



**TOWN COUNCIL
WORK SESSION MINUTES
Monday, April 1, 2019 @ 7:00 p.m.
Town Hall Council Chambers**

1. Humane Society of Warren County Request to Use Trolleys for “Waggin for Dragons” Event – TM

SUMMARY: Executive Director of the Humane Society of Warren County is requesting the use of two Town trolleys on August 3, 2019 from 7:30am – 5:00pm to ferry visitors and participants to their “Waggin’ for Dragons” event from local parking areas to the event location. The cost for the usage will be \$1,159.00 for two trolleys and \$518.50 for one trolley.

May 2015 – first request to use the Town trolley

June 2016 – Council approved the donation of up to \$600.00 toward the use of the trolley

March 2017 – Council approved the donation of \$1,037.00 for the use of two trolleys

May 2018 – Council approved the donation of \$1,159.00 for the use of two trolleys

Letter of Request is attached and costs for use of the trolleys

Staff recommends approval of one (1) trolley for the event due to Warren County having access to a trolley/bus for the transit services they provide.

Council Discussion: Councilman Tewalt noted that one was okay in his opinion. Councilman Meza noted that he would reiterate his prior request for non-profit requests for these type of inquiries. Mr. Meza stated that they are taking tax payer dollars for a non-profit use.

Councilman Thompson noted that she would be in favor of one trolley, as did Councilman Gillispie. Councilman Holloway noted that he would not be favor of the request.

2. Proposed five (5) year renewal of Tower Site Lease Agreement, as amended, Shenandoah Personal Communications, LLC (“Shentel”) – Town Attorney

Shenandoah Personal Communications, LLC, dba Shentel, currently under lease with the Town for use of the Town’s Fairgrounds Road water tank and “floor space”, through October 31, 2019, has proposed a “Third Amendment to Tower Site Lease Agreement” for four (4) additional five (5) year renewal terms, with the first five (5) year term commencing November 1, 2019, and with each successive five (5) year renewal term to be approved by the Town in its sole and absolute discretion. Shentel is currently paying \$2,750.00 per month. The agreement provides for an automatic ten percent (10%) increase in rent upon the commencement of each renewal term.

STAFF RECOMMENDATION: The Town Attorney and the Town Manager recommend approval of the “Third Amendment to Tower Site Lease Agreement”, providing for as many as four (4) additional five (5) year terms, with the first five (5) year term commencing November 1, 2019.

Council Discussion: Mr. Waltz noted that it would go forward on the consent agenda with Council agreement.

3. Update on Façade Improvement Program – Director of Planning/Zoning

SUMMARY: Town Staff will provide a presentation on April 1, 2019 regarding the status of the Façade Improvement Program. The final report from the architect, received March 15, 2019, is attached for Town Council's reference on the first round of applications.

BUDGET/FUNDING: No change.

STAFF RECOMMENDATION: No action required by Town Council.

Mr. Camp presented the following report to Council:

Community Development Block Grant

Front Royal Downtown Revitalization: Envision 2.0

- Façade Improvement Program = \$672,500
- Outdoor Gathering Space at Town Commons = \$219,680
- Parking, Alley & Streetscape Improvement Plan = \$85,000
- Royal Shenandoah Greenway (completed) = \$400,000
- Signage = \$162,000
- Branding = \$44,400
- Administration = 10%
- Total Project Value: \$1,661,730

Project Completion Deadline: September 25, 2020

Building 1	9 South Royal Avenue	1 Sheet
Building 2	11 South Royal Avenue	1 Sheet
Building 3	109 East Main Street	1 Sheet
Building 4	117 East Main Street	1 Sheet
Building 5	118 East Main Street	1 Sheet
Building 6	206 East Main Street	1 Sheet
Building 7	210 East Main Street	1 Sheet
Building 8	213 East Main Street	1 Sheet
Building 9	218 East Main Street	1 Sheet
Building 10	220 East Main Street	1 Sheet
Building 11	221-223 East Main Street	2 Sheets
Building 12	403-405 East Main Street	1 Sheet
Building 13	15 Chester Street	1 Sheet
Building 14	64 Chester Street	1 Sheet
Building 15	33 Peyton Street	1 Sheet

- All applications accepted that met the application deadline for Round 1.
- Approved by BAR and Façade Advisory Board on 3/21/19
- Approval from Preservation Virginia and DHR pending before Bids and Contracts
- Round run scheduled to run until Nov/Dec 2019
- Round 2 to use remaining funds in 2020.



Parking, Alley & Streetscape Improvement Plan

- Parking Space Inventory Validation - 3/19
- Parking Space Counts – 3/29 and 4/09
- Door-to-door Surveys – until April 30

Council Discussion: In response to Council questions, Mr. Camp explained how contractors are held accountable for the downtown projects. Mr. Camp noted that the Town received many more applicants than anticipated and in order to keep matters moving in a timely manner, deadlines were set and the Town moved forward and are working with the architect. He noted that he will have to check the amount they will have for Round 2. Mr. Waltz stated that the Town has to find out the amount for Round 2 and the tentative date they will have. To further answer Council's questions, Mr. Camp noted that those that have made improvements after the contract date for a match up to \$20,000.

4. Update on the Building/Maintenance Code (Chapter 9) – Director of Planning/Zoning

SUMMARY: During the Town Council Work Session on April 1, 2019, Town Staff will provide an update on research options for enforcement of the Town's recently adopted Maintenance Code. To enforce the recently adopted Maintenance Code, the Town is required to 1) appoint a qualified Maintenance Code Official, and 2) appoint a Board of Maintenance Code Appeals. Both the Maintenance Code Official and Board of Maintenance Code members must meet certain qualification requirements. Previous direction from

Town Council was for Town Staff to explore cost-effective (low cost) approaches to accomplish these prerequisites. Town Council input was also received to start the program small and focus primarily on complaints and derelict buildings.

Maintenance Code Official

Town Staff researched outsourcing options for staffing the Maintenance Code Official position. Options are very limited for this type of consulting work. The only business firm found within the region that provides these services is the Berkley Group (Bridgewater, VA). Town Staff met with the Town of Strasburg and with the Berkley Group created a draft proposal where the Town of Front Royal would employ the professional through the Berkley Group for 60% of the week (.6 FTE) and the Town of Strasburg would employ the professional for the remaining 40% (.4FTE). Based on the Berkley Group's rate schedule and draft agreement, this would cost the Town of Front Royal \$54,600 and the Town of Strasburg \$39,000. Unfortunately, the Town of Strasburg pulled out of the proposal due to budget limitations. Following this action by Strasburg, the Berkley Group made it known that the Town of Front Royal would need to employ the professional for 1 FTE for it to be cost feasible for them to offer the service. This would be a cost equivalent of \$80,400 per year. No benefits would be provided by the Town for the contracted position.

Alternatively, the Town could advertise for a new position

Board of Maintenance Code Appeals Town Staff met with Warren County Board of Supervisors in a work session and discussed if it would be feasible for the Town to utilize the County's Board of Building Code Appeals (BOBCA). Using the County's Board of Building Code Appeals for the Town's Maintenance Code would be more efficient in terms of time to establish and cost. During the Work Session with the Board of Supervisors, most Board members were open to the idea but wanted to get input from the members of their Board of Building Code Appeals. The Town is presently waiting for this input. The Town could also use the members of the County's BOBCA, but through its own Board.

BUDGET/FUNDING: Previous Budget: \$40,000. Draft Budget: \$37,000. Total = \$77,000

STAFF RECOMMENDATION: Outsourcing options researched are over the amount of available funds, and therefore, not an option unless Town Council allocates additional funding. Town Staff recommends advertising for the position as a Town employee using available funds.

Council Discussion: Mr. Waltz noted that the Town thought they had a viable solution with the Berkley group and now we realize it is not doable option. He added that the Town could pursue options through the Northern Shenandoah Valley Regional Commission.

Councilman Holloway suggested following up with Luray to see if they would like to work with the Town. Mr. Gillispie noted that working with NSVRC is good idea. Mr. Tewalt noted that he was not in favor of the proposal. He stated that the Town has gone way overboard on the matter. He added that the Town will be defending the matter if they move forward properly, and the Town should not pursue if they can afford it. Mr. Tewalt stated that the needed credentials needed for this position will not take place for \$40,000.

Councilman Meza stated that this has gone on for so long and to some degree he agreed with Mr.

Tewalt. He noted that the Council was told to do a case by case basis as they did not have the funds to do a full position. Mr. Meza remarked that it was his understanding that they should address 4-5 buildings and address a few buildings at a time. Mr. Waltz stated that he understood the matter as described by Mr. Meza. Mayor Tharpe noted that Mr. Meza was correct as described, to take baby steps. Mr. Camp stated that that was correct however, if Staff receives a complaint there is a potential liability if they do not address the matter.

Councilman Thompson stated that there are citizens with homes falling down around them the Town is not going to bat against slumlords and she does not understand that. Mayor Tharpe expressed his agreement with Councilman Thompson.

Mr. Napier stated that if the Town chooses not to address matters town-wide than the Town has the right, but if they choose to move forward they cannot pick and choose. Mr. Gillispie asked if there were State Codes in effect currently to assist; Mr. Napier noted that there were. Mr. Waltz stated that he wanted Council to be aware of where Staff was on the matter and they will continue to review and return to Council.

5. Continued Discussion of FY2019-2020 Tax Rate *(Mayor Tharpe)*

Vice Mayor Sealock submitted the following via email:

For two years as a new Councilman and to present, I have continuously raised my concerns with the ever increase in taxes due to projects not in our control. It was unheeded until the present day.

This Council was for New Market Tax Credit to save the Town \$3 million, but had concerns. I took it upon myself to call New Market Tax Credit for a better understanding on how it worked and talked to him about coming to Council to discuss. I did not like what he said at the work session, so more follow-up was needed. I participated in a face-to-face meeting with his boss and him to gain greater insight. At this point I was told we did not qualify for this loan and given factual information which I brought back to Council. Only \$3 million would be utilized for the New Market Tax Credit, and \$7 million was to be provided by an outside loan. We were never told about the \$500,000 closing cost required by the New Market Tax Credit program. Furthermore, we were never told that we did not qualify due to "no job creation". Our sponsor of New Market Tax Credit accepted total responsibility for this "non-informing". Then it struck home to Council that we needed to act swiftly due to completion of the Police Department and still has not been concluded.

The previous work session should not have been concluded until consensus was reached on some basic questions:

1. Do you want to reallocate \$90k or not?
2. Do you want a 20 year or a 30 year loan?
3. With those questions agree upon, set the final tax rate with solid conclusions.

I do not want the next generation paying an additional \$3-4 million in taxes, then the 20 year is best conclusion. At this point we are not sure of any rates until we apply. It may be more or less than the proposed rate demonstrated. With substantial completion of Police Department building looming, we need to come to some conclusion.

In addition to the allocation of \$90k proposed to attached the Police Department building, I propose to take the \$40,000 moved to General Fund due to non-usage, plus \$40,000 proposed in the new budget for dilapidated buildings be utilized. It is a program going no-where due to lack of funding. Furthermore, I want to make sure the \$50k set aside for Police Department building is included in any calculations on repayment of the Police Department building.

I am still concerned why we are paying the county \$50k annually for rent on a dilapidated building agreed upon by previous Council. It does not seem right with all the County owned buildings used for rent without property tax to the Town, that the Town be charged rent on this dilapidated building.

In final thoughts, I am a senior citizen on a fixed income where tax increases mean I give up something needed or wanted. Why would I vote for any increases? The Police Department building has been promised or discussed for 40 years. We and previous Council's agreed that the Police Department building was necessary for our community.

Councilman Gillispie asked that the Council leave the tax rate at the 13.5 cents. He noted that Council could go through the budget line by line though he would prefer that no cuts to employee health insurance or the compensation study occur. Councilman Tewalt stated that he worked through the figures and he proposed that the Town council move forward with their consensus of the \$90,000, and the \$564,000 for the 30 year loan. He noted that would leave them only \$58,000 short, though they could take \$40,000 from the property maintenance, and that would keep the Town at the 13.5cents. Councilman Tewalt noted that interest rate could go up later in the year, though next Monday Council must make a decision on the tax rate.

Councilman Meza stated that the rumors that the Police Department is not funded is inaccurate. He noted that the vote next Monday is setting the tax rate, as that is the deadline for said rate.

After brief discussion, Town Council came to a consensus of 13.5cents for vote at the next regular meeting. Mr. Waltz stated that the motion will be 13.5cents, and it is not necessary for the \$90,000 to be written in.

6. Discussion with Legal Counsel on Related EDA Issues

Mr. Napier stated that the EDA matter will remain fluid for some time. He noted that the Town is in the dark on the matter. He stated that the media has reported some matters and that is about all. Mr. Napier suggested that Council file a FOIA request for the Forensic Audit, as suggested by Councilman Tewalt. Mayor Tharpe stated that inadvertent overcharges should be addressed, nothing related to embezzlement he noted.

Mr. Waltz noted that in reality the Town will not see the audit. Mr. Napier stated that the EDA is under an obligation to provide the audit. Mr. Meza noted that the Town was asked to pay half the bill for the audit and when we chose not to pay for the audit, the Town was cut out of the findings of the audit. Mr. Napier noted that they were told by a higher authority to not participate in paying for the audit.

Councilman Gillispie asked if the Town can file with the Circuit Court

7. Council Discussion/Goals

- none -

8. CLOSED MEETING – Consultation with Legal Counsel

Motion to Go Into Closed Meeting

Councilman Gillispie moved, seconded by Councilman Holloway, that Council convene and go into Closed Meeting for the purpose of consultation with legal counsel employed by Town Council regarding specific legal matters, specifically, what legal recourse, if any, to take against the owner of 294 W Strasburg Road, for not having a separate Town water/sewer connection, and what action to take to rectify the matter, all of which requires the provision of legal advice by such counsel, pursuant to Section 2.2-3711. A. 8. of the Code of Virginia.

Vote: Yes – Gillispie, Holloway, Meza, Sealock, Tewalt and Thompson

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)

Motion to Certify Closed Meeting at its Conclusion

Councilman Gillispie moved, seconded by Councilman Tewalt 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 – Gillispie, Holloway, Meza, Sealock, Tewalt, Tharpe, and Thompson

No – N/A

Abstain – N/A

Absent – N/A

(By Roll Call)

PRESENT: Mayor Tharpe, Councilman Tewalt, Councilman Gillispie, Councilman Holloway, Councilman Meza, Councilman Thompson, Vice Mayor Sealock, Town Manager Waltz, Town Attorney Napier, Clerk of Council Berry, Director of Planning Camp, Director of Finance Wilson, Director of Energy Services Jenkins, Police Chief Magalis, Director of Environmental Services Boyer, Community Development Director Hart, IT Director Jones, members of the public and members of the press.