

**MINUTES OF A TOWN COUNCIL WORK SESSION
TOWN OF LURAY, VIRGINIA
Tuesday, March 23, 2010**

The Luray Town Council met in a work session on Tuesday, March 23, 2010 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: Lonnie Arrington
William Menefee
Leroy Lancaster
Jerry Schiro
Earl "Rock" Racer

Council Absent: Nancy Shifflett

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
Liz Lewis, President – Luray Downtown Initiative
Catherine Stewart, Executive Director – Luray Downtown Initiative
Constance Hansen, Board of Directors - Luray Downtown Initiative
Brenda Beahm, Board of Directors – Luray Downtown Initiative

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

Changes or Additions to the Agenda

Mayor Presgraves asked if there were any changes or additions to the agenda. Town Manager, Rick Black, requested to discuss High Street, the VML Town's Meeting, and one additional item for Executive Session. Mayor Presgraves requested to move "Proposed FY 2011 Budget" after the Executive Session due to the Town Attorney having another commitment.

LDI 2010 Marketing Plan

Catherine Stewart provided Council with a revised copy of the marketing strategy and presented LDI's budget request. Ms. Stewart advised Council of the members of the Board of Directors and noted that Jim Fargo will be retiring in May. She noted that the goal is to sit down with these new faces and plan strategically for 2010. Ms. Stewart said that LDI is the only marketing agency for the Town of Luray and that this spills over into the County as well. She explained the statistic sheet included in Council's

packet, which is the monthly reporting procedure for Virginia Mainstreet. Ms. Stewart hopes to bring back an award at the Thursday meeting. Also, she told Council that the proposed budget and profit/loss statements were included in Council's packet. She stated that LDI is requesting a contribution of \$60,000 this year. Ms. Stewart said that she is aware that the town is economically pinched but would like to remind Council that last the last Wayfinding project done by LDI saved the town approximately \$90,000.

Liz Lewis stated that LDI has been working hard to become better organized. She noted that the main source of LDI's income is generated from fundraising, while the contribution from the Town would help with marketing efforts. Ms. Lewis explained the goals for the coming year and events scheduled. She reviewed the profit and loss statement and recognized that the council had never received this report from LDI in the past. Ms. Lewis said that she is more comfortable with what LDI is doing after going over the numbers.

Councilman Schiro asked if there was a budget versus actual report. Ms. Lewis said that there is not one because she wanted to just see actual.

Council and LDI members discussed the fiscal accounting period. Ms. Stewart stated that if LDI were to change from a calendar accounting year to a fiscal year that it might be frowned upon since the entity is a 501C3 company. She said that LDI does have a new accountant and that she can look into this.

Councilman Arrington asked why there was an employee bonus. Ms. Stewart said that there was an employee bonus because no raise in salary was received.

Councilman Lancaster questioned the amount of ticket sales versus the cost paid for food, etc.

Catherine Stewart said that there will not be a \$10,000 cash prize again. She said it makes no sense to give that much money away when LDI needs these funds to operate. She said that LDI's design committee will be re-vamping the cash party. Councilman Racer stated that the sponsorships are the larger amounts donated for ticket sales and reminded that nicer things are needed to make for a nicer party. Councilman Lancaster said that maybe LDI should consider going up on the ticket price.

Mayor Presgraves asked if there were any additional questions for LDI; with none he called on Mr. Webb for the Planning Commission report.

Planning Commission

Wineries and Breweries

Ligon Webb, Town Planner, stated that the Planning Commission has an interest in promoting winery and microbrewery operations in the Town of Luray. The intent is to add two definitions to the town code as a by-right use in the B1 zoning district. He said that the question is does Council wish to add this to the town code. There is no pressing need to do so, however, if Council would like to add this to the town code this could serve as a promotional tool. Mr. Webb would like for Council to decide if this is something they want him to advertise for a public hearing.

Councilman Schiro stated that both of these operations are something that is very upcoming. He said that this is something that is very desirable for a tourism related town. He said that a micro-brewery is something that a restaurant could most likely do already with the appropriate ABC licensure. Also, he

stated that this is something that would also be regulated by the ABC Board. An example of this type of establishment was a restaurant in downtown Harrisonburg. Mr. Webb was directed to advertise this for public hearing.

Children's Museum

Mr. Webb discussed the concept of a Children's Museum in the downtown area. He has spoken with Liz Lewis and Catherine Stewart of LDI as this relates to the Arts and Cultural District. Mr. Webb stated that parents with small children have expressed an interest in a local children's museum. Other nearby areas that have a children's museum include Harrisonburg and Winchester. The museum is a place where children can play and learn, and also the facility can host activities. Mr. Webb believes this could be a stand-alone operation and would be an excellent first project for the Arts and Cultural Committee. Mr. Webb requested Council's permission to work with the Arts and Cultural District Committee to assemble a study. Mr. Webb would like to work with the committee on developing a plan, finding resources, locating a facility, etc. Mr. Webb feels that this concept could work well in Luray if properly planned.

Liz Lewis stated that this is a tangible entity that could start the momentum of the Arts District.

Councilman Racer asked how the museum would be funded. Mr. Webb replied that the Town is under no obligation to fund this project. Mr. Webb stated that he was only requesting permission from Council to work on the study. He emphasized that the museum would be funded by memberships, corporate donations; no funding from the town.

Mayor Presgraves questioned why an entrepreneur would not take on this project. Mr. Webb explained that these museums often have a broad spectrum of donors and are non-profit entities. Mr. Black also verified that the town would not fund this project. Councilman Lancaster stated that the town would be providing funding by allowing Mr. Webb to work on the project during the workday. Councilman Lancaster stated that this is the job of the Arts and Cultural District Committee. Mr. Webb stated that this project would not dominate his time and would provide an overall benefit to the citizens of Luray. Mr. Webb feels that the end result of the project would justify him assisting with the project. Mr. Racer stated that this would be up to the Town Manager to decide. Mr. Black said that he would work with Mr. Webb on this and that it would not be a burden.

Luray High School After Prom Celebration

Town Manager, Rick Black, received a request from Luray High School After-Prom Committee for a donation. A donation of \$1,000 has been budgeted for this year. Councilman Schiro stated that if the funds were budgeted that Mr. Black should proceed.

PVB Loan Resolution

Mr. Black presented Council with the Ordinance and Resolution prepared by Carolyn Perry for the general obligation note with Page Valley Bank. Town Attorney, Jason Spitler, stated that he would be presenting this to be filed with the court tomorrow morning. Therefore Mr. Black and Mr. Spitler are requesting that Council take action at this evening's meeting.

Motion: Councilman Schiro motioned to approve the Resolution authorizing the general obligation bond with Page Valley Bank, motion seconded by Councilman Arrington with the vote as follows: YEA: Council Members Arrington, Menefee, Lancaster, Schiro, Racer. **Approved 5-0**

Proposed Crosswalk- 502 West Main Street

Mr. Black stated that included in Council's packet is a letter received from Mable Frye. She stated in the letter that she is requesting a crosswalk in the area of 502 West Main Street. Most recently Council approved a special use permit for her childcare facility at this address. The letter states that she was struck by a car in this area. Mr. Black's recommendation is not to encourage traffic to cross in this area. Also, he emphasized that there is no sidewalk on the other side of the street that would tie into the crosswalk. Mayor Presgraves agreed that this may cause more of a problem than a solution. Council agreed that a crosswalk would not be a good idea.

High Street

Mr. Black said that he received a call from Mr. Bill Dudley regarding the paving of High Street. Mr. Dudley and his neighbor would like to pay to have the road paved. Councilman Lancaster said that it would be fine for them to pave it as long as the road is not closed. Mr. Black said that the only road closure would be during the time of paving.

Northern Shenandoah Valley Regional Commission

Mr. Black said that on the consent agenda for the April meeting will be a resolution from NSVRC regarding Fair Housing. The resolution will show the Town's support for Fair Housing Month.

VML' Town's Meeting

Mr. Black stated that the VML Town's meeting will be on May 13 in Bridgewater. Council should notify Mr. Black if they plan to attend.

Town Attorney Report

Town Attorney, Jason Spitler, noted that the items for his report would require an Executive Session.

EXECUTIVE SESSION

Real Property, Section 2.2-3711.A.3

Legal Matters, Section 2.2-3711.A.7

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.7.

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

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 Arrington, Menefee, Lancaster, Schiro, and Racer. **Approved 5-0**

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.3 and 2.2-3711.A.7 were heard, discussed, or considered during the closed session. **The roll was called with all members certifying “Yes”.**

FY 2011 Budget

Town Manager, Rick Black, reviewed the FY2011 Budget for council and staff. The proposed budget was included in Council’s packet and he stated that hopefully council members had time for review. Mr. Black said that the number that should be noted by Council is the \$281,000 shortfall.

Councilman Racer questioned why the overall budget was at 7.8 million at the last work session and now is at a total of 8.2 million. Mr. Black noted that some changes had been made based on recommendations from department heads. Mr. Black stated that he will look into this and identify the changes.

Mr. Black stated that the general fund balance is positive while the water and sewer funds are both in a deficit.

Mr. Black went over the expenditures portion of the budget in detail for each department. Mr. Black noted overspending in the line item for “Town Attorney”. Also, there was a slight increase in spending for the Treasurer’s department due to the purchasing of supplies for the issuance of cigarette stamps. Mr. Black said that safety funds budgeted had remained unaffected due to the savings reward from VML Insurance. Mr. Black reviewed the Police Department budget and noted a decrease in overtime funds. Also, he stated that further estimates had been received regarding the upgrading of radios; thus requiring fewer funds. Overall street funds had been reduced due to VDOT cuts that amount to an approximate \$30,000 decrease.

Mr. Black discussed refuse collection, noting that some unbilled accounts have been located. He said that it seems a 4% increase will take place; therefore, staff is recommending a .25¢ increase per rollout. Assistant Town Manager, Bryan Chrisman, explained the rate schedule for rollouts and defined inside and outside customers.

Mr. Black discussed general properties fund increases for several areas including dam maintenance and electricity costs. He also stated that the parks and recreation department will see increases in costs associated with the recreation park due to the Little League project.

Town Manager, Rick Black, stated that he had spoken with the Page County Finance Department and informed Council that 16 T-Hangars are rented at this time. Currently the funds for the T-Hangars have a surplus of \$59,000.

Council and Staff discussed the \$60,000 contribution requested by LDI for the budget year. Currently the town has budgeted a \$50,000 contribution. Councilman Racer stated that he thinks the amount should be increased. Mayor Presgraves noted a \$5000 reduction in LDI expenses. Councilman Menefee questioned if there would be a salary increase for the executive director. Councilman Lancaster stated that the contribution from the town was originally supposed to decrease annually. Councilman Lancaster also questioned what we are getting for our money. Also, he said that originally the Halloween Event was sponsored by the police department. Mayor Presgraves stated that moving the event to the Greenway last year was a good choice. Councilman Arrington agreed that the recreation park was the best location. Councilman Schiro stated that he was unclear on the accounting of some expenditures. Mr. Schiro felt it would be better to look at each event and the profit associated with each function. Mr. Black stated that

he also wants to see what each event is costing. Councilman Lancaster stated that the changes to the town's budget for the coming year will show the amount spent on overtime for each event. Councilman Schiro reminded that while all of these are good events that we are asking all other departments to cut their spending. Lastly, concerning economic development; Mr. Black said that the CDBG program would end this year.

Mr. Black discussed the water and sewer departments and debt service for each. Mr. Black said that there will be increases in the electricity due to the wastewater plant upgrades received from the engineer. The plant will go online in August 2010.

Mr. Black reviewed the rate schedule for water and sewer customers. He said that approximately \$60,000 in flat rate fee customers had not been included previously in this analysis. He stated that flat rate customers will now be metered to actual uses where possible. He noted that several commercial users were overlooked for sewer charges and are being corrected. Mr. Black identified that when looking at the rate increases he realized that many people in the community are on a fixed income. The proposed increase will add \$5.50 to the minimum bill for water and sewer combined. Councilman Lancaster asked if this will cover the sewer expenditures. Mr. Black replied that these increases would be enough to cover the deficit in these funds. Mayor Presgraves stated that this would be an overall 16% increase. Mr. Black reminded that each year Mr. Kelley of Robinson, Farmer, Cox Associates cautions that these funds are losing money. Mr. Black recognized that this is not a pleasant thing to have to do but is unfortunately necessary. Mr. Schiro said that utilities are in fact a business and that it costs money to run a service such as this. Mr. Schiro said that staff needs to emphasize the improvements that have been made to the water and sewer operations and why they have been necessary. Mayor Presgraves suggested emphasizing the quality of the water as well. Staff stated that getting the newspaper involved in this would be helpful. Councilman Lancaster asked when customers would see this increase. Mr. Black replied that it would be in effect for July usage which is not billed to the customer until September 2010.

Lastly, Mr. Black stated that he would like to have the public hearing for the budget in May, with the vote taking place in June 2010.

Adjourn

Before adjourning the meeting, Councilman Menefee suggested the option of Hybrid vehicles for administrative use. There being no further business, Mayor Presgraves adjourned the work session of the Town Council at approximately 8:02 pm.

Barry Presgraves
Mayor

Danielle P. Babb
Deputy Clerk-Treasurer