

MINUTES OF A TOWN COUNCIL WORK SESSION
TOWN OF LURAY, VIRGINIA
Tuesday, March 25, 2014

The Luray Town Council met in a work session on Tuesday, March 25, 2014 at 5:30 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 (via phone)
Mary Menefee
Leroy Lancaster
Joey Sours
John Meaney**

Also Present:

**Charlie Hoke, Town Manager
Bryan Chrisman, Assistant Town Manager
Mary Broyles, Town Clerk/Treasurer
Danielle Babb, Deputy Clerk Treasurer
Ligon Webb, Town Planner
Jason Spitler, Town Attorney
Jeff McMillan, Page News and Courier
Liz Lewis, Luray Downtown Initiative
Bill Fisher, Chairman-Luray Downtown Initiative**

The meeting was called to order by Mayor Barry Presgraves and everyone recited the Pledge of Allegiance to the flag. Mayor Presgraves noted that Councilwoman Flash would be in attendance via telephone.

Updates and Discussion Items

Luray Downtown Initiative Funding Request

Bill Fisher, Chairman-Luray Downtown Initiative, provided a power point presentation to Council members. He said that LDI needs the town's continued support and appreciates the support that has been given over the years. Mr. Fisher said the presentation will discuss the structure of LDI, revenue streaming, public funding requests, and potential fundraising concepts.

The structure of LDI is comprised of four committees which are required by Virginia Main Street Programs. Those committees are Design, Economic Restructuring, Promotion, and Organization. Mr.

Fisher stated that Ms. Lewis, Executive Director, is the only paid member and all others are volunteer. The Executive Committee consists of the President, Vice President, Secretary, Treasurer, and Board of Directors.

Mr. Fisher explained that LDI's funding comes from three main sources; public funding, operations, and fundraising. Public funding includes the town's contribution and Federal/State grants that are awarded. Revenue from operations includes LDI's day-to-day operations. Mr. Fisher said that he hopes future fundraising will be more "effect focused". LDI is requesting \$40,000 in funding from the town and Mr. Fisher expressed LDI's appreciation for this support. He said that LDI recognizes that they are not the town's only fiscal pressure. He said that funds received will be utilized for payroll, payroll taxes, insurance, office costs, etc.

Mr. Fisher said that LDI will be focusing on 8 Federal/State Grants, establishing the Market Collective, Page Theater Digital Conversion, Bridge Support Planning, and Graphics Support in the coming year.

Mr. Fisher said that he intends to provide monthly reports to Council and advise how funds are being spent and how plans are being executed. The anticipated revenues from operations include the net proceeds from the Market Collective and the Art Filler Summer Camp.

Fundraising Revenue is projected at \$11,500 dollars from event sponsorships, Festival of Spring, and other events. Mr. Fisher recalled previous discussions regarding the difficulties in fundraising. He noted that other local organizations are fundraising and do fairly well. He recognized the main difference being that these organizations have very compelling reasons for fundraising. Mr. Fisher said that he would like to see fundraising done for specific projects. One example of this concept would be to raise funds to improve downtown street lighting, changing out the old lighting with more energy efficient and attractive lighting.

Mr. Fisher noted that LDI plans to seek business, civilian, and government support. He said that on a state level it has been perceived that the Town and LDI are not working together and he does not want to see any additional grants be lost due to this. Mr. Fisher said that both he and Mr. Hoke have spoken to Ms. Alexis Thompson at Virginia Main Street and he plans for the two bodies to work together and gain grant opportunities.

Councilman Meaney asked for an operating plan from LDI. Ms. Lewis said that LDI's work plan has been provided for 2014. Mr. Meaney said that the more focused the operating plan and fundraising, the better the outcome will be. Councilman Lancaster asked why the Market Collective is being moved off of Main Street with all the vacant downtown buildings. Mr. Fisher said that this location provided the best deal on rent and no other locations were affordable. The former location was not affordable with a monthly rent of \$2000. Councilman Vickers suggested that the town should be looking ahead to projects that it would like LDI to partner on. Mr. Fisher said it would be good to work with Mr. Hoke and the Planning Commission on their long term plans for the town. Mayor Presgraves thanked Mr. Fisher for his presentation.

Town Manager, Charlie Hoke, said that the proposal from LDI for funding is \$40,000 dollars; the current budget year's allocation is \$25,000. He said that Council can act on this to approve or amend as they so choose. Mr. Hoke said that the sooner staff knows this figure; they will be able to place this into

the budget. Mayor Presgraves agreed that town staff needs to know Council's decision. Councilman Vickers said that he likes the direction that LDI is moving in and that he is comfortable with these ideas. Councilman Vickers said that he is leaning toward the \$40,000 contribution. Councilman Sours said that he is hesitant due to LDI's budget formatting and would like to see operational and grant obligations isolated in these statements. Councilwoman Menefee stated that she feels \$40,000 is a little high, yet \$25,000 is too low. She recognized that the town was constrained in its budget last year and said that she likes the direction LDI is heading in. Ms. Menefee said she would be inclined to split the difference and suggested a contribution of \$32,500 for the town's budget. Councilman Meaney stated that he has concerns over any items that would cause an increase in taxes but wants to continue to move forward with LDI.

Councilman Lancaster said that LDI's fundraising efforts have gone downhill because they don't have anything to offer those who donate funds. He said that when asking for donations you will either get what you ask for, get half what you ask for, or get nothing at all. Councilman Lancaster said there has been mention of the community being depressed but other organizations have been able to sustain their operating expenses. He compared other local organizations that rely on grants and fundraising such as Performing Arts Luray, Luray Fire Department, Luray Rotary, and LHS Athletics who have been able to sustain their needs. Councilman Lancaster said that this proves the community has a great group of donors and volunteers. He said that without a cause, you will not receive funding. Councilman Sours said that adding this fundraising model to the organizations plan also creates a measurable accountability. Mr. Sours said he feels this is a step in the right direction and accomplishes what Councilman Lancaster is talking about. Councilwoman Flasch said that she agrees with Councilwoman Menefee's suggested contribution amount and that we are still likely in negotiations on the amount of funding.

Mayor Presgraves said that Mr. Fisher has shown a great deal of interest in the few weeks that he has served as President of LDI. Mayor Presgraves said that he would be in favor of a contribution in the same amount as last year and then see how well they perform. He agreed with Councilman Lancaster that people will give if there is good cause. Mayor Presgraves said that he would like to see what can transpire with a new organization president at the helm. Councilman Sours countered that he feels \$25,000 may be too low and would rather see them provided with enough cash flow in the short term and measure their performance for next year's determination. Mayor Presgraves said he is concerned for other items that the town needs to spend money on, such as the repairs needed at the Imagination Station. He said that this facility is in dire need of repairs and poses safety hazards.

Councilwoman Menefee said that if there are other needs, then perhaps members are not ready to set a specific figure. Councilman Vickers said that if \$30,000 is the amount chosen, then this will free up \$10,000 for other needs. He also stated that regardless of the amount chosen for this budget, if things are not as Council expects then these amounts shouldn't be anticipated in the future. Members discussed measuring progress according to monthly reports. Councilman Vickers said that \$15,000 could be approved up front and \$15,000 later. Town Manager, Charlie Hoke, clarified that these funds would not be available until July 1st, 2014. Mayor Presgraves said that success could be measured a few months down the road. Councilwoman Menefee inquired if this would work based on LDI's budgeting. Ms. Lewis said this could work and agreed that showing accountability is important. Councilman Sours asked why \$40,000 is being requested if \$30,000 will work. Mr. Fisher agreed that this is a good question and said this was based on the perceived operating expenses. Ms. Lewis said that the less

funding that is received then the more re-evaluation of the work plan that will be necessary. Councilman Sours asked what items would be cut from the program. Mr. Fisher said that likely the cuts would be in LDI's payroll and that Ms. Lewis would not be able to work on as many grant programs.

Town Attorney, Jason Spitler, stated that Council can certainly do what is being suggested as far as approving or allocating money upfront. However, he said that Council must be very clear in any motion what those conditions are for getting the remainder of funds. Mr. Spitler said one consideration might be tying this to LDI's fundraising efforts. Mr. Fisher said that another good measure may be the grant funding received. Councilman Meaney expressed concern whether the Council knows enough information to place specific contingencies. Mayor Presgraves disagreed on using grant funds as a measurement because he feels that grant funds would not help LDI's operating funds. Councilman Sours expressed concern about underfunding the organization and potential missed grant opportunities.

Councilman Vickers said that he would like to hinge the decision upon the majority of members agreeing that the next \$15,000 be allotted rather than tying this to specific dollar amount. Councilman Lancaster said that the allotment of funding should be 30%. Councilman Sours and Councilman Lancaster discussed the percentage of town funding as it relates to grant monies included in the organization's budget. Councilwoman Menefee reminded that some of what LDI's mission is found in intangible benefits, such as encouraging business downtown. Councilman Meaney said that he feels Mr. Fisher, LDI President, is really vested in this town personally and therefore is a good spokesperson to others about investing in our town. Councilman Sours said that by dividing the funds, it may allow the Council to provide more funding than they would otherwise be comfortable with, provided that members are pleased with LDI's performance. Councilwoman Menefee said that members should allocate the funds now. Councilman Sours expressed concern over other needs from the town's budget. Councilman Vickers stated that members will never be able to plan for all of the needs that may arise.

Motion: Councilman Vickers motioned to allot \$30,000 for LDI; \$15,000 on July 1st and at the December Council Meeting if the majority of Council members agree that LDI has done well in their goals the additional \$15,000 will be provided. Motion seconded by Councilwoman Menefee with the vote as follows: YEA: Council Members Vickers, Flasch, Menefee, Sours, Meaney. NAY: Lancaster.

Approved 5-1

Sign DVD/ Planning and Zoning Report

Mayor Presgraves said that Councilman Lancaster has provided a DVD for members to review and is informational only. Town Planner, Ligon Webb, said that the video focuses on historic preservation also.

Town Planner, Ligon Webb, said that the Planning Commission has been discussing the idea of creating a "Historic Review District" for Luray's identified historic district. If established, the Planning Commission would like to be responsible for these historic preservation efforts. Also, he has been talking with Town Attorney, Jason Spitler, and an ordinance for such would be mainly focused on demolition and new construction. Mr. Webb said that other surrounding localities have free standing review boards. Mr. Webb stated that his main concern is that the Town's Planning Commission be permitted to perform these actions. Councilman Lancaster said that the Planning Commission seems more than willing to take this on and it fits with their goals. Mr. Webb feels it makes the most sense to

utilize the existing commission, rather than appoint another 7-member board that would likely meet on an infrequent basis. Mr. Webb explained that State Code has no clear guidance on the creating of such a district. He, along with Mr. Spitler, suggested several options and next steps to obtaining more information.

Budget Discussion

Town Manager, Charlie Hoke, said that a balanced budget has been provided and there are a few changes from the last time it was presented. Additional columns have been provided to reflect the difference between the current and proposed budget figures and also note any items with more than a 5% difference. Mr. Hoke explained that there are no inter-fund transfers and a total of \$150,000 dollars has been placed in the transportation reserve in order to fund the town's portion of the bridge project. Mr. Hoke also noted that an additional \$25,000 is being budgeted for a total of \$75,000 in principal payments for the R. H. Dean Recreation Park. Also, there is a USDA Rural Development Loan Reserve amount that has been added as a part of the loan requirement. Mr. Hoke then reviewed the budget synopsis and discussed projected revenues. Mr. Hoke said that a draft balanced budget is required by law but that the draft is still a working document. Mr. Hoke discussed the expenditures on a page by page basis, noting increases or decreases by department.

Members discussed the expenses related to refuse collection. Mr. Hoke said that the fees for refuse are based on the Consumer Price Index and the town does not yet have these figures from Waste Management. These figures will not likely be available until May and might or might not cause an increase. Councilman Lancaster discussed the line item for landfill tipping fees. Mr. Chrisman explained that this figure is based on fees that can be imposed by the landfill but currently do not present a large expense for the town. If fees are imposed for commercial waste the town will need to anticipate this expense; so far the County is not increasing these fees.

Mr. Hoke noted that the contribution for Luray Downtown Initiative has been cut from \$40,000 to \$30,000 for the upcoming year. He would like to utilize the \$10,000 difference for the improvements to the Imagination Station playground. Members also discussed the amount of principal that is still owed on the Little League Complex. Treasurer, Mary Broyles, said that \$341,000 is still owed on the loan. Mr. Hoke said that \$75,000 is allotted for principal payments for the upcoming year.

Mr. Hoke discussed the expenditures for the water and sewer funds and noted that there is currently no Director of Utilities. He explained that Tom Brown is serving as the Superintendent of Wastewater, with Todd Kellison as Assistant Superintendent. Andy Jenkins is serving as the Superintendent of the town's Water Treatment Plant. He explained that these individuals possess the certifications to be able to sign off on the appropriate permits and discussed their qualifications. Councilwoman Menefee questioned future staffing needs and noted that the current situation provides a significant cost savings for the town. Council members discussed the town's water and sewer debt service and were pleased that the town had the foresight to comply with mandates early on and were able to obtain funding assistance.

Mr. Hoke reviewed the Capital Improvement Plan and discussed proposed funding for FY2014-2015. Proposed items for the upcoming year include a pick-up truck for the Public Works Department, a Police vehicle, a gator for the Parks and Recreation Department, Main Street electric conduit

improvements, replacement water meters, Water Loss Study funding, valve replacements, a skid steer, and roof repairs at the wastewater plant. Council and staff discussed the importance of the water loss study and meter replacements.

Mr. Hoke asked for any additional questions from Council regarding the budget. Councilman Vickers inquired when the public hearing would be scheduled. Mr. Hoke said the final approved budget must be passed by the end of June. Councilman Sours asked for the insurance cost as a ratio of overall payroll. Mr. Hoke mentioned that the VML property insurance cost has not come in yet either. Councilwoman Menefee asked about the total expense for a cost of living increase and said that there is an additional cost for an increase in health insurance. Mr. Hoke said that these costs have all been factored into the draft budget. Councilman Meaney inquired about the refinancing of some existing loans and the cost savings associated with these. Treasurer Mary Broyles said these were opportunities offered by Virginia Resource Authority for refinancing which reduced the town's debt service. Councilman Vickers said that he is pleased with the overall figures when considering they include the cost of living increase and bridge expenses. Mayor Presgraves thanked staff members for their work on the budget and said that he is pleased with the outcome.

Mr. Hoke asked Council if they would like to take action on the cost of living increase. Councilman Sours said that he would object to this until he can see a total cost for the increase in health insurance. Councilman Vickers suggested leaving it for now but to await information on the State Budget. Councilman Sours maintained that he would like to wait for increased health insurance premiums. Mayor Presgraves and Ms. Broyles explained that these factors have been included in this draft. Councilman Vickers asked about the effect of a 2.5% cost of living increase on the average pay check for employees. Staff discussed the net effect and said that it would be a minimal increase. Councilman Vickers said that he would like to lock this in and leave the increase in the draft budget.

Motion: Councilman Vickers motioned to leave the 2.5% cost of living increase for employees in the draft budget, no second. **Motion Failed**

Resolution

Town Manager, Charlie Hoke, provided a resolution of support requested by the Virginia Municipal League. The resolution requests that localities urge the governor to pass a clean budget as soon as possible to support the continued functioning of the State and Local governments. If necessary, the issue of Medicaid Expansion under the Affordable Care Act should be decoupled from the budget and considered in a separate legislative session to facilitate prompt passage of the State budget.

Motion: Councilwoman Menefee motioned to pass the resolution as presented, motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Flasch, Menefee, Lancaster, Sours, Meaney. **Approved 6-0**

Absentee Voting by Council

Mayor Presgraves said that several members have mentioned to him that they did not want to have absentee voting by electronic or any other means. Councilman Vickers said that it was his understanding that when taking on this responsibility, one must arrange their schedule to attend

meetings. He said that it is a distraction to have other types of attendance at meetings. Councilman Vickers said that he would like to see members be physically present in order to vote; Councilman Sours agreed. Councilman Lancaster said that the telephone has been making noises since the beginning of the meeting but that Ms. Flasch should not take offense to this. Councilwoman Flasch apologized, but said that she did not intend on this being the case in the future. Ms. Flasch said that she takes no issue with the Council deciding that they do not want to do business in this manner. Mayor Presgraves stated that members should attend or not attend, and said that there are extenuating circumstances that may apply. Town Attorney, Jason Spitler, referenced the State Code and found a few instances where absentee voting cannot take place. He stated that if a majority of members vote not to allow absentee voting, the State Code says that it cannot occur. Councilman Sours suggested that extenuating circumstances may necessitate this. Mayor Presgraves said that if it is important enough the meeting can be rescheduled. Mr. Spitler said that if the situation requires such, then the vote could be revisited. Councilman Vickers stated that he does not want to say never, but prefers this not be a general practice. Mayor Presgraves then referenced Roberts Rules of Order on absentee voting.

Motion: Councilman Lancaster motioned that the Council of the Town of Luray adopt a rule for its proceedings as enabled in Part 1, Section 28 of the Town Code. This rule requires all participating Council members to be physically present, and in direct attendance with their peers, during its meetings. Such attendance will enable all of the participating members to fully engage in topic discussions, and to be able to cast fully informed voting actions based on decisions made in direct and present consultation with their peers during such meetings. Motion seconded by Councilman Vickers with the vote as follows: YEA: Council Members Vickers, Flasch, Menefee, Lancaster, Sours, Meaney. **Approved 6-0**

Councilwoman Flasch signed off from the meeting.

Town Attorney's Report

Lease Agreement

Town Attorney, Jason Spitler, said that he would like to first discuss the proposed lease agreement between the Town of Luray and Mr. Luther Cave. The agreement is intended to summarize the existing arrangement regarding his lease of the residence located at the entrance to the R.H. Dean Recreation Park. Mr. Spitler said that he has tried to trim some unnecessary language from the previous draft as directed by Mr. Hoke. The document is a very basic lease and provides for a 12-month term and is renewable from month-to-month after the expiration of the initial term. The agreement provides that the property be only used as a single family residence and the tenant maintain the utilities and property. The town will be responsible for any systems or structural repairs, with a monthly rental amount of \$350. Mayor Presgraves stated that he would like to see the lease hand delivered to Mr. Cave. Mr. Spitler said that his secretary is also willing to go to the residence to notarize Mr. Cave's signature so that he does not have to be inconvenienced.

Mr. Hoke asked if members would like for the property to be professionally inspected. Mayor Presgraves said that he does not think this is necessary. Councilman Lancaster suggested Mr. O'Brien accompany Mr. Hoke and perhaps have him inspect the property. Town Attorney, Jason Spitler, stated that he would like council's action on this agreement.

Motion: Councilwoman Menefee motioned to approve the lease agreement as presented, motion seconded by Councilman Vickers with the vote as follows: YEA: Council Members Vickers, Flasch, Menefee, Lancaster, Sours, Meaney. **Approved 6-0**

Revised Ordinances

Mr. Spitler revisited the Nuisance Ordinance revisions that have been discussed for several months now. He explained that Section 1-2 provides the definitions of such and Section 1-12 provides penalties. He discussed Chapter 42, and noted that paragraph E which addressed stagnant water has been removed. Mr. Spitler said that he would like to briefly summarize Chapter 42 and its intent. He explained the definition of nuisances and cited that there are roughly 40 items spelled out, but not limited to. Chapter 42-2 prohibits these items, while 42-3 explains the responsible party. Chapter 42-4 discusses the complaint of such nuisance and 42-5 gives the authority for immediate action. Sections 6, 7, 8 provide for notice, failure to comply with such notice, and penalties for violation. Mr. Spitler summarized that these changes are intended to solve problems and to provide phases for staff to do so. Councilman Sours and Mr. Hoke discussed the applications for this ordinance on unkempt lawns, run down properties, and snow removal. Mr. Spitler also discussed his research on blighted properties and derelict structures.

Motion: Councilman Vickers motioned to implement Chapter 42, 42-1, and 42-2 into the town code as discussed, motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Menefee, Lancaster, Sours, Meaney. **Approved 5-0**

Lastly, Mr. Spitler asked if members would like him to revise the snow/ice ordinance regarding snow removal. He said that currently more citizens are in violation of the ordinance, rather than in compliance. Members felt that the current ordinance does not provide ample time for removal, especially during daylight hours. Mr. Spitler suggested that he meet with staff and provide a proposed revision.

Announcements/Adjourn

Mayor Presgraves reminded members of the Main Street Bridge meeting tomorrow evening at The Mimslyn from 7:00-9:00pm. Mayor Presgraves thanked everyone for attending and expressed gratitude to Mr. Bill Fisher for talking with members on behalf of LDI as the organizations new president.

There being no further business, Mayor Presgraves adjourned the work session of the Town Council at approximately 8:42 pm.

Barry Presgraves
Mayor

Danielle P. Babb
Deputy Clerk-Treasurer