendments – *Town Attorney*

Summary: On November 26, 2012. Town Council passed certain proposed Town Charter amendments which Council requested the General Assembly to pass at the then upcoming 2013 Session. The most significant of these proposed changes are as contained in the attached letter dated November 30, 2012, to the Town's then General Assembly Senator and Delegates, and include: The change in the Town's elections for Town Council and Mayor from the first Tuesday in May in even numbered years, to the general election day in November in even numbered years (this has now been codified in the Town Code in Section 10-1; however, the General Assembly can undo this by change to State Code). Other proposed changes to the Town Charter include:

Allowing the Town Council to designate additional Town officers by ordinance; to cause elections to Town Council and Mayor to be non-partisan (so that federal employees, such as our present Mayor, to be able to hold local public office—historically, all Town elections, as most local elections nation-wide, have always been non-partisan); to allow minutes to be kept in electronic format in lieu of hard-copy minute books; to allow the publication of proposed ordinances and other notices by any method allowed by law; to combine the duties of the town treasurer with that of town manager or town finance director; and for the provision of a number of other minor or clerical amendments to the Charter.

A copy of a summary of the proposed Charter amendments (the proposed additions are underlined, and the proposed deletions are interlined) that was sent to the Town's General Assembly delegation, together with the letter dated November 30, 2012, sent to the Town's General Assembly delegation, is attached.

For reasons that are not completely clear, while in committee in the House of Delegates, the Town's proposed Charter amendments were significantly altered, to the extent that it largely defeated what the Town wanted to see happen, so the Town caused the House of Delegates to "pull" the proposed Charter amendments from further consideration during that Session of the General Assembly.

In addition, at the fall 2015 VML Dinner, a number of issues were presented by VML to present to our representatives in the General Assembly. They included the following:
1) State Corporation Commission jurisdiction over local utilities – As a result of the electric rate issue in Danville, the General Assembly was lobbied to consider legislation to grant the SCC regulatory powers over local utilities. Local oversight of utilities is necessary to maintain citizen involvement in establishing rates that the community feels are appropriate.

2) State Assistance to Local Police Departments (HB 599) - "599" funding for our Police Department was reduced during the economic downtown in 2008 and has never been restored to its original level or increased as the Commonwealth realized increased revenue as the original HB 599 legislation required. Recognizing the increased need for trained Police Officers to respond to both routine calls as well as critical response events such as active shooter or terrorism events, increased funding from the Commonwealth is very important.

3) Business, Professional, & Occupation License Tax (BPOL) - The Town currently realizes over $650,000 in revenue from BPOL tax. Elimination of this revenue source by Richmond without providing an equivalent revenue source would result in a significant shortfall in our General Fund operating budget. Any substitute revenue source must be sustainable and realize increase as business development occurs.

4) Unfunded Mandates – The legislature should prevent any burden being placed on local government that results in an increased tax burden by our citizens. These often result when environmental legislation is approved or when service provision is transferred to local government from the Commonwealth.

5) Transportation Funding – Appropriate funding sources for the Town to continue expansion and improvement of our transportation infrastructure is critical to the Town's ability to attract and sustain new residential, commercial, and industrial development.

6) Wastewater Discharge/Pollutant Allocation Limits – The Town currently relies upon the Nutrient Credit Exchange to offset our nutrient treatment requirements until the completion of the $50,000,000 improvement at our plant to meet the current regulations. Any legislation considered that would unfairly direct treatment credits to a single community would drastically affect the utility rates of our customers.

7) Line of Duty Act – The ever increasing costs for local government to provide Line of Duty Act coverage for our Police Officers is not sustainable. The Legislature should consider the recommendations and options developed by the Joint Legislative Audit and Review Committee to ensure fiscal sustainability of the program.

8) Workers Compensation – The Legislature should consider adopting a Medicare-based fee schedule for setting medical provider fees associated with Worker's Compensation cases.

9) Synthetic Plastic Microbeads – The synthetic plastic microbeads used in personal care products have been determined to contain toxins including PCB's which contaminate water sources. Wastewater Treatment Plants are not capable of removing microbeads from sewage.

10) Asset Forfeiture - The Town supports resurrection/reintroduction of a bill similar to HB 1287 regarding the requirement that forfeiture of any property or money to the Commonwealth or other law enforcement agency by reason of a violation of any law shall only occur after conviction and final judgement of the offense authorizing the forfeiture. If no such judgement is entered, all property seized shall be released from seizure. HB 1287 passed in the House of Delegates 92-6 but died in the Senate Finance Committee which approved to pass by the bill definitely by a vote
of 9-5. Any seizure of assets associated with a criminal act should only be confirmed once the legal system has convicted an individual for their actions.

11) Dilapidated Buildings – The Code of Virginia provide authority to address dilapidated buildings to Counties and Cities that are not extended to Towns. The Town has a number of structures that are dilapidated but are not structurally deficient. This limits the Town's ability to pursue rehabilitative actions to remove the blight from our community. However, if the Town enacts the Property and Rental Maintenance Code currently being contemplated, that may mitigate some of that concern.

Town Council is requested to consider and discuss any other amendments it would like to see to the Town's Charter. There has been some sentiment expressed about going back to May elections in the future. This can be done, with the correct timing, by repealing Town Code Section 10-1, which would restore the effect of the current Town Charter which calls for May elections.

Also, there may or may not be sentiment on the part of Council about having future Town Council elections being non-partisan.

Staff Evaluation: With the election of new Town Council Member William Sealock to the Council come this January, and the expected appointment of a new Town Council Member to replace the upcoming vacancy of Vice-Mayor Hollis Tharpe, who will become our new Mayor in January, and the appointment of Council Member Jake Meza this past January, who I do not believe has had the opportunity to fully participate in the discussions on amending the Town Charter, this leaves a full half of Town Council will not have had the chance to weigh in on these important issues, Council may want to consider waiting until the next General Assembly session in 2018 so as to get the "most bang for Town Council's buck".

Additional considerations of the Town Attorney include: the Town might include whether the Town wishes to be able to retain its zoning authority over any State directives regarding Airbnb; cleaning up the present Charter provisions regarding zoning and planning, as they are outdated and conflict with current State law and current zoning and planning best practices; provisions for more local flexibility on taxation; etc.

Additionally, staff, such as Planning & Zoning, might be requested to also evaluate the Town Charter and give its recommendations to Town Council as to what staff recommends might be considered amended.

Council Discussion:

3. <u>Continued Discussion of Solid Waste</u> – *Director of Environmental Services*
Andrew Heacock, Refuse Supervisor, presented the following to Council:

<u>WHERE WE LEFT OFF</u>

- Reevaluate the commercial refuse program
- Implement Single Stream Recycling
    - Standardize refuse fleet
        - Restructure routes to increase efficiency
        - Reevaluate staffing needs and operational costs

COMMERCIAL REFUSE PROGRAM

- Review Profits/Losses with Finance
- Discuss tipping fee structure with Warren county
- Review service options for Town businesses
- Return to council in June of 2017 with recommendations concerning the future of the commercial refuse program

SINGLE STREAM RECYCLING

- Acquire 26 yard Rear Load Refuse truck
    - Reliable vehicle able to make trip to sort facility in Manassas
    - Ability to compact materials to increase efficiency
- 6 month Rollout plan
    - Collection days would remain the same for first 3 months
    - After 3 months routes and collection days would be altered based upon volume
    - After 6 month rollout period is completed, return to council with analysis of transition to single stream

- Options moving forward
- Purchase -- $175,000 – available in 1 year
- Other options to start program in a few weeks – (Funds not budgeted)
    - Long term rental (6 months) -- $5,850 per month
    - Long term rental (month to month) -- $6,500 per month
        - In addition to the monthly rate, a charge of $1,800 is charged for delivery/return of equipment for either rental option.

- Still mandated 25% by the State of Virginia
- Mr. Waltz noted that it is not a good option to lease the equipment, though he wanted all options to be presented
- Mr. Meza stated that Staff is once again asking that they start the process again and he would hope that two things be evaluated: staff efficiencies (commercial routes, single stream) we hope to gain; and the outsourcing options
- Mr. Meza noted that the true dollars of renting need to show the difference of the purchasing versus renting amounts; ROI's should be shown he noted. He stated that a lean study on the routes really need to be looked into. Mr. Heacock noted that with the trailers currently used by Staff, they needed different equipment. He added that with commercial route the Town is tied with the constraints of the Town and the County.
- Ms. Egger noted that there were many issues in place that they needed to review in order to process matters fully; Mr. Heacock stated that they considered evaluating the single stream first, then the commercial side of the Town, then other matters.
- Mr. Meza noted that the matter has been broken down into different areas that need approach and Council seems to address the matter as a whole rather than in parts.
- Mr. Tewalt stated that it began as "personnel was not efficient" and then the program was to be fully reviewed. He noted that the whole program needed evaluation and changes.
- Mr. Waltz noted that a thorough job of review needed evaluation and they are attempting to review matters in depth and perhaps six months is too long of a time for the review time.
- Mr. Tewalt voiced support of a drop dead date to either move forward or not.
- Mr. Connolly noted that six months was not an unreasonable timeframe for evaluation of all of the numbers. He stated that it may be beneficial to consider all aspects of purchase of the rental.
- Mayor Darr stated that in order to obtain some of these numbers/data we need the truck. He noted that the Town's current segregated trucks cannot be used in order to obtain the numbers. He voiced support of the truck and the single stream recycling program.
- Council discussed the options for truck rental, truck purchase, the possibility of what to do with the truck if they do not use single stream recycling program for the long haul.

4. <u>Funding for Purchase of Trash Truck</u> – *Director of Finance*

Summary: The Town has received a low bid of $175,935.00 for the purchase of a new refuse truck.

The FY17 approved budget includes $36,400 for the first payment which leaves a remaining balance of $139,535.00 that will need to be funded in order to purchase the refuse truck. Council may choose to fund the $139,535.00 via an internal or external loan.

Council is requested to approve an internal loan from the Water Enterprise Fund Balance in the amount of $139,535.00 to the Refuse Department. The loan will be paid back over the course of 4 years with equal payments in the amount of $34,883.75.

Staff Evaluation: **VML VACo estimated the following amounts for an external loan:**
Term Est. Interest 5-Year External Loan $8,605.05
7-Year External Loan $13,522.80

The water enterprise unreserved fund balance currently has sufficient funds to cover an internal loan in the amount of $139,535.00 to the refuse department while sufficiently sustaining reserve amounts.

Budget/Funding: **The FY2017 approved budget includes $36,400 for the first payment of the refuse truck. Upon approval, future budgets will need to include the expense for the annual payment.**

9601-3510110 Water Treatment Plant – Appropriated Funds Forward $139,535.00
9601-49008 Water Treatment Plant - Transfer to Refuse Loan $139,535.00
4203-3310111 Solid Waste Management – Internal Loan $139,535.00
4203-47005 Solid Waste Management – Motor Vehicles $139,535.00

Staff Recommendations: **An internal loan from the water fund to the refuse fund would allow the Town to save on interest expense, while also allowing fund reserves to be replenished over a four-year period and allowing the annual payment expense to be in line with projected payment amounts. Staff recommends that council approve a four-year internal loan as presented.**

Council Discussion:
Council discussed that they would not charge interest for the amount and other aspects of the purchase; they voiced their support of the program. Councilman Meza clarified that the six-month timeframe for the refuse program, but they would be putting this $200,000 into the program – it seemed like conflicting messages. Mayor Darr said they were examining the program for truck replacement anyway, because the truck needed to be purchased regardless. Mr. Hrbek noted that he was uncomfortable borrowing it from the water fund, though he would not stand in the way of the process.

5. **Compensation and Classification Study RFP Update** – *Director of Human Resources*
Summary: **The Town received three proposals for the compensation and classification study. The review committee has started the initial review of the responses and plans to provide an overview at the meeting.**

Staff Evaluation: **The committee continues to review and plans to provide an overview at the meeting for further discussion with Council.**

Budget/Funding: **Currently funded in FY16-17 budget - $24,000**

Staff Recommendations: **The Committee will continue review of proposals and seeks additional direction on how to proceed with Council.**

Council Discussion:

RFP – Compensation & Classification Study

Purpose:
- ❖ Equitable Compensation system treating all Full-time & Part- time employees fairly.
- ❖ Revision of existing job descriptions based upon the analysis of jobs.
- ❖ Examine local labor markets to ensure the Town maintains competitive for recruitment at all levels and retention of employees preventive prohibitive cost in the turnover employees.

RESPONSES RECEIVED:
- ❖ FMP Consulting (Arlington, Virginia)
- ❖ Paypoint HR (Davidson, Maryland)
- ❖ Resonance (Marshall, Virginia)

FMP CONSULTING
- ❖ Since 1991
- ❖ 92% of Clients are Federal
- ❖ 8% Non-Federal
- ❖ Two fee structures
  - ❖ Standard - $170,591.90
  - ❖ Alternate - $ 89, 504

PAYPOINT HR
- ❖ Mixture of Federal Government, Public Schools, City
- ❖ High Degree of Software to determine job analysis and compensation
- ❖ Project hours 206 with cost of $25,750

RESONANCE
- Limited experience in area of Municipal Government
- Cost $125,200

IN SUMMARY
- Timeline for study – 6 months approximately
- Current funding is $24,000
- Next step
  - Council direction for staff

Ms. Bush stated that FMP is not what is recommended for the Town in her opinion. Councilman Tewalt noted that payscales based on Northern Virginia salaries would not be beneficial to the Town of Front Royal. Ms. Bush noted that the RFP stated the localities that should be examined. Council discussed what the RFP's contained, Mayor Darr suggested that the RFP's be examined in a spreadsheet mode to determine a pass/fail analysis; so that the companies can be compared. Mr.

Waltz stated that the review committee has had just two weeks in order to look at the RFP's and they truly need more time.

6. Health Insurance Consulting Services RFP Update – *Director of Human Resources*

Summary: The Town received five proposals for the health insurance consulting services. The review committee has started the initial review of the responses and plans to provide an overview at the meeting.

Staff Evaluation: The committee continues to review and plans to provide an overview at the meeting for further discussion with Council.

Staff Recommendations: The Committee will continue review of proposals and seeks additional direction on how to proceed with Council.

RFP –Health Insurance Consulting Service

Purpose:

- **To assist the Town in strategically planning and designing negotiations implementing health care plans for Town employees and retirees.**
- **Resulting in annual renewal negotiations for health, dental and vision plans.**
- **Minimize costs while offering a competitive benefit package to employees and retirees.**
- **Current Plan offers Health, Behavioral Health, Dental, Prescription and EAP.**

RESPONSES RECEIVED:

- BB&T (Winchester, Virginia)
- Innovative Insurance Group (Roanoke, Virginia)
- Mark III (Charlotte, NC)
- Rosenthal Insurance Consulting (Richmond, Virginia)

BB&T

- Provides services to 30 Municipalities throughout the State of Virginia; 7 within the Northern Shenandoah Valley.
- Including Frederick County, Warren County, Frederick County Schools & Madison.
- Most Plans are Anthem or The Local Choice.
- Cost is annual fee of $18,500 for first three years.

INNOVATIVE INSURANCE GROUP

- Formed in 2014 as a result of a merger of 4 long standing Virginia health insurance agencies
- Coverages to groups less than 100 to over 500
- Use of online portal to enroll, review, and local administrative staff to file ACA 1094-C and 1095-C
- Currently provides services to 10 public sector groups including (Amelia County, Hopewell City Public Schools, Fredericksburg City Public Schools, Dinwiddie Public Schools
- Fee $10.00 per employee per month for first year, then $20.00 per employee
- Cost is $21,600/$43,000

MARK III

- ❖ One hundred large groups of public entities, including 64 Counties & Cities.
- ❖ Most prominent in North Carolina, but in Virginia markets as well
- ❖ Offers HR Portal for Administrative use and employee information
- ❖ $25,000 Annually

ROSENTHAL INSURANCE GROUP

- ❖ Strong in benefits of The Local Choice Program
- ❖ Provides services to: Prince Edward Public Schools, City of Poquosen, Lunenburg County Public Schools, Fluvanna County Public Schools
- ❖ $8,000 annually + travel

Council Discussion:

Ms. Bush discussed that when claims are received and evaluated the Town
high increase
$96,000 paid to Local Choice every year
RFP was to have a health insurance broker
Councilman Hrbek voiced concern of the broker/advice set up.
Councilman Tewalt noted that the Town's health insurance was not a sustainable number. He stated that the employees needed a sustainable number

Councilman Hrbek voiced support of a high deductible plan as suggested by Councilman Tewalt. Messrs. Hrbek and Meza voiced their recommendation for the high deductible plans, as did Mr. Tewalt.

Mr. Waltz noted that this was a brief summary to Council and the RFP's have been sent to the ShareFile for full Council review. He stated that the Staff will review and return the matter to Council in January.

7. <u>Resolution of Support for IT Federal, LLC</u>

Councilman Hrbek noted that he would have a resolution ready by Monday.

8. <u>Ad-Hoc Committee for Joint Dispatch Discussion</u>

Councilman Meza and Councilman Egger stated that they would volunteer to serve.

9. <u>Council Vacancy Appointment Process</u>

Councilman Tewalt noted that they could appoint the next highest vote getter, as that had been that policy. Mayor Darr stated that they had not always been true. Council chose to place the matter on the consent agenda.

10. <u>Town Manager Hiring Process</u>

Mayor Darr noted that there were pros and cons to using a hiring firm in order to obtain a Town Manager. He stated that with a hiring firm there is a financial burden, though the firm would do an extensive research of the person's background. Councilman Tewalt reminded Council that they have also used a Blue Ribbon Committee in the past; Mayor Darr noted that using a Blue Ribbon Committee can also present their own challenges. Mayor Darr reiterated that Councilmen Meza and

Sealock had great experience with hiring individuals and their expertise would be quite valuable with this process.

Vice Mayor Tharpe noted that previously they had not used a firm for hiring some Town Managers, and the process had been successful. Ms. Bush noted that was correct. She added that she advertised at a low cost, weeded through resumes, set up interviews and then the individual was appointed by Council.

Councilman Tewalt asked that Staff provide Council with the job description of the Town Manager so it could be reviewed. Ms. Bush noted that the job description would be provided to Council.

11. Council Discussion/Goals

Mr. Hrbek stated that he was contacted by Sandy Charles phoned about a cul de sac exchange Mr. Napier noted that the Town is awaiting for a survey. Mr. Hrbek stated that some memo or some type of information needs to come to Council so they can be aware of the matter. Mr. Camp noted that can be done.

Mr. Hrbek submitted notes from the ALEC/ACEE States & Nation Policy Summit, noting that it was one of the best conferences he had ever attended. He noted that he was happy to discuss anything with others on what he learned at the event.

12. CLOSED MEETING – Acquisition of Real Property

Motion to Go Into Closed Meeting

Councilman Connolly moved, seconded by Councilman Egger that Council go into Closed Meeting for the discussion or consideration of the acquisition of real property for a public purpose, specifically, property owned by the Veterans of Foreign Wars located in the Town of Front Royal, and of the disposition of publicly held real property, specifically Town owned property on Sixth Street, pursuant to Section 2.2- 3711. A.3., where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Vote: Yes – Connolly, Egger, Hrbek, Meza, Tewalt and Tharpe
No – N/A
Abstain – N/A
Absent – N/A
(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 Egger 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 – Connolly, Darr, Egger, Hrbek, Meza, Tewalt and Tharpe

No – N/A
Abstain – N/A
Absent – N/A

(By Roll Call)

Present: Mayor Darr, Vice Mayor Tharpe, Councilman Connolly, Councilman Egger, Councilman Meza, Councilman Hrbek, Councilman Tewalt, Finance Director Wilson, Town Attorney Napier, Interim Town Manager Waltz, Clerk of Council Berry, Police Captain Hite, IT Director Jones, Planning & Zoning Director Camp, Environmental Services Director Hannigan, Community Development Director Hart, Human Resources Director Bush, members of the media and members of the public.