

**A REGULAR MEETING OF
THE TOWN COUNCIL
OF THE TOWN OF LURAY, PAGE COUNTY, VIRGINIA**

MONDAY, DECEMBER 8, 2014

The Luray Town Council met in regular session on Monday, December 8, 2014 at 7:00 p.m. in the Luray Town Council Chambers located at 45 East Main Street, Luray, Virginia at which time there were present the following:

Presiding: Mayor Barry Presgraves

Council Present: Ronald Vickers
Pam Flasch
Jerry Schiro
Leroy Lancaster
Joey Sours
John Meaney

Also Present:

Charlie Hoke, Town Manager
Bryan Chrisman, Assistant Town Manager
~~Mary Broyles, Clerk Treasurer~~
Danielle Babb, Deputy Clerk Treasurer
Ligon Webb, Town Planner
Fay McConnell, Luray Police Department
Jeff McMillan, Page News and Courier
Jason Spitler, Town Attorney
Liz Lewis, Luray Downtown Initiative
Nancy Shifflett, Luray Downtown Initiative
Luray Downtown Initiative Board Members
James Kelley, Robinson Farmer Cox Associates
Sadie Begoon, Robinson Farmer Cox Associates
Powell Markowitz, Luray Page County Airport Authority
Pat Racey, Racey Engineering
Bryan Ailey, People Incorporated of Virginia
Michael Weaver, People Incorporated of Virginia

A quorum being present, Mayor Barry Presgraves declared the Council to be in session for the transaction of business. All present stood for a moment of silence. Councilman Meaney led everyone in reciting the United States Pledge of Allegiance.

CONSENT AGENDA

Motion: Councilman Vickers motioned to approve the Consent Agenda, motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Flasch, Schiro, Lancaster, Sours, Meaney.

Approved 6-0

Consent Agenda

- A) Minutes of Regular Council Meeting – 11-10-14
- B) Financial Report – Month Ending November 30, 2014
- C) Accounts payable checks totaling \$ 173,454.75

PUBLIC HEARINGS & PRESENTATIONS

ROBINSON, FARMER, & COX ASSOCIATES- AUDIT PRESENTATION

Ms. Sadie Begoon, Robinson Farmer Cox Associates, presented the Annual Audit Report for the period ending June 30th, 2014. Ms. Begoon stated that the town received an Unmodified Opinion, which is the highest opinion that the profession has to offer. An Unmodified Opinion means that the financial statements are fairly stated and materially correct. She directed members to the Management's Discussion and Analysis portion of the report and said that this provides a good executive summary of the year in review. Ms. Begoon then highlighted the government wide financial statements and said that the town possesses a strong fund balance at year end. She also highlighted the statements for Proprietary Funds-Water and Sewer Funds. The town's Governmental Activities resulted in an ending fund balance of 2.4 million dollars. Ms. Begoon also directed members to the Notes to Financial Statements which provide greater detail. Also, she highlighted some required supplementary information that includes actual-to-budget figures and the schedule of pension funding. An accounting change that will be in effect for next year will be GASB 68, which requires local governments to record the unfunded portion of its pension liability in its government wide statements. Ms. Begoon also noted the ten year revenue and expenditure table is a good place to look for trends in governmental activities. Also, she pointed out another table that compares tax levies versus collections over a ten year period. As a requirement the audit staff does complete tests of compliance with laws, regulations, contracts, and grant agreements and found no instances of non-compliance.

Councilman Sours asked about the potential impact of the new GASB 68 ruling on financing. Ms. Begoon agreed that this certainly could impact ratings for financing, but reminded that this is an across-the-board change for all local governments. She said that this liability would be reflected in the government-wide financials. Councilman Meaney asked about the frequency of non-compliance in audit testing. Ms. Begoon said that most localities are fully compliant.

TOWN ELECTIONS RESOLUTION

Town Attorney, Jason Spitler, said that he has been asked to look into the concept of changing the town's elections from May to November to be more in line with the normal election cycle. Mr. Spitler said that his findings resulted in statistics that show May elections in the Commonwealth resulting in a voter turnout of between 4-14%, whereas November elections experience a turnout of between 37-70%. Also, he mentioned that the May elections result in expenditures that have ranged from \$2,500-\$12,000 per election. Mr. Spitler said that these findings ultimately led to the determination that it would be in the best interest of the citizens of Luray to move the elections from May to November. He noted that the trend in the Commonwealth is moving elections to November. One option to make this change is by process of Referendum, the other process is by

determination of Council. Council is given authority by State Code to enact an ordinance or adopt a resolution that provides for the change. As determined previously, even though a public hearing is not required it was deemed in the best interest of the citizens. An advertisement for the public hearing was previously published in the Page News and Courier for two consecutive weeks. No one has signed up for this public hearing this evening and Mr. Spitler said he has not been contacted with any opposition to this matter. A resolution has been provided for Council which proposes a change to Section 5 of the Town Charter. He noted that current terms which are set to expire June 30, 2016 and June 30th, 2018 will be extended by a period of six months to expire December 31st of such years. Mr. Spitler has also prepared an Ordinance amending Chapter 38 of the Town Code, which essentially references the Town Charter. Mr. Spitler stated that it is his recommendation that the Council pass the resolution regarding this change.

Mayor Presgraves opened the Public Hearing for citizen comments. With no members present to speak on the issue, the hearing was then closed.

Mr. Spitler said that he will contact Delegate Todd Gilbert about these changes and he will provide Mr. Gilbert with a draft bill which will need approval from the General Assembly. Upon this approval the town will need to meet with the County Registrar who will ensure that all paperwork is in order and then the changes will be forwarded to the State Electoral Board. Once approved by the electoral board, the affected voters will be notified and issued new voter registration cards. Pending all approvals, November 2016 will serve as the town's first municipal November election.

Councilman Schiro discussed the Ordinance Amendments to Chapter 38. He said that likely the Council does not have authority to enact the ordinance until the charter is in place. Mr. Spitler said that the ordinance changes clearly state reference to the charter but this is certainly at the discretion of council. Mr. Spitler said that due to the time sensitive nature of the changes, the resolution should be acted upon. He requested at a minimum that Council approve the Resolution requesting the Charter Amendment and directing Mr. Spitler and Mr. Hoke to continue with steps to facilitate this change.

Motion: Councilman Schiro motioned to approve the Resolution requesting amendment to the Town Charter and to direct the Town Manager and Town Attorney to take steps to facilitate these changes, motion seconded by Councilman Lancaster with the vote as follows: YEA: Council Members Vickers, Flasch, Schiro, Lancaster, Sours, Meaney. **Approved 6-0**

DEPARTMENTAL REPORTS

PLANNING AND ZONING

Town Planner, Ligon Webb, stated he has only a brief report. The Planning Commission will hold a public hearing for the adoption of the revised Floodplain Ordinance. If approved the Town Council will hold a hearing on the Floodplain Ordinance at its January 2015 meeting. Currently, this ordinance applies to 46 policy holders within the town.

TOWN AFFILIATED BOARDS AND COMMISSIONS

Nancy Shifflett, Luray Downtown Initiative

Ms. Nancy Shifflett, LDI Board Member, introduced her fellow board members and spoke on behalf of the LDI. She noted that when LDI was initially formed she served on the Economic Development Committee for the town and was serving on the Luray Town Council. At the time, the town was trying to obtain a revitalization program for the downtown. The committee applied for a block grant in the amount of \$500,000 and found that in order to do so it must have a MainStreet Program.

Thus, the MainStreet program was founded and since then the block grant program took place and the revolving loan program continues to assist downtown businesses. LDI continues work on grant programs and has seen many results. Some of those benefits have been feasibility studies, the North Broad Street gateway improvements, Buy Local improvement grants, the Farmer's Market, streetscape improvements, conceptual drawings, infill projects, façade renderings, technical assistance from Virginia Main Street, and more. Ms. Shifflett also highlighted the success of the Market Collective and said that there are now 53 participants, two of which plan to open downtown businesses. Ms. Shifflett reviewed the goals of the Market Collective and discussed the expenses associated with running the market.

Ms. Shifflett recognized that LDI is having some problems but confirmed that the board is working on those issues. She said that over the last week several meetings have been held. LDI board members have spoken with the Director of Virginia MainStreet who has offered reassurances to assist the board in planning, fundraising assistance, and more. Ms. Shifflett felt confident that Virginia MainStreet will support the organization in resolving these issues. She stated that the main question for Council Members is if the Town of Luray wants to have an organization like LDI to work in a collaborative way to help the economy of the town and to support small businesses. Ms. Shifflett explained that the advantage of having such an organization which is a part of the Virginia MainStreet program is that it provides the town the access to expertise, financial assistance, and support in many areas. Ms. Shifflett said that this gives the town accessibility to grant funding related to economic development and gives the town a connection to other communities throughout Virginia. She stated that being a part of Virginia MainStreet gives the Town of Luray a front seat at the table of economic development throughout the state and gives the town access to resources that other town's without this designation are not able to receive. Ms. Shifflett said LDI feels they are very much a part of this town and that with the town, LDI, and Virginia MainStreet all working together that differences can be resolved and requested that the town continue supporting LDI.

Councilman Meaney said that during his time on the Council he has felt that the two entities have not been working together. Based on his own experience he places a great deal of emphasis on business plans. Councilman Meaney maintained that he has requested a plan from LDI and has yet to receive one. Ms. Shifflett responded that he should have received the plan for 2014. Councilman Meaney explained that at a minimum he should understand the organization's top goals. Ms. Shifflett said that their main focus is on filling empty buildings downtown. Councilman Meaney maintained that he is not comfortable that the two entities are not working together.

Councilwoman Flasch agrees that she has seen a lack of interaction between the Council and LDI. She recalls Liz reporting on her work and there was little feedback from the Council. Councilwoman Flasch said that she feels the Council had expectations that were perhaps never conveyed to LDI's Director and there was a lack of cohesiveness. Ms. Flasch said it is important that LDI, the Chamber, and the EDA all work toward the same vision. Councilman Lancaster said that this also serves as a problem because all three organizations are trying to do the same job. Councilman Schiro said that there have been some real difficulties defining the role of the

town as it relates to Virginia MainStreet. He said that the program is fairly direct in stating that LDI is a direct arm of the town but that the town should not be directly involved in its management. Councilman Schiro said that this set-up does in fact lend to some conflicts, whereas the town is the primary funding source. Mr. Schiro stated that the Council has a responsibility to the taxpayers to justify its spending. He did recall that the Virginia MainStreet program along with LDI were critical in achieving the downtown grant. Mr. Schiro stated that his main concern is that without funding, the MainStreet designation will be lost, thus jeopardizing future grant opportunities. Councilman Schiro would like to see a joint meeting scheduled between all parties to make a more informed decision in how to move forward. Councilman Schiro said that the Council would be remiss in not providing at least some funding and providing an opportunity for reorganization. Ms. Shifflett confirmed that Virginia MainStreet will assist in this process and is willing to meet.

Town Manager, Charlie Hoke, said that he is very encouraged by the board's recommitment to the program. He has also been encouraged by the support offered by Virginia MainStreet and he would be glad to organize a joint meeting. Mr. Hoke said that if the LDI is going to continue it needs some source of funding. Mr. Hoke is recommending that the town fund the program and thinks that once we move past these issues it will be a stronger asset to the town.

Mayor Presgraves stated that Ms. Shifflett recognized that some problems exist and he assumes that these issues have been identified and addressed internally. Ms. Shifflett said that the board is working on these issues. Councilman Lancaster inquired how many designations there are in Virginia. Ms. Shifflett responded that there are 26 designated localities and reminded that once the designation is lost it cannot be regained. Mayor Presgraves stated that since its founding the town has allocated \$404,000 to LDI. With that being said, he asked how long it will take to reorganize. Ms. Shifflett along with the board requested 60 days. Mayor Presgraves said that his main concern is that the board has lost both its president and vice-president. Ms. Shifflett stated that the board was never given any indication by these officers that there were problems. Mayor Presgraves stressed the importance of the two bodies working together. Councilman Schiro said that it is also important that the board's committees possess strong members and also serve as working committees.

Mayor Presgraves said that during the budget approval process the motion was made to allot \$30,000 for LDI, with \$15,000 being provided on July 1 and at the December meeting if the majority of Council members agree that LDI has done well in their goals, then the additional \$15,000 will be provided. Mayor Presgraves explained that perhaps there was a short term solution and members could report back on the progress. Mayor Presgraves and Ms. Shifflett agreed that a joint meeting should be scheduled. Councilman Lancaster questioned if any funding is being received from the merchants. Ms. Shifflett said that currently they are not receiving anything from the merchants. Ms. Shifflett said that she looks forward to scheduling a joint meeting and to working together.

Mayor Presgraves reminded that council has three options before them this evening and must determine to provide full funding, partial funding, or no funding at this time.

Motion: Councilman Schiro motioned to allocate funding for an additional quarter in the amount of \$7,500 for LDI and in that period of time the organization can attempt to identify some of these issues and regroup, motion seconded by Councilwoman Flasch with the vote as follows: YEA: Council Members Vickers, Flasch, Schiro, Sours, Meaney. NAY: Lancaster. **Approved 5-1**

Luray Page County Chamber of Commerce

Director John Robbins presented the Chamber report and offered assistance to the EDA and to LDI for the betterment of the community. Mr. Robbins said that it was not quite accurate to say that goals are not being

achieved and does not feel that efforts are being duplicated. He noted that the EDA is involved in some tourism efforts but is only a fraction of the efforts of the Visitor's Center.

Mr. Robbins reported on the annual banquet and said that 140 guests were in attendance, 17 sponsors from the community, and guest speaker P. Buckley Moss. Mr. Robbins also discussed the new officers for the year. Visitor statistics for October were at a high of 2,650 walk-ins. Tourist walk-ins for November were down, at a total of around 1,000 visitors. Chamber staff met with the new Triathlon owner Ken Racine to get acquainted and worked on a possible discount package for athletes. Annually the Chamber works with the Page News and Courier to print the Guide to Page County. This year the printing will increase from 500 copies to 1,000 print copies. Mr. Robbins also said that Chamber plans to work on some troubleshooting with its website. He said that the Chamber completed the mud race event back in September and has been asked for advice on a similar race by the Town of Stanley. Shenandoah National Park is contemplating raising entrance fees from \$15 to \$25 and there will be a public meeting in Luray on this on December 18th. Lastly, the Chamber will be co-sponsoring its largest Business After Hours of the year, along with the Rotary Club, to be held at the Mimslyn .

Luray Page County Airport Authority

Mr. Powell Markowitz said that Robinson, Farmer, Cox Associates had recently conducted audit procedures for 2013 and also a short six month audit through June 30th. The authority will now align fiscal years with that of the town and county. Mr. Markowitz has also received an amendment to the VA Dept. of Aviation Grant and has recently received an FAA Grant. At the last moment, the FAA was able to allocate an additional \$100,000 for a total of \$400,000. The project has been approved and Mr. Markowitz is simply asking Council to sign the amendment.

Mr. Markowitz has also received a letter from the FAA and have programmed in \$2.1 million for road construction and \$247,500 for the environmental work to extend the runway. He stated that this is very exciting news and he was eager to share this information.

Mr. Markowitz said that during the transfer to the Authority and the budget process, one item that has become overspent is legal fees. Mr. Markowitz said that in his experience running the airport in years past there were no legal fees incurred. However, most recently with the budget process the County Attorney provided an estimated figure. Presently, the County Attorney has provided a 40 page document that details all of the legal services incurred. Mr. Markowitz initially suggested paying the fees from the airport's budget and reconciling this in the next budget cycle. However, the County Administrator and County Attorney determined that each entity pay half of the charges.

Councilman Schiro expressed concern that the attorney serving the Authority is also acting as the County Attorney. He asked if this would cause conflict and recommended that Mr. Markowitz look into this. Mayor Presgraves summarized that a debt has been incurred and Council will need to act on the payment of such. Town Attorney, Jason Spitler, said that he does not see a legal or ethical dilemma but understands that this could cause some question when the time comes to itemize a bill. Councilman Sours inquired about to whom the check should be made payable to. Councilman Sours suggested that from an accounting standpoint he feels the funds should be made payable to the Authority. Town Attorney, Jason Spitler, stated that by the same token; the Authority is formed by the town and county and therefore those entities have incurred the liability. He said that technically the Authority is not fully formed at this time. Mr. Hoke stated that Mr. Markowitz is requesting payment in the amount of \$6,148.41 on behalf of the attorney for legal fees incurred by the Airport Authority.

Motion: Councilman Sours motioned to authorize the payment for airport legal fees as discussed, motion seconded by Councilwoman Flasch with the vote as follows: YEA: Council Members Vickers, Flasch, Schiro, Lancaster, Sours, Meaney. **Approved 6-0**

Councilman Schiro continued that we should consider the arrangement with the County Attorney serving the airport. He recalled that in the past the town and county have disagreed over funding and feels that this could cause further discrepancies if the County Attorney is serving the Authority. Mr. Markowitz asked what Council's pleasure would be on this. Mayor Presgraves said that originally the County's Attorney was acting on behalf of Page County, whereas the authority was not yet formed at that time. Mr. Markowitz explained that this was an effort to help organize the authority. Councilman Schiro suggested that this could be a concern moving forward. Councilman Sours agreed that this could cause some future conflicts.

Councilman Lancaster stated that he would like to take the entire Council to the airport to show them around and see the improvements. Council members agreed that they would like to do so. Mr. Markowitz agreed that airport members are very proud of these state-of-the-art improvements and would like to show Council members. Mr. Hoke said he would be glad to organize the tour.

ITEMS FOR COUNCIL ACTION

Luray Meadows Apartments Final Plat

Town Planner, Ligon Webb, provided some background information on the project. Mr. Webb introduced Bryan Ailey, Project Manager for People Incorporated, and Michael Weaver, Project Architect for People Incorporated.

Mr. Webb recalled that in 2006 the project was referred to as Fairview Meadows and it was similar to this project but was all townhomes. He said that the site is zoned R-5 and this is strictly a process where the applicant is seeking to divide 7.29 acres from the larger 29.5 acre parent parcel. The former Fairview Meadows actually went through the process, did a great deal of engineering work, but never recorded a final plat. According to the town's code, the former processes would be null and void. The Planning Commission has looked over the project which includes 52 units and a community center. If the applicant were not dividing off the parcel, this would only be an administrative process.

Mr. Bryan Ailey explained that People Incorporated received a reservation for credits in May 2014 and has just received the allocation. People Inc. has until December 2016 to complete construction on the project and place the buildings into service. The project is funded by grants, low interest loans, the Department of Housing and Community Development, and the Virginia Housing Authority. Also, the Northern Shenandoah Valley Regional Commission will be pledging some matching funds. Mr. Ailey added that the overall budget for the project is \$8 million dollars. The total construction budget is approximately \$5 million and \$140,000 in grant funding is dedicated for tap fees. Mr. Ailey explained that there will be 52 units comprised of 1, 2, and 3 bedroom units. He stated that there are two components for residents, income and rent. There will also be 5 fully accessible units; one of which will be for the audio/visually impaired.

Councilman Schiro asked if this has been through the development review process. Mr. Schiro confirmed that Council is only approving the subdivision plat. Mr. Pat Racey said that the development plan cannot proceed without the subdivision of the parcel. Mr. Racey explained that in order to move forward with the items that the Council will want to see in the site plan, the subdivision final plat must be completed. Councilman Lancaster questioned if this was why the Fair Association was not aware of these plans. Mr. Racey explained that he cannot present this information until the new owners of this parcel are in place. Mr. Webb cited that if this

parcel were already divided, then according to town code there would be no further review by Council. He stated that the process would then be entirely administrative. However, he said that there are still many reviews for utilities, etc. that will need to be worked out. He said that there has been a good working relationship with the applicant and feels the end product will be very good. Mr. Webb said that the applicant still has to complete several more hurdles, including completing financing. Mr. Webb reiterated that the prior project went through all the engineering but never came back for a final plat and is thus null and void. Mr. Racey then displayed several maps of the property and members discussed the development plan. Councilman Schiro questioned if the final development plan would come to council for approval. Mr. Webb said that this is technically a by right use. Mr. Racey stated that he cannot place a final plat on record of the development without the town's approval. He stated that legally he must obtain all agency approvals for the development plat and plans. Town Attorney, Jason Spitler, advised that the approval can be conditional upon the development plan coming back before Council.

Motion: Councilman Schiro motioned to authorize only the subdivision plat as discussed, motion seconded by Councilman Lancaster with the vote as follows: YEA: Council Members Vickers, Flasch, Schiro, Lancaster, Sours, Meaney. **Approved 6-0**

Bridge Financing Refunding Resolution

Bryan Chrisman, Assistant Town Manager, presented the Bridge Refunding Resolution with each of the three notes having interest rates that are 0.20% lower than those originally quoted. The financing terms and periods for maturity all remain the same. He said that we are going to take advantage and do some reallocating of the \$2.75 million to better match the anticipated construction schedule. Based on this information, Mr. Chrisman asked for approval of the refunding in accordance with the town's bond counsel recommendation and to authorize staff to facilitate the steps necessary to implement such.

Motion: Councilman Vickers motioned to approve the refunding in accordance with the town's bond counsel recommendation and to authorize staff to facilitate the steps necessary to implement such, motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Flasch, Schiro, Lancaster, Sours, Meaney. **Approved 6-0**

South Court Street Parking and Travel

Assistant Town Manager, Bryan Chrisman, discussed his staff report regarding South Court Street Parking and Travel. There are essentially two options; one is for staggered parking and the other is for remarking the pavement and placing the majority of the parking on the eastern side of the street. Mr. Chrisman is recommending relocating the center line of the street to enable the equitable sharing of the available street width. Mr. Chrisman is requesting permission to move forward with working with the residents. He feels that most residents will be in favor of keeping the parking on the eastern side of the street. Once determined, Mr. Chrisman would work with the town's contractor to implement the improvements.

Councilman Sours inquired about the issue with loading and unloading for handicapped accessibility. Mr. Chrisman said that he will not be able to extend parking to that point due to the narrow road width but that the curb could be painted white in this area to accommodate those residents' needs. Council agreed that this is an amicable solution for all parties and an inexpensive one as well.

Motion: Councilwoman Flasch motioned to authorize Mr. Chrisman to proceed with work with VDOT, residents, and contractors to implement these changes as discussed, motion seconded by Councilman Lancaster

with the vote as follows: YEA: Council Members Vickers, Flasch, Schiro, Lancaster, Sours, Meaney. **Approved 6-0**

TOWN ATTORNEY’S REPORT

Town Attorney, Jason Spitler, said that he had no further matters for the meeting.

ANNOUNCEMENTS/ADJOURN

Mayor Presgraves advised Council members of the Town Christmas Dinner on Friday December 12th at 6:00pm. Also, he reminded of the upcoming Christmas Parades for both Luray (December 13th) and the Town of Stanley (rescheduled for December 16th).

With no further business, Mayor Presgraves adjourned the regular session of the Luray Town Council at approximately 9:10pm.

Barry Presgraves
Mayor

Danielle Babb
Deputy Clerk-Treasurer