



TOWN COUNCIL WORK SESSION MINUTES

Monday, June 19, 2017 @ 7:00 PM

Town Hall Conference Room

1. Update on Solid Waste Review – *Town Manager*

Mr. Waltz presented the following report to Council:

Update on Solid Waste

FOLLOW UP ON RECCOMENDATIONS

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

IMPLEMENT SINGLE STREAM RECYCLING

- New rear load truck was delivered on May 25th
- Citizen Informational meetings held the week of June 12th
- Informational flyers mailed to citizens
- Currently working on contract with recycling company in Manassas
- Program start date : Mid-July 2017

STANDARDIZE FLEET

Restructuring routes to increase efficiency

- Labor issues have delayed progress
- Reevaluate staffing needs and operational costs
 - Labor issues have delayed progress

LABOR ISSUES

Since January 2017 – we have lost 5 workers

- 4 resigned and 1 terminated
- Made offers to 2 applicants who didn't show up for orientation
- Recently hired 1 workers
- Currently recruiting – down 4 workers

STILL EVALUATING

- Commercial Service side of the business
- The use of the farm and cost associated with the operation
- Single stream recycling
- Lean measures in routes and operations
- Sustainable future for the department

Provide recommendations on the solid waste division in September

Summary: Staff has been evaluating the solid waste division to determine if the Town can continue to provide the service level to our citizens and recover all cost to be a sustainable enterprise fund.

Staff Evaluation: Staff will provide update on the business case along with measures to reduce overall cost including the new stream recycling program

Council Discussion:

Council discussed the labor intensive costs and the fact that the commercial customers can get the cheaper service in the private sector. Mr. Tewalt noted that the other localities are going to privatizing the

Mr. Waltz noted that the single stream recycling is the mid-July start date, estimated, depending on the truck contract date. Mr. Tewalt opined that maybe the recycling participation was about 20% perhaps. Mr. Waltz stated that he hoped to increase the recycling participation. Mr. Meza asked about whether to continue to evaluate the privatization of the commercial operation. He noted that they were in the black this year, though they were down several employees. He added that employees were associated with benefits where private companies did not have that expense. Mr. Waltz stated that the five year plan will include benefits, capital improvements, equipment, etc. He added that the town would need to strategically plan for equipment replacement. Mr. Meza asked about a cross comparison of the privatization and whether the initial cost for the change to privatization may be worth it in the end. Mr. Waltz noted that many of our commercial customers were our small business owners. Mr. Sealock stated that perhaps temp services and college age kids could be available to work the department. Mr. Waltz noted that temps do not provide consistent work force, and he added that there were offers out now for other permanent employees.

2. Shentel Fiber Optic Telecommunication Franchise Agreement Renewal – *Town Attorney*

Summary: In 2011, Shenandoah Telephone Company (“Shentel”) entered into a five year franchise agreement with the Town to use the public ways to construct, operate and maintain a fiber optic telecommunications system, the term of which was extended through August 14, 2017. The franchise was limited in scope to individual fiber build projects, with the scope of the franchise to be expanded for additional fiber builds on a case-by-case basis pursuant to administrative review and approval. Shentel Communications, LLC now seeks a new, fifteen (15) year, Town-wide, telecommunications franchise effective August 15, 2017.

Town Council is asked to grant to Shentel Communications, LLC a fifteen year telecommunications franchise commencing August 15, 2017.

Staff Evaluation: Shentel currently provides telecommunications services via its installed fiber optic cable system only to select businesses and schools. It is unclear whether services would be extended to a larger range of customers should the Town grant the proposed franchise. Consideration of any new franchise should be preceded by a right-of-way utilization study to determine capacity and establish policy. The proposed franchise would generate revenue for the Town. Franchises for a term in excess of five years must be advertised for bids pursuant to Virginia Code §15.2-2100 (B).

Council Discussion: Mr. Napier and Mr. Waltz noted that more than 5 years would not be advisable or acceptable. Mr. Waltz suggested a utilization right of way study or set some harder perimeters for Shentel. He added that more work needs work to be done by Staff on the matter at this point.

Mr. Waltz stated that this is the first time they have asked for a carte blanche approach. Mr. Tewalt asked about the last agreement. Mr. Napier noted that it was for five years, and this agreement seems to be more cookie cutter and the other agreement was much more limited. Mr. Waltz noted the Town wishes to maximize their pole attachment fees.

3. Tourism Zone Applications for Vibe Properties – *Director of Planning/Zoning*

Summary: Vibe Properties LLC submitted tourism zone applications for their two (2) rehabilitation projects, 120-124 E. Main Street and 205 E. Main Street. These properties are located within the Downtown Business Tourism Zone, one of the three tourism zones established by Town Council in 2015. Both projects qualify for tourism zone incentives based on Town Code 75-74.C. The information in the following table (Table A) lists the proposed elements of the applicant's projects. The Capital Investment amounts were increased from \$250,000, as originally estimated by the applicant. The increase was due to higher than expected costs estimated by the applicant.

Table A – Project Details	Capital Investment	Jobs Created	Proposed Uses
205 E. Main Street	\$350,000 (updated 6/13/17)	20+	Retail, Dining, Culture & Arts
120-124 E. Main Street	\$500,000 (updated 6-13/17)	20+	Retail and Dining

Pursuant to Town Code 75-74.E. a Performance Agreement is required to be approved by Town Council before any incentives are provided. Below is a table (table B) that shows the maximum incentives permitted for the two projects, based on the applicant details, including the updated costs, and the Town Code.

Table B – Max. Incentives	BPOL Tax Exemption	Tap Fee Repayment Term	Application Fees
205 E. Main Street	100 % for	10 years Up to 10 years	Up to 100% reduction
120-124 E. Main Street	100 % for	10 years Up to 10 years	Up to 100% reduction

The attached draft performance agreement prepared by the Town Attorney includes the following incentives (table C). The draft performance agreement was drafted based on the application details and did not include the Capital Investment increase noted above. This draft performance agreement may be amended to increase the incentives offered at Town Council's discretion.

Table C – Draft	BPOL Tax Exemption	Tap Fee Repayment Term	Application Fees
205 E. Main Street	100 % for 7 years	7 years	70%
120-124 E. Main Street	100 % for 7 years	7 years	70%

The draft performance agreement includes requirements of the applicant for receiving the incentives, including the realization of the project within one (1) year; minimum hours and days of operation of the uses; and compliance with local, state and federal laws.

Staff Evaluation: Based on the highly positive economic impacts expected from the proposed projects, as well as the higher capital investment costs by the applicant, it may be reasonable to consider increasing the incentives to the maximum amounts specified in the Town Code.

Council asked about the tap fees, and whether they could be treated as one project; Mr. Napier noted they should be treated as two. He noted that should one be sold the matter would be easier to handle. Mr. Tewalt stated that should it be sold within the 10 year period, is it defaulted and they pay the premiums at the current date. Mr. Napier noted that it can be secured with a lien so it could be fully secured to cover said expenses for the full value. Council chose to put it on the July 10th regular agenda, noting that it would not need a public hearing.

4. Update on At-Risk Structures – *Director of Planning/Zoning*

Summary: The draft performance agreement includes requirements of the applicant for receiving the incentives, including the realization of the project within one (1) year; minimum hours and days of operation of the uses; and compliance with local, state and federal laws.

Staff Evaluation: Based on the highly positive economic impacts expected from the proposed projects, as well as the higher capital investment costs by the applicant, it may be reasonable to consider increasing the incentives to the maximum amounts specified in the Town Code.

Mr. Camp presented a report of the matter to Council. Mr. Tewalt expressed his frustration regarding the Delegates that will not respond to the Council to address the matter before the bills go to the floor. The Town Attorney and Mr. Camp were asked to determine what can be done to address the dilapidated building issue. Mr. Napier suggested that Council updating that Town Charter to give the Town the same authority as cities. Mr. Meza asked about adopting the State Code relating to the property maintenance code. Council suggested Staff reach out to other Towns to determine how they handle dilapidated building issues.

5. Council Discussion/Goals

Council reviewed the residency restrictions for Department Heads of the Town and chose to advertise for the Chief of Police changes of the Town Code.

Mr. Meza noted that the Afton Inn options need to be discussed and whether Council should take action at this point. Mayor Tharpe noted that it would be on the July 3rd worksession to move forward on the matter.

Mr. Sealock noted that the downtown business owners would like to look into the Main Street one way street direction options. The Mayor proposed the business owners meet with himself and the Town Manager to gather information and answer questions before going to the full Council.

In response to Councilman Tewalt's question, Mr. Napier noted that they gathered the letter was sent to Mr. Lockhart to begin imminent domain proceedings regarding Criser Road bridge project and they are prepared to move forward on the matter if need be.

PRESENT: Mayor Tharpe, Councilman Tewalt, Councilman Meza, Councilman Sealock, Town Manager Waltz, Town Attorney Napier, Clerk of Council Berry, Director of Planning Camp, Director of Finance Wilson, Interim Director of Energy Services Jenkins, Police Captain Nicewarner, Director of Environmental Services Hannigan, Refuse Supervisor Boyer, members of the public and members of the press.

ABSENT: Councilman Connolly, Councilman Egger, Councilman Morrison