

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

MONDAY, DECEMBER 10, 2012

The Luray Town Council met in regular session on Monday, December 10, 2012 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: Vice Mayor, Leroy Lancaster

Council Present: Ronald Vickers
Lonnie Arrington
Mary Menefee
Joey Sours
John Meaney

Absent: Mayor Barry Presgraves

Also Present:

Jerry Schiro, Interim Town Manager
Bryan Chrisman, Assistant Town Manager
Mary Broyles, Town Clerk/Treasurer
Danielle Babb, Deputy Clerk/Treasurer
Jason Spitler, Town Attorney
Ligon Webb, Town Planner
Lynn Mathews, Superintendent of Public Works
Page Campbell, Police Chief
Pat O'Brien, Director of Parks and Recreation
Charlie Hoke, Director of Utilities
Liz Lewis, Luray Downtown Initiative
Pam Flasch, Luray Page County Chamber of Commerce/ Luray Bicentennial Committee
Ken Beyer, Luray Hawksbill Greenway Foundation
Powell Markowitz, Airport Commission
Pat Racey, Racey Engineering
James Kelly, Robinson Farmer Cox Associates
Saidee Begoon, Robinson Farmer Cox Associates
Martha Shickle, Northern Shenandoah Valley Regional Commission
Page County EDA Members
Chairman John Woodward, Page County Board of Supervisors
Rodger Smith, Counselor at Law
Margaret Stevenson, Luray Hawksbill Greenway Foundation

A quorum being present, Vice Mayor Leroy Lancaster declared the Council to be in session for the transaction of business. All present stood for a moment of silence. Councilman Sours led everyone in

reciting the United States Pledge of Allegiance. Vice Mayor Lancaster said that Mayor Presgraves is at home recovering from surgery and he hopes that he will back within several weeks.

CONSENT AGENDA

Motion: Councilwoman Menefee motioned to approve the Consent Agenda, motion seconded by Councilman Vickers with the vote as follows: YEA: Council Members Vickers, Menefee, Lancaster, Sours, Meaney. **Approved 5-0**

Consent Agenda

- A) *Minutes of the November 13, 2012 Regular Council Meeting.*
- B) *Financial Reports for the period ending November 30, 2012.*
- C) *Accounts payable checks totaling \$105,396.30.*

COUNCIL PRESENTATIONS

James Kelly/Saidee Begoon, Robinson Farmer Cox Associates-

Mr. James Kelly of Robinson Farmer Cox Associates introduced Ms. Saidee Begoon, Audit Manager, to present the report for the year ended June 30, 2012. Ms. Begoon gave an overview of the report and noted an "Unqualified Opinion". She explained that an Unqualified Opinion is the best opinion received and it indicates that the firm feels the financial statements are materially correct and free of misstatements. She also pointed out the Management's Discussion and Analysis Report, which is a narrative written by the town's management and serves as an overview of the audit report. Ms. Begoon then reviewed the various financial statements of the report and explained each of these areas. She also reviewed various statistical reports, tax collection reports, and the internal control opinion. Lastly, Mr. Kelly advised of a GASB Ruling for 2015 that will require changes in reporting for VRS actuarial liability.

Martha Shickle, NSVRC-

Ms. Martha Shickle, NSVRC, introduced members of the Page County EDA who were present. Ms. Shickle stated that last week a presentation was given to the Page County Board of Supervisors in regards to the EDA's desire to apply for an Enterprise Zone Application in 2013. Ms. Shickle said that she is happy to report that Chairman Woodward and the board unanimously approved the project. She added that Mr. Bill Shuler and Mr. Ligon Webb recently attended a training session on this. The EDA is currently meeting with all three towns to ask for participation in the application process. Ms. Shickle explained that the goal tonight is to identify a point of contact for the town and for Council's support of the project.

Bill Shuler, Page County EDA-

Mr. Shuler said that he and Mr. Webb spoke with Warren County about the Enterprise Zone concept and received positive feedback. He stressed that it is a good opportunity for all three towns and the county.

Mr. Shuler emphasized that the Enterprise Zone designation is extremely important for our community to be able to attract businesses. Further, Mr. Shuler continued his explanation of the program and its benefits for the county.

Councilman Meaney asked about the expectations from the town. Ms. Shickle explained that Mr. Webb is already an appointee of the town to the EDA. She stated that the EDA is requesting to provide updates at council meetings, open dialogue, and any additional participation that the town is willing to provide. Councilwoman Menefee confirmed that the EDA is requesting Council's support of the application process. Vice Mayor Lancaster concluded the discussion by stating that this would be a topic for Council work session and he feels that the EDA has council's support.

TOWN AFFILIATED BOARDS AND COMMISSIONS

Greenway Foundation

Mr. Ken Beyer thanked Council for having the committee and noted other members in attendance, including Eleanor Ames and Margaret Stevenson. Mr. Beyer stated that the committee is very pleased to have reprinted the Greenway Booklet this year and published "If Trees Could Talk". Mr. Beyer said that over the course of the development of the foundation, contributions have been given in support of the greenway. Mr. Beyer said that he is pleased to provide these contributions to the Town of Luray in the amount of \$2,500.

Ms. Margaret Stevenson presented a check to Interim Town Manager, Jerry Schiro, on behalf of the Luray Hawksbill Greenway Foundation.

Luray Downtown Initiative

Liz Lewis, Director, reviewed the Town of Luray/LDI cooperative ads that have been generated over the past year. She said that these ads have been put together to promote events at no charge to the town. She said that it was surprising how much advertising is actually created and was pleased with the consistent message throughout all of the ads. Ms. Lewis displayed for Council the various advertisements that had been published in the newspaper and magazines, the water bill inserts, and flyers. Ms. Lewis said that the message for this year had been the Bicentennial theme and that she would like to see a consistent message in future advertising, perhaps utilizing the *Appalachian Trail* designation as a common theme. Ms. Lewis said that two grants had been recently submitted. She added that the Enterprise Zone designation, discussed earlier, would also help in grant efforts.

Ms. Lewis commented on the revolving loan program funds. She recognized that the funds are designated for July 1, 2013; however, she would like to see funds allocated as soon as possible. Interim Manager, Jerry Schiro, clarified that we are not proposing a delay in funding. He stated that the town is proposing to delay the payment process until FY 2013. Ms. Lewis discussed the 3% interest rate on the loans and noted that it is allowed to cover the administrative cost of the town. She proposed a rate less than 3% to make the loan package more attractive. Councilman Sours noted that most business loans will come in at a rate much higher than that of 3%.

Director, Liz Lewis, reviewed various other media efforts including Facebook advertising and a Christmas video for downtown. Ms. Lewis discussed recent events that included the Turkey Trot, Small Business Saturday, and downtown shopping incentives. The Find Santa event will be held this weekend on December 15th.

Luray/Page County Chamber of Commerce

Ms. Pam Flash presented the report for the Luray Page County Chamber of Commerce. Ms. Flash updated members that half of the grant funds applied for were received from the Virginia Tourism Corporation. The amount awarded is \$25,000 and will all be focused on WTOP Radio advertising efforts to reach the Northern Virginia tourism market. Other advertising efforts will include the *Baltimore Sun* and the *Washington Post*. Ms. Flasch also discussed the *Appalachian Trail* designation and hopes the opening date will tie in with the Festival of Spring. Upcoming Chamber Events include the Mimslyn benefit for Page One and the Business After Hours on December 20th. January 10th will be the next Business Networking Breakfast at the Mimslyn Inn. Ms. Flasch added that the new chamber director will be announced soon and should be in attendance at the breakfast. The January Business After Hours will be on the 17th at the Chamber/LDI headquarters.

Luray Bicentennial Committee

Ms. Flasch said that the final event for the Bicentennial Committee will be on Saturday, December 15th, at RSVP at 4:00pm. She added that the Legacy Projects are coming along for both the mural and planter projects.

Luray Airport Commission

Mr. Powell Markowitz advised that there is one large hangar vacant and three small hangars currently vacant at the airport. Mr. Markowitz said that about \$145,000 dollars is in reserves to help back up the loan from USDA on the hangar project. He recalled that in August the commission received a grant to perform the runway rehabilitation needed. The project is ongoing with Delta and he hopes to begin bidding the project in February/ March and the commission estimates the bids will come in around \$2.2 million dollars. He said that once the bids are in, grant applications will be made to the FAA and the State. Mr. Markowitz said that funds are available and that the commission has enough money in reserves to cover the local share. Mr. Markowitz stated that the Luray Caverns lease agreement expires on June 2013; however, they have agreed to sign on for one more year through June 2014. Lastly, Mr. Markowitz stated that the final audit report had been received from Robinson, Farmer, Cox Associates and provided copies of the report for council and staff.

STAFF REPORTS

POLICE – PUBLIC SAFETY AND EMERGENCY SERVICES

Chief Campbell noted 219 calls for service for the month of November 2012, bringing the year to date calls to a total of 2,823. Chief Campbell reviewed the petit larceny and robbery calls as they related to a rash of break-ins lately. He advised that one person is in custody in relation to all of these instances.

Lastly, Chief Campbell advised that he has been elected to serve on the 2013 Policy Academy Board for this region.

PARKS AND RECREATION

Director of Parks and Recreation, Pat O'Brien provided his written report for Council. Mr. O'Brien noted a \$4000 contribution to the installation of Wi-Fi at Lake Arrowhead from Dr. Hanson of Winchester. The new color coded map of the Greenway was displayed for Council members. Mr. O'Brien said that the maps are complete and that large printed versions will be distributed to police, fire, and rescue personnel. He advised that the greenway stripes have been painted. Mr. O'Brien added that notice will be put on the Town's Facebook page, a notice in the newspaper, and information on Channel 15 to explain the color coding system. Mr. O'Brien said that he attended a dam owners training seminar recently in Lorton, Virginia. He noted that Luray maintains two dams which require a tremendous amount of compliance paperwork and maintenance. Mr. O'Brien discussed a report from Virginia Tech on *Luray's Existing and Possible Urban Tree Canopy*. Mr. O'Brien discussed last year's tournaments held at the R.H. Dean Recreation Park. He asked Softballnation to provide an economic impact statement about the four tournaments held in Luray. Mr. O'Brien discussed the report and added that 6 Softballnation Tournaments have been scheduled for 2013. He stated that two ASA Tournaments will also be held in 2013, for a total of 8 events at the park. Mr. O'Brien provided a draft of the 2013 Event Schedule which will be incorporated into the new rack card. He asked staff and council to review the events list. Mr. O'Brien thanked Chief Campbell and his staff and Lynn Mathews, along with his staff, for the excellent job that they do with all events. Mr. O'Brien also thanked Treasurer Mary Broyles' staff for all that they do to help with events and the associated paperwork. Lastly, Pat O'Brien stated that the Christmas Parade went very well and that a post event meeting will be held. He noted that the parade route was effective and that staff should consider adopting this route for all town sponsored parades.

PUBLIC WORKS DEPARTMENT

Lynn Mathews, Superintendent of Public Works, informed Council that the public works department repaired seven water leaks and replaced a hydrant on Virginia Avenue. The department also responded to seven sewer calls for the month and made one sewer line improvement on South Hawksbill Street. Projects going on this month include storm drainage work, sign replacements and repairs, trimming roadsides, patching roadways, and a Christmas tree collection scheduled for January 2-11th.

WTP AND WWTP

Charlie Hoke, Director of Utilities, commended Doug and Steve's Carpentry for the roof replacement. He said that the contractor was fast and efficient and the job is now complete. Mr. Hoke said that the Wastewater Plant is in compliance with all state and federal regulations and operating as designed.

Mr. Hoke reported that all samples at the Water Treatment Plant were picked up and came back negative from the distribution system. The plant is running as designed and the health department inspection was completed. The only recommendation was a re-sampling of Hudson Spring and this will take place by the end of the month.

PLANNING & ZONING

Town Planner, Ligon Webb, reported that the Planning Commission will not meet on Wednesday, December 12th as no public hearings are scheduled.

Mr. Webb said that he has been working with Liz Lewis and Bryan Chrisman on the North Broad Street Improvement Project. Mr. Webb said that he has obtained some estimates and the project has been broken down into two phases. Mr. Webb displayed a design rendering and explained the specifics of the project. He stated that the current project estimate is at \$48,000 and he would like to schedule work for the end of March. The grant funds must be expended by the end of May 2013. Interim Manager, Jerry Schiro, suggested spending LDI's grant funds first in order to meet the deadlines of the grant. Mr. Webb stated that if Council is comfortable with the design then he will continue with scheduling the work for March.

UPDATES

Lighting on the Greenway

Interim Town Manager, Jerry Schiro, said that staff had been directed to inquire about the installation of lights on the bridge over a portion of the greenway. Mr. Schiro said that VDOT is not in favor of this and that other recommendations for lighting will need to be considered.

Wallace Avenue Construction

Mr. Schiro updated Council on the Wallace Avenue Construction and said that the project has been delayed due to inclement weather. He said that the contractor was nice enough to work over the weekend to minimize traffic issues. However, the completion of the project has been delayed due to the weather but has been very timely overall.

Page County Broad Band Authority

Mr. Schiro noted that there were some potential conflicts with water and sewer laterals regarding the installation of fiber optic cable. A meeting has been held and the appropriate easements have been obtained regarding the POP building and the lines to the town office. The contractor has agreed to provide as-built drawings and to camera existing sewer laterals in areas of potential conflict with fiber lines.

ITEMS FOR COUNCIL ACTION

South Court Street Sewer Issues

Interim Town Manager, Jerry Schiro, advised members that about four or five residences on South Court Street are connected to a private sewer main that ties into the town's sewer system. Mr. Schiro said that there are no public sewer lines on South Court Street in front of the subject parcels that would allow residences another option for rerouting their sewer connection. Mr. Schiro said that in 2010 the Town's Utility Code was amended to require that residents maintain all sewer lines on private property. He

added that the town has no easements on these lines and therefore the property owners have no recourse to address these problems. Mr. Schiro said that the town's code provides for a provision that allows the town to work with the property owners to come up with a plan to resolve the issue. Mr. Schiro said that in this situation the town has some responsibility and he would like to see the town work together with property owners to come up with an agreement. He would like to determine if the property owners are willing to dedicate the necessary easements for the town to construct a new line, obtain cost estimates, and to negotiate a cost sharing program with the relevant property owners. Mr. Schiro plans to schedule the matter for the January 22nd work session and report on his progress with the issue. Council members agreed that this seems to be the fair way to handle the issue.

Main Street Bridge Project

Mr. Jerry Schiro said that as Council is aware the bridge has been evaluated with some serious issues that have been prioritized by Council for repairs. As Council is aware, Mr. Webb was successful in obtaining a grant for the town in the amount of \$1.6 million dollars for these repairs through the Federal Highway Administration. Mr. Schiro stated that staff feels the best way to utilize these funds and most efficient way to carry out the project is for the town to be able to locally administer the project. This means that rather than having VDOT administer the project, the project would be managed in-house with the assistance of a consulting engineer. Staff feels that time is critical because the grant money could be at risk of re-allocation to another project if funds are not utilized quickly. Mr. Schiro said that if VDOT administers the project, then the town would be on their time schedule. Mr. Schiro stated that one of the critical elements of the locally administered program is having a qualified person on board to manage a federally funded project. He noted that Mr. Pat Racey of Racey Engineering has provided the town with a proposal for performing the project management services regarding the repairs. The proposal is included in Council's packet for review. Mr. Schiro stated that he is requesting Council's authorization to retain Racey Engineering to perform project management services regarding Main Street Bridge.

Motion: Councilman Arrington motioned to authorize the Town Manager to retain Racey Engineering to perform project management services regarding the Main Street Bridge Project, motion seconded by Councilman Vickers with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Sours, Meaney. **Approved 5-0**

CDBG Series II Revolving Loan Fund

Mr. Schiro said that Council has seen these documents previously and that there are two main components to the revolving loan program. Mr. Schiro provided some background information on the original loans and the funds available for re-loan are at about \$40,000. He explained that there are two documents before Council this evening; the first is a Resolution to proceed with the second phase of the loan pool and the second document is the Income Plan to issue the revolving loan funds. Mr. Schiro said that the town is able to utilize the interest earnings of 3% to offset administrative costs, which amount to only about \$1,200 on the total loan amount of \$40,000. Mr. Schiro also addressed the defaults from Phase I of the program and asked for Council's direction on pursuing these bad debts. He feels that the town should at least perform due diligence in trying to recover some of these debts and to compare this with the cost of recovering these. Mr. Schiro stressed that the issue at hand is the overall intent of the loan program and in the repayment of these funds in order to be able to re-loan monies to other

businesses. Mr. Schiro stated that he is asking for Council's approval of the Resolution and Income (Spending) Plan with the provision that the town eliminate the 3% interest.

Motion: Councilman Vickers motioned to approve the CDBG Series II Revolving loan Resolution and Income (Spending) Plan as presented, motion seconded by Councilwoman Menefee with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Sours, Meaney. **Approved 5-0**

Page One Donation

Interim Town Manager, Jerry Schiro, said that many of us are aware of Page One's current financial situation. The town currently has budgeted \$3,000 for Page One in this current year's budget. As well, the Town has budgeted for the Luray Wranglers a \$2,000 contribution. As the Luray Wranglers are no longer located in town, staff is proposing moving the \$2,000 from Luray Wranglers to Page One for a total contribution of \$5,000 to Page One of Page County. Mr. Schiro would like to see the town offer this contribution as matching funds. Two local banks have committed to match donations up to \$5,000, which have already been matched. Mr. Schiro stated that he presented this information to the Luray Rotary Club this evening and they have agreed to match \$5,000 as well. This contribution along with other commitments raises the potential for \$30,000 in contributions to Page One. Mr. Schiro thanked the Rotary Club for their donation.

Motion: Councilwoman Menefee motioned to authorize the Town Manager to offer \$5,000 in matching funds to be donated to Page One with the appropriation funded from budgeted contributions to Page One and the Luray Wranglers, motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Sours, Meaney. **Approved 5-0**

2013 Council Meeting and Holiday Schedule

Mr. Schiro stated that there are two schedules before Council, including the Meeting Schedule for 2013 and the Holiday Schedule for the town. He stated that nothing has changed on these other than the October meeting, in order to accommodate the VML Annual Conference.

Motion: Councilwoman Menefee motioned to approve the 2013 Meeting and Holiday Schedules as presented, motion seconded by Councilman Meaney with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Sours, Meaney. **Approved 5-0**

Utility Easements – County Office Building

Mr. Schiro stated that he was going to ask the Town Attorney, Jason Spitler, to update Council on the utility easements for the County Office Building.

TOWN ATTORNEY'S REPORT

Lease Agreements – Janice Davis and Phillip Long

Town Attorney, Jason Spitler, stated that he would like to update Council on the lease agreements between the Town and Ms. Janice Davis and Mr. Phillip Long. He stated that both of these situations exist currently on town property and are both leases for the pasture grazing of cattle. Mr. Long has leased the current property since 2002. He noted a few minor changes to both documents and reviewed the proposed agreements. Mr. Spitler said that he is not asking for Council's approval tonight but would like any feedback they may have concerning the agreements.

Ordinance Amendments- Meals & Lodging Taxes

Town Attorney, Jason Spitler, stated that this issue was brought to his attention last week by the Town Manager and Town Treasurer. The town code was reviewed at this time and found to be in need of significant amendments. Mr. Spitler requested authorization to come back at the January meeting with proposed ordinance amendments.

Deed of Easement – Page County/Stormwater and Sanitary Sewer

Mr. Spitler advised that he has reviewed the proposed Deed of Easement requested by Page County. He feels that the terms of the easement are very standard and the survey was previously approved by the Town Council at its regular meeting on September 10th. At that time, the council did not have the Deed of Easement. Mr. Spitler noted one exception to the document as presented which is for a 6" lateral, rather than a 5" lateral.

Motion: Councilwoman Menefee motioned to approve the Deed of Easement – Page County/Stormwater and Sanitary Sewer as discussed, motion seconded by Councilman Arrington with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Sours, Meaney. **Approved 5-0**

Deed of Easement – Warren & Elaine McConnell/Tree Planter

Mr. Spitler advised that he has received the Deed of Easement executed by all parties.

Deed of Easement – Tommy & Brenda Fake/Hites Spring

The Easement regarding Tommy and Brenda Fake has also been executed by all parties and recorded.

Deed of Easement – Harrison Holding Company/North Broad Street

Town Attorney, Jason Spitler, said that he has begun drafting the necessary Deeds of Easement for the properties owned by Bob Harrison concerning the North Broad Street sidewalk improvements. With one possible exception, these improvements are exclusively proposed on properties owned by the Harrison's. Mr. Spitler stated that he understands that Mr. Harrison is agreement with the proposed easements.

Boundary Line Adjustment – Page Community Development/West Luray

Mr. Spitler advised that he still has not received the proposed developer's agreement from Page Community Development. He had hoped to have received this over a month ago.

CDBG Revolving Loan Program

Mr. Spitler followed up on the Town Manager's comments on the CDBG Revolving Loan Program. He stated that the cost of enforcing the terms of the agreement would be the liability of the property owner. Any costs, including legal fees and filing fees, would be added to the balance of the loan. The agreements also include the provision that accelerates the full balance of the loan once the payee becomes in default of the original payment schedule. Mr. Spitler said that he feels these are pretty clear cases of default and that both cases can be handled. He strongly recommends that council authorize staff to pursue these loans.

Councilwoman Menefee suggested discussing this at the work session so that council would have some say in how this is handled.

Boundary Line Agreements – Lake Arrowhead

Mr. Spitler stated that several months ago council and staff were working with the boundary line issues at Lake Arrowhead. All of these documents have been executed and recorded. He advised that the only remaining issue is the consolidation of these properties into one survey to submit for recordation.

EXECUTIVE SESSION

Legal Matters, Section 2.-3711.A.7(1) – Probable Litigation

Vice Mayor Lancaster requested a motion to adjourn into Executive Session for the purpose of discussing Section 2.2-3711.A.7(1).

Motion: Councilman Sours motioned to recess the regular session and to convene in executive session; Councilman Meaney seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Sours, Meaney. **Approved 5-0**

Motion: Councilwoman Menefee motioned to adjourn the closed session and to reconvene in open session; Councilman Vickers seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Sours, Meaney. **Approved 5-0**

Vice Mayor Lancaster asked members of Council to certify that to the best of their knowledge only matters covered under Section 2.2-3711.A.1 were heard, discussed, or considered during the closed session. **The roll was called with all members certifying "Yes".**

ADJOURN

Vice Mayor Lancaster reminded Council members of the Town of Luray Employee Christmas Dinner on December 14th at Luray Fire Hall. With no further business, Vice Mayor Lancaster adjourned the regular session of the Luray Town Council at approximately 10:07pm.

Leroy Lancaster
Vice Mayor

Danielle Babb
Deputy Clerk-Treasurer