

**MINUTES OF A TOWN COUNCIL WORK SESSION
TOWN OF LURAY, VIRGINIA
Tuesday, February 23, 2016**

The Luray Town Council met in a work session on Tuesday, February 23, 2016 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: Mayor Barry Presgraves

Council Present: Ron Vickers
Jerry Dofflemyer
Jerry Schiro
Leroy Lancaster
Joey Sours
John Meaney

Also Present:

Charlie Hoke, Town Manager
Bryan Chrisman, Assistant Town Manager
Mary Broyles, Treasurer
Ligon Webb, Town Planner
Mary Ridgeway, Luray Little League President
Chris Slater, Page News and Courier

Mayor Presgraves led members in the United States Pledge of Allegiance. The roll was called with all members present.

UPDATES AND DISCUSSION ITEMS

Micro Brewery Rezoning Update

Ligon Webb, Town Planner, stated that the Planning Commission added “microbrewery” as a by-right use about six years ago to the B1 Zoning District. Recently, Hawksbill Brewery has petitioned the Town to rezone a .23 acre parcel from M1 (Industrial) to B1 (General Business) in order to operate a brewery from the existing building located at 22 Zerkel Street. The building is owned by the Luray Fire Department and they have agreed to a lease with the Hawksbill Brewery. A joint hearing of the Planning Commission and Town Council has been set for March 14th. Mr. Webb stated that he plans to set up a tour of the building if any members would like to attend.

Section 4.10 Overtime Pay and Compensatory Time Amendment

Town Manager, Charlie Hoke, stated that as Council may recall the Springsted group made several recommendations, one of which was to remove the exempt employees from accumulating compensatory time. Mr. Hoke said that Council may consider updating the current Personnel Manual Section 4.10 to conform to current Fair Labor Standards. The town currently has six “exempt” category employees. An amended Section 4.10 has been included for Council’s review. Councilman Schiro said that he is satisfied with the revised

language in Section E. Mr. Hoke addressed current compensatory time accumulated by these employees and recommends a nine month grace period to use accrued hours on the books. Councilman Dofflemyer suggested a one year period to use the accumulated hours. Council members discussed being flexible on the utilization of this leave. Councilman Schiro agreed that these positions may need a longer grace period, as unforeseen situations may arise. Council also discussed Section D. regarding On-Call Personnel.

Motion: Councilman Vickers motioned to authorize the amendment of Section 4.10 of the Personnel Manual with a grace period of nine months for exempt employees to use accumulated compensatory leave (nine months to be amended if needed), motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Schiro, Lancaster, Sours, Meaney. **Approved 6-0**

Parks and Rec Cost Recovery

Town Manager, Charlie Hoke, said he has previously briefed the Council on event cost recovery endeavors to help manage the cost associated with providing town personnel for events. Mr. Hoke discussed forms that were implemented regarding donations to the town and the associated costs of upkeep for donated items. After this was implemented, facility use fees were implemented for outside groups that utilized the parks and recreation facilities. This led to further cost recovery for events that have become very costly for the town. At the time, Mr. Hoke said the main event was the Luray Triathlon and the cost of staffing from Parks and Recreation and Public Works. Mr. Hoke said that it is his understanding that the Triathlon makes a significant profit on the event, which is utilizing the town's facilities that are maintained by the taxpayers. Mr. Hoke said that he felt it was only fair to recover the cost of manpower for these events. He maintained that no citizens of Luray will ever be charged for the use of its facilities.

Mr. Hoke discussed the conversation with Mr. Chris Gould at the last council meeting. Mr. Hoke said the discussion posed the question whether this policy was something Council wanted to continue. Mr. Hoke discussed the cost recovery for Mr. Gould's event.

Councilman Vickers recalled the maintenance agreement document. He said that while it is not the attitude he wants us to take with donated items, he understands the maintenance costs associated with these donations. Councilman Vickers discussed the cost recovery from the Triathlon and said he wasn't aware of the reimbursement to the town. Mr. Vickers also discussed the downtown cycling race and said that he was under the impression that the group was a non-profit. He added that moving the event would cause the town to lose potential lodging revenue. Councilman Vickers concluded that he would like to see us slow down on the cost recovery efforts.

Mr. Hoke maintained that the parks and recreation department only has five full time employees. He has instructed Mr. O'Brien that he should not volunteer the department for any events until a budget for that event is constructed and approved by the Town Manager and Town Council. Mr. Hoke said that he feels the town cannot continue to commit to all events without associated cost increases. Councilman Schiro said that he understands Mr. Hoke's position but said that the key component of staff cost was not included in the event budget provided in the packet materials. Councilman Schiro said the cost comparison of maintaining grounds and facilities to the cost recovery of events are very different.

Councilman Schiro noted that the town is generating nearly \$800,000 in meals and occupancy tax annually, which has rose drastically over the past few years. He said that this increase is a direct reflection in the revitalization efforts downtown. Mr. Schiro said that these efforts are bringing people into town and businesses

are profiting from it. Mr. Schiro said that while the town is not required by law to reinvest the meals and lodging revenues, it should be focused on tourism. He said that the town's efforts are beginning to see a payoff in terms of revenues and that Luray's status as a destination is becoming a reality. Mr. Hoke said that he recognizes Mr. Schiro's position but that he is trying to save dollars where possible. Councilman Meaney said that he heard Mr. Gould's concerns and is bothered with the conversations that this will create amongst participants and other localities. Councilman Schiro said that he would prefer not to focus on individual events but to look at the overall payoff in terms of revenues to the town. Councilman Schiro furthered that the meals and lodging revenues are a big part of the town's funding and therefore offset what would otherwise come from real estate revenues. Council discussed the difference in rental fees versus the cost recovery concept. Councilman Sours asked if the Council's intent was to encourage events; if so, then eliminating any impediments would include stopping cost recovery. Councilman Sours said the Council will need to consider if there are enough downtown events or if we want to continue to promote additional events.

Councilman Vickers asked about the LDI Pay It Forward Event and said he needs clarification on who is and isn't charged. Mr. Hoke said that it has been his policy to manage the process overall but will proceed according to Council's direction. Councilman Schiro said that he feels this cost recovery is a detriment to promoting tourism and to the town's goal of becoming a tourist destination. Council continued to discuss which events are and are not being charged and how to proceed. Councilman Vickers agreed with Mr. Schiro's comments and said that he doesn't want to see us turn any events away due to cost or staffing. Councilman Dofflemyer said that perhaps it would be a good idea to develop some basic guidelines going forward. Council members agreed that it is important to treat all non-profit organizations the same and agreed to discuss this further at the March work session.

Lastly, members agreed not to impose a cost recovery on Mr. Gould's event this year due to time constraints but to look into things further for next year. Councilman Schiro asked for specific figures to be implemented into the staff cost portion of the event reports. Council agreed for Mr. Hoke to notify Mr. Gould.

Draft Budget 2016-2017

Town Manager, Charlie Hoke, presented the first draft budget for 2016-2017. Mr. Hoke said that the first draft shows a shortfall of approximately \$92,000. He plans to provide a second draft budget at the March Council meeting. Mr. Hoke then reviewed the projected revenues and expenditures for FY 2016-2017. Councilman Schiro noted the deficit in the general fund and sewer fund, despite a surplus in the water fund. He stressed that it is undesirable to offset these funds with one another, whereas the proprietary funds must stand alone. Mr. Hoke said that the current draft does not reflect an increase in water and sewer rates.

Mr. Hoke reviewed expenditures by department and said they were according to departmental requests. He reminded that the state requires a balanced draft budget by April 1st. Mr. Hoke addressed contributions from Council and said that previous allocations have totaled \$25,000. Those receiving contributions include Performing Arts Luray, Page Library Association, Luray Fire Department, LHS After Prom, Luray-Page County Chamber of Commerce, and Luray-Page County Tourism. Other expenditures reviewed were the Town Manager's budget and anticipated expenditures for the Town Attorney. Mr. Hoke reviewed the departmental budgets for the Treasurer, IT Support, Safety Programs, and Elections. The Police department budget, Streets, VDOT Reimbursements, Refuse collections, and General Properties were also noted. Mr. Hoke reviewed the budget for Parks and Recreation. Councilman Schiro noted the increase in the line item for special events. Councilman Vickers said that he is concerned about a need for additional full time personnel in this department. Mr. Hoke said that he wasn't aware of a need for additional full time personnel. Councilman Sours asked about

the decrease in VRS amounts. Treasurer, Mary Broyles, said that last year's VRS rates came in lower than originally anticipated. She added that this year's rates have been received and have shown another decrease. Councilman Lancaster mentioned Mr. Vickers comments about the parks and recreation staff and added that maintenance is an issue. Mr. Hoke also reviewed the budget for Planning and Zoning, Economic Development, and General Fund Debt Service.

Mr. Hoke went on to review the expenditures for the water fund; including data processing, operations, water plant, and debt service. Councilman Schiro asked if the water loss ratio had been reduced. Assistant Town Manager, Bryan Chrisman, said it had been reduced to about 21%. Councilman Lancaster inquired about meter replacements. Mr. Chrisman said the focus is currently on commercial meters and that this work continues despite inclement weather. Mr. Hoke reviewed expenditures for sewer administration, sewer operations, wastewater plant, and sewer capital outlay.

Councilman Dofflemyer inquired about the figures for a 1% salary increase. Mr. Hoke said that those have not been factored into the current draft. Councilman Schiro expressed concern about the budget schedule. Mr. Hoke said that he will present the budget at both March meetings. The draft balanced budget is due on April 1st. Councilman Sours requested the detailed capital improvement schedule for the next meeting. Council members would like more time to review the information, whereas the March meeting is not until the 14th. Members also discussed purchasing vehicles versus lease-to-own as it relates to the town's police vehicle fleet. Council agreed to discuss the budget further at the regular March meeting.

Luray Little League

Councilman Vickers said that the Luray Little League President is in attendance this evening. Mr. Vickers asked if the little league was being offered an opportunity to bid on the concessions at the Ralph Dean Park this year. Town Manager, Charlie Hoke, said that when he brought the request for proposal for lease of the concession stands the Luray Little League said that they did not want to participate last season. Mr. Hoke said that there was a problem with volunteers at that time and the league thought it was too much trouble. Mr. Hoke explained that the request for proposal allowed for a three season extension. Mr. Hoke said that Mr. O'Brien mentioned to him that the league was interested in bidding on the current season. He advised that Mr. O'Brien had indicated to him that the current vendor was doing very well. Councilman Vickers said that he would prefer to see staff consider a local organization.

Mary Ridgeway, Luray Little League President

Ms. Ridgeway asked to address the Council. Ms. Ridgeway said that the previous league president and board members chose not to bid on the concession stands last year. She stated that she was approached by Mr. O'Brien and Ms. Housden (Parks and Recreation) about submitting a bid and met with Mayor Presgraves. Ms. Ridgeway said that upon being approached about a bid she discussed this with the league's board. She said that as a non-profit organization whose goal is to help the participants, she would like to have seen the league given a chance. Ms. Ridgeway said that it is her goal to work with the town whether it be in regards to field usage or concessions. She would like to keep open communications with town staff and was not aware that they league wouldn't be able to bid on concessions. Mr. Hoke said that this was the intent of the Parks and Recreation Director and that he is supportive of this decision. Councilman Lancaster asked if the existing vendor was provided a three year contract. Mr. Hoke explained that the request for proposal says that there is an option to extend for up to three seasons if the town so chooses. Ms. Ridgeway said that she is putting in a great deal of time and effort in her role as board president and would really appreciate the town's support of the league. She noted that the league has a great new board and many hard working individuals who want

to see the league succeed. Councilman Schiro asked about the current status of the contract. Mr. Hoke said that Mr. O'Brien has chosen to keep the same vendor and not put the concessions out for bid this year. Mr. Hoke said the agreement allows for a three year extension, so if staff chooses a determination couldn't be made until next year.

Lake Arrowhead

Councilman Lancaster inquired about the surveying at the Lake a while back. He asked if corner markers had been put in place based on the survey. Assistant Town Manager, Bryan Chrisman, said that they were marked and three of the markers were removed by neighboring property owners. Councilman Lancaster suggested concrete markers to avoid future survey costs.

Adjourn

Mr. Hoke said that he will bring back a balanced draft budget that includes an option for salary adjustments, and a detailed CIP Schedule. With no further business, Mayor Presgraves adjourned the work session of the Luray Town Council at approximately 7:20 p.m.

Mayor, Barry Presgraves

Deputy Clerk, Danielle Babb