



TOWN COUNCIL WORK SESSION

TUESDAY, February 19, 2019 @ 7:00 p.m.

Town Hall Council Chambers

TOWN/STAFF RELATED ITEMS

1. Special Use Permit for United Parcel Service Inc. (UPS) – *Director of Planning/Zoning (30 minutes)*
2. Fairground Water Tank Rehabilitation Project – *Director of Public Works (20 minutes)*
3. Sale of Surplus Items Using Online Auction – *Director of Finance (15 minutes)*
4. FY20 Proposed Budget - Review of Enterprise Fund Expenditures - *Director of Finance (30 minutes)*
5. Discussion of Real Estate Tax Rate for FY20 (Calendar Year 2019) – *Director of Finance (30 minutes)*

COUNCIL/MAYOR RELATED ITEMS:

6. Continued Discussion of Funding for Warren Heritage Society
7. Council Discussion/Goals *(time permitting)*
8. CLOSED MEETING – Consultation with Legal Counsel and Probable Litigation

Motion to Go Into Closed Meeting

I move that Council convene and go into Closed Meeting for the purpose of **1)** Consultation with legal counsel employed or retained by a public body regarding specific legal matters, specifically, legal mechanisms related to handling potential future debt service related to current and future budget years with respect to the former Afton Inn building, requiring the provision of legal advice by such counsel, pursuant to Section 2.2-3711. A. 8 of the Code of Virginia; AND **2)** Consultation with legal counsel and briefings by staff members or consultants pertaining to probable litigation, specifically a threatened complaint for Declaratory, Judgment and Petition for Writ of Certiorari against the Town, filed by David A. Downes regarding the request of the Beer Museum that the Town's off-street parking requirements be waived, where such consultation or briefing in Open Meeting would adversely affect the negotiating or litigating posture of the public body; "probable litigation" meaning litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a know party; pursuant to Section 2.2-3711. A.7. of the Code of Virginia.

Motion to Certify Closed Meeting at its Conclusion *[At the conclusion of the Closed Meeting, immediately re-convene in open meeting and take a roll call vote on the following:]*

I move 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

1



Work Session Agenda Form

Item # 1

DATE: February 19, 2019

AGENDA ITEM: FRSPU-000991-2018, Special Use Permit Application by United Parcel Services, Inc.
Director of Planning & Zoning

SUMMARY:

See the attached Staff Report and associated documents for details on this application.

BUDGET/FUNDING:

No changes.

STAFF RECOMMENDATION:

An important update was added to the end of the Staff Report due to a significant change proposed by UPS that occurred after the Planning Commission issued a recommendation of denial. Staff recommends referring the application back to the Planning Commission for re-review considering the changes. Alternatively, Town Council may choose to proceed with a public hearing of their own.

Work Session

TOWN OF FRONT ROYAL
DEPARTMENT OF PLANNING & ZONING



STAFF REPORT FOR THE NOVEMBER 28, 2018 PLANNING COMMISSION MEETING
Updated for Town Council 2/13/19

APPLICATION #:

FRSPU-000991-2018

APPLICANT:

United Parcel Services, Inc. (Charles Hawk)

SUMMARY OF REQUEST:

A request to establish a commercial parking lot for overflow parking for the UPS Distribution Center at 912 John Marshall Highway. **[Attachment A: Application and letter from applicant's attorney]**

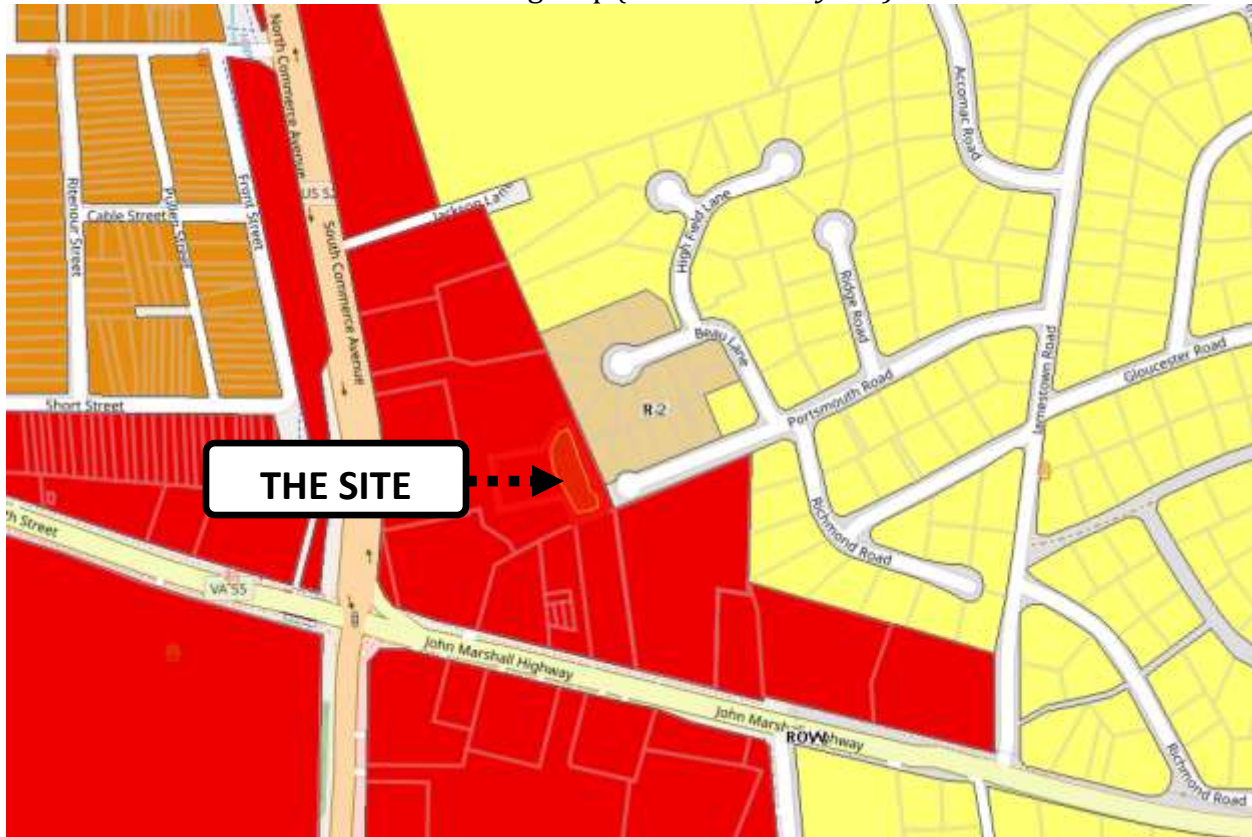
GENERAL INFORMATION:

<i>Site Addresses</i>	470 S Commerce Avenue
<i>Property Owner(s)</i>	Puja Properties LLC
<i>Existing Zoning</i>	C-1 (Community Business) District
<i>Proposed Use</i>	Commercial Parking Lot for Overflow Parking of UPS Distribution Center
<i>Tax Identification</i>	20A101 4D2
<i>Location</i>	The subject property is located in the rear parking area of 470 S. Commerce Ave, situated to the northwest of the existing UPS Distribution Center, behind the existing business park, and to the west of the end of Portsmouth Road.

Vicinity Map (Warren County GIS)



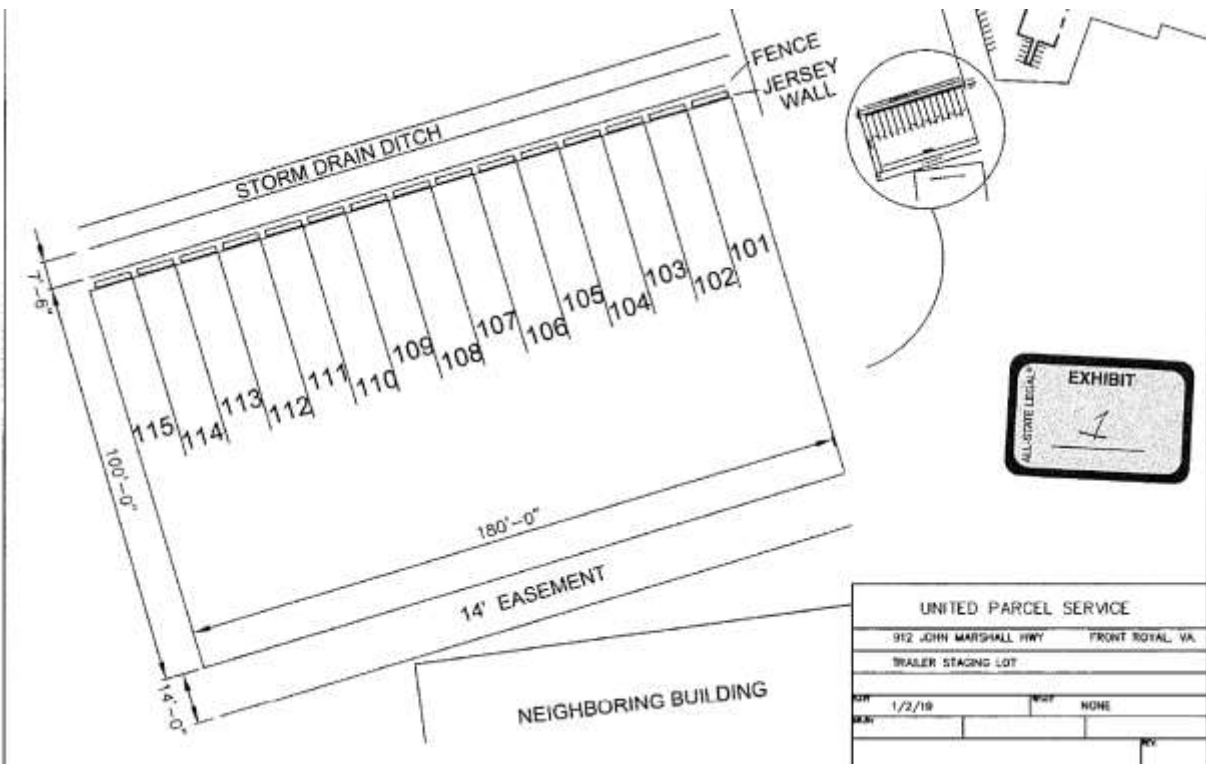
Town Zoning Map (Warren County GIS)



Aerial (Warren County GIS)



Proposed Site Layout and Fencing (.....see update)



INFORMATION ON THE APPLICATION:

Project Summary

This application is a request to obtain approval for a commercial parking lot for use by the UPS Distribution Center as an overflow parking lot.

UPS leases the property from the property owner, Puja Properties LLC, and has been doing so for a long time – allegedly since the late 1980s. This application is a response of Town Staff notifying UPS that they were in violation of the Town Code by using the property for truck parking because they have no prior approval and the Town Code requires a Special Use Permit for both commercial parking lots and distribution centers in the C-1 Zoning District. A use can not be grandfathered unless it was originally legal when established.

Special Use Permits in General

The Town is authorized to require a special use permit for certain uses within any zoning district under Virginia Code §15.2-2286. Some specific uses are granted protection from regulation from localities by the Virginia Code, including agriculture uses, small scale conversion of biomass to alternative fuel, certain residential uses, private tents, farm wineries, assisted living facilities, and group homes.

The issuance of a special use permit is subject to such conditions as are deemed necessary by the Front Royal Town Council after recommendations of the Front Royal Planning Commission. Prior to an action by Town Council or a recommendation by the Planning Commission, a public hearing is required for special use permits.

Town Code 175-136 requires that Special Use Permits meet the following requirements: (i) is not detrimental to the overall health, safety, and general welfare of the public, (ii) does not conflict with the Comprehensive Plan, (iii) is substantially compatible with surrounding land uses, and (iv) complies with laws of the Commonwealth of Virginia.”

Planning Commission

The Planning Commission originally reviewed the UPS SUP during their November 28, 2019 Planning Commission meeting, but action was postponed at the request of the applicant. UPS revised their proposal to include a residential style fence as a buffer between the tractor trailer parking area and the residential subdivision to the north and east. During their January 19, 2019 meeting, the Planning Commission voted to NOT recommend approval of this Special Use Permit Application. This decision was reached after consideration of input from the public and the revised plan submitted by UPS. While other concerns were noted, the primary unresolved issue was related to noise, and particularly noise during late night hours.

UPDATE!

On February 13, 2019, UPS met with Town Staff and the Mayor and presented a major change to their plans. UPS agreed to restrict tractor trailers from the subject property and to restrict late hour use. They intended to use the site for employee parking and parking of the smaller brown UPS delivery trucks. In this discussion, UPS said they would not propose the fencing.

ATTACHMENTS:

Attachment A: Application and Letter from the Applicant's attorney. Attachment B: Site Plan



TOWN OF FRONT ROYAL

DEPARTMENT OF PLANNING & ZONING
102 EAST MAIN STREET
P.O. BOX 1560
FRONT ROYAL, VA 22630

Main: 540.635.4236

Fax: 540.631.2727

Internet: www.frontroyalva.com

FRSPU-000991-2018
~~SIT FR56B~~

SPECIAL USE PERMIT REQUEST

APPLICANT

United Parcel Service, Inc.

NAME Charles Hawk PHONE 804-743-8413

ADDRESS 9601 Coach Rd. Richmond, VA 23237

E-MAIL chawk@ups.com

PROPERTY DESCRIPTION

PROPERTY ADDRESS 912 John Marshall Hwy, Front Royal, VA 22630

TAX MAP # 20A101 SECTION 5A BLOCK _____ LOT _____

SUBDIVISION NAME _____ ACREAGE N/A

REQUEST

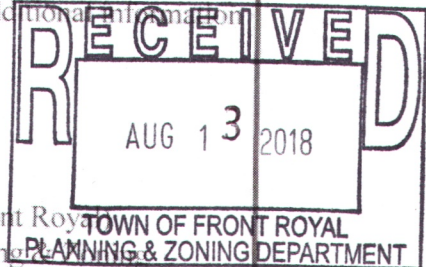
ZONING DISTRICT C-1

PROPOSED USE OF PROPERTY Commercial/Industrial

SPECIFIC SPECIAL USE PERMIT REQUEST Parking

ATTACHMENTS --The following must be submitted with the application. Additional information may be required depending on the nature of the request.

1. Survey/Plat of property showing all **existing** improvements.
(10 copies if larger than 11" X 17")
2. Site Plan Application
3. Application Fee of \$400.00 (Checks payable to the Town of Front Royal)
4. Additional information as required by the Department of Planning & Zoning



CERTIFICATION

I certify that the information provided with this application is correct to the best of my knowledge and should the special use permit be granted, the project will comply with the conditions imposed upon it and will be implemented only as approved by Town Council.

Signature [Signature] Date 8-8-2018

By submitting this application, the applicant grants permission to Town officials and employees to enter upon the property, which is the subject of this application, during reasonable hours and for purposes related to the application process.

Receipt # 912568 \$400 Date Paid 8-13-18

Check # 22869

Joseph F. Silek, Jr., P.C.

43 CHESTER STREET
POST OFFICE BOX 602
FRONT ROYAL, VIRGINIA 22630
TELEPHONE: (540) 635-9415
FACSIMILE: (540) 635-9421
E-MAIL: JSILEK@SILEKPC.COM

January 8, 2019

Jeremy F. Camp, Director
Department of Planning & Zoning
Town of Front Royal
102 East Main Street
Front Royal, Virginia 22630

Email: jcamp@frontroyalva.com

**RE: UPS (Application No. FRSPU-000991-2018):
Response to December 18 Email Message**

DELIVERED BY ELECTRONIC MAIL ONLY

Dear Jeremy:

I am writing to respond to the remarks from Beth Sitton which you emailed me on December 18. I want to begin by pointing out that Ms. Sitton's reference to Town Code §175-70 is misplaced. It is worth emphasizing that the pending special use permit application is **not** for the operations center; rather, it is for **overflow parking on an adjacent lot, which is required to have its own separate special use permit** per Town Code §175-39(B). According to §175-39(B), the standards specified in §175-70 **only apply to special use permits for distribution facilities** – a use for which a special use permit application is not pending before the Town. Thus, the additional standards found at §175-70 do not apply to special use permit applications for parking lots. I think it also bears mentioning that UPS has been operating in Town limits since approximately 1977, and the subject parking lot has been in use since approximately 1987.

Nevertheless, UPS did want to respond to Ms. Sitton's overall question about diesel emissions and the frequency of my client's use of the parking lot in question. With respect to UPS delivery trucks, they are regulated by the U.S. Department of Transportation. Such trucks are required to pass a Federal Annual Inspection to ensure that they are up to standard. The Federal Annual Inspection requires that a delivery truck's emissions components which come standard on the vehicle from the manufacturer be inspected and maintained. UPS has technicians which are certified to perform these inspections.

As for the use of the subject parking lot, during an average non-peak 24-hour period, hitching and unhitching trailers in the subject parking lot occurs about twenty (20) times per day.

Jeremy F. Camp, Director
January 8, 2019
Page Two (2)

Within an average non-peak 24 hour period, UPS estimates that the hitching/unhitching activities occurs most frequently from 7:00 AM to 8:00 AM and from 6:30 PM to 7:30 PM.

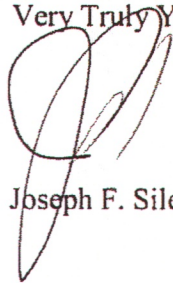
In light of the above, and to accommodate any lingering concerns, UPS proposes that the following conditions be included as part of an approved special use permit for the parking area:

1. UPS shall continue to comply with applicable state, local and federal laws, rules, and regulations with respect to the use of the subject parking lot. Specifically, UPS shall continue to comply with U.S. Department of Transportation rules and regulations pertaining to inspection and maintenance of delivery with respect to vehicles parked or stored in the subject parking lot.
2. UPS shall stripe each parking space in the subject lot consistent with applicable Town Code requirements. Further, UPS shall maintain at all times a travel lane within the subject parking lot for through traffic.
3. UPS shall install a fence with a height of no greater than eight feet (8') along the length of the parking lot adjacent to the Town storm drain while allowing a reasonable space in the fence for public access to the storm drain. Further, the fence shall use material substantially similar to those shown in the photograph attached hereto as Exhibit 2. The color of such fencing shall be grey or tan.

Attached hereto is Exhibit 1 which sets forth (for illustration purposes only) an illustration of the fencing, parking lot striping and travel lane. My client believes that the above conditions are sufficient to address any reasonable concerns.

Please review the above proposed conditions and let me know your thoughts. I would ask that you forward this letter to the members of the Planning Commission for their review and considerations as well. As always, please do not hesitate to contact me with any additional questions.

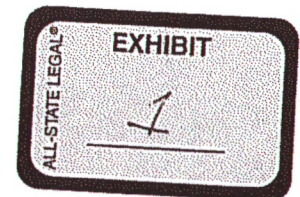
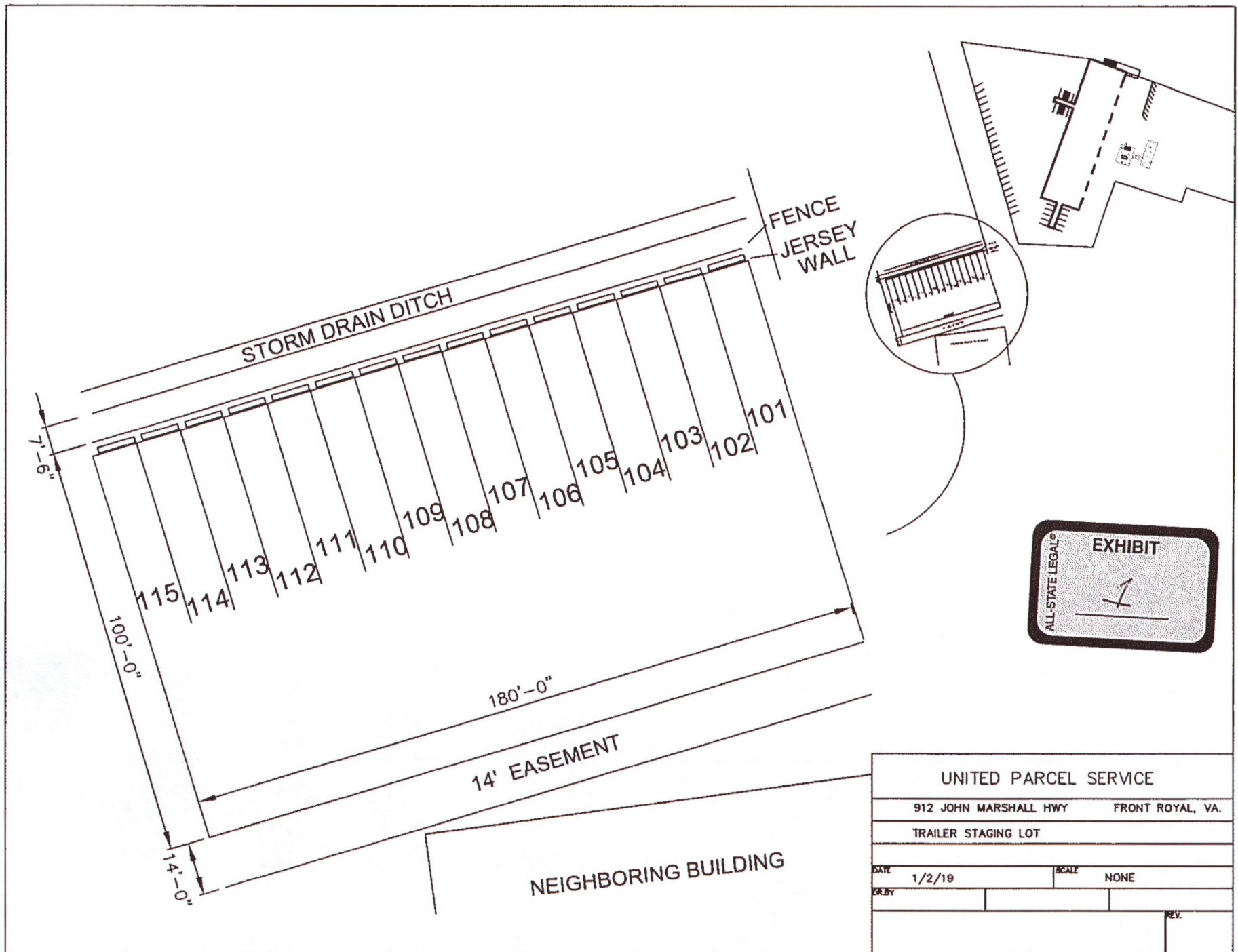
Very Truly Yours,



Joseph F. Silek, Jr.

Enclosure

Cc (w/ enclosure): UPS



UNITED PARCEL SERVICE	
912 JOHN MARSHALL HWY FRONT ROYAL, VA.	
TRAILER STAGING LOT	
DATE	1/2/19
SCALE	NONE
DR BY	
REV.	



ALL-STATE LEGAL®
EXHIBIT
2

2



Work Session Agenda Form

Item # 2

DATE: February 19, 2019

AGENDA ITEM: Fairground Tank Rehabilitation Project

SUMMARY: The Town of Front Royal has a population of approximately 15,000 and operates a water system that includes a 1 million-gallon, steel fluted column, elevated water storage tank. The Town of Front Royal's Fairground Water Tank is located at 395 Fairground Road in Front Royal, VA. The water tank was constructed in 1996 and has not been inspected or rehabilitated since that time. The following scope of services have been developed to assist the Town with the evaluation and implementation of recommended improvements associated with rehabilitating the Fairground Road Tank.

Engineering services will include following Tasks:

Task 1-Hydraulic Evaluation/Tank Offline Development-Work with Town staff, Dominion Power and major water users to schedule and develop a tank off line plan that minimizes impact to major water users. Work with Fire Department and Town staff to develop a plan of action to be followed in the event of an emergency water demand event(fire flow needs) while the tank is off-line.

Task 2-Tank Evaluation-this was completed in October 2018 due to Dominion being off-line and will be included on purchase order.

Task 3-Preparation of Rehabilitation Bidding Documents/Bidding Phase Services-Prepare plan sheets, details and specifications for Base Bid and Additive Alternatives. Prepare bidding addenda, pre-bid conference and address questions that are generated from prospective bidders. Evaluate bidding information for accuracy and completeness.

BUDGET/FUNDING: 9601-R7009 (\$460,000 in budget)

Project Costs

Task 1-Hydraulic Evaluation/Tank Offline Development	\$15,000
Task 2-Tank Evaluation	\$ 6,500
Task 3-Preparation of Rehabilitation Bidding Documents/Bidding Phase Services	\$20,000
Total Fee Estimate	\$41,500

STAFF RECOMMENDATION: Recommends approval of purchase order with CHA to perform the above services for tank rehabilitation. The WTP Manager, Mike Kisner will be available for questions.



Fairground Tank Rehabilitation Project





Inspection Recommendations: from NACE Certified Inspection Report

Exterior Coating

- Deteriorating / Not Failing

Interior Coating

- Needs Rehabilitation and can be Overcoated

◆ Recommendations

Exterior

The top coat to intermediate coat adhesion properties are decreasing with top coat delamination and exposed epoxy intermediate coat. Due to coating deficiencies, the tank coating system is not suitable for over coating. Items identified in finding are currently not affecting tanks operation but should be addressed when the tank coating is rehabilitation.

Interior

The tank coating system is effectively protecting the majority of steel from corrosion although a high percentage of visible corrosion was observed, good coating adhesion properties and low dry film thickness were determined. The interior coating system is currently a candidate for over coating and should be considered in the next two years. Items identified in finding are currently not affecting tanks operation but should be addressed when the tank coating is rehabilitation.



Inspection Summary - Exterior

Exterior Flute

- Finish Coat Beginning to Fail
- Intermediate Coat Protecting Metal



Valve Vault

- Coating in Good Condition
- Hand Tool and Touch Up Paint Needed





Inspection Summary - Exterior

Roof Railing

- Coating in Good Condition



Roof

- Coating in Good Condition
- Beginning to Fail in Some Locations





Inspection Summary - Exterior

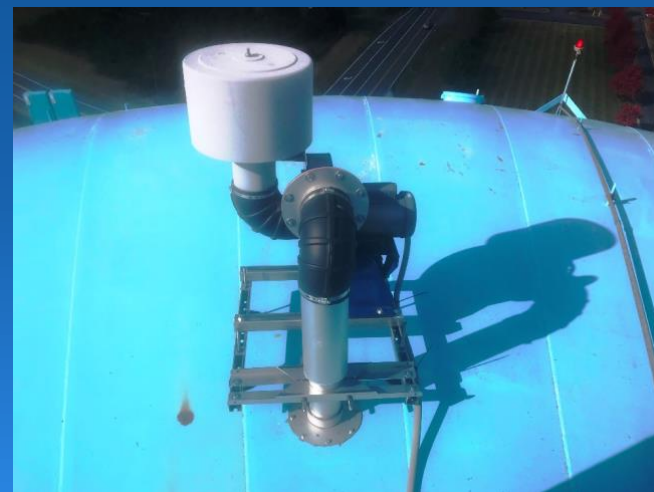
Roof Cabling

- Cable Tray Connections in Good Condition



Automatic Roof Vent

- Good Condition





Inspection Summary - Interior

Ladder

- Finish Coat Beginning to Fail
- Intermediate Coat Protecting Metal



Rafter Support

- Full Coating Failure
- Full Rehabilitation Needed





Inspection Summary - Interior

Roof

- Full Coating Failure in Multiple Locations
- Spot Repair and Full Coating Overcoat Needed



Tank Shell

- General Coating Failure
- Spot Repair and Full Coating Overcoat Needed





Inspection Summary - Interior

Cathodic Protection Anchor

- Significant Corrosion
- Full Rehabilitation Needed



Roof

- Coating Failure Around Penetrations
- Spot Repair and Full Coating Overcoat Needed





Budget

Full Tank Rehabilitation

Interior Rehabilitation	\$200,000
Exterior Rehabilitation	\$250,000
Containment (Exterior)	\$100,000
Engineering	\$ 56,000
<u>Inspection</u>	<u>\$ 50,000</u>
Total Project Cost	\$656,000

Interior Option

Interior Rehabilitation	\$200,000
Engineering	\$ 56,000
<u>Inspection</u>	<u>\$ 50,000</u>
Total Project Cost	\$306,000
Current Budget	\$460,000
Contingency / Remaining	\$154,000



Project Approach

- **Perform NACE Certified Inspection - \$6,500**
 - Completed October 2018-due to Dominion being offline and minimizing issues.
- **Develop "Tank Offline Plan" - \$15,000**
 - Evaluate impact of taking Fairgrounds storage tank off-line
 - Schedule and develop off-line plan to minimize impact
- **Prepare Bidding Documents - \$20,000**
 - Base Bid
 - Additive Alternatives

3



Work Session Agenda Form

Item # 3

DATE: February 19, 2019

AGENDA ITEM: Sale of Surplus Items Using Online Auction

SUMMARY: The Town periodically holds a public auction to sell surplus items and equipment. Staff feels that certain items/equipment may be sold for a higher amount if the Town were to utilize an online auction. Staff is requesting approval by Town Council to sell specific equipment online with a minimum required bid.

The Town of Front Royal is able to exercise cooperative purchasing rights through participation in the Fairfax County Request For Proposal 2000001422 to use The Public Group LLC d.b.a. Public Surplus and Capital Auto & Truck Auction Inc for online auction services with an online auction fee equaling 1% of the sale price.

Items/equipment would be sold "as is" and "where is". The Town will not incur fees for towing or shipping.

Items recommended to be included in the online auction are:

<u>Description</u>	<u>Suggested Minimum Bid</u>
2000 Johnson Street Sweeper	\$5,000.00
1996 GMC TopKick 6x6	\$5,000.00
2001 Mack LE613 Dump Truck	\$2,500.00
1989 Ford L8000 Refuse Body Leach 2RII 25 Yard	\$500.00
1985 Case 585 Tractor	\$500.00
Lot of Electric Poles	\$1.00

BUDGET/FUNDING: Revenue would be received to corresponding fund line item.

STAFF RECOMMENDATION: Staff recommends to approve, as presented.

Work Session

4



Work Session Agenda Form

Item # 4

DATE: February 19, 2019

AGENDA ITEM: FY20 Proposed Budget – Review of Enterprise Fund Expenditures

SUMMARY: Staff will present and review the FY20 Proposed Budget enterprise fund expenditures.

BUDGET/FUNDING: N/A

STAFF RECOMMENDATION: Staff recommends to discuss any questions or concerns regarding the FY20 budget and discuss any additional information council would like to be provided prior to voting for adoption of a FY20 budget.

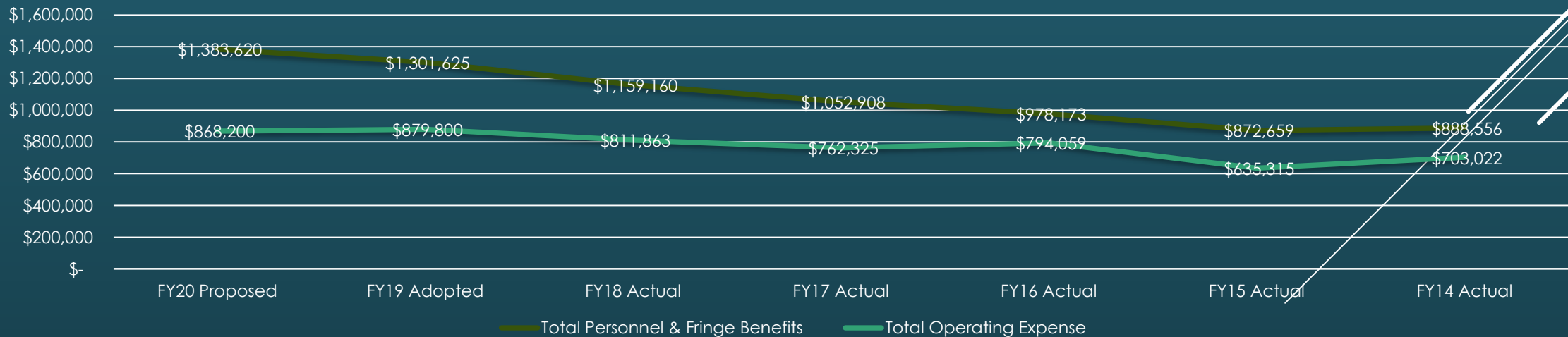
Work Session

FY2020 PROPOSED BUDGET OVERVIEW PART 2

July 1, 2019-June 30, 2020

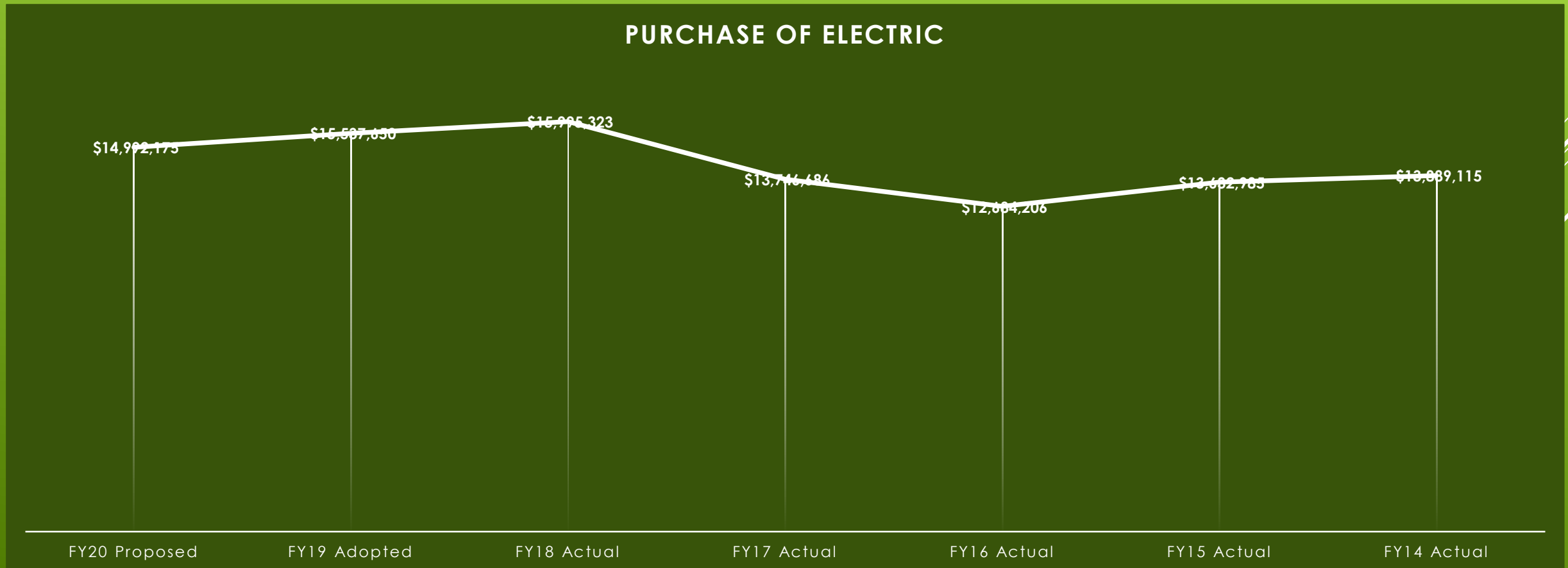
ELECTRIC DEPARTMENT (PAGE 54)

- Overall increase of \$12,920
- Salary/Benefits increase of \$81,995 includes 2% Merit, Compensation Study Phase 2, & 6.5% insurance increase
- Operating expense decrease of \$11,600
 - Decrease of \$10,000 for Dues & Memberships
- Capital expenses increased \$487,500 includes:
 - Replace Bucket Truck#344 - \$210,000
 - Bucket Truck Internal Loan Payment (Year 4 of 6) - \$22,905
 - Reconstruction of Bio-Retention Pond - \$25,000
 - Three Phase Recloser for John Marshall Highway - \$25,000
 - Accruing funds to replace Kendrick Lane Transformer - \$142,500 (Year 2 of 6)
 - Expansion of electric service for Leach Run Parkway - \$125,000 (Multi-year Project)



PURCHASE OF ELECTRIC

Purchase of electric including deregulation costs is budgeted to decrease \$549,975 when compared to the FY19 Budget



METER READING - ELECTRIC

-Overall increase of \$2,170

-Salary/Benefits increase of \$1,570 includes:

- 2% Merit

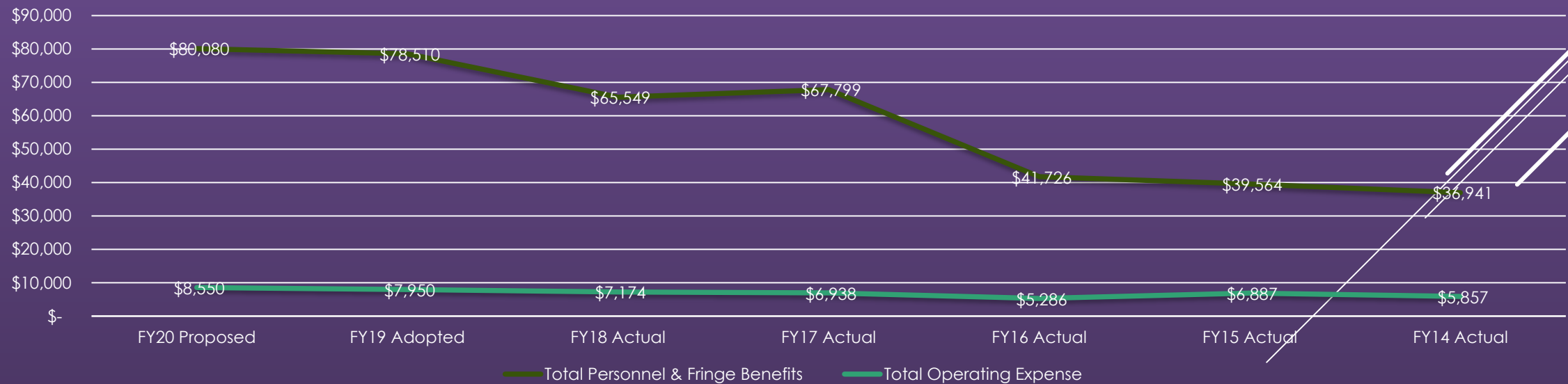
- Compensation Study Phase 2

- 6.5% Insurance Increase

-Operating expense increase of \$600

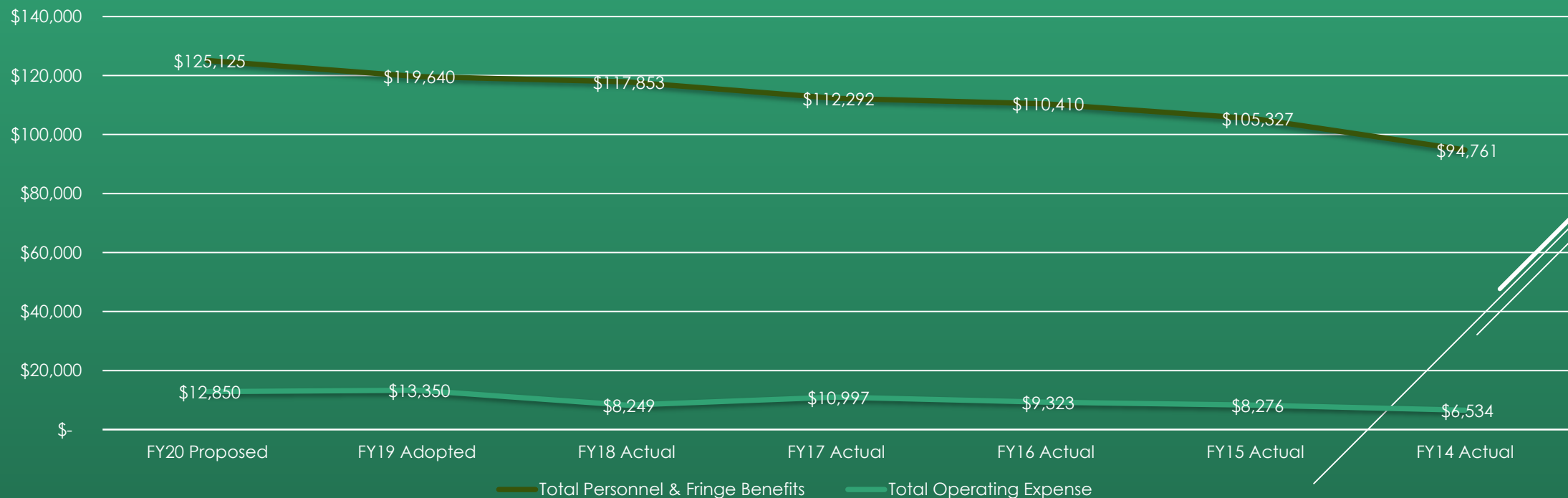
- Increase of \$300 for Maintenance Service Contracts

- Increase of \$300 for POL (Petroleum Oil & Lubricants)



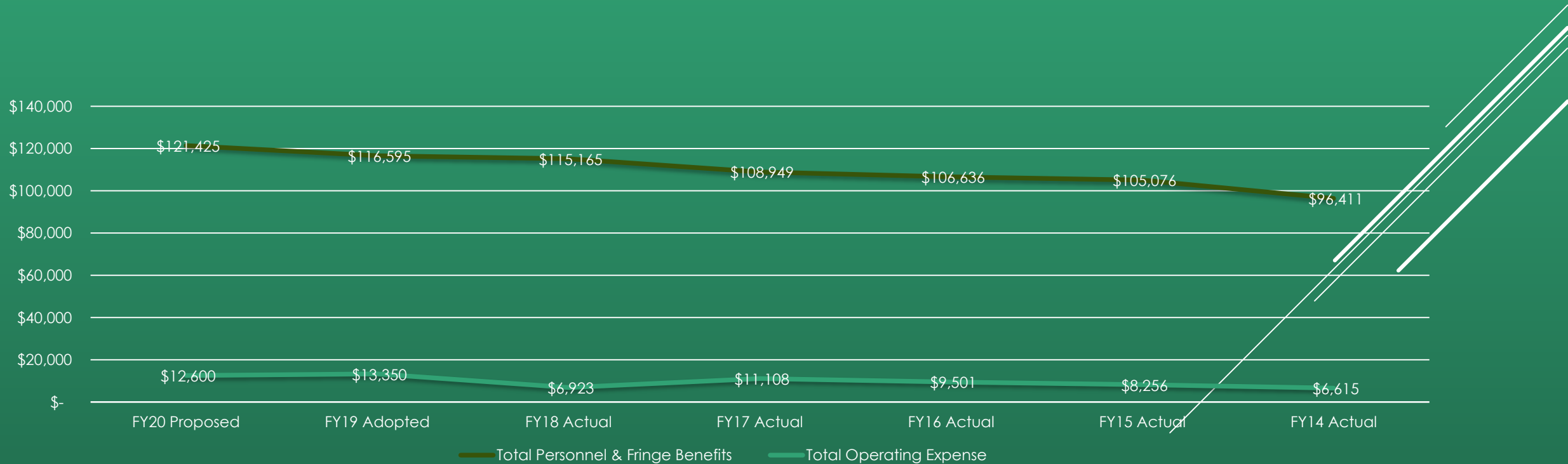
WATER ADMINISTRATION (PAGE 62)

- Overall increase of \$4,985
- Salary/Benefit increase of \$5,485 includes 2% merit, compensation study phase 2 & insurance increase
- Operating expense decrease of \$500



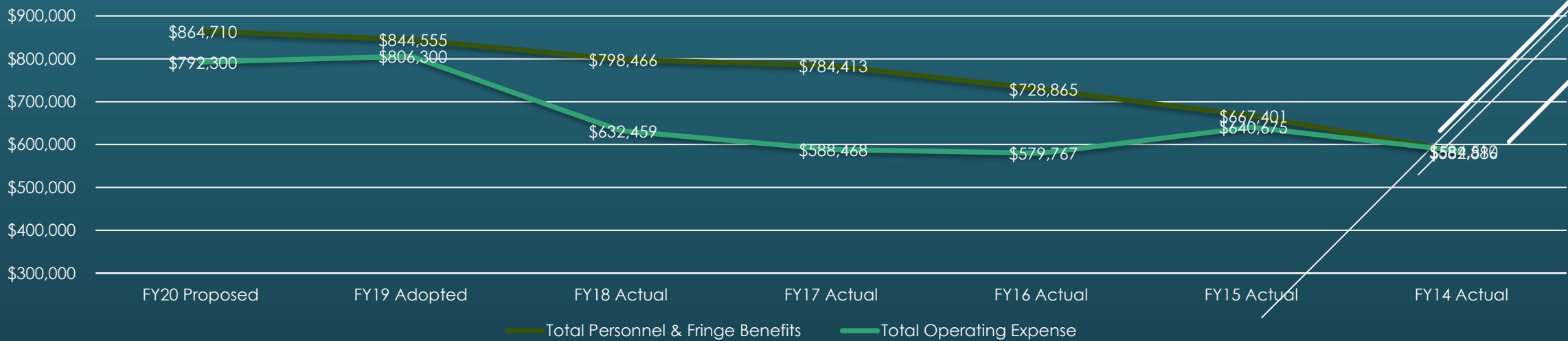
SEWER ADMINISTRATION

- Overall increase \$4,080
- Salary/Benefit increase of \$4,830 includes 2% merit, compensation study phase 2 & 6.5% insurance increase
- Operating expense decrease of \$750



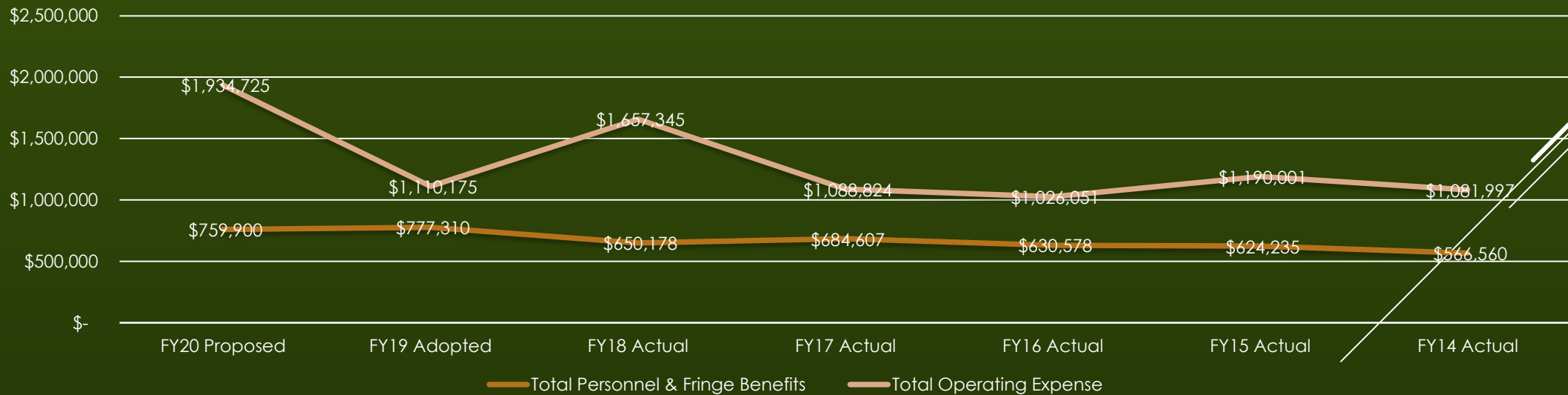
WATER PLANT

- Overall increase of \$121,155
- Salary/Benefit Increase of \$20,155 includes 2% Merit, Compensation Study Phase 2, and 6.5% Insurance Increase
- Operating expense decrease of \$14,000:
 - Decrease of \$18,000 for Professional Services
 - FY19 Included \$100,000 for study/design of screens for DEQ regulations & \$18,000 for VA State Health Dept Fees
 - FY20 Includes \$50,000 for Backflow Compliance Program, \$30,000 for Clearwell Inspections, & \$20,000 for VA State Health Dept
 - Created separate line item for Chemicals, previously expensed under Other Operating Expense
- Capital expense increase of \$115,000 includes:
 - Accruing money for replacement of raw water pumps (Year 1 of 3) - \$75,000
 - Dezurik Pump Control Valve Replacement & Repair - \$40,000



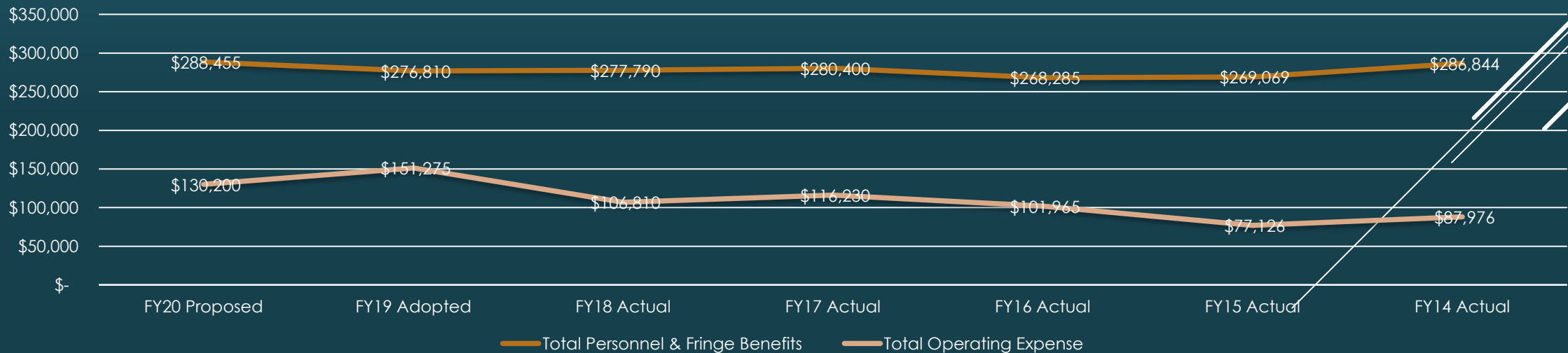
WASTE WATER TREATMENT PLANT

- Overall increase of \$850,139
- Salary/Benefits decrease of \$17,410 due to retirement of senior employee
 - Includes 2% Merit, Compensation Study Phase 2, & 6.5% insurance increase
- Operating expense increase of \$824,550
 - Maintenance Service Contract increase of \$23,800 for maintenance on new equipment
 - Lab testing increase \$25,600 (Kits for testing are more expensive)
 - Electrical Service increase \$90,000 (Rate Increase & full operation of new plant)
 - Chemicals placed under separate line item – increase of \$685,000
- Capital expenses increased \$43,000 includes:
 - Equalization Basin Blowers - \$70,000
 - Purchase of Fork Truck - \$33,000



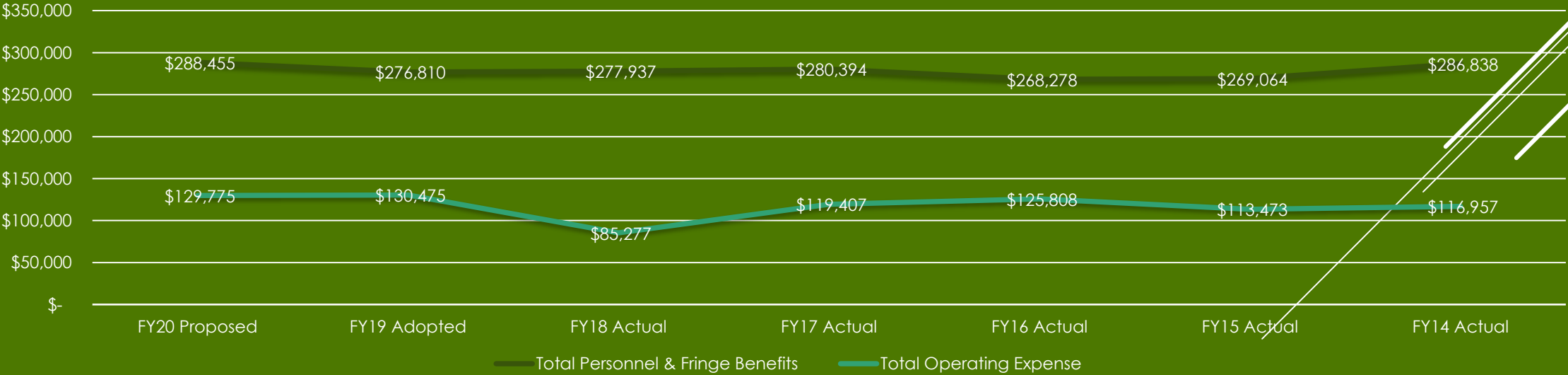
WATER LINE MAINTENANCE

- Overall increase \$61,570
- Salary/Benefit increase of \$11,645 includes 2% merit, compensation study phase 2 & 6.5% insurance
- Operating expense decrease of \$21,075
 - Professional Services decrease by \$20,000 for leak detection
- Capital expense decrease of \$129,500 and includes:
 - Replace Valve Turning Machine - \$50,000
 - Dump Trailer - \$5,000 (Split with sewer line maintenance, total cost of \$10,000)
 - Jack Hammer for Backhoe - \$11,500 (Split with sewer line maintenance, total cost of \$23,000)
 - Message Board - \$7,500 (Split with sewer line maintenance, total cost of \$15,000)
 - Waterline upgrades \$537,000 which includes waterlines to correspond with paving plan
 - Capital Inventory - \$255,000



SEWER MAINTENANCE

- Overall decrease \$48,055
- Salary/Benefit increase of \$11,645 includes 2% merit, compensation study phase 2 & 6.5% insurance
- Operating expense decrease of \$700
 - Furniture & fixtures decreased by \$700
- Capital expenses decrease \$59,000; includes:
 - Dump Trailer - \$5,000 (Split with sewer line maintenance, total cost of \$10,000)
 - Jack Hammer for Backhoe - \$11,500 (Split with sewer line maintenance, total cost of \$23,000)
 - Message Board - \$7,500 (Split with sewer line maintenance, total cost of \$15,000)
 - Capital Sewer Inventory - \$25,000
 - I & I Abatement - \$462,000



METER READING - WATER

-Overall increase of \$41,696

-Salary/Benefits increase of \$1,570 includes:

- 2% Merit

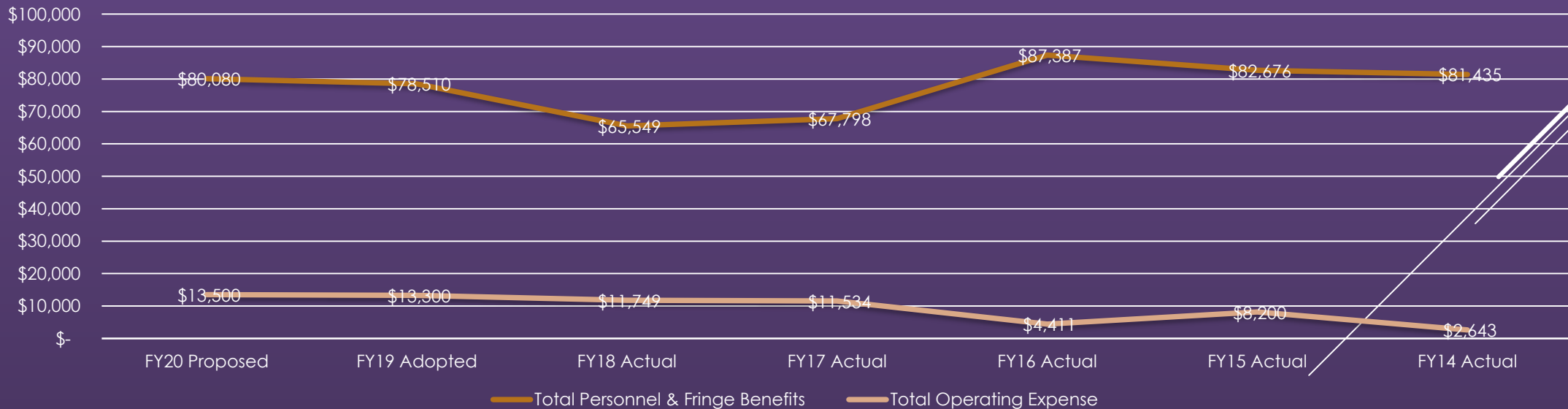
- Compensation Study Phase 2

- 6.5% Insurance Increase

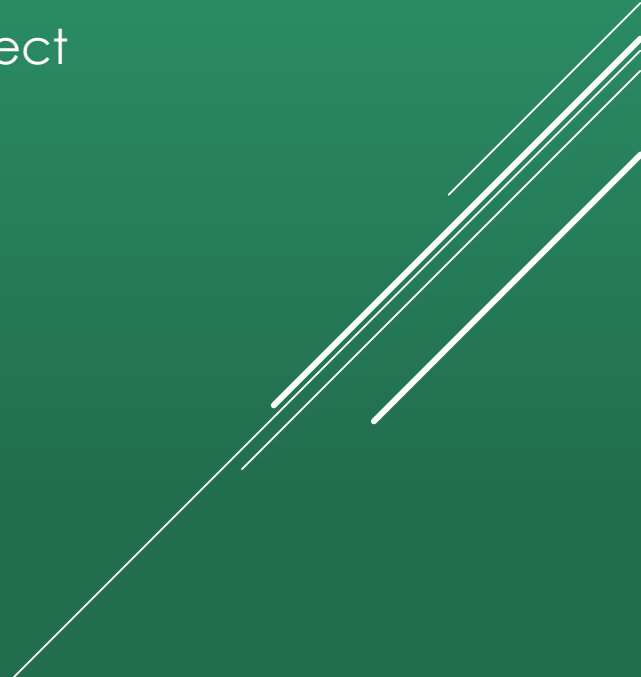
-Operating Expense increase \$200

-Capital Expense increase of \$40,000 includes:

- AMI Radio Water Meters - \$460,000 [Final Year of Funding for Project]

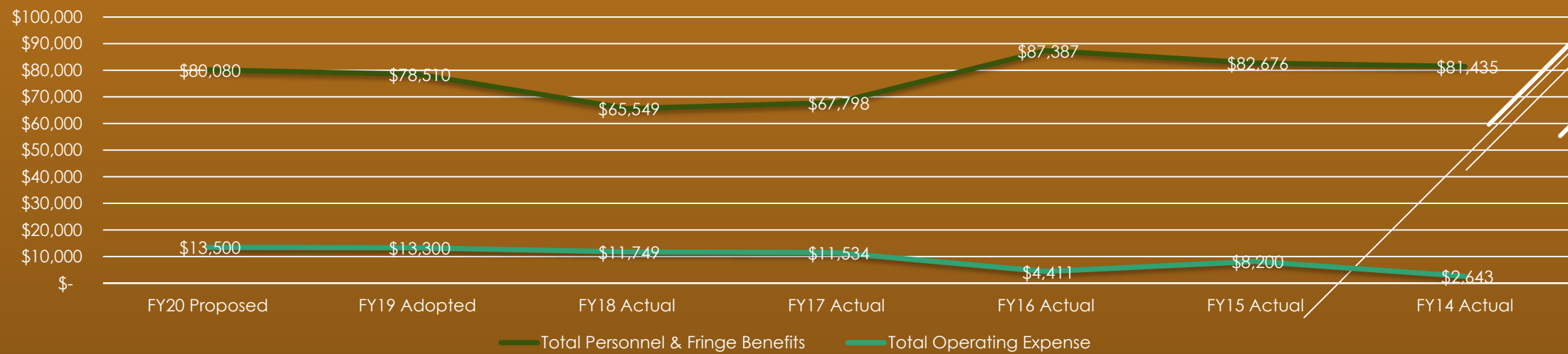


WATER & SEWER DEBT SERVICE

- Sewer debt service increased \$1,805
 - Water debt service increased \$12,555
 - Debt service can vary based on sequestration & federal subsidies
 - FY20 Includes \$103,500 in water enterprise for possible debt service on the Water Loop Project
 - FY18 & FY19 included \$103,500 which will be carried forward for the project
 - Water Loop Project Prior year funds = \$206,000
 - FY20 Funds = \$103,000
 - Total Funds upon approval of FY20 Budget - \$309,000
- 
- A series of three parallel white diagonal lines extending from the bottom right corner towards the center of the slide.

SOLID WASTE

- Overall decrease of \$10,970
- Salary/Benefit increase \$10,405 includes 2% merit & 6.5% increase insurance
- Operating expense decrease of \$41,950
 - Professional Service line item removed \$25,000 previously budget to outsource tub-grinding, now kept in-house
 - Decreased expense for Warren County tipping fees due to less commercial customers - \$5,000
 - Decreased auto-maintenance by \$15,000
 - Reinstated line item for tub grinder maintenance - \$7,000
- Capital expense increase of \$10,575 includes:
 - Payment for internal loan to water fund for purchase of refuse truck - \$34,885 (Payment 3 of 4)
 - Payment for external loan for purchase of refuse truck - \$39,240 (Payment 2 of 5)
 - Replace recycle trailer#695 - \$48,000
 - Dumpster enclosure for Peyton Street Parking Lot - \$8,000



QUESTIONS?/COMMENTS

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5



Work Session Agenda Form

Item # 5

DATE: February 19, 2019

AGENDA ITEM: Discussion of R/E Tax Rate for FY20 (Calendar Year 2019)

SUMMARY: The FY20 Proposed Budget includes revenues based on a real estate tax rate of \$0.14 per \$100 of assessed value. Council requested a comparison of estimated revenue based on various levels of real estate tax rates using the estimated property values for the 2019 reassessed values. Following this cover sheet is a comparison for review.

Council is requested to provide staff with direction for advertising of the 2019 real estate tax rate, so that the first reading can be added to the March 11th, 2019 agenda.

BUDGET/FUNDING: A budget amendment may be required to the FY2019 budget due to collection of taxes reflected in separate fiscal years.

STAFF RECOMMENDATION: Staff recommends for approval of the FY20 (2019 Calendar Year) real estate tax rate of no less than \$0.14 per \$100 of assessed value; with anticipation that the Town may need to increase the rate in the future.

Work Session

REAL ESTATE TAX RATE COMPARISON

	<i>Equalization</i>		<i>FY20 Proposed</i>				
R/E Tax Rate Per \$100 Assessed Value	\$ 0.121	\$ 0.135	\$ 0.140	\$ 0.145	\$ 0.150	\$ 0.155	\$ 0.160
Estimated Total Real Estate Tax Revenue	\$ 1,640,894	\$ 1,824,339	\$ 1,891,907	\$ 1,959,475	\$ 2,027,044	\$ 2,094,612	\$ 2,162,180
Estimated Revenue Increase Above Equalization		\$ 183,445	\$ 251,013	\$ 318,581	\$ 386,150	\$ 453,718	\$ 521,286
% of R/E Revenue Increase Above Equalization		11.18%	15.30%	19.42%	23.53%	27.65%	31.77%
If Increase Allocated to Police Dept	\$ 242,500	\$ 425,945	\$ 493,513	\$ 561,081	\$ 628,650	\$ 696,218	\$ 763,786

POLICE DEPARTMENT FINANCING				
	30 Year VRA Pooled Bond		20 Year Fixed Rate Loan	Difference
Estimated Annual Debt Service	\$ 563,822		\$ 691,548	\$ 127,726
Estimated 1st Year Interest	\$ 400,000		\$ 390,000	
Estimated Interest Rate	4.031%		3.919%	
Interest Expense	\$ 7,828,477		\$ 4,511,499	\$ 3,316,978

COMPARISON OF REAL ESTATE TAX BILL BASED ON PROPERTY ASSESSED AT \$200,000							
Total Annual Real Estate Tax Bill	\$ 242	\$ 270	\$ 280	\$ 290	\$ 300	\$ 310	\$ 320
Annual Dollar Value Increase Above Equalization		\$ 28	\$ 38	\$ 48	\$ 58	\$ 68	\$ 78
Dollar Value Increase Per Installment		\$ 14	\$ 19	\$ 24	\$ 29	\$ 34	\$ 39
% Increase Above Equalization	0%	11.57%	15.70%	19.83%	23.97%	28.10%	32.23%

\$0.01 of the Real Estate Tax Rate Equates to Approximately \$135,136 in Revenue

\$0.005 of the Real Estate Tax Rate Equates to Approximately \$67,568 in Revenue

6



Work Session Agenda Form

Item # 6

DATE: February 19, 2019

AGENDA ITEM: Continued Discussion of Funding for the Warren Heritage Society

SUMMARY: On January 22, 2019, Council discussed a request from the Warren Heritage Society to support their operation, specifically their utilities. At that time, Council asked that the request be placed on an upcoming work session for further review and discussion.

HISTORY

In 2014 Council considered a reimbursement of the expense of utility services for the Warren Heritage Society located at 101 Chester Street in the amount of \$10,000 due to *"their campus of preservation has grown significantly and their outreach into the community has extended with greater need in the area"*. In accordance with the authority granted governments by Virginia Code Section 15.2-953, Council approved the request and for the money to come from Electric, Water, Sewer and Solid Waste Fund Reserves to be used toward payment of the respective portion of the utility bills beginning July 1, 2014.

In 2015, Council approved the donation of \$15,000 (*increase of \$5,000*) beginning September 2015.

In 2016, Council approved the donation of \$15,000 to begin September 2016, **but also requested that the Warren Heritage Society make efforts to improve the efficiency of their buildings and report these efforts prior to requesting continued donations in the future.** The 2016 request was also discussed at the November 2016 Liaison Committee Meeting.

In 2017, Council approved the donation of \$15,000 to begin September 2017.

In 2018, Council approved the donation of \$15,00 for FY2019-2019 (*minutes attached*)

Attached is the current budget for the Warren Heritage Society, Letter from the Executive Director of the Warren Heritage Society and minutes from January 22, 2019 work session.

BUDGET/FUNDING: Funding from last year came from the Electric, Water, Sewer and Refuse as Unrecognized Revenue

STAFF RECOMMENDATION:

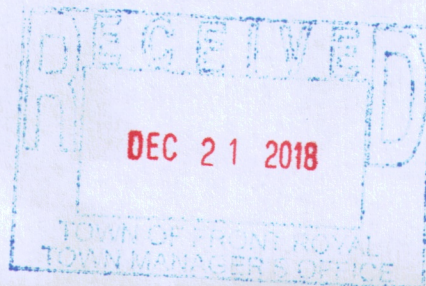


The Warren Heritage Society, Inc.

101 Chester Street, Front Royal, Virginia 22630

December 21, 2018

Town of Front Royal
Town Council
Mr. Joe Waltz, Town Manager
102 East Main Street
Front Royal, Virginia 22630



Dear Town Council and Mr. Waltz,

This letter is to respectfully request a grant of \$15,000 to support the operation of the Warren Heritage Society.

The Warren Heritage Society is a valuable destination tourism asset to Front Royal. We are currently open five days a week, and beginning in March, will be open six days a week. We help foster the intellectual and social life of the Town through our programs and sharing of our facilities. In addition, we keep the name of Front Royal across the country through the genealogical services provided by our Archives.

In 2017, 4,366 people visited the Heritage Society and its museum, and about a thousand took tours of the historic buildings on our campus: The Belle Boyd Cottage, the Balthis House, the oldest standing building in Warren County, and its outdoor kitchen. Our Archives are the official repository of historical records for the Town of Front Royal. We are busy through the year helping people find information on their ancestors: we fielded close to a thousand phone calls in 2017, hosted 245 visitors, and conducted 97 paid research projects. I expect our 2018 metrics to be similar to those of 2017. In addition, we typically have between 800 and 900 Facebook visits in any given week.

Our facilities are available to the community at large, and are often used by clubs and patriotic associations, such as the Sons of the American Revolution, to hold meetings. We sponsor occasional lectures, and in 2019 we are planning to host a Book Club as well. The lectures planned so far for 2019 are: March 30: Promises Not Kept: The Displaced Mountain Folk and the Shenandoah National Park, and May 25: The History of Front Royal and Warren County. A Summer Camp for kids has been scheduled for the week of July 15, and we hope to launch a History Club at the conclusion of that. In addition, we are planning a "Haunted Front Royal" program to coincide with the Zombie Walk at the time of Halloween.

We enrich the lives of senior citizens in the community through special lectures and tours we arrange for them. We encourage young people to develop an interest in history through our Summer Camp and through our work with youth groups. In 2019 we are hoping to prepare a curriculum guide for teachers on Shenandoah Valley history. We will be creating new exhibits in 2019 as well; topics under consideration include the Native Animals, Pioneering Women Doctors of Front Royal, The History of Charity in

Warren County, Celtic Connections of the Shenandoah Valley, Historic Homes of Warren County, the history of Bentonville and Limeton, and others. One of these exhibits will go in Town Hall -- we welcome your suggestion as to which one!

And, of course, the Warren Heritage Society is the organizer of the Festival of Leaves. In 2018, this "original" Front Royal festival drew about 25,000 visitors to Main Street (by police estimate), and involved numerous schools and societies throughout the county.

At the Warren Heritage Society, we squeeze our nickels until Mr. Lincoln squeals. Everything we do is in the most economical manner possible. We depend upon volunteers very heavily, as our staff consists of only part-time people. Our entire budget for 2018 is \$146,300. Thus, you can see how much we depend on the support of the Town's utility donation of \$15,000. Even with that waiver, we still had to budget \$3,100 for utilities in 2018.

As you know, we are the custodians of historic buildings -- and by definition, old buildings are inefficient, and require care and maintenance. We are continually looking for ways to lower our utility usage, and we got a new electric meter just a few weeks ago. This year our new money priority is the protection of the Outdoor Kitchen from further structural deterioration and water infiltration. I also will be seeking to raise money for insulation or window replacement, though I should warn you that historically correct windows are very costly. During the winter, we maintain the temperature in the Balthis House and Belle Boyd Cottage at 59 (we figure visitors will be wearing coats anyhow); in our working areas, we keep it at 69.

We have made a similar request of Warren County Board of Supervisors. We thank you in advance for your consideration of our request, and stand ready to provide any further information that you may require.

Sincerely yours,

A handwritten signature in cursive script that reads "Connie Marshner".

Connie Marshner
Executive Director

Warren Heritage Society
Profit & Loss Budget vs. Actual
January through December 2019

	Jan - Dec 19	Budget
Ordinary Income/Expense		
Income		
Archives	0.00	600.00
Balthis House Income		
Balthis House Tours	17.50	
Balthis House Income - Other	0.00	800.00
Total Balthis House Income	17.50	800.00
Belle Boyd Income		
Belle Boyd tours	17.50	
Belle Boyd Income - Other	0.00	1,500.00
Total Belle Boyd Income	17.50	1,500.00
Contributions		
Donations - Dir. Pub. Support	20.00	
Contributions - Other	0.00	18,000.00
Total Contributions	20.00	18,000.00
Education Programming Income	0.00	800.00
Event Income	0.00	1,100.00
Fest of Leaves	0.00	15,000.00
Fundraisers		
Calendar	60.00	
Total Fundraisers	60.00	
Gift Shop	22.32	3,300.00
Interest Income	0.00	10.00
Investment Draw		
Edward Jones Inc-241-15811-1-5	0.00	96,000.00
Wells Fargo Inc. 2126-1414	0.00	12,000.00
Total Investment Draw	0.00	108,000.00
Ivy Lodge Musem Donation Box	5.00	200.00
Membership Income		
Membership Dinner Income	0.00	500.00
Membership Dues		
Family Dues	240.00	
Individual Dues	100.00	
Total Membership Dues	340.00	
Membership Income - Other	0.00	4,000.00
Total Membership Income	340.00	4,500.00

Warren Heritage Society
Profit & Loss Budget vs. Actual
January through December 2019

	Jan - Dec 19	Budget
Misc. Income	0.00	100.00
Total Income	482.32	153,910.00
Gross Profit	482.32	153,910.00
Expense		
Advertising		
General Advertising	99.00	
Advertising - Other	0.00	2,700.00
Total Advertising	99.00	2,700.00
Archives Expense	0.00	2,500.00
Balthis House Expenses	0.00	2,000.00
Bank Charges	0.00	100.00
Computer Expense	0.00	1,400.00
Conferences & Cont. Ed.	0.00	1,400.00
Festival of Leaves Expenses	0.00	3,000.00
Gift Shop Expenses		
Consignment Sales/Rudolph, M...	21.60	
Consignment Sales/Little, Martha	12.00	
Gift Shop Sales Tax	38.04	
Gift Shop Expenses - Other	0.00	2,000.00
Total Gift Shop Expenses	71.64	2,000.00
Grounds Maintenance	0.00	4,400.00
Insurance	0.00	6,000.00
Ivy Lodge	0.00	2,200.00
Legal & Accounting	0.00	1,500.00
Membership Expenses	0.00	1,400.00
Misc.	0.00	200.00
Office Supplies		
Equipment Purchase/Repair/Maint	36.83	
Office Supplies - Other	0.00	4,000.00
Total Office Supplies	36.83	4,000.00
Payroll Expense		
Salaries & Wages	2,123.78	
Payroll Expense - Other	0.00	100,000.00
Total Payroll Expense	2,123.78	100,000.00

2:55 PM
01/09/19
Accrual Basis

Warren Heritage Society
Profit & Loss Budget vs. Actual
January through December 2019

	Jan - Dec 19	Budget
Telephone		
WHS Admin/Archives Phone Svc	0.00	1,800.00
Total Telephone	0.00	1,800.00
Utilities (offices/BBC/Balthis	0.00	18,000.00
Total Expense	2,331.25	154,600.00
Net Ordinary Income	-1,848.93	-690.00
Net Income	<u>-1,848.93</u>	<u>-690.00</u>

MINUTES FROM JANUARY 22, 2019 WORK SESSION

1/22/19

Request for Funding from Warren Heritage Society – Town Manager

SUMMARY: Council has received a request from the Warren Heritage Society to support their operation, specifically their utilities.

HISTORY

In 2014 Council considered a reimbursement of the expense of utility services for the Warren Heritage Society located at 101 Chester Street in the amount of \$10,000 due to *“their campus of preservation has grown significantly and their outreach into the community has extended with greater need in the area”*. In accordance with the authority granted governments by Virginia Code Section 15.2-953, Council approved the request and for the money to come from Electric, Water, Sewer and Solid Waste Fund Reserves to be used toward payment of the respective portion of the utility bills beginning July 1, 2014. In 2015, Council approved the donation of \$15,000 (*increase of \$5,000*) beginning September 2015.

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BUDGET/FUNDING: Funding from last year came from the Electric, Water, Sewer and Refuse as Unrecognized Revenue

STAFF RECOMMENDATION: Staff recommends a strategy to decrease funding to ultimately eliminate donation. Staff needs Council direction on the future intent of this donation.

Council Discussion:

Connie Marshner, Executive Director of the Heritage Society, noted that their organization had done everything possible to become energy efficient and go forward with every suggestion brought forward by the Town. She stated that the Heritage Society provides an extensive archive of Warren County history, maintain four historical buildings, run history camps during the summer, and provide genealogy research to families across the country.

To answer Councilman Thompson’s questions, Ms. Marshner noted that with old buildings there were ongoing issues, such as old windows, a recent \$1,000 plumbing bill incurred, etc. She stated that fundraising has not been ongoing in recent years and that is ramping up. She added that many visitors to the community tour their facilities and they provide so much information to individuals. Councilman Meza asked about the \$18,000 budget and whether the \$15,000 was shown in the line item. She noted that it was not included.

Councilman Holloway asked about the amount requested to the County, Ms. Marshner noted that the same amount was requested of the County. Councilman Gillispie asked about reducing the amount to perhaps half.

Vice Mayor Sealock noted that residents express concern with providing funding to organizations when their electric bills are high; he also asked about grants and offsetting the costs. Ms. Marshner stated they basically have been without a Director and hopefully she intends to identify potential grant funding. Mr. Sealock noted that the Council's heart goes out to the organization and the work that they do.

Councilman Meza noted that he would like Council to move towards creating a criteria/application for organizations that ask for funds, noting that funding could be set aside in order to assist the Town with the requests for funding. Mr. Gillispie and Mrs. Thompson expressed their support for Mr. Meza's suggestion.

Mr. Waltz noted that he would work on the form and it seemed as though Council was leaning towards perhaps partial funding.