

**A REGULAR MEETING OF THE TOWN COUNCIL OF THE
TOWN OF LURAY, PAGE COUNTY, VIRGINIA
Monday, November 9, 2009**

The Luray Town Council met in regular session on Monday, November 9, 2009 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: Nancy Shifflett
Lonnie Arrington
William Menefee
Leroy Lancaster
Jerry Schiro
Earl "Rock" Racer

Also Present: Rick Black, Town Manager
Bryan Chrisman, Assistant Town Manager
Mary Broyles, Clerk-Treasurer
Ligon Webb, Town Planner
Jason Spitler, Town Attorney
Page Campbell, Chief of Police
Pat O'Brien, Superintendent of Parks & Recreation
Charlie Hoke, Director of Utilities
Lynn Mathews, Superintendant of Public Works
Karen Riddle, Luray Page County Chamber of Commerce
Catherine Stewart, Luray Downtown Initiative
Luther Johnson, Page News and Courier
Pat Racey, Luray Little League
Nathan Strickler, Luray Little League

A quorum being present, Mayor Barry Presgraves declared the Council to be in session for the transaction of business. All present stood to recite the United States Pledge of Allegiance.

CONSENT AGENDA

Motion: Councilwoman Shifflett motioned to approve the Consent Agenda, motion seconded by Councilman Menefee with the vote as follows: YEA: Council Members Shifflett, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Consent Agenda

- A) Minutes of September 14, 2009 Regular Council Meeting*
- B) Minutes of October 13, 2009 Regular Council Meeting*
- C) Financial Report for the period October 1 – 31, 2009*
- D) Accounts payable checks totaling \$319,639.48.*

PUBLIC HEARING

Cigarette Tax

Town Planner, Ligon Webb, presented the public hearing to receive comments and to consider the establishment of a per pack cigarette tax within the Town of Luray. The proposed effective date would be Monday, March 1, 2010 with a rate of \$0.15 per pack. Mr. Webb was asked to research this tax and has informed Council of his research. Mr. Webb stated that approximately half of all towns in Virginia levy this type of tax. The procedure of collecting the tax would require the wholesaler to affix a stamp to each pack. Mr. Webb provided rates of other localities with an average rate of \$0.23 per pack. Some localities levied a rate as high as \$0.55 cents per pack. Mr. Webb stated that in his research he has spoke to vendors within the Town and feels that staff has tried to be sensitive to the needs of the vendors in considering the rate.

Mayor Presgraves opened the public hearing with several citizens present to speak on the issue.

Cynthia Greer, 2399 US Highway 211 West, Luray-

Ms. Greer stated that she is the owner of Page Valley Tobacco, located at 1424 US Highway 211 West. She stated that she is speaking in opposition of the tax and as a small business owner. Ms. Greer stated that her sales have declined approximately 33% due to heavy taxation and economic conditions. She feels that this tax could not come at a worse time and noted that the state has voted down an increase in the cigarette tax this year. Ms. Greer feels that due to the nature of her business, she would be at a large disadvantage. She advised Council that approximately 40% of her customers are from outside the Town of Luray. Ms. Greer does not feel that collections from the tax will be as high as estimated by town staff. Lastly, Ms. Greer noted a similar situation for a store in Harrisonburg where the store was forced to relocate. She emphasized that her customers will shop elsewhere if prices are cheaper at another vendor. Mayor Presgraves reminded Ms. Greer that during her earlier conversation with himself and Ligon Webb that she was opposed to a twenty-five cent tax. At that time she stated that she could probably live with a fifteen cent tax, and that is what we are proposing.

Jerry Hirneisen, 212 W Main Street, Luray-

Mr. Hirneisen stated that he opposes the tax. He said that he remembers when cigarettes cost only \$0.35 per pack and now are up to \$3.50 per pack. Mr. Hirneisen feels that other items should be taxed instead of cigarettes.

Earl Greer, 2399 US Highway 211 West, Luray-

Mr. Greer stated his opinion that convenience stores in the area are better sustained as they are chain stores. He feels that there is the portrayal that the town wants a store such as the tobacco store owned by Ms. Greer to go out of business. He stated that even though this is not the case he feels the tax is a bad idea. Mr. Greer spoke of the current economic recession and stated that people are having a hard time affording cigarettes.

Sabrina Silvius- 7-Eleven Store Employee, Luray-

Ms. Silvius is an employee of the Luray 7-Eleven store and stated that she feels customers will go out of their way to buy cigarettes at a cheaper location. Ms. Silvius spoke of vans of customers who come from out of state to make cheaper purchases. She emphasized that she believes customers will go elsewhere.

With no further comments from the public, Mayor Presgraves closed the public hearing. Mr. Webb explained that state code only allows the taxation of certain items and emphasized that cigarettes are allowed while alcohol is not allowed. Councilman Arrington stated that he has spoken with Cynthia Greer, store owner, prior to the evenings meeting. Mr. Arrington also stated that many citizens have questioned what the tax revenues will be earmarked for. He emphasized that he would like to see the issue tabled until Council can discuss the issue more.

Councilman Schiro emphasized that it is important to understand that the Town of Luray is going to be forced to deal with tough economic times as well. The town is going to be facing some real declines in revenues generated from real estate and meals taxes. He stated that if the town is going to generate additional revenue there are certain things that will have to be done. Mr. Schiro explained that if citizens are opposed to the taxation of cigarettes that they may choose where they purchase them. However, if a tax increase is imposed on ones real estate or automobile, they cannot make a choice. Overall, Mr. Schiro reiterated that this tax levy may buffer increases in other areas. Mr. Schiro stated that all of the services the town offers do come at a cost. The town continues to offer quality parks, police services, and many other benefits. Mr. Schiro reminded that he appreciates everyone's' concerns and recognizes that Ms. Greer is in a unique situation.

Mr. Earl Greer stated that he does not feel that the taxation of cigarettes is a fair levy. Ms. Cynthia Greer stated that she feels the rate of \$0.15 is too high and puts her business at too much of a disadvantage. She feels that with Page County having such a high unemployment rate she will not be able to compete with an additional charge of \$1.50 per carton.

Councilman Lancaster stated that he feels this is the wrong time to add more taxes. Mr. Racer feels that a more equitable tax could be imposed.

Motion: Councilman Arrington motioned that Council table the Cigarette Tax establishment until the December Council meeting; seconded by Councilwoman Shifflett with the vote as follows: YEA: Council Members Shifflett, Arrington, Menefee, Lancaster, Schiro and Racer. **Approved 6-0**

PUBLIC COMMENTS

Dave Pucket – Train Depot

Mr. Pucket provided several handouts for Council and apologized for his absence at the last Council meeting. He stated that the Depot is really looking nice and has set a good benchmark for stations in Virginia. Mr. Pucket said that this had been a wonderful project and that the visitor center portion of the station is now occupied by the chamber of commerce since that area has reached completion. Dave stated that the model train portion of the museum is making progress. Mr. Pucket emphasized that a sign is needed and he feels that it can be constructed locally with the design by Graphic Services. Mr. Pucket provided a quote from Graphic Services for the design panel itself. Mr. Pucket also advised that the lighting at the Depot had been toned down. Dave stated that the process is underway for more grant funding to finish the exhibit portion of the project. Lastly, Mr. Pucket thanked Council and staff for the opportunity to work on this project and stated his enthusiasm to see the total completion. He stated that the depot results are a good tangible evidence of community involvement in the project.

Miranda Caudill (1534 Piney Hill Rd, Luray)/ Tom Sites (591 Sites Lane, Luray)

Ms. Miranda Caudill provided handouts for Council portraying the memorial garden plantings for her late brother, Jeb Caudill. She stated that her impression was that the town had given permission for pocket park plantings. The concept plan is for the planting of 33 trees of several varieties. Ms. Caudill stated that there will be no statues, memoriam etc, only plantings. Pat O'Brien, Director of Parks and Recreation, stated that all of the trees chosen would be a good enhancement. Mr. Tom Sites stated that the trees were valued at over \$4,000 wholesale cost but were being donated from a generous benefactor. Mr. Sites stated that he would like to work with neighboring property owners as he has the best of intentions with this project to enhance the landscape. Also, Mr. Sites will be providing all of the labor, equipment, and supplies needed for the plantings. He also suggested that his volunteers be given a waiver of liability form from the town.

Motion: Councilman Lancaster motioned that Council approve the plantings in memory of Jeb Caudill as presented; seconded by Councilwoman Shifflett with the vote as follows: YEA: Council Members Shifflett, Arrington, Menefee, Lancaster, Schiro and Racer. **Approved 6-0**

TOWN AFFILIATED BOARDS AND COMMISSIONS

Luray Downtown Initiative

Catherine Stewart, Executive Director, stated that while staff made it through the Halloween event the weather was not very cooperative. Windy conditions caused the loss of several tents. Ms. Stewart stated that she has been working with Mr. Fogle of Fort Valley Nursery for the hanging baskets for next year. Also, she stated that new town maps have been published with approximately 10,000 copies ordered. Council and staff members were provided a copy. Ms. Stewart also updated Council on the Luray Arts and Cultural District. Other upcoming events include Sparkles and Sweets, and events calendar planning.

Luray/Page County Chamber of Commerce

Karen Riddle provided an update from the Luray-Page County Chamber of Commerce. She updated Council on chamber events such as the recent annual banquet, upcoming business networking breakfast, and business counseling sessions. Ms. Riddle stated that she will also be working on 3 upcoming tourism opportunities. The first will be a new look for the upcoming chamber directory that will feature a larger color version. Other opportunities include a 50th Anniversary Bluegrass Festival in 2011 and also a music makers trail throughout the Shenandoah Valley. Ms. Riddle stated that she will be asking the town for an investment in these endeavors at a later time.

Airport Commission

Mr. Alan Eldridge reported that the AWOS has been installed and is fully operational. He noted that there is still some fine tuning of the system and that an FCC frequency has yet to be assigned. Once that aspect is complete, he stated that a phone weather station will be established. Mr. Eldridge said that a final pay request will be coming on this project. Also, he advised Council that the automatic gate opener has been installed with no cost to the Town/County as well as the security lighting. Lastly, he advised that the acquisition of 3 lots from KDS Investments will cost 1% to the Town.

DEPARTMENTAL REPORTS

POLICE – PUBLIC SAFETY AND EMERGENCY SERVICES

Chief Campbell stated that the monthly departmental report could be found in Council's packet. He advised Council of 56 total arrests for the month of September and 225 calls for service.

Chief Campbell reported on the Halloween Event and stated that his department was able to monitor things very well. He felt that there was no decrease in participation. Overall, he noted positive feedback for the event.

PARKS AND RECREATION

Pat O'Brien, Director of Parks and Recreation, reviewed the recent Halloween Event. Upcoming events for his department include parade planning, post Halloween Event meeting, and schedule of events planning.

Councilman Lancaster questioned the status on the trailside restrooms. Town Manager, Rick Black, stated that staff is still waiting on a smaller scale design. Councilman Lancaster stressed that the town did not want to lose the grant funding for this project. Mr. Baukhages of Baughan and Baukhages Architects stated that a restroom facility on Phase II of the Greenway would be the less costly of the two restrooms. The deadline for the grant completion on the project is August 2010.

PUBLIC WORKS DEPARTMENT

Lynn Mathews, Superintendent of Public Works, reported that his department repaired five water leaks. Also the department responded to six sewer calls, rain new drain pipe, cleaned ditches and drainage areas. His department will be working on parking lot, bridge, and crosswalk cleaning this month. Also, the department has one more week of leaf collection scheduled this month and will be putting up the Christmas decorations before the town parade.

WASTEWATER TREATMENT DEPARTMENT

Mr. Hoke stated that all the samples collected at the distribution system came back negative. As of November 4th both microfiltration units were on line. He noted that there are a few small items to be finished and then the construction crew will soon be leaving the site.

Mr. Hoke stated that the upgrades at the WWTP are going well, with the overall project only about a week behind schedule. The construction crews will be working an additional day per week to catch up to schedule. Lastly, Mr. Hoke noted full compliance for the wastewater plant.

PLANNING

Mr. Webb reported that the Planning Commission will be talking with Karen Riddle about some tourism related items. Also, Mr. Webb has been working with the U.S. Census Bureau. Mr. Webb also stated that he, along with the Town Manager and Assistant Town Manager, have been working with Page Memorial Hospital regarding their future expansion plans. He noted that this will require the Town to address traffic issues at West Main Street and

Memorial Drive. At the November work session, Mr. Webb will discuss recommendations for the towns sign ordinance.

OLD BUSINESS

Pat Racey, Luray Little League

Mr. Racey spoke on behalf of the Luray Little League regarding the economic development plan known as "Project Softball". Mr. Racey feels that this opportunity will foster growth for the community as well as allow the hosting of the Girls Softball 9/10 Tournament of Champions in early August 2010. Mr. Racey provided handouts for Council and noted estimated potential revenues for the town.

Mr. Racey stressed that this endeavor will require the support of the Town Council, corporate sponsorships, promotions for the tournament, and seeking other funding. Mr. Racey would like to see the improvements at the R.H. Dean Park begin after January 1, 2009. Mr. Racey stated that an event such as the Tournament of Champions could bring return visitors and added exposure for the community. Mr. Racey emphasized that despite tough economic conditions this type of event could bring together many in the community.

Mayor Presgraves questioned the capital outlay for the project. Mr. Racey advised that it would be estimated at several hundred thousand dollars. Mr. Nathan Strickler stated that the league hopes to have all estimates for Council at the next meeting.

NEW BUSINESS

VDOT- West Main Street Recommendation

Mr. Black stated that he has met with VDOT concerning the West Main Street traffic issues. VDOT ultimately would like to close this section of West Main Street, however currently would advise restriping. The restriping of West Main would allow for a center turn lane between Northcott Drive and Leaksville Road. Councilman Racer stated that he would like to see some sketches on this concept.

Travel Reimbursement

Town Manager, Rick Black, recommended revising the Town travel reimbursement per diem rates. Also, the town mileage reimbursement rate is currently set at \$0.33 per mile and the state rate is currently \$0.55 per mile. Mr. Black stated that if the Council chooses to revise these rates, the VML Conference would be excluded.

Motion: Councilman Schiro motioned that Council adopt the state per diem and mileage reimbursement rates as presented; seconded by Councilman Lancaster with the vote as follows: YEA: Council Members Shifflett, Arrington, Menefee, Lancaster, Schiro and Racer. **Approved 6-0**

TOWN ATTORNEY'S REPORT

Mr. Spittler stated that the only business he had for the evening required an executive session.

EXECUTIVE SESSION

Personnel, Section 2.2-3711.A.1 Legal Matters, Section 2.2-3711.A.7

Mayor Presgraves requested a motion to adjourn into Executive Session for the purpose of discussing Sections 2.2-3711.A.1 and 2.2-3711.A.7. **Motion:** Councilman Racer motioned to recess the regular session and to convene in executive session; Councilman Schiro seconded the motion with the following members voting YEA: Council Members Shifflett, Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 6-0**

Motion: Councilwoman Shifflett motioned to adjourn the closed session and to reconvene in open session; Councilman Lancaster seconded the motion with the following members voting YEA: Council Members Shifflett, 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 Sections 2.2-3711.A.1 and 2.2-3711.A.7 were heard, discussed, or considered during the closed session. **The roll was called with all members certifying "Yes".**

ADJOURN

Before adjourning the meeting, Mayor Presgraves advised Council that the annual Christmas Dinner would be on December 16th at the Luray Fire Department. Also, he told Council of their invitation to the Stanley Christmas Parade on December 5th.

There being no further business, Mayor Presgraves adjourned the regular session of the Town Council at approximately 9:50 P.M.

Barry Presgraves
Mayor

Danielle P. Babb
Deputy Clerk-Treasurer