

**MINUTES OF A TOWN COUNCIL WORK SESSION
TOWN OF LURAY, VIRGINIA
Tuesday, October 26, 2010**

The Luray Town Council met in a work session on Tuesday, October 26, 2010 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
Lonnie Arrington
Mary Menefee
Leroy Lancaster
Jerry Schiro
Earl Racer

Also Present: Rick Black, Town Manager
Bryan Chrisman, Assistant Town Manager
Mary Broyles, Treasurer
Danielle Babb, Deputy Clerk-Treasurer
Ligon Webb, Town Planner
Jason Spitler, Town Attorney
Page News & Courier
Eddie Smith, Baker Development

The meeting was called to order by Mayor Presgraves and everyone recited the Pledge of Allegiance to the flag.

Changes or Additions to the Agenda

Mayor Presgraves asked if there were any changes or additions to the agenda. Town Manager, Rick Black, requested to discuss drainage issues and revenue projections. Councilman Racer asked for a briefing under Executive Session regarding the Luray Little League.

Town Planner Report

SUP: 7 Campbell Street (Upstairs apartment in B-1 Zoning District)

Town Planner, Ligon Webb discussed the special use permit request from Ms. Laurie Ryman. Ms. Ryman is requesting a special use permit to locate an apartment in an existing structure which is zoned B-1. Ms. Ryman constructed the building, located at 7 Campbell Street, a few years ago and would like to live in the upstairs portion of the building. Mr. Webb stated that the town would require a copy of the Certificate of Occupancy from the Page County Building Official.

Councilman Lancaster stated that he does not want to see the space occupied/rented by anyone other than the owner. Councilman Vickers questioned if there was ample parking for the owner. Also, Mr. Vickers discussed public parking in other residential areas within the town. Mr. Black stated that Ms. Ryman has two designated parking spaces for her business. Mr. Webb advised that Ms. Ryman has an arrangement worked out with the Page News and Courier for her personal parking behind her business.

Town of Luray Bicentennial

Town Manager, Rick Black, stated that the Luray Bicentennial is on the agenda because a committee needs to be formed. Mr. Black requested feedback from Council on how to begin the planning stages for the Bicentennial. Mr. Black suggested that Council advise him on how they would like to format a committee. He emphasized that although the festivities are not until 2012; the planning will take quite some time and funds will need to be budgeted. Councilman Schiro suggested that such an event is worth spending some money on and may be worth outsourcing a marketing representative. Councilwoman Menefee suggested a committee with an executive director. Mayor Presgraves suggested asking Ms. Karen Riddle to fill the role of Chairperson.

Luray Landing: Proposed Amendment

Town Manager, Rick Black, revisited the proposal from Luray Landing. The amendment to the Master Plan would establish two residential lots in a green space area. Mr. Black invited Mr. Harris to the meeting to explain the developer's position on adding the lots. Mr. Harris was not in attendance at the meeting. Mr. Black reminded Council that this was the same request heard in July 2010; however no formal action was taken. Mr. Black stated that this request will require a vote at the next regular meeting. Mr. Black expressed that he sees no advantage to the Town to create two lots from the original green space area. Mayor Presgraves said that a change to the master plan could open the door for other changes. He feels it would be best to make no changes to the master plan. Town Attorney, Jason Spitler, agreed that it would be best not to make any changes. He feels that any changes made would only benefit the developer and not the town. Mr. Eddie Smith, Baker Development, joined the meeting to offer answers to any questions from Council. Mayor Presgraves asked what was the reason for the change in the master plan. Mr. Smith stated that the lots were essentially worth more as building lots as compare to open space. Councilman Schiro stated that he recalled the green space area being originally planned for recreational use for residents.

Drainage Issue – Intersection of Fifth Street and Seventh Avenue

Town Manager, Rick Black, stated that there are problems with water drainage at the intersection of Fifth Street and Seventh Avenue. Mr. Black provided a handout that showed the topography of the area of concern. Mr. Black said that a residence in this area is having issues with water drainage. Also, he said that some time ago, the subject of a pump station had been suggested. Councilman Lancaster stated that this area has been a problem for years. Councilwoman Menefee stated that she has personally been shown the problem by the resident. Council and Staff concurred that this is the natural topography of the area and that this is the natural flow of the water. Town Manger, Rick Black, stated that he will continue to explore options for a solution to the problem.

Revenue Projections

Mr. Black told Council that the Page County Real Estate Assessments will soon be complete. The current projection is for approximately a 10% decrease in revenue. Due to this decrease, Mr. Black suggested planning to levelize this effect on the budget for the coming year. Mr. Black explained that a 10% decrease in value will result in an approximate \$120,000 loss in revenue to the town. Councilman Schiro asked if Mr. Black was requesting an equalization effect. Councilman Racer suggested that the town economize before raising any rates. Councilman Schiro explained that this would have net effect rather than an increase. Mr. Black restated that this subject is something for future consideration.

Town Attorney

Town Attorney, Jason Spitler, stated that on October 20th, 2010 he met with town staff and Carolyn Perry for closing on the Water Treatment Plant loan. Mr. Spitler stated that he had hoped this would be a dry closing, however this did not take place. He stated that there were several reasons for the delay. Mr. Spitler stated that despite indications to the contrary, some items were not approved for financing. The engineering fees for Patton, Harris, Rust Associates were found to be not approved at the last moment. However, this allowance would have been required in order to permit these items be approved for pay requests. The total amount of these items is equal to approximately \$540,000. Mr. Spitler explained that since the amount of funds was so significant that had the closing went forward as planned, the Town would not have secured enough funds to pay off the loan amount. Mr. Spitler stated that town staff along with Carolyn Perry, bond counsel for the town, was working diligently to remedy the confusion. Mr. Spitler advised that the earliest date for the postponement of the closing would be November 15, 2010. Mr. Spitler expressed that he was confused as to why Rural Development would not approve these items. He stated that the morning of the closing was when this problem came about. Mr. Spitler said that the deadline for the closing is December 31, 2010. Despite the postponement, Mr. Spitler stated that this may work to the town's advantage as interest rates continue to decrease.

EXECUTIVE SESSION

Legal Matters, Section 2.2-3711.A.7

Disposition of Public Property, Section 2.2-3711.A.3

Mayor Presgraves requested a motion to adjourn into Executive Session for the purpose of discussing Section 2.2-3711.A.7 and Section 2.2-3711.A.3. **Motion:** Councilman Racer motioned to recess the regular session and to convene in executive session; Councilman Lancaster seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Motion: Councilman Lancaster motioned to adjourn the closed session and to reconvene in open session; Councilman Schiro seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Mayor Presgraves asked members of Council to certify that to the best of their knowledge the only matters covered under Section 2.2-3711.A.7 and Section 2.2-3711.A.3 were heard, discussed, or considered during the closed session. **The roll was called with all members certifying "Yes".**

Adjourn

There being no further business, Mayor Presgraves adjourned the work session of the Town Council at approximately 7:04 pm.

Barry Presgraves
Mayor

Danielle P. Babb
Deputy Clerk-Treasurer