

**A REGULAR MEETING OF THE TOWN COUNCIL OF THE
TOWN OF LURAY, PAGE COUNTY, VIRGINIA
Monday, January 11, 2010**

The Luray Town Council met in regular session on Monday, January 11, 2010 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
Danielle Babb, Deputy Clerk-Treasurer
Ligon Webb, Town Planner
Jason Spitler, Town Attorney
Page Campbell, Chief of Police
Pat O'Brien, Director of Parks and Recreation
Charlie Hoke, Director of Utilities
Lynn Mathews, Superintendant of Public Works
Karen Riddle, Luray Page County Chamber of Commerce
Nina Long, Luray Page County Chamber of Commerce
Catherine Stewart, Luray Downtown Initiative
James Kelly, Robinson Farmer Cox Associates
Powell Markowitz, Luray Page County Airport Commission

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: Councilman Arrington 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 December 14, 2009 Regular Council Meeting*
- B) Financial Report for the period December 1 – 31, 2009*
- C) Accounts payable checks totaling \$177,456.54*

GENERAL CITIZEN COMMENTS

James Kelly- Robinson, Farmer, Cox Associates

Mr. Kelly stated that his firm has performed the FY2009 Audit for the Town and had issued an “unqualified opinion”. He explained that an unqualified opinion is the best opinion that can be received by the town. He noted that the town has received this opinion for as long as he can remember. He stated that his firm does not ever find any tremendous difficulties in performing the town’s audit. Mr. Kelly pointed out several areas of the audit report for Council. He first highlighted the management discussion and analysis, which is a narrative of the town’s financial performance for the year. He pointed out the year end cash balance for general funds and the fund balance. He noted that even in difficult economic times, the town has succeeded at maintaining a good level of fund balance which shows a healthy level of reserve. Mr. Kelley noted the losses in both the water and sewer funds; thus justifying the rate increases implemented by Council. He also looked at budgeted funds for the year and how well the town was able to predict its budget. He stated that revenues and expenditures were less than budgeted but overall were very close. Also, he highlighted the town’s percentage of VRS actuary liability; the town is now over 91% funded. VRS likes for localities to be over the 90% threshold. Lastly, Mr. Kelly reviewed several statistical tables from the audit report that included ten years of trend data. One table in particular shows revenues and expenditures over the last ten years. This year the town received over 1.3 million dollars in federal assistance; which requires a “single audit”. This encompasses special compliance procedures and issuance of a special opinion. As a result of the audit no finding were made for these special procedures. Council had no questions for Mr. Kelly and thanked him for his report.

TOWN AFFILIATED BOARDS AND COMMISSIONS

Luray Downtown Initiative

Catherine Stewart, Executive Director, provided Council with the 2008 Virginia Main Street Annual Report. Ms. Stewart notified Council that the first Merchants Association meeting will be held this Friday. Also, she told Council that she has received notice from two businesses that may have to close due to economic conditions. Ms. Stewart presented the concept of a downtown shop pass card to Council, provided a 2010 events schedule, and presented a flyer for the September 2010 Chili Cook-Off.

Ms. Stewart stated that she had talked with Mr. Lancaster earlier today about CDBG. She stated that she had some not so good news. Brad Belo, who is the head of DHCD for the block grant, had been contacted to find out what the town's status was because we knew the grant was closing down. However, there are still some properties that have not had work done to them and we still had a property owner who wanted to have work done and it did not happen. Brad Belo said that the grant is closed out and that he is coming at the end of the month to do the final reporting. She stated that the grant is done and that there is funding left over and we cannot access it. So, Ms. Stewart asked Mr. Belo where the error was in that, she stated that it fell back with our grant administrator. She expressed that we were not satisfied with what we had received from Mr. Meredith as far as being here when he was supposed to be and making contact back with property owners. Mr. Belo told her that that this would be noted and that would be for other communities to reference back to us if Mr. Meredith was to be chosen again.

Mr. Lancaster said that BB&T was the one that had contacted him and they have done their matching work. Mr. Lowell Baughan told Mr. Lancaster that he was just waiting to hear something from them and that he has never heard anything. Ms. Stewart said that this is the problem that we have run into. She said that Susan Lancaster had come and that they had met at BB&T about all of the work. She said that BB&T had done all of the work for their match and that now they will never get the return on their investment because the grant has been closed. Ms. Stewart said that there were some other properties on Main Street that maybe wanted to participate and were not sure. We were supposed to go back through and have contracts signed stating that they wish to not participate in the program. Ms. Stewart stated that this did not happen either.

Councilman Lancaster asked Mr. Black if there was anything we could do about this. Mr. Black stated that the grant had already been extended four times. Mr. Lancaster stated that no one had gotten back with BB&T according to Mr. Lowell Baughan. Ms. Stewart restated that according to the Richmond office we are closed out. The last eighteen month extension is done. Ms. Stewart inquired who did this fall back on; Mr. Belo told her that this was our grant administrator and that he obviously didn't follow through on what he was supposed to do. Councilwoman Shifflett said that she did not remember them being on the list. Ms. Stewart told her that BB&T was supposed to be in Phase II.

Councilman Schiro asked when the grant was closed out how much money was left. Mr. Black estimated approximately \$100,000. Mayor Presgraves inquired if BB&T had applied before the expiration of the grant. Councilman Lancaster said that they had already done all the work. Ms. Stewart had previously asked Mr. Meredith if some of the properties could be re-contacted who were supposed to be in the first phase and try to renegotiate with them just to remove the slum and blight. She was told that there was no money left. She asked if we could transfer some of the funds in facades over to streetscapes, there was no money left is what she was told. Mayor Presgraves asked if anyone had been in touch with Mr. Meredith. Ms. Stewart replied that he would not return her call. Ms. Stewart stated that there were other property owners on Main Street whose call had not been returned. Mayor Presgraves asked Mr. Black if he could get in touch with Mr. Meredith to see if there was anything we

could do. Mr. Black stated that he could get in touch with him but the grant has been closed. Councilman Schiro stated that if the grant had been closed it would be very unlikely that they would reopen it. Councilman Schiro stated that we should still try. Mr. Black stated that the closeout has been scheduled for the end of the month; the 27th and 28th of January. Councilman Schiro stated that the grant could not have been closed out without the town's acknowledgement or acceptance. Mr. Schiro asked if we had agreed to close this out. Mr. Black stated we had agreed to close this out based on Mr. Meredith's recommendations of people not wanting to do anything else. Councilman Racer stated that he finds that strange because his wife has been trying to contact Mr. Meredith and that her calls have not been returned. Ms. Stewart stated that this is unfortunate because it will fall back on us when business owners ask why they did not get to participate. Councilman Lancaster stated that from what he understood BB&T had done their part. Town Manager, Rick Black, asked if a design had been done for that building; Ms. Stewart replied that there were design renderings. Councilman Lancaster confirmed that BB&T was waiting to see what they needed to do next. Councilman Racer suggested that we get Mr. Meredith here. Councilman Schiro suggested not only Mr. Meredith but also DHCD. Mr. Schiro stated that the grant could not be closed out unilaterally and that the town should approve this and that we need to find out what the status is. Ms. Stewart told Council that she has Mr. Belo's contact information if needed.

Luray Page County Chamber of Commerce

Karen Riddle, Luray Page County Chamber of Commerce, said that the New Year is going to be packed with member incentives and events. Ms. Riddle gave an event card for some of the events that are coming up. When looking at the business climate, tourists are continuing to look at the area for lodging/tourism.

She notified Council of two promotions at the chamber office; Emily Campbell has been promoted to Director of Events, and Nina Long has been promoted to Director of Marketing. Ms. Long will be discussing the newest membership directory.

Ms. Riddle would like to ask the town to assist in bringing town initiatives into the county. She emphasized that other towns are watching the great things happening in Luray. She would like to bridge the gap between the towns. Also, Ms. Riddle thanked Mr. Black and Mr. Chrisman for their cooperation in working with the chamber's office space lease.

Ms. Riddle introduced Nina Long to discuss her recent efforts on the new directory, and noted that members will be highlighted in the upcoming *Page County at a Glance* of the Page News and Courier. Nina Long presented Council with information about the new Membership Directory. She stated that the new directory will be in full color to provide a more quality publication for local businesses. Also she stated that the directory will showcase area businesses, living, working, and shopping in Page County. Also, she stated that the circulation will be increased from 500 copies to at least 1000 copies.

Luray Page County Airport Commission

Mr. Powell Markowitz brought Council up to speed on the T-Hangar Project. He stated that four are reserved for a mechanic and 19 of the remaining 24 units are currently rented. Councilman Menefee questioned why the spaces have not been filled with the mechanic. Mr. Markowitz stated that the mechanic has had some tough economic times and also wishes to sell his home before relocating. Mr. Markowitz hopes to get the mechanic in those spaces but another one may be available if not. Mr. Markowitz stated that the AWOS system is up and running but has no channel at this time. The electrician for the project has applied to the FCC for a channel. Mr. Markowitz stated that he has a number to dial in to listen to the information, which is very valuable for pilots. He stated that this weather information will be available to the public. He stated that there is one pay request remaining for the AWOS project. Mayor Presgraves questioned the weather information; Mr. Markowitz stated that it would be available via computer access to the public. Mr. Markowitz said that Robinson, Farmer, Cox Associates has also conducted the audit for the airport. Mr. Markowitz was very pleased with the audit team and expects a clean opinion to be issued.

In addition, he noted that land acquisitions were making progress. Mr. Markowitz stated that the Bennett House was purchased because the land was an obstruction not the actual house. Mr. Markowitz stated that the house was previously used for office space but that the commission would now like to rent the house as a residence to offset current operating costs at the airport. Mr. Markowitz said that with any operation there are repair and costs associated with these repairs. He stated that Page County is in favor of renting the property in order to generate funds. Mr. Markowitz stated that a lease would fall under Luray Caverns since they currently lease the airport property.

Councilman Racer asked if this would be a safety hazard. Mr. Markowitz stated that the land was an obstruction but not the house. Mr. Black stated that proposed road relocation would eventually affect the house. Mr. Markowitz stated that the house is not in the runway protection zone. Mr. Markowitz said that the tenants may complain of noise. Councilman Schiro stated that if the town were to lease the property it would require a public hearing. Mr. Markowitz said that since the airport property is currently leased to the Luray Caverns Airport this would allow to sub- lease the Bennett house.

Lastly, Mr. Markowitz informed Council and staff that the next commission meeting will be held at town hall on January 20, 2010.

DEPARTMENTAL REPORTS

POLICE – PUBLIC SAFETY AND EMERGENCY SERVICES

Chief Campbell stated that he would not review his December report unless there were questions. Chief Campbell gave a power point presentation for the year ended 2009 for his department. He hopes that at the end of the presentation Council will have a snapshot of the last year and planning for the future. The presentation covered all aspects of the department

including: patrol personnel, vehicle fleet, leave/compensatory time, calls for service, and types of calls. Chief Campbell discussed the state of the department regarding retirements and personnel openings for the future. Also, he reviewed the investigations department, programs and activities, and grant funds. Chief Campbell concluded his presentation by reviewing his budget needs for next year and stressed the need for funding part time personnel. He stated that the current year's expenditures for overtime would exceed the budgeted amount due to staffing for special events.

PARKS AND RECREATION

Pat O'Brien, Director of Parks and Recreation, provided his written report for council's packets. Mr. O'Brien stated that he had received verbal notice of the 10th year receipt of the Tree City USA Award as well as the Growth Award. He stated that Luray is only the 6th in the state to receive the Growth Award.

Councilman Lancaster asked about surveying at Lake Arrowhead and adjoining property. Mr. O'Brien stated that this had been done and we are working on permanent markings. Mayor Presgraves questioned if we had lost acreage from this surveying. Mr. O'Brien stated that we had lost considerable acreage due to mismarking.

Councilman Lancaster raised questions regarding cave pond. Mr. Lancaster stated that he would like to see the fountain removed during the winter to allow the pond to freeze. He feels that this is the perfect location for ice skating. Council and staff also discussed why there were "no ice-skating" signs put up at the pond and whether skating should be allowed. Mr. Lancaster emphasized that he would like to see the pump removed and ice skating allowed. Councilwoman Shifflett said that she was not aware that ice skating was prohibited until she was informed by a citizen. Councilman Arrington stated that this could lead to other problems. Councilman Lancaster said that skateboarding was not an issue for our liability insurance; therefore this should not be. Councilman Lancaster made the motion to permit ice skating on cave pond, and then retracted his motion. Council decided to check on the ownership of the pond. Councilman Schiro suggested that staff check with VML Risk Management about the issue. Mr. O'Brien was directed to turn off the fountain at cave pond.

PUBLIC WORKS DEPARTMENT

Lynn Mathews, Superintendent of Public Works, reported that his department repaired four water leaks. Also the department responded to six sewer calls and made one sewer tap due to a failing septic system. The department is currently checking manholes/lids and working on cleaning drain lines. Upcoming projects for the department will include installing flags/banners, picking up Christmas trees, shoulder repairs, sign repairs, and storm drains. The department has been delayed in working on some projects due to recent snow removal work. Councilman Menefee complimented Mr. Mathews' department for their job on snow removal.

WTP AND WWTP

Mr. Hoke stated that he had recently met with PHRA and Fielder's Choice representatives on the punch list items for the plant. Mr. Hoke stated that all samples came back negative. Also, he told Council that the water treatment plant is running very well and all council members are invited to come see the facility.

Mr. Hoke stated that the upgrades at the WWTP are progressing well and that overall the project is only one week behind schedule. Mr. Hoke said that despite inclement weather, work continued. Lastly, Mr. Hoke noted full compliance for the wastewater plant.

Councilman Schiro inquired about the operator schedule for the water treatment plant. Mr. Hoke stated that all operators are on a one week rotation and will eventually be licensed. He emphasized that a licensure cannot be obtained until an operator has had one year of experience working at the facility.

PLANNING

Mr. Webb told the Council that the planning commission will have one public hearing regarding the Arts and Cultural District. Mr. Webb said that Luray Downtown Initiative is promoting this district, essentially another zoning district. Mr. Webb stated that he has been contacted by Page Memorial Hospital regarding their intent to apply for special use permits for the first of several phases of expansion. He anticipates a public hearing for the special use permit in February. Lastly, Mr. Webb stated that he is working with local sign makers regarding the proposed sign ordinance amendments.

OLD BUSINESS

Massanutten Ave/ S. Marye Lane Walkway

Mr. Black reminded that some time ago the town was looking into this project and would still like to conduct the project. Mr. Black stated that the representatives of Rugby Square apartments had not indicated that they wish to participate in this project. Mr. Black said that the next step would be to go ahead and contact property owners affected in this area. Councilman Lancaster stated that with current economic conditions he would like to see the project put on the back burner. Councilman Racer and Lancaster discussed the sidewalks being built versus the painted walkways. Mayor Presgraves asked what the estimated cost was when this was discussed previously. Town Manager, Rick Black, stated that the cost estimates were obtained about a year ago. Councilwoman Shifflett felt this walkway was only accommodating the residents of Rugby Square Apartments. Town Manager, Rick Black, stated that if the roadway had to be re-paved, that the project would be appropriate. Councilman Racer requested staff provide an up-to-date cost estimate for the project. Mr. Black reminded Council that the project had already been budgeted for. Councilman Lancaster stated that there was an access road on the Rugby Square property that would be the general area of the walkway. Mayor Presgraves and Councilman Lancaster discussed the area of the proposed walkway. Mr. Black stated that the property owners along S. Marye

Lane would not be infringed upon but would be informed of the project. Council and staff discussed the specifics of the walkway and associated costs. Town Manager, Rick Black, stated that the cost estimates would include the paving of the road and would be funded with VDOT dollars. Councilman Arrington felt that with the economy, the loss in VDOT funding for street maintenance, and the high cost of snow removal that this may be a bad year to spend money on this project. Mayor Presgraves instructed Mr. Black to have a new cost analysis available for the work session.

Trailside Comfort Stations

Town Manager, Rick Black, gave a proposed timeline for the trailside comfort stations. Council has taken the plans to the building official and is awaiting approval. Councilman Lancaster asked if Council would be able to approve these plans. Councilwoman Shifflett stated that staff was instructed to proceed with the restrooms as funding will provide.

NEW BUSINESS

VDOT Street Maintenance Additions

Mr. Black stated that he had previously notified Council of VDOT's plans to cut street maintenance funds by \$26,000 in this year and next year's budget. Additional losses will take place by the subtraction of street miles from the towns' current inventory in the amount of approximately \$23,000. However, Mr. Black stated that Bryan Chrisman and Lynn Mathews had put in a lot of time to submit the town's street additions for the year. Those additions will amount to approximately \$39,000 with these new additions; the net effect should be an overall loss of only about 10,000.

Lastly, Mr. Black stated that Council would need to vote on the associated resolution for VDOT street additions.

Motion: Councilman Racer motioned to approve the VDOT resolution for street additions, seconded by Councilman Arrington with the vote as follows: YEA: Council Members Shifflett, Arrington, Menefee, Lancaster, Schiro and Racer. **Approved 6-0**

Lastly, Mr. Black reminded Council of the E911 street addressing meeting for the residents of Forest Hills to take place tomorrow night at town hall. This meeting is about changing the addresses to be more accurate.

Councilman Menefee questioned the process for street light repairs. Mr. Black explained that they are added to a list with Allegheny Power for the local repairman to assess.

TOWN ATTORNEY'S REPORT

Mr. Spittler stated that he had prepared eleven ordinances which would enact the various sections of the cigarette tax that was previously approved by Council. Mr. Spittler is merely

requesting a motion to authorize the Mayor, Clerk, and Town Manager to affix their signatures to the ordinances.

Motion: Councilman Menefee motioned to approve the cigarette tax ordinances as prepared by the town attorney, seconded by Councilman Schiro with the vote as follows: YEA: Council Members Shifflett, Arrington, Menefee, Schiro. NAY: Lancaster, Racer.

Approved 4-2

Mr. Spitler told Council that he had recently spoken with Larry Baker of Lord Fairfax Community College. Mr. Baker replaces Kathleen Johnson's position with the college. Mr. Baker would like to finalize the lease and sublease for LFCC. Mr. Spitler anticipates further communication on this later in the week.

Mr. Spitler told Council that the remainder of his business for the evening required an executive session.

EXECUTIVE SESSION

Legal Matters, Section 2.2-3711.A.7

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

Motion: Councilman Arrington motioned to adjourn the closed session and to reconvene in open session; Councilman Racer 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 Section 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, Councilwoman Shifflett asked if new items for discussion could be added to the work session agendas. Town Manager, Rick Black, said that any items could be added to the agenda that Council would like to discuss and to let him know what they are.

Mayor Presgraves told Council of the upcoming Martin Luther King Day celebration at Luray High School.

There being no further business, Mayor Presgraves adjourned the regular session of the Town Council at approximately 9:33 P.M.

Barry Presgraves
Mayor

Danielle P. Babb
Deputy Clerk-Treasurer