

The **SPECIAL MEETING** of the Town Council of the Town of Front Royal, Virginia was held on March 6, 2017, in the Town Hall Conference Room. The roll was called at 7:00 p.m.

PRESENT: Mayor Hollis L. Tharpe
Councilman John P. Connolly
Councilman Bébhinn C. Egger
Councilman Jacob L. Meza
Councilman Christopher S. Morrison
Councilman Eugene R. Tewalt
Town Attorney Douglas W. Napier
Interim Town Manager Joseph E. Waltz
Clerk of Council Jennifer E. Berry, CMC

(The above listed members represent the full body of Council as authorized in the Town Charter.)

COUNCIL APPROVAL – Resolution for the Vacation and Conveyance of a Portion of W. 15th Street – Cool Harbor Motel

Councilman Sealock moved, seconded by Councilman Tewalt, that Council move to ‘reconsider’ Town Council’s February 13, 2017, vote on this issue to vacate and convey the approximately 675 sq. ft. of W. 15th St. to the owner of Cool Harbor Motel.

Councilman Meza asked about super majority for Council votes. Mr. Napier, Town Attorney, noted that the Council’s super majority is four votes, not five members of Council.

Vote: Yes – Connolly, Egger, Meza, Sealock and Tewalt
No – N/A
Abstain – Morrison
Absent – N/A
(Mayor Tharpe did not vote as there was no tie to require his vote)
(By Roll Call)

Councilman Sealock moved, seconded by Councilman Tewalt, that Council approve the following Resolution, subject to the following conditions:

- (1) That Town Council vacate and convey an approximately 675 square foot portion of W. 15th Street to Arihanna Corporation dba Cool Harbor Motel for the sum of \$100.00; and*
- (2) That the current lease with Solid Gold, Inc., dba Cool Harbor Motel be null and void upon the vacation and conveyance; and*
- (3) That if the encroaching portion of Cool Harbor Motel, it being the approximately 675 sq. ft. onto W. 15th Street, ever be offered for sale or conveyance by the then-owners of Cool Harbor Motel, that the encroaching portion of the Motel, being the approximately 675 sq. ft. onto W. 15th Street, the Town shall have the first right of refusal to re-purchase the approximately 675 sq. ft. for the sum of \$100.00; and*
- (4) He further moved that the Council direct the Mayor, Town Manager and Town Attorney to execute all necessary documents to carry out the intent of this Resolution.*

Vote: Yes – Connolly, Egger, Meza, Sealock and Tewalt
No – N/A
Abstain – Morrison
Absent – N/A
(Mayor Tharpe did not vote as there was no tie to require his vote)
(By Roll Call)

Councilman Egger asked for clarification. Mr. Napier noted that the matter was before Council, for the resolution that they just reconsidered.

Councilman Meza asked about the first right of refusal. Mr. Napier noted that the Town would not be holding up the entire sale of the motel, should the matter come up for sale, only said portion.

Councilman Sealock moved, seconded by Councilman Tewalt, that the Town pass the Resolution as it was just amended.

Vote: Yes – Connolly, Egger, Meza, Sealock and Tewalt
No – N/A
Abstain – Morrison
Absent – N/A
(Mayor Tharpe did not vote as there was no tie to require his vote)
(By Roll Call)

RESOLUTION FOR THE NARROWING AND VACATION OF A PORTION OF WEST OF WEST 15TH STREET

RE: COOL HARBOR MOTEL

WHEREAS, the Town Council of the Town of Front Royal, Virginia (“Town Council”) has preliminarily determined that an approximately 675 square foot unpaved portion of the Town’s public right of way on the north side West 15th Street in the Town of Front Royal, Warren County, Virginia, on which a small portion of the existing Cool Harbor Motel is located and has been inadvertently located for decades (the “Property”), is surplus property and is Property that the Town no longer wishes to maintain and ought to be sold to Arihanna Corporation dba Cool Harbor Motel; and

WHEREAS, Section 18, paragraph no. 4, of the Town Charter, authorizes Town Council with power “to make such ordinances, orders, bylaws and regulations as they may deem proper and necessary to carry out the following powers” ... “To ... narrow ... streets ... in said town [of Front Royal]”; and

WHEREAS, Virginia Code §§ 15.2-2006-2008 provides that municipal charters may provide for alteration or vacation of public streets and alleys in a manner differing from the methods provided by general law and the part thereof to be vacated need not be sold at bid but may be purchased “by any abutting property owner” and the sales “price shall be no greater than the property’s fair market value or its contributory value to the abutting property owner”; and

WHEREAS, Arihanna Corporation, dba Cool Harbor Motel has requested that the Town sell or vacate the Property to it so that it can obtain a Motel 6 Franchise which will entail a Small Business Administration Loan, which in turn requires that the Town convey the Property to

Arihanna Corporation or that Arihanna Corporation tear down the part of its Motel encroaching on West 15th Street, a major expense to it; and

WHEREAS, Town Council finds that it is in the best interests of the Town and its inhabitants that, rather than selling the Property at bid, that the Property be vacated and conveyed to Arihanna Corporation dba Cool Harbor Motel under the legal authority aforesaid; and

NOW, THEREFORE, BE IT RESOLVED, that the Property be vacated and conveyed to Arihanna Corporation dba Cool Harbor Motel for the sum of One Hundred Dollars (\$100.00); and that the Mayor, the Town Manager, and the Town Attorney execute all documents necessary and appropriate to effectuate this Resolution; and

BE IT FURTHER RESOLVED that the existing lease for the Property be terminated and declared null and void on the date a deed of bargain and sale to the Property is executed by the Town.

THIS RESOLUTION was adopted by the following vote of Town Council, all of whom were present and voting, of Town Council who voted "Yes" below at a Regular Meeting of the Town Council of Front Royal, Virginia, on February 13, 2017

COUNCIL APPOINTMENT – Planning Commission

Councilman Connolly moved, seconded by Councilman Tewalt, that Council appoint Cee Ann Davis, to the Front Royal Planning Commission to an unexpired term, said term expires August 31, 2018.

Vote: Yes – Connolly, Egger, Morrison, Sealock and Tewalt
No – N/A
Abstain – Meza
Absent – N/A
(Mayor Tharpe did not vote as there was no tie to require his vote)

There being no further business, the Mayor declared the meeting adjourned at 7:10 p.m.

APPROVED:

Jennifer E. Berry
Clerk of Council



TOWN COUNCIL WORK SESSION

(immediately following Special Meeting)

Town Hall Conference Room

March 6, 2017

2. Request to Use Trolley – Humane Society of Warren County – Town Manager

Summary: The Humane Society of Warren County has requested that the Town contribute the rental rate for use of two (2) Virginia Regional Transit (VRT) Royal Trolleys from 8:00am – 4:00pm on Saturday, August 12, 2017 to transport participants in their fundraiser “Waggin’ for Dragons” Boat Race from the Lowe’s/Wal-Mart Parking Lot to the Front Royal Country Club. The rental rate last year was \$518.50 and Council approved the donation of up to \$600.00 toward the use of the trolley for this fundraiser. VRT was recently contacted and the rental rate is the same for this year at \$518.50; however, the Humane Society this year is asking for the use of two trolleys which is at a rental cost of \$1,037.00.

The Humane Society noted that they raised \$63,000 last year and they will have two trolleys this year, hopefully, with the Town’s support.. Councilman Tewalt asked that it will be on the regular agenda for a vote. Mayor Tharpe noted that it was a great outreach to the community and an assistance to help control the pet population in the Town limits.

1. Police Department Update - Moseley Architects

Summary: Representatives from Moseley Architects were in attendance to update Town Council on the design of the new Police Department Headquarters and provide up-to-date construction costs.

Council Discussion:

In response to Councilman Tewalt’s question, Mr. Waltz noted that they would be meeting soon with People’s Inc regarding the funding. Councilman Meza asked if there were expectations that there will be major changes to the bottom line number shown. Mosely noted that they saw no foreseen issues. Councilman Tewalt asked if the contingency fund shown for \$850,000 includes change orders; Mosely noted that it was.

3. Resolution to Establish Agreement for Skyline Regional Justice Academy – Interim Chief

Summary: Council is requested to approve a Resolution to enter into an Agreement to establish the Skyline Regional Justice Academy, as presented. Council approved a resolution July 11, 2016 to withdraw from the Rappahannock Regional Criminal Justice Academy effective June 30, 2017.

Council Discussion:

Councilman Connolly noted that he voted in favor of withdrawing from the Rappahanock Regional Justice Academy and it is wonderful that they will be local and he looks forward to having the matter moving forward. Councilman Tewalt stated that the financial matter is already in the budget.

4. Purchase of Additional Water Meters – Director of Finance/Environmental Services

Summary: Council is requested to approve the purchase of about \$105,000 worth of water meters for the Department of Environmental Services.

Staff Evaluation: The fiscal year 2017 budget included \$523,750.00 to purchase radio water meters to advance the radio water metering reading project. Staff purchased \$24,500 worth of water meters in December 2016 to allow additional time to evaluate the loss in water revenue.

The amount of \$105,000 should provide enough water meters for the Department of Environmental Services to replace those needed in fiscal year 2017 and will leave a remaining balance of approximately \$394,250.00 under the line item. Purchase of the water meters is necessary to replace slowed, stopped, or broken water meters and for installation of water meters at new properties. Failure to replace/install necessary meters could result in loss of water & sewer revenue for the Town.

Budget/Funding: Funding would be expensed from line item:
9617 – 47001 \$105,000 Water Meter Reading Machinery & Equipment

Staff Recommendations: Staff recommends for council to approve as presented, which will allow approximately \$394,250.00 to remain under line item 9617-47001 and will allow staff the necessary amount of water meters. The \$394,250.00 could help alleviate some of the water revenue shortage for fiscal year 2017, if needed.

Staff will have a better understanding of the FY2017 water revenue shortage as we approach June 30, 2017 and should have different options available to help offset the shortage in revenue. Options may include using the excess in water connection revenue to help offset the water sales revenue shortage or releasing a portion of encumbered funds from other capital projects that may not be required at this time.

Council Discussion:

Councilman Meza asked if the meters would be automated and read remotely. Mr. Waltz and Mr. Wilson noted that they would be.

5. Continued Discussion of Health Insurance Plan –*Director of Human Resources*

Ms. Bush presented handouts on all the available plans from Anthem. She also presented the following:

Current Plan Structure

TOWN OF FRONT ROYAL						
GROUP HEALTH INSURANCE CONTRIBUTIONS						
TLC(ANTHEM BC/BS)						
FY17 (JULY 1, 2016 - JUNE 30, 2017)						
			Monthly Premium			Bi-weekly
GHI PLAN			TOTAL	ER	EE	Deduction
Key Adv. Expanded (ER/EE%)						
Employee only (95/5)			\$ 695.00	\$ 660.00	\$ 35.00	\$ 17.50
Employee and one (71/29)			\$ 1,286.00	\$ 913.00	\$ 373.00	\$ 186.50
Employee and family (71/29)			\$ 1,877.00	\$ 1,333.00	\$ 544.00	\$ 272.00
Key Adv. 250 (ER/EE%)						
Employee only (100/0)			\$ 632.00	\$ 632.00	\$ 0.00	\$ 0.00
Employee and one (71/29)			\$ 1,169.00	\$ 830.00	\$ 339.00	\$ 169.50
Employee and family (71/29)			\$ 1,706.00	\$ 1,211.00	\$ 495.00	\$ 247.50
High Deductible (ER/EE%)						
Employee only (100/0)			\$ 459.00	\$ 459.00	\$ 0.00	\$ 0.00
Employee and one (71/29)			\$ 849.00	\$ 603.00	\$ 246.00	\$ 123.00
Employee and family (71/29)			\$ 1,239.00	\$ 880.00	\$ 359.00	\$ 179.50

Current Plans with increased rates for FY18 (6.8%)

An Increase for the Town of \$120,967.51

TOWN OF FRONT ROYAL						
GROUP HEALTH INSURANCE CONTRIBUTIONS						
TLC(ANTHEM BC/BS)						
FY18 (JULY 1, 2017 - JUNE 30, 2018)						
			Monthly Premium			Bi-weekly
GHI PLAN			TOTAL	ER	EE	Deduction
Key Adv. Expanded (ER/EE%)						
Employee only (95/5)			\$ 742.00	\$ 705.00	\$ 37.00	\$ 18.50
Employee and one (71/29)			\$ 1,373.00	\$ 975.00	\$ 398.00	\$ 199.00
Employee and family (71/29)			\$ 2,003.00	\$ 1,423.00	\$ 580.00	\$ 290.00
Key Adv. 250 (ER/EE%)						
Employee only (100/0)			\$ 676.00	\$ 676.00	\$ 0.00	\$ 0.00
Employee and one (71/29)			\$ 1,251.00	\$ 889.00	\$ 362.00	\$ 181.00
Employee and family (71/29)			\$ 1,825.00	\$ 1,296.00	\$ 529.00	\$ 264.50
High Deductible (ER/EE%)						
Employee only (100/0)			\$ 489.00	\$ 489.00	\$ 0.00	\$ 0.00
Employee and one (71/29)			\$ 905.00	\$ 643.00	\$ 262.00	\$ 131.00
Employee and family (71/29)			\$ 1,320.00	\$ 938.00	\$ 382.00	\$ 191.00

If the Town Removes Expanded Plan & Goes to Plans 250 and 500

A Savings for the Town of \$138,184.82

TOWN OF FRONT ROYAL					
GROUP HEALTH INSURANCE CONTRIBUTIONS					
TLC(ANTHEM BC/BS)					
FY18 (JULY 1, 2017 - JUNE 30, 2018)					
			Monthly Premium		
GHI PLAN		TOTAL	ER	EE	Bi-weekly Deduction
Key Adv. 250 (ER/EE%)					
Employee only (95/5)		\$ 676.00	\$ 643.00	\$ 33.00	\$ 16.50
Employee and one (71/29)		\$ 1,251.00	\$ 889.00	\$ 362.00	\$ 181.00
Employee and family (71/29)		\$ 1,825.00	\$ 1,296.00	\$ 529.00	\$ 264.50
Key Adv. 500 (ER/EE%)					
Employee only (100/0)		\$ 623.00	\$ 623.00	\$0.00	\$0.00
Employee and one (71/29)		\$ 1,153.00	\$ 819.00	\$ 334.00	\$ 167.00
Employee and family (71/29)		\$ 1,682.00	\$ 1,195.00	\$ 487.00	\$ 243.50
High Deductible (ER/EE%)					
Employee only (100/0)		\$ 489.00	\$ 489.00	\$0.00	\$0.00
Employee and one (71/29)		\$ 905.00	\$ 643.00	\$ 262.00	\$ 131.00
Employee and family (71/29)		\$ 1,320.00	\$ 938.00	\$ 382.00	\$ 191.00

Council Discussion:

Councilman Meza noted that this is precisely the type of information he has been looking to see and he asked if there was a reason someone would choose the 500 over the 250 Plan. Ms. Bush noted that the incentive was that employee would pay zero for health insurance. She added that another suggestion would be to change to a 90/10 split also and it would assist the Town with more savings. Mr. Meza noted that these Staff recommendations are very helpful and many employers are offering much less for benefits than the Town is. Councilman Meza explained that he is not advocating for drastic changes, though he is asking for a five year plan to communicate change to increment changes to their insurance and step down a little at a time.

Councilman Sealock asked about the differential and whether an employee can change and keep the Expanded Plan, instead of the 250 and 500 options. Ms. Bush noted that they could not; the Town would give employees the options of the Town chosen plans and those are the options they have. Council noted that there was little incentive, if any, to choose the high deductible option.

Councilman Meza asked if it cost the Town more to offer more than three plans; Ms. Bush stated that they could only allow two options and the high deductible plan, with the pool the Town is in.

Council discussed whether to change for this year or adjust to the 250/500/high deductible, and perhaps adjusting the percentages to 90/10 for the employee only coverage on the 250 plan.

6. FY 2017 – 2018 Budget Discussion – *Town Manager/Director of Finance*

Council Discussion:

- Slurry seal is inserted twice; Mr. Wilson noted that he would correct that
- The budget proposed includes the Asst. Purchasing Agent and a Town Engineer
- ½ a penny increase is about \$55,000 revenue
- New Markey tax credit will cover the Clerk of the Works for the Police Department
- Property Maintenance Code would soon be coming
- Discussed possible sunset clause for the proposed tax rate
- Perhaps Department Directors should remove 1-2% out of their maintenance funding
- For the most part Departments have kept their budgets flat, many of Council noted

- Concerns with the personal property tax relief

7. Council Discussion/Goals

- none -

8. CLOSED MEETING – Personnel Matters

Motion to Go Into Closed Meeting

Councilman Connolly moved, seconded by Councilman Egger that Town Council go into closed meeting for the purpose of discussion and consideration of prospective candidates for employment, assignment, appointment, promotion, performance, and salaries of specific public officers, appointees, or employees of any public body, pursuant to Section 2.2-3711.A.1 of the Code of Virginia.

Vote: Yes – Connolly, Egger, Meza, Morrison, Tewalt and Sealock

No – N/A

Abstain – N/A

Absent – N/A

(Mayor Tharpe 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, Egger, Meza, Morrison, Tewalt and Sealock

No – N/A

Abstain – N/A

Absent – N/A

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

(By Roll Call)

PRESENT: Mayor Tharpe, Councilman Connolly, Councilman Egger, Councilman Tewalt, Councilman Morrison, Councilman Meza, Councilman Sealock, Interim Town Manager Waltz, Town Attorney Napier, Clerk of Council Berry, Director of Planning Camp, Director of Finance Wilson, Police Captain Nicewarner, Director of Environmental Services Hannigan, Director of Human Resources Bush, Director of Risk Management Scholtz, Director of IT Jones, Community Development Director Hart, members of the public and members of the press.