

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

MONDAY, DECEMBER 12, 2011

The Luray Town Council met in regular session on Monday, December 12, 2011 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
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
Jason Spitler, Town Attorney
Lieutenant Wayne Petefish, Luray Police Department
Ligon Webb, Town Planner
Charlie Hoke, Director of Utilities
Pat O'Brien, Director of Parks and Recreation
Page News and Courier
Liz Lewis, Luray Downtown Initiative
Pam Flasch, Luray Bicentennial Committee
Powell Markowitz, Luray Page County Airport
James Kelly, Robinson Farmer Cox Associates
Terry Dodson, Luray Little League
David Geese, 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 for a moment of silence. Councilman Lancaster led everyone in reciting the United States Pledge of Allegiance.

CONSENT AGENDA

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

Consent Agenda

- A) Minutes of the November 14, 2011 Regular Council Meeting.*
- B) Minutes of the November 22, 2011 Work Session.*
- C) Financial Report for the period November 1-30, 2011.*
- D) Accounts payable checks totaling \$ 668,033.74.*
- E) 2012 Council Meeting and Office Closure Schedule*

PUBLIC HEARING

Ligon Webb, Town Planner, presented information concerning the public hearing for a rezoning request from Luray Caverns. The request is to rezone approximately six acres in an M-1 Industrial Zoning to a B-1 General Business Zoning district. Mr. Webb said that he has discussed this request with representatives from Luray Caverns and they would like to construct a maintenance facility and overflow parking area in this space. Mr. Webb said that the first phase would be to install an entrance off of Cave Hill Road. He added that Luray Caverns hopes to begin construction on the maintenance facility within the next few weeks to replace the prior maintenance structure that was destroyed by a fire. Mr. Webb said that a site plan must also be submitted and the only questions from the Planning Commission are in regards to the landscaping ordinance and pedestrian safety. Mr. Webb advised Council members that this was unanimously approved by the Planning Commission and that he would be happy to answer any questions.

With no questions from Council members, Mayor Presgraves opened the public hearing for citizen comment. There were no questions from the public; therefore Mayor Presgraves closed the public hearing.

Motion: Councilman Arrington motioned to approve the rezoning request from Luray Caverns as recommended by the Luray Planning Commission, motion seconded by Councilman Racer with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, Racer.
Approved 6-0

GENERAL CITIZEN COMMENTS

James Kelly- Robinson, Farmer, Cox Associates

Mr. James Kelly of Robinson, Farmer, Cox Associates spoke before Council to provide an overview of the Town's audit for the year ended June 30, 2010. Mr. Kelly stated that the Town of Luray received an Unqualified Opinion, which is the highest opinion given by an audit firm. Mr. Kelly advised Council members to feel free to ask questions while he reviewed highlights from the report. Mr. Kelly said that the Management's Discussion and Analysis is the summary for the fiscal year and a great deal of time is spent on this by management. He added that the Town ended the year with over 2.9 million dollars in cash and cash equivalents and a fund balance of approximately 3.1 million dollars. He said that of the 3.1 million dollars, 64% of expenditures belong to the general fund. Mr. Kelly explained that virtually the entire fund balance of the general fund was unassigned. Mr. Kelly said Council should recall that previously they adopted a new fund balance policy in accordance with GASB 54. Mr. Kelly said that the town's statement of Revenues, Expenditures, and Changes in Fund Balance showed that the general

fund expenditures exceeded the revenues by \$204,000 for FY 2010. He recognized that this is comparable to other localities. Mr. Kelly reviewed the water and sewer funds for the year; noting that these funds ended the year with 7.3 million dollars in net assets. He noted that one area of interest for Council members may be the performance of VRS investments which he pointed out in the audit report. Mr. Kelly also reviewed the percentage of taxes collected by the Treasurer over the last ten years.

Another point of reference was the completion of the Water Filtration Plant, which required a Single Audit due to the receipt of \$5 million dollars in federal lending. Mr. Kelly stated that the compliance testing for this audit showed no instances of non-compliance.

Mayor Presgraves inquired about the percentage of total taxes collected. Mr. Kelly advised that the 95% collection rate is very good for towns. He advised that towns tend to have slightly higher collection rate than counties in general. Councilman Schiro asked about the utility funds, specifically user fees, in reference to the funds overall operational standpoint in terms of revenues versus expenditures. Mr. Kelly explained that both the water and sewer funds showed an operating income. However, he explained that the water fund's operational surplus is decreased by the interest on debt service. Mayor Presgraves concluded that overall the statements show the town is financially healthy. Mr. Kelly said that the net assets of the town comprise 64% of the normal operating expenditures, which reflect that the town is overall financially healthy. Council and Staff thanked Mr. Kelly for his report.

TOWN AFFILIATED BOARDS AND COMMISSIONS

Luray Downtown Initiative

Liz Lewis stated that LDI has hosted many events over the last month including "Small Business Saturday" and "Sparkles and Sweets". The next event will encourage shoppers to Main Street and is a new event called "Find Santa". This new event will have children visiting downtown businesses to receive holiday treats and will tell them where to find Santa and have their photo taken free of charge.

Ms. Lewis thanked the Parks and Recreation Department for their help decorating the downtown area and for assembling the parade floats. Ms. Lewis said that she has received many compliments on the downtown decorating and she passed along her thanks and recognition to Mr. O'Brien and his department. Ms. Lewis also recognized Mr. Mathews and the Public Works crew for their work on the decorations also. She advised Council members that the Economic Development Committee of LDI is still working on the Bridge Theatre feasibility study. She hopes the study will conclude in March 2012. Ms. Lewis said that LDI was awarded a grant for work on a strategic plan for the Arts and Cultural District from the DHCD. The amount of this grant is approximately \$7500. Ms. Lewis said that she is also applying for another DHCD downtown improvement grant and she hopes to apply for a USDA Revitalization grant. Ms. Lewis said that she will be attending an upcoming Virginia MainStreet meeting regarding electric vehicles. Ms. Lewis said that LDI's website saw almost 900 visits last month and noted a "Buy Local" video that appears on the website. Mayor Presgraves complimented the community reception at the BB&T Center following the Luray Christmas Parade.

Luray Little League

David Geese- 383 Parkview Estates Rd., Luray

Mr. Geese came before Council on behalf of the Luray Little League and said that the league's President could not be at the evenings meeting due to other commitments. Mr. Geese said that he would like to update Council members on events from the last meeting. He recalled that at the last meeting, Council members suggested that a committee be formed between the league and town. Mr. Geese stated that this committee has been formed and consists of himself, Terry Dodson, Town Manager Black, and Assistant Town Manager Chrisman. Mr. Geese said that two meetings have been held so far and he believes that some progress is being made. Mr. Geese said that the league would like to speak before Council at the January meeting with some proposals and requested that the league be added to the agenda for this meeting.

Mr. Geese updated Council on the audit as it pertains to the luau event. He stated that the league is still waiting for some records from the bank from two previously closed accounts. He said that the board is incurring some difficulty in obtaining these statements due to signature requirements. Mr. Geese said that the league was able to verify at least one substantial item from the event. This item is in regards to the auction item naming Field 4, which was payable to Luray Little League and deposited to the league's account. Mr. Geese said that at the board meeting last night, a motion was made and approved for the league to pay the Town of Luray \$10,000. Mr. Geese stated that the league is continuing to work on this and they are taking this extremely serious. Mr. Geese then presented the check to Town Manager, Rick Black, on behalf of the league. Council and Staff thanked Mr. Geese for the contribution.

Luray/Page County Chamber of Commerce

Ms. Pam Flasch said that Briana Campbell was not feeling well and that she would provide the Chamber of Commerce report on her behalf. Ms. Flasch reported the statistics for November recognizing 410 local calls, 356 local walk-ins, 324 tourist calls, and 1257 tourist walk-ins. Ms. Flasch said that these numbers are terrific for the month of November. She reminded Council members of the Business After Hours event to be held Thursday night at the Mimslyn Inn, hosted by the Rotary Club. Ms. Flasch said that on behalf of Ms. Campbell she would like to congratulate the Town of Luray on the premier of the Roadtrip to History film. Ms. Campbell would like Council members to know that she is happy to promote events and to also sell the DVDs at the chamber office. Lastly, Ms. Flasch said that the 2012 calendar of events will be coming soon and will offer a great selection of training opportunities for both chamber and tourism members.

Luray Bicentennial

Pam Flasch asked that at the January 9th Council meeting, members meet a few minutes early to take a photo for Page News and Courier's "Just 3 Words" segment. Ms. Flasch said that there have been almost \$1,000 in sales from the Roadtrip to History film and there is approximately \$600 in additional sales. Ms. Flasch said that the video is also for sale at the chamber office and at Luray Copy Service. Ms. Flasch confirmed plans for the Miss Luray Pageant to be held at 2:00pm on January 21st at Luray Middle School. She said that there will also be a trip made to Richmond for the official reading of the Resolution proclaiming Luray's Bicentennial. Ms. Flasch also said that the kickoff celebration event

will be on February 4th and will be similar to a “first night” style of event. She said that a button will be available at a cost of \$5.00 and will admit attendees to various venues and noted that there will be activities for attendees of all ages. Ms. Flasch said that the event will take place from 4:00-8:00pm, with a backup date of February 12th in case of inclement weather. Ms. Flasch advised Council of a new event that has been confirmed by Mr. Randy Arrington, Page News and Courier, that will be in the form of a speech competition. She added that Ms. Anita Webb will be the school liaison and will involve fourth grade elementary school students. Lastly, Mayor Presgraves complemented the Roadtrip to History film and recognized that there was a very good turnout at the event.

Airport Commission

Mr. Powell Markowitz said that taxes have been prepaid by the aircraft owner who will be contributing toward the purchase of the jet fuel tank. He said that this has gone according to plans and the grant for the fuel tank has been received, with the contract also being signed. Mr. Markowitz said that negotiations are also continuing to gain another large aircraft that would occupy hangar space and utilize fuel.

DEPARTMENTAL REPORTS

POLICE – PUBLIC SAFETY AND EMERGENCY SERVICES

Lieutenant Wayne Petefish advised Council members that the monthly report could be found in Council’s informational packet this evening. He added that the recent Christmas Parade saw no major incidents.

PARKS AND RECREATION

Pat O’Brien, Director of Parks and Recreation, informed Council that Ms. Hazel Mills of the Masonic Lodge has contacted him about placing a flagpole on the Greenway. Mr. O’Brien said that her request is to place the flag pole on Phase IV of the Greenway, with the Masonic Lodge paying for the cost of installation. Mr. O’Brien stated that town staff will be responsible for displaying the flag and any associated maintenance. Councilwoman Menefee asked if the flag will be lighted or need to be lowered daily. Mr. O’Brien replied that obtaining electricity at this location would be very difficult; however, solar lights are an option. Councilman Lancaster said that he has utilized solar lighting and this can be attached to the flag pole itself. Councilman Arrington said that if the lodge is willing to pay for the cost of the flag pole, it would be a good gesture for the town to pay for the associated lighting. Lastly, Mr. O’Brien said that the parade and community reception went very well, and the town is decorated very nicely. Mayor Presgraves complemented the town parade.

Mayor Presgraves advised Council and Staff members that Mr. O’Brien has been appointed to serve on the 2013 Virginia Outdoor Plan: Technical Advisory Committee. Mayor Presgraves recognized Mr. O’Brien for this honor and noted that the Town of Luray is likely the smallest community represented on this statewide committee. Mr. O’Brien said that it will be beneficial to have a representative from the Town of Luray on the committee.

PUBLIC WORKS DEPARTMENT

Town Manager, Rick Black, said that Mr. Mathews was out sick this evening.

WTP AND WWTP

Charlie Hoke, Director of Utilities, told Council members that the wastewater plant is very near to closing out the upgrades. He said that the pumps have been replaced and are operating very well. Mr. Hoke said that the engineers have inspected and signed off on them. Mr. Hoke said that he understands that the final request for payment is in process. He added that the town's portion of this has been taken care of and that the replacements have been at the contractor's expense. Mr. Hoke stated that the plant is in compliance with all state and federal regulations.

Mr. Hoke said that the water plant is operating as designed and that all distribution samples came back negative. Lastly, Mr. Hoke noted that the raw water study is going very well.

PLANNING

Town Planner, Ligon Webb, stated that the Planning Commission will not meet in December. He said that in January the Planning Commission plans to adopt an official zoning map as some rezoning have taken place over the last few years. Mr. Webb said that at the December work session he would like for the Council to review several items. One item is the commission's recommendation for building/structure height restrictions as it relates to cellular towers. The other item for review is a revised animal/livestock ordinance. Lastly, Mr. Webb reviewed the zoning permits for November 2011.

Councilwoman Menefee inquired about updates to the Comprehensive Plan. Mr. Webb replied that this process will begin in January and he will have additional information at that time on how the process will be approached. Mr. Webb said that this will consist mostly of a review with necessary revisions.

OLD BUSINESS

David Lipscomb- Luray Train Station Restoration, Inc. /Page County Railroad Club

Mr. Lipscomb said that he is representing two organizations this evening; both the Luray Train Station Restoration Inc. and the Page County Railroad Club. Mr. Lipscomb said that the organizations are very pleased with the layout and noted that they await the next phase of renovations. Mr. Lipscomb said that the reason for his attendance this evening is because of his concern that the Luray Downtown Initiative may be allowed to move its office to the station. Mr. Lipscomb voiced his concerns over the intended use of space, grant funds, existing character, and public accessibility. Mr. Black clarified that no grant funds will be used to implement the office space. Mayor Presgraves said that there are no intentions to take away from the existing charm of the station. Mr. Lipscomb asked when the museum work will begin. Mr. Black replied that a meeting is scheduled for January 11th at 10:30am with hopes to finish the museum phase of the project by July 2012. Mr. Lipscomb said that the organizations are delighted with the town's interest in the project and are pleased with the renovations.

EDA: Stoney Brook Lane

Town Manager, Rick Black, stated that the deed for Stoney Brook Lane has not been executed at this time. Mr. Black said he understands that this has been approved by the EDA at their meeting on November 21st.

SVEC Right of Way Agreement (WWTP)

Mr. Black said that the agreement with Shenandoah Valley Electric is included in Council's packet. He reminded Council members that on November 9th the electric service to the Wastewater Plant had to be restored with a new underground service line. He noted that the crews worked nearly 18 hours to restore service to the plant. Mr. Black said that the Town Attorney has reviewed this document and that Council needs to take action on the agreement.

Motion: Councilman Racer motioned to approve the Shenandoah Valley Electric Cooperative right of way agreement as discussed, motion seconded by Councilman Lancaster with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, Racer. **Approved 6-0**

Deed of Dedication: Stoney Brook Lane

Councilman Lancaster asked to revisit the topic of the deed for Stoney Brook Lane. Mr. Lancaster requested to approve the deed contingent upon the signature of the Economic Development Authority of Page County.

Motion: Councilman Lancaster motioned to approve the Deed of Dedication for Stoney Brook Lane contingent upon the necessary signatures as discussed, motion seconded by Councilman Arrington with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, Racer. **Approved 6-0**

Depot

Mr. Black discussed updates from Mr. David Puckett on his recommendations for the museum project. Mr. Puckett recommends Creative Design Group of Fredericksburg. Mr. Black believes that their work is excellent and has asked the Town Attorney to review the associated contract.

Councilwoman Menefee asked about the work needed for the LDI office space. Mr. Black said that the town can use its expenses for this project as matching funds. Councilman Schiro asked that staff obtain some prices from local contractors for this work, not to exceed the estimates given.

Employees Deferred Compensation Plan

Mr. Black said that this resolution was discussed at the Council's work session meeting. He noted that the plan is completely funded by the employees who choose to participate. He stated that this resolution is required based on changes to the Federal Tax Code.

Motion: Councilwoman Menefee motioned to approve the Employee Deferred Compensation Plan Resolution as discussed, motion seconded by Councilman Racer with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, Racer. **Approved 6-0**

Commission and Board Vacancies

Mr. Black stated that currently there are several vacancies on town commissions and committees. He said that the Industrial Development Authority has three vacancies, the Tree and Beautification Committee has one vacancy, and the Board of Zoning Appeals has one vacancy. Mr. Black said that Council should consider these vacancies and provide some possible nominations at the next meeting.

NEW BUSINESS

Main Street Bridge: Addition to VDOT's Urban Program List

Mr. Black stated that he has spoken with Mr. Michael Fulcher of VDOT and he has indicated that the chances for funding next year are unlikely. However, Mr. Black said that having the project on the list would make any grant applications more viable. Mr. Black said that having the bridge on the Urban Program List will only enhance the town's opportunity for grant funding. Mr. Black asked if there were any members of the public present to speak on this issue. With no citizens present to speak on the issue; Mr. Black requested that Council members take action on this agenda item.

Motion: Councilwoman Menefee motioned to add the MainStreet Bridge to the VDOT Urban Program List as discussed, motion seconded by Councilman Vickers with the vote as follows: YEA: Council Members Vickers, Arrington, Menefee, Lancaster, Schiro, Racer. **Approved 6-0**

TOWN ATTORNEY

Town Attorney, Jason Spitler, advised Mayor Presgraves that he would like to request an executive session this evening

EXECUTIVE SESSION

Investment of Public Funds, Section 2.2-3711.A.6

Acquisition of Real Property, Section 2.-3711.A.3

Mayor Presgraves requested a motion to adjourn into Executive Session for the purpose of discussing Sections 2.2-3711.A.3 and 2.2-3711.A.6.

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

Mayor Presgraves asked members of Council to certify that to the best of their knowledge only matters covered under Section 2.2-3711.A.3 and Section 2.2-3711.A.6 were heard, discussed, or considered during the closed session. **The roll was called with all members certifying “Yes”.**

ANNOUNCEMENTS

Mayor Presgraves reminded Council members that the Town Christmas Dinner will be on Friday, December 16th at the Luray Fire Department. He asked that Council members meet at town hall to assemble for the Stanley Christmas Parade on Wednesday, December 14th.

ADJOURN

There being no further business, Mayor Presgraves adjourned the regular session of the Town Council at approximately 9:22 P.M.

Barry Presgraves
Mayor

Danielle P. Babb
Deputy Clerk-Treasurer