

**MINUTES OF A TOWN COUNCIL WORK SESSION
TOWN OF LURAY, VIRGINIA
Tuesday, February 22, 2011**

The Luray Town Council met in a work session on Tuesday, February 22, 2011 at 5:30 p.m. in the Luray Town Council Chambers located at 45 East Main Street, Luray, Virginia at which time there were present the following:

Presiding: Vice-Mayor Leroy Lancaster

Council Present: Ronald Vickers
Lonnie Arrington
Mary Menefee
Jerry Schiro

Also Present: Rick Black, Town Manager
Bryan Chrisman, Assistant Town Manager
Mary Broyles, Treasurer
Danielle Babb, Deputy Clerk-Treasurer
Ligon Webb, Town Planner
Jason Spitler, Town Attorney
Pat Racey, Racey Engineering
Ron Keyser, Page County Broadband Authority
Dave Butler, Shentel Communications
Mike Bott, Stoneybrook Meadows

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

Changes or Additions to the Agenda

The roll was called and no changes were made to the agenda.

Page County Broadband Authority (PCBA)

Mr. Ron Keyser of the Page County Broadband Authority, along with Mr. Dave Butler, spoke before Council to provide an overview of the Page County Broadband process. Mr. Dave Butler, Shentel Communications, was on hand to answer any technical questions from Council. Mr. Keyser explained that this process began about two years ago due to federal grant funding. He said that a request for proposal was initiated and Shentel was chosen to build the network. The proposal from Shentel will create the network for broadband communications at a cost of approximately 1.4 -1.5 million dollars. Shentel will also be providing the matching funds required by the grant; as the County of Page is unable to contribute to those funds at this time. The contract from Shentel will also provide for a ten year maintenance contract. Mr. Keyser hopes the final plan will be in place within the next week or two. Mr. Keyser discussed the possibility of there being a "POP" site located in the town office basement. He explained that this is a "Point of Presence" site for the broadband drop; other sites on town property are

being considered. The “POP” site would allow for a broadband network drop to be located in or near the town office. Mr. Keyser stated that this feature can be very attractive for local businesses.

Town Manager, Rick Black, asked how many miles of wire could be run within the town and if the town would have a say in their locations. Mr. Keyser stated that this is something that Shentel is currently working on and that the local governments can propose certain “Community Anchored Institutions”. Councilwoman Menefee asked if the network will be primarily underground. Mr. Butler, Shentel Communications, stated that aerial connections are preferred so that there is less environmental impact. Also, he explained that it is easier to gain permission for pole attachments than for underground digging. Ms. Menefee questioned the proposed timeline for the project. Mr. Keyser said that the grant requires completion within three years; however Shentel is expecting an 18-month construction period. Councilman Schiro asked how this would affect the franchise agreement with Comcast. Mr. Keyser said that the Page County Broadband Authority would actually be the owner and would lease to companies such as Comcast. The company would then set the rates for the end user. Councilman Vickers clarified that there would be no funds required from taxpayers for this project. Mr. Keyser confirmed that taxpayers would have no liability for the project and offered that this may launch more competitive pricing for internet providers. Councilman Schiro questioned if there would be a fiber optic drop into the town office. Mr. Keyser stated that there would be.

Council members and Mr. Keyser discussed that more specifications and proper applications should be submitted to Mr. Webb, Town Planner. Also, a draft lease agreement will be needed from the Town Attorney. Mr. Keyser asked how long the process would take in order not to disrupt the construction schedule. Town Manager, Rick Black, advised that all items could be considered at the April 2011 Council Meeting or possibly at the March 2011 meeting if all documents are available. Mr. Keyser concluded his discussion by thanking Council members for their time.

Stoneybrook Meadows

Town Planner, Ligon Webb, discussed the proposed development for Stoneybrook Meadows. Mr. Webb advised that he wanted to bring Council members up to speed on this project. The development would be for low income housing similar to a current project in Staunton. Councilman Arrington asked how many units would be in each building and reminded that the current ordinance will only allow for eight units per building. Councilman Arrington also asked how the units would be metered for water connections. Mr. Mike Bott, Developer, stated that the units would be sub-metered and that there would be on site management of the facilities. Councilman Vickers asked how this development would differ from the current income based housing already offered within the town. Mr. Webb said that the construction would be subsidized but the rent would not be. Mr. Bott advised that there are some income restrictions in order to live in the housing and that the ground floor units would be handicapped accessible. Councilman Vickers expressed concern over a high amount of traffic from persons moving in and out frequently. Councilman Schiro stated that the current town ordinance only provides a definition for “garden apartments”. Mr. Webb added that the proposed height of the structure may be an issue as well. He said that the added height may make the building more aesthetically pleasing as opposed to a flat roof structure that would comply with current restrictions. Councilman Vickers asked if there is a demand for this type of housing. Mr. Webb said that part of the application process is to determine if this is a type of housing that will work for the town and that it is very prudent to ask this question. Mr. Vickers stated that basically we are looking at changing or adding a definition to the town

code; this is not a zoning issue. Mr. Webb said Council will need to determine if they are willing to do this, otherwise the developer cannot move forward with the project. Councilman Lancaster also questioned the need for this type of housing. He said that this is the first time ever there have been leasing vacancies for the Rugby Square housing complex; while at the same time there is a waiting list for the Village Place units. Mr. Bott stated that currently a study is taking place to determine the market for this type of housing. He stated that the intention would be to build all units at once, not intermittently based on need. Council asked if there was any activity on the townhomes in this area. Pat Racey, Racey Engineering, said that he is not aware of any activity on the previously proposed town homes referred to as "Fairview Meadows".

Mr. Mike Bott, Developer, stated that the pricing of the rental units would be based on the number of bedrooms. He estimates that a two bedroom unit will rent for \$550.00 after utility allowances. A three bedroom unit would be around \$630.00 per month. He emphasized that the tenant must meet the income requirements and that rates are based on the median income. Councilman Arrington said he feels these prices may be too high. Mr. Bott said that the design of the units is driven entirely by VDHA in order to build the most energy efficient structure. Mr. Bott stated that there would be no desire to build only one building. He also said that the onsite recreational facilities are for residents only. Mr. Racey advised Council that the options on the plans have never been a contingency; there have always been provisions for lighting, sidewalks, etc.

Mr. Lancaster advised that this would need to go to the Planning Commission first and then to a public hearing. Mr. Webb advised that the decision will basically be to change the definition of garden apartment or to add additional definitions. Councilman Lancaster advised that the Planning Commission should review this and come back with a recommendation. Mr. Bott advised Council he would need a concept endorsement from Council in order to meet his April deadline. Mr. Webb suggested that a special work session could be held in order to speed up the process. Councilman Lancaster said that this should follow the normal timeline for approval; noting that every time the Council proceeds quickly there is a problem. Mr. Webb said the normal process would include discussion in March with a public hearing in April; then a vote by Council in May or June 2011.

"Road Trip to History"

Town Manager, Rick Black, presented information on the "Road Trip to History" film. He stated that this is a very good program and is approximately 30 minutes in duration. He feels this is a good opportunity for the town. He noted that the filming would be done in two segments and he is proposing that one of those be at the time of the Bluegrass Festival. Mr. Black also hopes to incorporate the Bicentennial of the Town into the film as a bit of an advertisement. He reminded that this is a history film and the program should concentrate on historical topics. Mr. Black feels it will be best to let the producer dictate the filming, as other similar films have turned out very well. Councilman Schiro agreed but asked that the town not be profiled as an entirely bluegrass town. He hopes that the producer will gain some good variety of footage. Councilwoman Menefee hopes the focus will be on the history of the town. Councilman Vickers asked how the speakers are chosen for the film. Mr. Black reminded that years ago there was a committee formed to locate persons to discuss different aspects of the town. Councilman Lancaster and Mr. Black then discussed the cost of the film. Mr. Black said that this will cost about \$5,000 to film. Town Attorney, Jason Spittler, advised that some localities have recovered costs by allowing for advertisements.

FY 2011 – 2012 “Draft” Budget

Town Manager, Rick Black, presented a first draft of the 2011-2012 budget. Mr. Black provided for Council a summary of budget “highlights” per their request. Mr. Black discussed the major areas of change which included; 1) a potential real estate tax rate increase 2) a 2% cost of living increase for all employees 3) an overall 4% increase in electricity costs 4) a slight increase in VML Insurance 5) deferral of any utility rate increases at the current time 6) several capital improvement projects.

Mr. Black stated that the budget expenditures for Mayor and Council line items remain the same except for two additions to contributions. Mayor Presgraves had previously requested that the Luray Wranglers and the Hawksbill Greenway Foundation be added to the list of contributions. Mr. Black noted that in order to be added to the list of contributions, the Luray Wranglers must first obtain a 501C3 tax exempt status. Councilwoman Menefee asked that Page One be considered for a contribution. She stated that she sees there is no allocation for Luray Little League and that this is appropriate. Mr. Black reminded that all organizations must submit a financial statement in order to obtain their funds. Councilman Schiro expressed that with the amount of funds already provided for Parks and Recreation Development that a contribution to the Hawksbill Greenway Foundation may not be necessary. Councilman Vickers questioned the organizations who received funding. Councilman Schiro stated that these are the organizations that have been established over many years of receiving funding; however it is important to equalize the opportunity for all organizations. Mr. Black felt it would be feasible to remove the Greenway Foundation funding and substitute funding for Page One. Councilman Lancaster said he would like to see the Luray Wranglers and Hawksbill Greenway foundation removed from the list. Council members agreed to remove Page Memorial Hospital as well, since they are now part of the Valley Health System. Councilman Schiro recognized that it may become necessary to refocus funding on organizations that provide mere basic needs to citizens.

Mr. Black advised that the line item of Mayor and Council- Health Insurance has increased slightly to cover the costs of new Council members.

Mr. Black advised that there were little to no changes for the Town Manager’s and Town Attorney’s budgets.

Town Manger, Rick Black, reviewed the Treasurer’s budget noting the inclusion of expenses for credit card fees. He advised Council members that credit card fees cannot be passed on to the customer for the payment of utility bills but can be assessed on tax payments. Councilman Schiro added that this is really a good option for customers and is simply the cost of doing business. Councilman Arrington said that he feels the utility disconnect list will decrease significantly due to this additional payment option.

Mr. Black advised Council that there will be no changes in expenditures for the Safety Program Budget. He reminded that this program allows the town to obtain a significant discount on the town’s VML Insurance Policy.

For Fiscal Year 2011-2012 funds have been budgeted for the Board of Elections line item. Council elections will take place in May 2012.

Mr. Black then reviewed the Police Department Budget. He noted that there are funds allocated for the purchase of a new patrol vehicle. Councilman Schiro suggested looking into a lease program for police vehicles. Mr. Black reminded that funds were budgeted in the current year for a vehicle but that none has been purchased.

Mr. Black reviewed the budget for Streets and VDOT funds. Councilwoman Menefee confirmed that funds were allotted to allow for one part time employee in the streets department.

Councilman Arrington asked if there were any intentions of setting aside funds to contribute to the cost of monument repairs. Councilwoman Menefee agreed that these repairs need to be made while recognizing that the repairs are quite costly. Councilwoman Menefee also suggested that a CIP Budget be put in place to allow for projects such as the monument repairs.

Mr. Black stated previously no funds were budgeted for dam, lake, and pond maintenance. He stated that there are costs associated with maintaining these areas and that the dam maintenance is a very high priority. These areas are very high maintenance and require the appropriate permitting.

The next area of review was the Parks and Recreation Department Budget. Mr. Black said that the equipment trailer needs updating and that there are funds provided for a pick-up truck. He noted that the department is also hoping to add an equipment shed at Lake Arrowhead. He stated that funds will now need to be added for Lake Development due to the requirements for inspections and federal mandates.

Councilman Vickers asked about funds for Recreation Park Development. Mr. Black replied that these funds will allow for the completion of the maintenance building. Mr. Black advised that the current year's funds have been committed to helping pay for Project Softball. He also advised of plans to obtain grant funding for another greenway restroom facility.

Town Manager Black advised that the Planning and Zoning Budget saw an increase of approximately \$4000.00 to allow for additional training for planning commissioners.

In regards to Economic Development, \$25,000 was allocated for the Luray Bicentennial. Mr. Black noted that LDI funding was decreased by \$10,000. Councilwoman Menefee questioned why the funding was set at \$40,000. Councilman Schiro said that the vision of LDI is changing but is affected by the Virginia Mainstreet regulations. For example, LDI may be able to save on rent expenses if able to move to the Luray Depot, however Virginia Main Street regulations would not allow this. Mr. Schiro said that the LDI board is weighing the benefits of being a VA Main Street community with the stringent regulations set forth by the organization. He said the budgeted allocation for LDI may be able to be reduced and may be necessary depending on the overall outcome of the budget. Mr. Black stated that the Luray Page County Airport also falls under economic development; it only includes funding for one piece of property and the usual auditing and insurance expenses. Mr. Black also said that funding was included for Wayfinding Sign maintenance.

Mr. Black noted that the budget for Water Administration and Water Data Processing remained the same for the coming year. Mr. Black then discussed the Water Treatment Plant Operations and the Water Capital Outlay budgets. He said that this fund will provide one-third of the dollars needed for a new

dump truck. Mr. Black also discussed plans to work with the Page County GIS System to develop a new mapping system for water and sewer infrastructure. This portion of the budget also includes funds for a maintenance building at the water treatment plant; as equipment may not be stored inside the facility.

Town Manager, Rick Black, said that the Sewer Administration, Sewer Data Processing, and Sewer Operations budgets remain unchanged for FY 2011-2012. The Wastewater Treatment Plant Budget will incur higher electricity costs due to the upgrades at the plant; engineers estimate a cost of \$150,000. The Sewer Capital Outlay budget will also provide another 1/3 of the new dump truck cost. This portion of the budget will also include provisions for a new car to replace the one previously used by the plant.

After reviewing all areas of expenditures, Mr. Black briefly discussed revenues for FY 2011-2012 and reminded Council that they will need to consider a real estate tax increase to levelize funding. Councilman Vickers verified that the town has no plans of layoffs and the budget will provide employees a cost of living increase.

Mr. Black stated that if the Council chooses not to implement a tax rate increase, the real estate tax revenue will decrease by approximately \$90,000. He advised that if all real estate assessment appeals would go through, the impact on revenues may be even worse. Councilman Schiro advised fellow Council members that at a minimum, Council should advertise for a rate increase. Thus, if a rate increase is needed Council will have the opportunity to equalize the affect of the decrease in assessment values. Councilwoman Menefee said that it is important for citizens to recognize that years ago the rate was lowered in order not to recover excess revenues when assessments were increased. Mr. Black said that the final numbers on the assessments will not be available until July 2011. He said that in order to have the rates effective for the June 2011 tax bills, Council must vote on the matter at the April Council Meeting. Council members agreed to have Mr. Black advertise for a real estate tax rate increase.

Councilwoman Menefee complemented Mr. Black on the review of the budget; however she asked that a CIP Budget still be implemented.

Town Attorney

Town Attorney, Jason Spitler, reported on the Contract and Memo of Understanding on the airport agreement. He advised there was only one small revision which was for language that must be specifically included in the contract. **Motion:** Councilman Arrington motioned to re-approve the Luray Page County Airport agreement with revisions as discussed; Councilman Schiro seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Schiro.

Approved 4-0

Mr. Spitler also provided copies of the Memo of Understanding on the Mauck field naming rights. He asked for general feedback on the issue. He advised that this must also be approved by the Luray Little League.

Mr. Spitler informed Council that the Board of Zoning Appeals nominees were appointed by the Page County Circuit Court and were both sworn in. Both members will be permitted to participate in the next meeting.

Mr. Spitler advised Council that last week’s mediation regarding the Water Treatment Plant was not yet successful.

EXECUTIVE SESSION

Personnel, Section 2.2-3711.A.1

Town Manager, Rick Black, requested a motion to adjourn into Executive Session for the purpose of discussing Section 2.2-3711.A.1. **Motion:** Councilman Vickers motioned to recess the regular session and to convene in executive session; Councilwoman Menefee seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Schiro.

Approved 4-0

Motion: Councilman Vickers motioned to adjourn the closed session and to reconvene in open session; Councilwoman Menefee seconded the motion with the following members voting YEA: Council Members Vickers, Arrington, Menefee, Schiro. **Approved 4-0**

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

There being no further business, Vice Mayor Lancaster adjourned the work session of the Town Council at approximately 8:27 pm.

Leroy Lancaster
Vice Mayor

Danielle P. Babb
Deputy Clerk-Treasurer