The regular meeting of the Town Council of the Town of Front Royal, Virginia was held on June 24, 2019, in the Warren County Government Center's Board Meeting Room. Mayor Tederick lead Council and those attending in the Pledge of Allegiance to the flag and a Moment of Silence. The roll was called at 7:00 p.m.

PRESENT: Mayor Matthew A. Tederick
Councilman Gary L. Gillispie
Councilman Chris W. Holloway
Councilman Jacob L. Meza
Vice Mayor William A. Sealock
Councilman Eugene R. Tewalt
Councilman Letasha T. Thompson
Asst. Town Attorney George M. Sonnett
Town Manager Joseph E. Waltz
Clerk of Council Jennifer E. Berry, CMC

ABSENT: Town Attorney Douglas W. Napier

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

Councilman Gillispie moved, seconded by Councilman Tewalt that Council approve the Regular Council Meeting minutes of June 10, 2019 as presented.

Vote: Yes – Gillispie, Holloway, Meza, Sealock, Tewalt and Thompson
No – N/A
Abstain – N/A
Absent – N/A
(Mayor Tederick did not vote as there was no tie to require his vote)

RECEIPT OF PETITIONS OR CORRESPONDENCE FROM THE PUBLIC

There were no receipts of petitions or correspondence from the public.

Town Manager, Mr. Waltz, noted that the Town Hall drive thru would be closed this coming Saturday, June 29th for end of fiscal year processing. He announced also that for the July 4th holiday, the business office would be closed on Thursday the 4th, and the refuse and recycling changes were noted for the week. Mr. Waltz stated that the next Town Business Forum would be held Wednesday, June 28th at 6 p.m. at the Town Hall Council Chambers; he invited the public to attend.

Mayor Tederick welcomed Mr. Parsons and thanked him for his efforts moving forward. The Executive Director of the Economic Development Authority, Doug Parsons, stated that the EDA has come quite a distance to make head way to gather an understanding of their financial standings. He stated that Mr. Anzivino, the interim Director, put many good processes in place which has helped.

Mr. Parsons noted that they continued to review the revenue, expense and maintenance standpoint of properties owned by the EDA. He stated that the EDA continues to entertain leads for projects around the community and they have hope that some new businesses would locate here in the area. He noted that the Town Staff has been welcoming and helpful and he

expressed his appreciation for their assistance. Mr. Parsons noted that sites with 25 contiguous acres or more are being ranked with site selection consultants and the next step would be to continue the due diligence in order to market those properties, which includes the Happy Creek Industrial Park parcels. He added that he has met with others at Lord Fairfax Community College and they would continue to work to recruit to participate in the trades industry development as well. Mr. Parsons noted that the EDA website is also being updated in order to be more attractive. He stated that the EDA's personnel policy is being shored up, and they also have two new Board Members to bring up to speed as well.

Councilman Meza noted that he was excited that Mr. Parsons was on board and Council would be as helpful as possible.

Mayor Tederick asked if there were any proposals for additions or deletions to the agenda.

CONSENT AGENDA ITEMS - none

COUNCIL APPROVAL – Resolution for *"Employee Appreciation Week"*
Summary: Council is requested to approve a Resolution recognizing *"Town of Front Royal Employee Appreciation Week"* as July 13 – July 19, 2019 for all full-time and part-time Town employees, as presented.

Councilman Holloway moved, seconded by Councilman Thompson that Council approve a Resolution recognizing "Town of Front Royal Employee Appreciation Week" as July 13 – July 19, 2019 for all full-time and part-time Town employees, as presented.

Councilman Tewalt noted his thanks to the Town employees, and Mr. Gillispie echoed Mr. Tewalt's sentiments. Mayor Tederick stated that the Town residents do not always recognize the behind the scene dedication and efforts of the employees.

Vote: Yes – Gillispie, Holloway, Meza, Sealock, Tewalt and Thompson
No – N/A
Abstain – N/A
Absent – N/A
(Mayor Tederick did not vote as there was no tie to require his vote)

RESOLUTION FOR TOWN OF FRONT ROYAL
EMPLOYEE APPRECIATION WEEK
July 13 – July 19, 2019

WHEREAS, the Town of Front Royal has 183 full-time and part-time employees; and,

WHEREAS, Town employees are recognized as professionals who accept and meet the daily challenges of providing quality service to our citizens and visitors; and,

WHEREAS, Town employees excel in the workplace and demonstrate dependability, initiative and accountability through their stewardship of Town resources; and,

WHEREAS, the Town Council desires to recognize the service of the Town's employees,

NOW, THEREFORE BE IT RESOLVED by the Mayor and Council of the Town of Front Royal, Virginia hereby express deep and sincere appreciation to the all the employees of the Town of Front Royal for their dedication, service, and vital contributions to the community;

AND BE IT FURTHER RESOLVED that the week of July 13 – 19, 2019 be designated as *"Town of Front Royal Employee Appreciation Week*".

COUNCIL APPROVAL – Shenandoah Cable Television Pole Attachment License Agreement SUMMARY: To provide additional services to the community and businesses Shenandoah Cable Television is seeking a town-wide pole attachment license agreement. This agreement defines the fees, procedures, parameters and appropriate responsibilities involved in attaching cabling to the Town poles, infrastructure and rights-of-way. Council is requested to approve the Shenandoah Cable Television Pole Attachment License Agreement as presented.

Councilman Gillispie moved, seconded by Councilman Tewalt that Council approve the Shenandoah Cable Television Pole Attachment License Agreement as presented and authorize the Town Manager to sign the agreement on behalf of the Town.

Mayor Tederick welcomed Messrs. McIlwee and Mr. Byrd of Shentel and he welcomed their business operations to Warren County. Vice Mayor Sealock noted that the opportunity to expand is great and the Town is glad to have them.

Vote: Yes – Gillispie, Holloway, Meza, Sealock, Tewalt and Thompson
No – N/A
Abstain – N/A
Absent – N/A
(Mayor Tederick did not vote as there was no tie to require his vote)

Councilman Meza moved, seconded by Councilman Holloway that Council adjourn the meeting.

Vote: Yes – Gillispie, Holloway, Meza, Sealock, Tewalt and Thompson
No – N/A
Abstain – N/A
Absent – N/A
(Mayor Tederick did not vote as there was no tie to require his vote)

There being no further business, the Mayor declared the meeting adjourned at 7:17 p.m.

APPROVED:

_____
Jennifer E. Berry
Clerk of Council

TOWN COUNCIL WORK SESSION

Monday, June 24, 2019
Immediately following Regular Mtg.
Warren County Government Center

1. Council Discussion/Goals

August 15th – goal setting worksession suggested by Town Manager Waltz
Vice Mayor Sealock, short term goals only:

- Workforce housing
- Afton Inn
- Crooked Run
- Happy Creek – 1,900 homes may be built
- Old Town Hall
- Employee Health Insurance
- Code Enforcement
- Inflow & Infiltration
- Debt service extension; never received an answer

Councilman Tewalt:

- Town streets program; repair/maintenance needed

Councilman Gillispie:

- Happy Creek Phase II
- Town streets program; repair/maintenance needed
- Self insuring for health insurance
- Workforce housing
- Business/Economic development/Market the Town other than EDA

Mr. Waltz noted that VDOT SmartScale funding was previously submitted and the Town did not score well; though next year the scaling scores would be better and funding would hopefully be supported by the State.

Councilman Thompson

- Better lighting on South Street/Royal Avenue
- Workhouse housing
- Parking meters on Main Street (Mr. Waltz noted that Staff was looking into pilot program for the meters across from the Courthouse)

Councilman Holloway

- Sidewalks and curb and gutter needs repair in older neighborhoods

Councilman Meza

- EMS would be going along Happy Creek Road more frequently with the new hospital location and it is something to consider

- Employee Compensation Study phases need the next implementation stage
- Closure of water loop project in order to expand the Crooked Run area
- Nail down onto a master document on what the Town's debt service is, and what the loan amounts are, etc.

Mayor Tederick noted that the Town Attorney's office may need additional funding for the EDA incident. He asked Mr. Wilson to describe the different budget method that they have been looking into as well. Mr. Tederick noted that the new way that would allow Council different methodology which may work better for the Town as it affects the reserve balances of the Town.

2. <u>Continued Discussion of Ordinance Amendment to Chapter 134-71 Utility Accounts/Payments/Termination of Service</u> – *Director of Finance*
SUMMARY: During the June 3, 2019 work session Town Council discussed revisions to Town of Front Royal Municipal Code 134-71 related to collection of bad debt on utility accounts and requested additional information regarding options on the wording of the ordinance and comparisons to other localities.

The Department of Finance collected information from other localities and organizations regarding deposit amounts, handling of LLC's, bad debt ratio, and other means of collections.

Summary of findings include:
Deposits – majority of deposits cover two months of services; whereas the Town of Front Royal requires a deposit for one month.

Handling of Business Accounts – some organizations charge a higher deposit on commercial accounts and there were no organizations that required a personal guaranty

Bad Debt Ratio – majority of the organizations that were able to provide data show that their bad debt ratio is less than 1% of sales; which is the equivalent to the Town of Front Royal.

Other Collection Procedures – majority of the localities process collections using the Commonwealth of Virginia's debt set-off program, as does the Town of Front Royal. Four localities surveyed place liens on properties to collect from the owner of the property. Two localities obtain judgments, one of which uses an outside collection attorney.

Previous items Town Council requested to pursue were:
1. Judgments for bad debt on utility accounts
2. Raising the minimum deposit amount from $125.00 to $150.00
3. Personal guaranty on business utility accounts
4. Proof of Income
5. Ordinance amendment to include verbiage on collections

Following this cover are suggested revisions to Town of Front Royal Municipal Code 134-71 related to the remaining four items listed above.

STAFF RECOMMENDATION: Staff feels that the amount of bad debt written off by the Town is equivalent to other localities that pursue other/additional avenues of collection. Staff's opinion is that if Town Council would like to lower the Town's bad debt, the best course of action would be to increase the amount of deposit required to open a utility account.

Based on comparison and taking into account all services provided by the Town of Front Royal (water, sewer, electric); staff feels that the amount for utility deposits required by the Town of Front Royal are lower than all other organizations surveyed and should be increased.

Town of Front Royal statistics show that 87.4% of the utility accounts written off in FY18 for bad debt had a deposit on file when the account was closed & the deposit amount did not cover the remaining balance on the account.

The amount of utility deposit required by the Town of Front Royal is not sufficient to cover service if a utility account holder vacates the property without the knowledge of the Town, resulting in disconnect for non-payment.

For example, if no payment were made on an account (not taking into account holidays/weekends) the timeline would be as follows:
-May 1st- May 30th usage occurs (1 month worth of billing)
-May 31st Utility bill is mailed; due date of bill is June 20th (allowing 20 days to pay)
-June 21st Delinquent notice is mailed; (10 days notice of delinquency)
-July 2nd Service is disconnected for Non-payment

In this example 63 days have elapsed from the date of initial usage until the Town would be able to disconnect for non-payment. The deposit amount equivalent to one month would not usually be sufficient to cover the remaining balance.

Requiring a personal guaranty and/or furnishing proof of income should help reduce the Town's bad debt expense, but will make the utility application process more cumbersome for applicants and is currently not a process that any other locality has implemented.

Staff recommends for Town Council to consider raising the amount of deposit required to establish a utility account. Possible options to be considered, or a combination thereof:

A. Raising the minimum deposit amount to $250 or equivalent of 2 times highest bill; whichever may be greater.

B. Creating a flat deposit amount per service:
Water: $75
Water/Sewer: $150
Electric: $200

C. Differentiating between residential & commercial:
Water, Sewer, & Electric - $350 (Residential)
Water, Sewer, & Electric - $500 (Commercial)

D. Average of 2 months of bills while property was occupied

Council Discussion: Mr. Wilson suggested raising the deposit amount as it is such a low amount. He noted that the Town's is so low in comparison. In response to Council's questions, he noted that he would recommend that the Town use the two highest months and average the bills. Mr. Wilson stated that there were only two other localities that have electric, Danville and Culpeper. He noted that it would affect about 1/3 of the accounts.

Mr. Wilson noted that the data shown is industry standard and the Town is right in line with industry standard. Councilman Holloway suggested that they could split up the deposit amount into several payments. Councilman Gillispie suggested making it a maximum of $500 for residents. Councilman Tewalt suggested that Council adjust the amounts and move forward rather than delaying the matter any farther. Mr. Wilson noted that the Town's bad ratio was not out of line with the industry standard. Council chose to go forward with $250 flat deposit amount for residential.

Vice Mayor Sealock noted that he did not understand why activity is not showing on the accounts. Council and Mr. Wilson explained to him that the accounts have not been paid on in over five years.

Councilman Meza voiced his support of option C. He also spoke in favor of personal guarantor sign for the utilities, similar to a co-signer for a lower deposit, though Mr. Wilson noted that that may not be doable as they are not on the lease.

Mr. Wilson noted that some type of average needed to be used for the commercial accounts, adding that personal guarantors would not be recommended. He stated that he would like the two months average of the bill. Mr. Tewalt and Mr. Sealock voiced their support of an individual guarantor. Mayor Tederick noted that they could do either a personal guarantor OR the average of highest two months.

Vice Mayor Sealock voiced his disagreement with the ramped schedule of turn off amounts. Mr. Waltz noted that Mr. Sealock was welcome to amend the code when it came up for vote.

3. <u>Code Enforcement Update</u> – *Director of Planning/ Zoning*
Mr. Camp presented the following to Council:

Code Enforcement Update (2019)

Mission:
The mission of the Planning & Zoning Code Enforcement Division is to promote the health, safety and welfare of the public by enforcing the ordinances of the Town Code related to zoning, subdivisions, land development, and maintenance; while coordinating with the Town Police and other enforcement agencies as appropriate and necessary.

Code Enforcement Staff:
Director: **Jeremy Camp**

Deputy Zoning Administrator: **Christopher Brock**

Supporting Departments & Agencies:

- Police Department
- Warren County Building Inspections
- Warren County Health Department
- Warren County Social Services Department
- Town Public Works
- Town Engineer
- Town Energy Services
- Town Attorney
- Virginia Cooperative Extension
- Virginia Department of Transportation (VDOT)
- Virginia Department of Conservation and Recreation (DCR)
- Virginia Department of Environmental Quality (DEQ)

Primary Code Sections

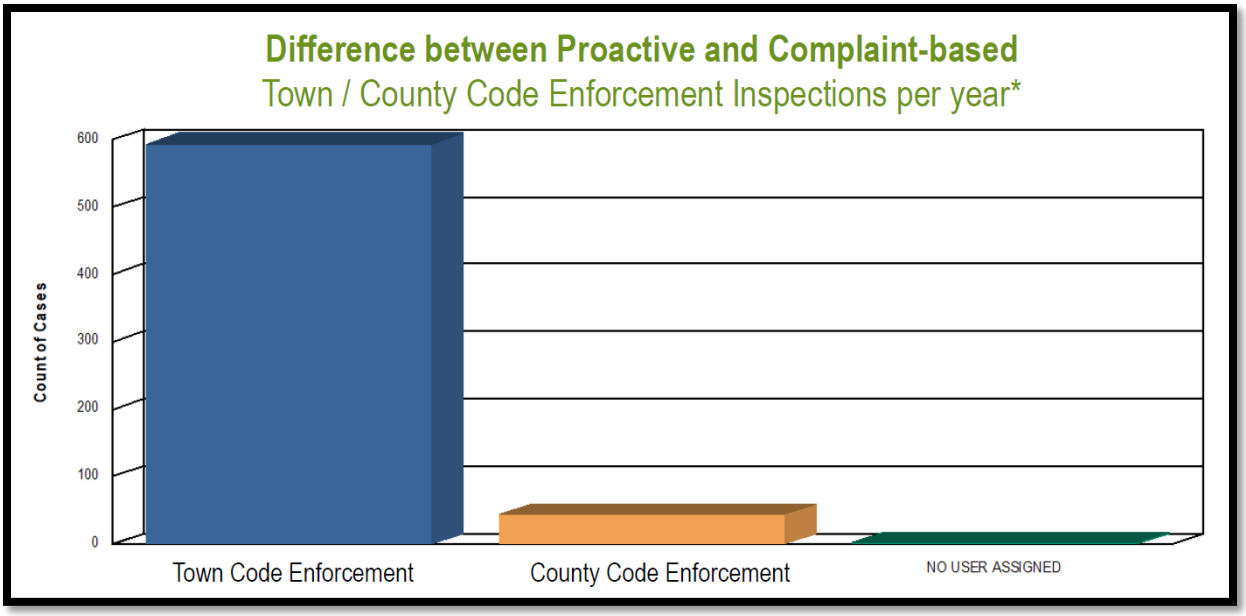
Chapter 170 --Weeds and Debris
Chapter 175 --Zoning
Chapter 148 --Subdivision & Land Development
Chapter 156 --Urban Forestry

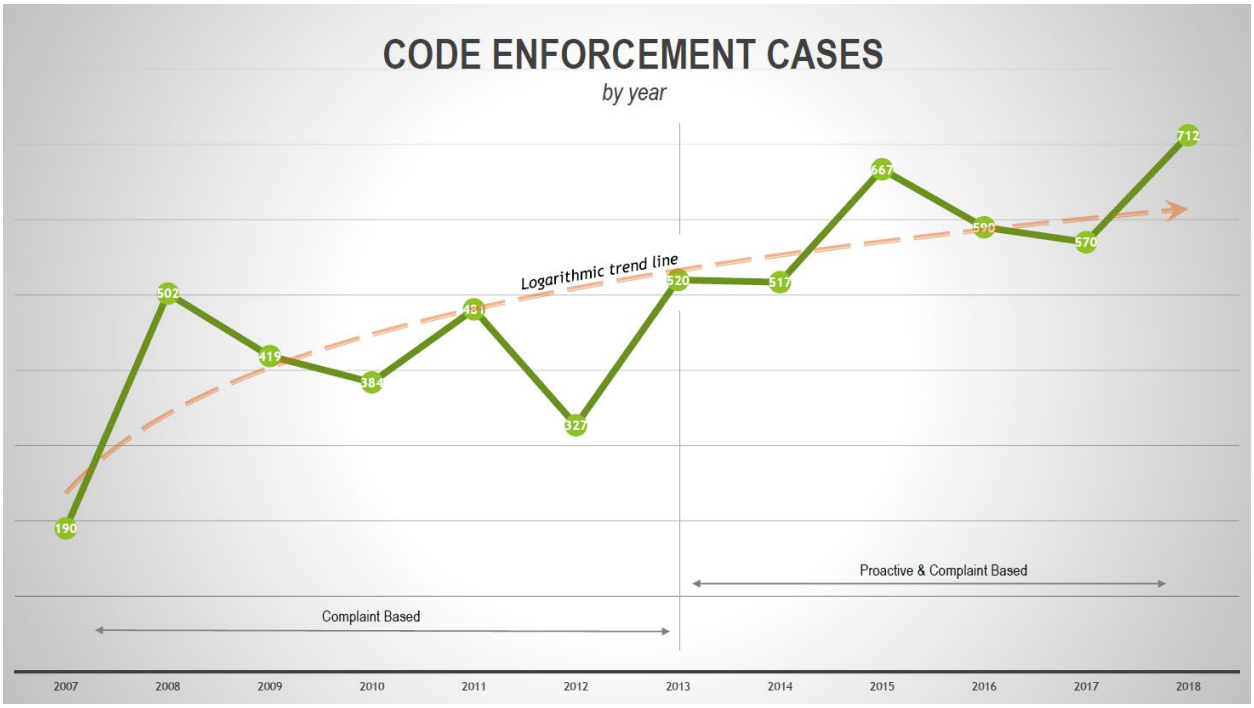
Code Sections Supported

Chapter 66 --Dogs and Other Animals
Chapter 85 --Garbage and Waste Management
Chapter 88 --Graffiti
Chapter 98 --BPOL
Chapter 102 --Massage Businesses
Chapter 107 --Nuisances
Chapter 130 --ROW Utilization
Chapter 142 --Streets and Sidewalks

Proactive vs. Complaint-based enforcement:

Complaint-based enforcement is an enforcement policy where code enforcement cases are opened by complaints from citizens. Warren County is currently on a complaint-based policy.
Pro-active enforcement is where Town Staff regularly inspects all areas of the Town. The Town changed from a complaint-based policy to a proactive policy in 2013.
Today, the majority of code enforcement cases opened originate from neighborhood inspections. Approximately 40% still originate from complaints.



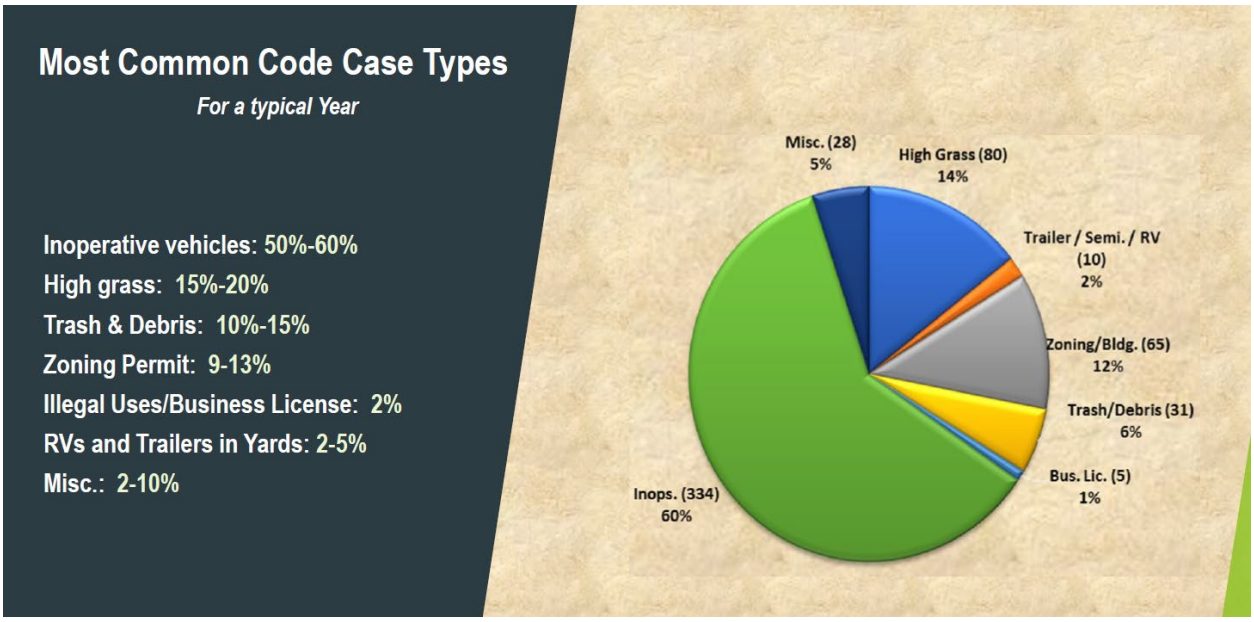


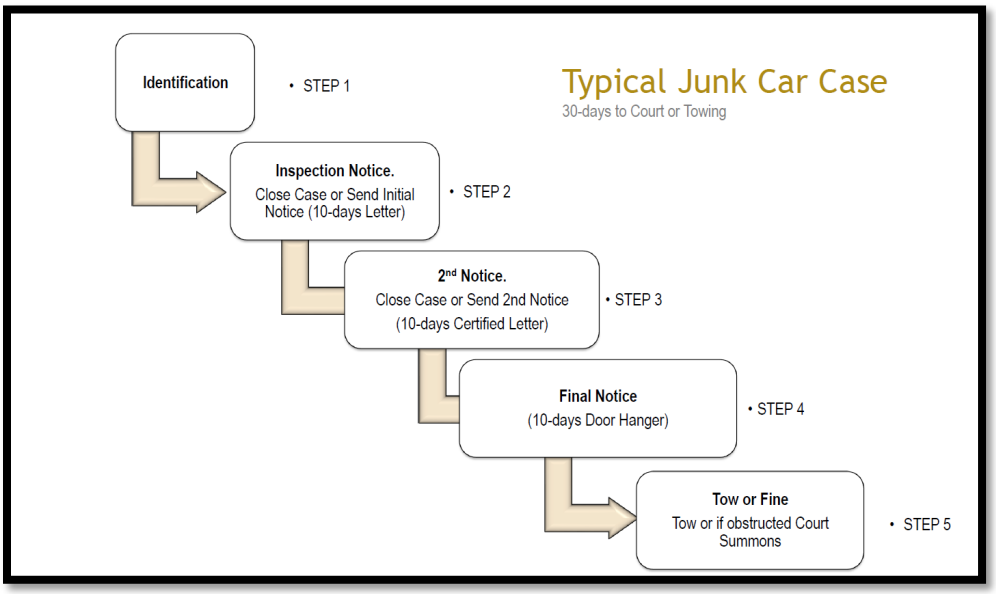
How does a citizen make a complaint?
•Citizens can make a complaint by contacting the Department of Planning & Zoning at the office, by email or phone.

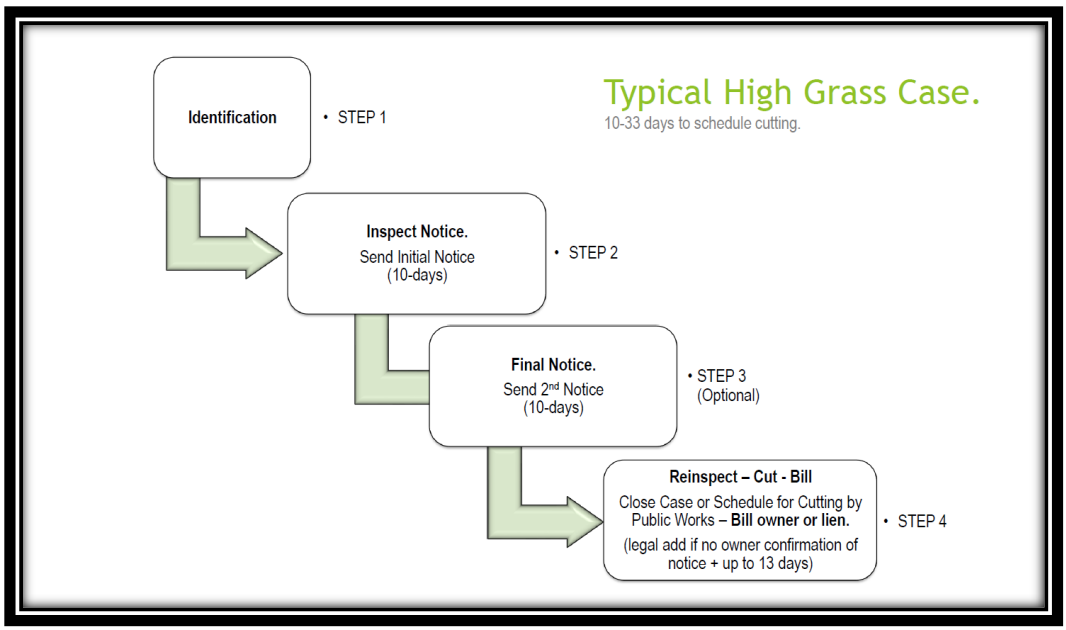
•Complainants can request their name and contact information to remain confidential.

•All complaints reported are addressed, even if the particular complaint falls outside of the Department of Planning & Zoning's authority. In such cases the complaint is forwarded to the appropriate enforcement agency or department. Past examples of this include:
•fasdf

O Trailers and vehicles parked in the street
O Drug activity
O Prostitution
O Erosion and Sediment Control Activity
O Children or elderly living in unsafe conditions
O Dumping.
O Contaminants being dumped into sewer system.







Business Professional Occupational License

- Spike in 2016 is associated with an effort made by Department of Finance and Department of Planning and Zoning to collect on delinquent BPOL and businesses that had not obtained proper licensing
- A slight decrease of about 2% from 2017 to 2018; partially due to several new businesses taking advantage of the Town's Tourism Incentive Program
- Projections account for additional business being conducted in the Town within the next few years and new business outside of Tourism/Technology Zones being constructed.
- Greater growth in BPOL is expected after 5-10 years when the exemptions expire. (2023-2028)
- Although 2018 saw a slight decrease in the growth of BPOL, revenue is forecasted to continue at this time with anticipation of new businesses

Council Discussion: Council asked about boarded up homes throughout the community. Mr. Camp explained that the property maintenance code was adopted though the Town has not appointed the correct Staff to enforce matters. Mr. Camp clarified that the law requires the 30 days and the Town cannot adjust that timeframe for towing a car. He noted that it is as little as 10 days for high grass, with as long as 33 days depending on grass height, and cutting the lawn cost is the time and equipment is used. Mr. Brock presented various photos noting issues that he faces throughout the community and answered Council questions.

Councilman Tewalt asked about trailers parked on the street and basketball hoops on the street. Mayor Tederick asked about blighted buildings in the community. Mr. Waltz stated that the Town needs more funding. Mayor Tederick asked about Mr. Brock's daily activity; he noted that he does

inspections and it is on those visits he makes new violations found that day. He noted that he makes constant rotations in the Town and catches violations. Mr. Waltz noted that the Town's proactive approach works well. Council voiced their dissatisfaction with the blighted buildings throughout Town.

4. Goal Setting/Budget Calendar – *Town Manager*
SUMMARY: The FY2020-21 budget calendar that staff is proposing provides preliminary budget discussions with Town Council beginning in August 2019. The first work session in January 2020 staff will provide Town Council with a list of major items that could possible impact the budget, along with providing the proposed FY20-21 budget to council by February 1, 2020. This will allow three work sessions to discuss the proposed budget before council is requested to vote on the 2020 tax rates and a little more than 3 months before the second and final reading of the appropriation ordinance.

Fiscal Year 2020-2021 Proposed Budget Calendar

- Aug 19, 2019 Council Work Session Discussion for FY21 Budget Goals
- Sept 25, 2019 Finance Department distributes FY20 Budget forms to Departments (FY19 Figures provided will not be final/audited figures)
- Sept 27 2019 Departments requests for 5 year CIP due to Finance with justifications
- Oct 4, 2019 CIP related to properties sent to Planning Commission for Review
- Oct 7th-11th Review CIP with Departments
- Oct 31, 2019 FY20 Departmental spending requests due back to Finance
- Nov 13-20, 2019 Town Manager preliminary review spending with Departments
- Dec 13, 2019 Mid-year FY20 Budget transfers due from departments
- Jan 6, 2020 Work Session – review of capital projects & other possible major items that may be included in FY21 proposed budget
- Jan 21, 2020 Revenue Forecast Review
- Feb 3, 2020 Town Manager's Recommended Budget to Town Council
- Feb 3, 2020 Work Session. Revenues & General Fund Expenditures Review
- Feb 18, 2020 Work Session – Review Enterprise Fund Expenditures and discuss tax rates to advertise for Real and Personal Property
- Feb 18, 2020 Advertisement submitted for annual tax rate for Real and Personal Property – rate has to be set prior to April 1
- March 2, 2020 Additional Budget Work Session (If requested)
- Mar 9, 2020 Public Hearing & First Reading of Town Tax rates for both Real Estate and Personal Property
- Mar 23, 2020 Second and Final Reading of Town Tax rates for both Real Estate and Personal Property
- April 2, 2020 Advertisement submitted for Annual Appropriation Ordinance
- April 27, 2020 Public Hearing & First Reading of Appropriations Ordinance and Rate Ordinances
- May 4, 2020 Budget Work Session (If requested)
- May 11, 2020 Second and Final Reading of Appropriation Ordinance and Rate Ordinances

Council Discussion: August 19th – Budget Goal Setting Worksession.

5. Liaison Committee Agenda Items for July 18

1) IT Federal Main Street Project – Joe Waltz

2) Route 522 Corridor Water Upgrade Project – Joe Waltz

3) Crooked Run Water Request – Doug Stanley

4) Phase II & III Happy Creek Road Project Update – Joe Waltz

5) Property Maint. Code/Blighted and Derelict Structures – Joe Waltz

~~6) WWTP Septage Receiving Station Issues Update – Joe Waltz~~

7) Development Review Committee – Doug Stanley

8) Building Inspections Software – Doug Stanley

9) Warren County's In-Town Projects – Doug Stanley

10) ~~Joint Towing Board – Joe Waltz / Doug Stanley~~

Add these items from Mayor Tederick:

- Dissolution of EDA
- Citizen Review Panel

Council Discussion: Ms. Berry noted that it was Councilman Gillispie's time to attend with Mayor Tederick.

6. <u>Planning Commission Terms Expire</u>
SUMMARY: Two Planning Commission terms expire August 31, 2019.

- Darryl Merchant was appointed to an unexpired term June 11, 2018
- Connie Marshner was appointed to an unexpired term March 28, 2016.

They both would like to be considered for re-appointment. If re-appointed their terms would expire August 31, 2023.

Council Discussion: Council chose to re-appoint the two as noted.

PRESENT: Mayor Tederick, Councilman Tewalt, Councilman Meza, Councilman Gillispie, Councilman Holloway, 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.