

## TOWN COUNCIL WORK SESSION

Monday, May 1, 2017 @ 7:00pm  
Town Hall Conference Room

As the worksession began, David Means of the Urban Forestry Advisory Commission gave an update on the UFAC Board, the Leach Run Parkway process for trees, the process for planting trees in the fall rather than the spring and contacting other organizations for grant money. Mr. Means noted that he has contacted many about the reforestation issues and possibly obtaining a grant for the funding.

### 1. Proposed Ordinance Amendment to Chapter 156 – Motor Vehicular Laws – *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 inconformity 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.

Budget/Funding: A very positive budgetary impact to the Town by re-adopting this Ordinance.

Council Discussion: Mr. Napier stated that it was an annual re-adoption of the laws as allowed by the State. Council noted that it would be a consent agenda item.

### 2. Proposed Ordinance Amendment to Chapter 12 - Fees – *Interim Town Manager*

Summary: Town Staff has reviewed the various fees in the Town Code and has made the suggested amendments:

12-2 Environmental Services Fees

- After Hours Shut-Off Calls (water) from \$25.00 to \$30.00
- Tires without rim, not to exceed 16.5 inches from \$1.50 to \$2.00 per tire
- Tires on rim, not to exceed 16.5 inches from \$2.50 to \$4.00 per tire
- Tires over 16.5 inches with or without rim from \$3.00 to \$5.00 per tire

12-5 Police Department Fees is to be completely removed as no fees are collected at the Police Department

#### 12-6 Miscellaneous Fees

- Update Town Code, hardcopy is to be completely removed as no hardcopy updates are printed anymore. All updates are placed online almost immediately after Council approval.

All amendments will go into effect July 1, 2017.

**Council Discussion:** After discussion the ordinance amendments will be advertised for a public Hearing. Mr. Waltz noted that they will remove the matter related to the police reports. Council chose to place it on the consent agenda.

**3. Proposed Ordinance Amendment to Chapter 70 – Electric Rates** – *Interim Town Mgr/Finance Dir*  
**Summary:** In 2016, the Town hired Burton's & Associates/Stantec to perform a cost of service rate study for the Energy Services department. A cost of service study is one of the most effective analytic tools that a utility can rely on for designing rates that equitably assign cost responsibility to each customer rate class, to the mutual benefit of both the Town and its customers. Stantec presented to Council on February 21, 2017 on the findings from the cost of the service study with recommendations.

Council is requested to consider recommendations on rate adjustments from the results of Cost of Service study for the FY17-18 budget year.

**Staff Evaluation:** The Town has been working with Stantec over the past six months to accomplish the primary objective of a cost of service analysis to identify the cost of providing service to each rate class as a function of load and service characteristics.

**Budget/Funding:** Rate adjustments will be required for the upcoming budget year to achieve a balanced budget in the Energy Services department.

**Legal Evaluation:** The Town Attorney will be available to address any legal issues

**Council Discussion:** Mr. Waltz noted that all companies in Virginia will contend with this change and perhaps Front Royal will be in the top three lowest in the State for electric. Vice Mayor Tewalt noted that at 1,000 kW hours per month the bill will raise \$7/month. Mayor Tharpe noted that this will not make a profit, but to level the Town's cost. Mr. Waltz stated that was correct, it will be to levelize the Town's wholesale power cost.

#### **4. Proposed MOU for New Market Tax Credit** – *Town Attorney*

##### **Agenda Item: NEW MARKET TAX CREDIT PROGRAM MEMORANDUM OF AGREEMENT**

**Summary:** On August 8, 2016, Town Council passed the attached Resolution of Support and Participation in the New Market Tax Credit Program with the EDA. The purpose of this tax credit program (which is a federal tax credit program used by wealthy investors to benefit certain economically challenged locations), is in this case to fund major capital improvement projects that are important to enhancing the economic vitality of the Town, including 1) the design and construction of the Police Headquarters; 2) extension of West Main Street through the Avtex property; 3) sidewalk extensions along West Main Street and Kendrick Lane; 4) development of Leach Run Parkway; and 5) development of Phase II of Happy Creek Road. In order to carry out the intent of the Resolution, the Town and the EDA will need to enter into a Memorandum of Agreement (“MOA”) to set forth the respective rights and responsibilities of the parties going forward. The MOA will be to authorize and support the EDA in obtaining, to the extent legally permissible, in moving forward with the Program in obtaining loan funds to finance these Town projects and in the following approximate amounts:

a) Police Department headquarters on Kendrick Lane- \$9,000,000; b) Leach Run Parkway- \$10,000,000; c) extension of West Main Street through the Avtex Property in the \$2,500,000; d) Phase II of Happy Creek Road-\$2,500,000; and e) extensions of sidewalks along West Main Street and Kendrick Lane - \$350,000. It is anticipated that the loan funding would be acquired by the EDA from the Program at one and one-half percent interest (1 ½%) interest annually for the first seven (7) years of financing, at which time the Town will have to secure refinancing for the unpaid outstanding principal balance on the Town projects from another source.

**Town Council is requested to adopt the MOA.**

**Staff Evaluation:** While the EDA will be borrowing the money, ultimately it will be the responsibility of the Town to pay to the EDA the EDA’s debt service for these projects.

**Council Discussion:** Mr. Napier noted that it looked like a good program for the Town’s desired projects and programs. He noted that it is much cheaper than conventional financing. Vice Mayor Tewalt noted that Leach Run Parkway is only at \$3 million, not \$10 million as shown in the worksession agenda. Council discussed that the numbers shown should be more accurate rather than the amounts as estimated. Messrs. Waltz and Napier noted that Staff would correct the cover sheet for the regular meeting.

#### **5. Continued Discussion of the Proposed FY18 Budget** – *Interim Town Manager/Director of Finance*

**Council Discussion:** Mr. Waltz stated that May 3 would be the first advertisement date. Mayor Tharpe stated that he would like it moved forward as soon as possible.

Councilman Connolly noted that the Town has \$7 million in fund balance in addition to the \$3 million as required and he would like to forgive the \$400,000 of the trail amount

Mr. Wilson stated would that would leave \$1.4 million over the amount required to leave in fund balance.

Mayor Tharpe stated that he spoke to Mr. Waltz and he was in favor of Mr. Connolly's suggestion.

Council chose to move forward with the first advertisement.

## **6. Liaison Committee Meeting Items**

**Summary:** The next Liaison Committee Meeting is scheduled for May 18, 2017. The last meeting agenda is attached. Council is requested to add/delete Town items for the agenda.

- 1) Development Review Committee
- 2) Avtex Property – Main Street Extension
- 3) Wastewater Treatment Plant/Septage Receiving Facility
- 4) Electrical Outlets at County Soccer Facilities
- 5) Consideration of Joint Towing Board
- 6) McKay Property Update
- 7) Building Inspections Software
- 8) Leach Run Parkway
- 9) Utility Contribution Request from Warren Heritage Society
- 10) Warren County's In-Town Projects
- 11) Tethering of Dogs in Extreme Weather
- 12) Tourism Discussion

Vice Mayor Tewalt noted that he did not feel that the dog ordinance should be something that the Town should be involved in. Mr. Napier noted that there are many requests from the Humane Society and residents of the community and the Town Attorney is reviewing the matter.

Council removed the soccer lights and added no items. Ms. Egger is our next designee for the meeting.

## **7. VML Policy Committee Nominations for 2017**

**Community & Economic Development Committee – Councilmen Meza and Sealock**

**Environmental Quality Committee – Interim Town Manager Waltz**

**Finance Committee – Finance Director BJ Wilson**

**General Laws Committee – Councilman Meza and Town Attorney Doug Napier**

**Transportation Committee – Mayor Tharpe and Vice Mayor Tewalt**

## **8. Council Discussion/Goals**

There were none.

**PRESENT:** Mayor Tharpe, Councilman Connolly, Councilman Egger, Councilman Tewalt, Councilman Morrison, Councilman Sealock, Interim Town Manager Waltz, Town, Director of Environmental Services Hannigan, Director of IT Jones, Sergeant Nicewarner, Interim Energy Services Director Jenkins, Planning Director Camp, Finance Director Wilson, members of the public and members of the press.

**ABSENT:** Councilman Meza