

**MINUTES OF A TOWN COUNCIL WORK SESSION**  
**TOWN OF LURAY, VIRGINIA**  
**Tuesday, January 28, 2014**

The Luray Town Council met in a work session on Tuesday, January 28, 2014 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: Ronald Vickers  
Pam Flasch  
Leroy Lancaster  
Joey Sours  
John Meaney**

**Also Present:  
Charlie Hoke, Town Manager  
Bryan Chrisman, Assistant Town Manager  
Mary Broyles, Town Clerk/Treasurer  
Danielle Babb, Deputy Clerk Treasurer  
Ligon Webb, Town Planner  
Jason Spitler, Town Attorney  
G.R. Anderson, Luray Police Department  
Jeff McMillan, Page News and Courier  
Liz Lewis, Luray Downtown Initiative  
LDI Board Members  
Pat O'Brien, Director of Parks and Recreation  
Morgan Housden, Assistant Director of Parks and Recreation**

The meeting was called to order by Mayor Barry Presgraves and everyone recited the Pledge of Allegiance to the flag. The roll was called with one member absent. Mayor Presgraves advised that the Town Attorney would be arriving late due to court obligations.

**Updates and Discussion Items**

**LDI Funding Discussions**

Liz Lewis, Executive Director, stated that at the recent Town Council meeting she was directed to come back to this meeting with some fundraising opportunities. Ms. Lewis explained some potential fundraising efforts that involve the upcoming Festival of Spring. She noted that the festival is the biggest fundraiser for LDI. Ms. Lewis said that she intends to increase vendor fees after a specific date. Therefore, any vendors who pay for space after March 1<sup>st</sup> would be required to pay \$25.00 more than those who register prior to this date. Ms. Lewis also suggested offering two duck race events, which could hopefully earn another \$1,000 in ticket sales. She also advised of plans to move the wine garden to Ruffner Plaza in hopes of increasing tasting sales. Increasing sales for bounce house admission would possibly gain an additional \$300 in funds. Ms. Lewis said that she is considering a charge for the dog Frisbee event sponsors, but has reservations since they have never been charged a fee in the past. Also, she hopes to increase event sponsorships by about \$1,000. Overall, the increase in fundraising for the Festival of Spring could net LDI a potential \$4,125. Ms. Lewis reminded that all of these goals

are totally dependent on a “rain-free” event. In order to get the festival underway Ms. Lewis said that she needs to order postcards, process labels, pay for postage, and submit festival advertising by the end of the week. Ms. Lewis said that at next month’s meeting, she would like to propose future fundraising opportunities to the council. She intends to present these ideas to her board first and then propose to the council at the February Work Session. Ms. Lewis stressed that she hopes to increase funds while maintaining expenses. Mayor Presgraves asked about the immediate costs to be incurred. Ms. Lewis confirmed that postage, postcards, and advertising will amount to about \$1,100 by the end of the week.

Ms. Lewis discussed the costs associated with hiring festival coordinators. She provided Council with a handout that previewed the cost and responsibilities of a festival coordinator. Councilwoman Flasch asked about other related expenses for the festival after the initial \$1,100. Ms. Lewis said that costs would include additional advertising, supplies, wine garden expenses and licensures, and liability insurance which could total between \$2,200 - \$3,200. Mayor Presgraves and Ms. Lewis discussed previous sales of the wine garden and the locations. Councilman Vickers inquired about plans to move the wine garden to Ruffner Plaza. Ms. Lewis said that the children’s activities could be moved to the parking lot area with the wine garden in the grassy space. Councilman Lancaster said that this move would require Town Council changing its rules for the Greenway. He said that no sales are permitted on the Greenway. Ms. Lewis suggested that this rule may need to be revisited as sales are occurring at the Evenings on Main Concerts. Mayor Presgraves recalled this being a standard order of Council that no sales be permitted on the Greenway.

Ms. Lewis stated that the question at hand is that LDI is still requesting funding in the amount of \$10,000 and she hopes that the Council will support this request. Mayor Presgraves asked if funding was still needed, despite the plans to increase fundraising through the festival. Ms. Lewis said that if the festival were to incur rain, there would be no profits. Ms. Flasch said that an outdoor event cannot be pinned for all fundraising hopes.

Councilman Lancaster said that the Council asked for a budget but none was provided. Ms. Lewis said that she has prepared the 2014 budget for LDI and will present this to her board of directors next week and can then provide council members with a copy. Councilman Meaney inquired about a business plan for LDI and said that a multi-year plan would be beneficial to this type of discussion. Ms. Lewis said that she produces an annual work plan with LDI’s goals for the coming year. She added that it would be very beneficial to annually coordinate the town’s expectations. She noted that the downtown area remains economically challenged and the circumstances are not becoming any easier for business owners. Ms. Flasch maintained that LDI is serving as the town’s only economic development tool. Ms. Lewis suggested that even a “retreat” format may be best for this type of discussion and planning. Ms. Flasch suggested assistance from Virginia Main Street in forming a plan. She added that the town has been perceived as not supporting its Main Street Program.

Councilman Lancaster stated that in 2004 there were 46 businesses on Main Street, with the current number being at 47 businesses. Ms. Lewis reminded of the current economy and said that these have been hard times for business owners. Councilman Meaney reminded that the Town of Luray is LDI’s largest supplier of funding and said that there are many factors that the council should be looking at and he is in favor of better communication. Ms. Shifflett, LDI Board Member, advised members that Virginia Main Street invited Ms. Lewis to be one of the main speakers at their annual conference last week. Ms. Flasch stated that VMS really likes the innovative projects that Liz is conducting in Luray and is using them as examples all over the state.

Councilman Sours said that he is under the impression that Ms. Lewis does not view LDI as a “fundraising” organization. He said that this is realistically the key component of any non-profit. Ms. Lewis said that this has been misinterpreted as she sees fundraising as a key component. However, she does not feel that LDI is only an “event” organization. Councilman Sours asked about the profitability of this event and the labor hours spent by LDI on planning. Councilman Meaney stressed the importance of continued dialogue between the town and LDI. Ms. Lewis stated that it is very important to understand the town’s expectations and to acknowledge LDI’s capabilities. She feels that it is important to make a distinction of whether the town is going to fund the organization or not; rather than to string it along.

Mayor Presgraves stated that it is important for the Council to ask themselves “why” if they plan to fund this request. He said it is also important to ask “why not” if they choose this route. Councilman Sours asked Ms. Lewis when the final date is projected for LDI to run out of funding. Ms. Lewis responded that this will likely be in March. Councilman Vickers noted that it is important to get together and talk about expectations and goals. But, Mr. Vickers reminded that the council has cut LDI’s funding by a significant amount and they are trying to accomplish the same things. He said that his concern is for the Festival of Spring and for the Council to give them some help right now. Councilman Vickers stressed that LDI is the only group that is doing any economic development for the town. He would like to give them some funds right now on the condition that the two bodies come up with a good plan of each other’s expectations. Councilman Lancaster said that he would like to see a budget for last year and for the upcoming year. He feels that if the budget were followed we would not have this predicament.

Councilman Lancaster inquired why LDI is involved in the Turkey Trot event. Ms. Lewis said that she is one of several community organizations that assists with this event and that she is not in charge of it. Councilman Lancaster said that the town furnishes employees to assist with this, which costs taxpayer dollars. Ms. Lewis said that many local taxpayers participate in and love the race. Ms. Lewis said that the proceeds of the event go to various local charities.

Councilwoman Flasch confirmed the cost for postage, postcards, and advertising is approximately \$1,100. Ms. Lewis said that this is correct; however, without the full funding LDI cannot proceed with the Festival of Spring. Councilman Sours confirmed that the problem is with the cash flow for the next several months. Ms. Nancy Shifflett, LDI Board Member, stated that this event serves as a fundraiser for the town. Ms. Lewis said that if she did not conduct the festival, LDI would not incur her salary as a payroll expense. Councilman Sours asked if Ms. Lewis would not be working if there were no festival. Ms. Lewis explained that she would work on a part time basis to fulfill the Main Street obligations. Ms. Lewis said that either LDI is seen as either a value to the town or it is not. She questioned if LDI’s efforts and the Festival of Spring are of importance to the town.

Councilwoman Flash and Ms. Lewis discussed the cost of mailing vendor notices and potential ways to reduce this. Ms. Lewis explained that the mailings have been reduced to postcards already in order to cut costs.

Mayor Presgraves reviewed the overall difference in funding from the town compared to the reduction in costs. He feels that LDI is saving a great deal of money by no longer renting office space and reducing utility costs. Ms. Lewis said that LDI is providing about \$6,000-\$8,000 in graphic services for LDI and the Town. She said that collaborating on flyers and advertising is an effective relationship. Councilman Vickers said that what he understands is that without funding from the town today, it is going to be very hard to conduct the Festival of Spring. Ms. Nancy Shifflett, LDI Board Member, said that once the festival is forgone the crafters will go to other locations. Ms. Lewis said that if plans are made for a festival, she wants to ensure that they will be able to execute the event in May. She said that vendors have already inquired why they have not received information. Mayor Presgraves asked how many vendors normally are at the event. Ms. Lewis said that approximately 130 vendors participate, including local non-profits.

Councilman Vickers maintained that he would like to see the funding request met this evening to avoid the possibility of not having a festival. Mr. Vickers said that he would like to add the condition that both bodies get together for a retreat of some sort to discuss expectations. Councilwoman Flasch questioned the Economic Development line item in the budget for “Project Expenses” which has \$3,500 in non-earmarked funds. She would like to see the Council use these monies to fund the request. Treasurer, Mary Broyles, responded that these funds are not earmarked for a specific expense but are available for a town economic development project. Councilman Meaney maintained that he would like to see a business plan put in place so that we can move forward. Councilman Lancaster stated that he still would like to see a budget. Mayor Presgraves asked if there have been any thoughts about involving the stakeholders in the fundraising process. Ms. Lewis said that these businesses are simply surviving and she has proposed that a percentage of sales go back to LDI, which they were not in favor of. Ms. Lewis said that a budget is provided annually to the town council. Councilman Lancaster reviewed an increase in payroll expenses based on the profit and loss statement. Ms. Lewis said that a part time member was employed

during this time and many grant projects were ongoing, which resulted in an increased payroll expense. Council members agreed that if LDI were operating on the same fiscal year as the town, it would be very beneficial. Councilwoman Flasch suggested providing the \$1,100 if not the full \$3,500 to allow for mailings and advertisements to go forward as scheduled. Councilman Vickers said he would like to move to award \$3,500 in funding. Councilman Sours said that he would be more on board with \$1,100 in order to focus on the expenses at hand and then work on a plan that everyone can be happy with. Councilman Vickers reminded that the original request was \$10,000 and that \$3,500 is far from the original request. Ms. Lewis said that despite this the festival cannot move forward. Linda Drum, LDI Board Member, said that it is just not possible to proceed.

**Motion:** Councilman Vickers motioned to award LDI \$3,500 in funding, motion seconded by Councilwoman Flasch with the vote as follows: YEA: Council Members Vickers, Flasch, NAY: Lancaster, Sours, Meaney. **Denied 3-2**

Mayor Presgraves asked if there were other alternatives or suggestions. Councilman Sours asked for an explanation on why there would not be a festival. Mayor Presgraves said that perhaps there would not be a festival “sponsored by LDI”. Councilman Sours confirmed that regardless of the \$3,500 in funding, there would still be no festival. Ms. Lewis confirmed that this is correct and said that enough funding to sustain the organization is needed. Town Manager, Charlie Hoke, said that he would hate to see LDI draw a line and not have a festival if full funding is not received.

Monte Layman, LDI Board President, said that they have maintained that the town’s funding would not be enough to sustain the entire year. Mr. Layman said that the suggestion that LDI is coming to the town for funding at the last minute, is simply not the case. He said that it is impossible for LDI to do the projects that the board feels the town wants done with the amount of funding that was received. Mr. Layman said that this is why it is critical for the two bodies to get together to determine which events, etc. the Council does not want them to participate in. He also concurred that it is extremely difficult to fundraise right now in our community and feels that taxing the downtown merchants is not going to be possible when most businesses don’t feel they will survive the effects of the bridge replacement. Mr. Layman said that corporate sponsorships are very hard to obtain right now and those are what made previous fundraising efforts possible. Mayor Presgraves agreed but said that the Council has a fiduciary responsibility to its taxpayers. He reminded that last year the Council raised taxes nearly 18% and that citizens cannot continue to sustain increases. Mayor Presgraves said that citizens are concerned about rising utility and tax bills and that he would like to see these increases held down.

Nancy Shifflett, LDI Board Member, said that the Council is not viewing this body for what they really are. She said that when she became a member of the Town Council 16 years ago, the town looked horrible. Ms. Shifflett said that her goal was to bring people to Luray again and by working together this was accomplished. She said that at the time the town’s manager began an economic development committee through which she researched other localities. Ms. Shifflett said the consistent message from other towns was to join Virginia Main Street. She said that the goal in obtaining this designation was to attract businesses and fill vacant buildings downtown. Ms. Shifflett added that she sees out of state visitors on a daily basis and it is because of the town that Luray has become, especially through grant efforts from Virginia Main Street. She stressed the need to continue to move forward and to work together in the future. Ms. Shifflett and Councilwoman Flasch explained that grant opportunities have been denied due to the lack of support for the town’s Main Street program. Ms. Shifflett stated that once a Main Street designation is lost, it is impossible to regain.

Mayor Presgraves stated that since LDI’s inception in 2004, he feels the town has done its share by providing over \$395,000 in funding to LDI withstanding in-kind services. He said that the Council has to be cautious of giving away taxpayers money. Mayor Presgraves stated that in researching gross receipts from the Business License Tax there is only about a \$400 increase. Ms. Lewis maintained that despite the economy the revenues have been sustained. Monte Layman, LDI Board President, said that the big issue is the festival as it is a large cost to LDI to put on. He recalls when the festival was originally planned by the Chamber of Commerce. He said that we need to look at the impact and determine if this is an event that the town wants to have. Mr. Layman said he feels there are lots of benefits to the town and to the merchants because it brings visitors.

Councilman Meaney suggested coming to some agreement to begin talking immediately and share some ideas on how to proceed. Councilman Sours asked when everyone would be able to meet. Ms. Lewis said that the festival will not proceed but that discussions with the town can happen when everyone is available. She said that vendor information must go out by tomorrow and now this isn't going to happen. Linda Drum, LDI Board Member, said that time is of the essence and that someone will need to take on this responsibility. Council and LDI members discussed if they were going to meet and how soon this would be needed if there were no festival.

Town Manager, Charlie Hoke, said that he would hate to see LDI leave this evening saying that if they are not fully funded that they will not conduct the Festival of Spring. He said this would indicate that they are not willing to compromise and he is unsure of what their success in the future will be. He feels that this is something that should be considered before walking away. Mayor Presgraves said that this seems like an ultimatum and that the board should have known this was coming. Mr. Layman said that he and Mayor Presgraves had previously discussed this and he feels that the organization is asking for too little. Ms. Linda Drum, Board Member, said that the bottom line is that the festival is a great event but that the time and effort put forth by LDI is too extensive to make this event happen. Councilwoman Flasch reviewed the tasks that need to take place in the coming weeks and offered her assistance as a volunteer to help alleviate costs. Councilman Meaney verified that funding can sustain the organization through March. Ms. Lewis responded that she will be unable to conduct the festival, but will be able to sustain the grant commitments and she will reduce the workload as funding decreases.

Councilman Lancaster said that there are items that come up that everyone is not made aware of, such as the feasibility study for Brown's restaurant and the improvements made to the Bridge Theatre. Ms. Lewis maintained that this is a part of the organizations economic development goals. Mayor Presgraves said that the next process for the Town will be to determine if they will host the festival.

### **Sign Ordinance**

Town Planner, Ligon Webb, discussed changes to the town's Sign Ordinance. Mr. Webb said that himself, Councilman Lancaster, Mayor Presgraves, Mr. Hoke, and Mr. Chrisman sat down and reviewed the ordinance. Council was provided with a copy of the ordinance with the recommended changes. Some deletions, additions, and changes have been made and he reviewed the changes in detail. Mr. Hoke reminded that this is a working document and that the sub-committee has met again and has some additional recommendations. He stated that this will be modified and again brought before Council when they are prepared to take action.

Mr. Hoke advised of changes to section 801.3 General Provisions. Mr. Webb discussed changeable copy signs (Section 801.4- definitions) and said that non-profit organizations such as churches, civic organizations and educational establishments are permitted such. Mr. Webb said that he would like to allow these same organizations to have "electronic" changeable copy signs. He said that messages could be provided so long as they do not scroll or flash. Councilman Lancaster said that he would like to see another definition. Mr. Webb said that he would like to recommend that these be permitted but that organizations come before council for a case by case approval. Mr. Webb then discussed the definition of Off-Premises signs which are currently prohibited by the town. Mr. Webb discussed other definitions for portable signs, roof signs and the associated lighting. He reviewed sign exemptions/special (temporary) permits; including flags, public events, festivals, political, auction, and special sales signs.

Mr. Webb said that the committee recommended that Sandwich Board Signs be eliminated. He said that several options are available such as leaving the ordinance as is, providing more language, removing altogether, or that permission only is granted by the Town Council. Mr. Webb said that he prefers the idea of bringing these requests before council. Mr. Hoke said that this is a good time to discuss this issue before it is placed on the regular agenda. He said that this portion of the sign ordinance is one that has brought debate in the past. Mr. Hoke said that is the perfect opportunity to hash this out. He said that special exemptions make this hard to enforce and is unfair to other parties. He stressed that the message needs to be consistent and makes the town look better overall. Council and staff discussed examples of sandwich board signs and Councilman Lancaster suggested waiting to enforce the

ordinance until all changes are final. Councilman Lancaster suggested changes to Section 801.7- 3 to remove language permitting additional sandwich board signs being placed at the discretion of the Zoning Administrator. He suggested that Ligon rewrite this and circulate to members for another review.

Town Planner, Ligon Webb, referred to section 801.9 regarding the size standards. He generally feels that signs can be a bit larger than originally permitted, and reviewed the maximum size for various types of signs. Mr. Webb also discussed changeable fuel price signs and the revisions made therewith. Lastly, Mr. Webb reviewed section 802.3 which provides for unique situations, not specifically listed in the ordinance, to be reviewed by the Town Council. Mr. Webb said that he can make the changes as directed and bring back at the regular meeting or work session. Councilman Lancaster requested that one copy include all changes as written and to produce another version that highlights the changes.

### **Budget Discussion**

Town Manager, Charlie Hoke, said that Council has a budget update that includes three full years of historical data, current year figures, and the proposed figures. He said that the department heads have a copy of their budgets and must submit these by January 31<sup>st</sup>. Also, a rough revenue projection has been provided and will change as better estimates are available in the coming months.

### **Contributions**

Mr. Hoke discussed the town's contributions and said that an unencumbered amount of \$5,181 is available. He said that Council may recall that they only approved a few of the normal agencies that receive funds. Only two of the approved items have been paid out. Therefore, Mr. Hoke explained that he took the remaining amount and allocated a percentage to each of the organizations that was not funded in the budget process. He also would like to implement the practice that if an agency is not funded for three consecutive years that they be removed from the budget. Mr. Hoke said that he was not aware if notices had gone out to the agencies who did not receive funding. Treasurer, Mary Broyles, said that she was not aware of them being notified. Mayor Presgraves said that he had verbally notified one of the agencies. Mr. Hoke suggested notifying these agencies so there would be no anticipation of funds from these organizations. Ms. Broyles stated that some organizations have submitted requests and if they are not going to be funded they really should be notified, as many of them have been funded for many years. Mr. Hoke reminded that the Council has already agreed to these budget cuts.

Councilman Lancaster said that with finding this amount in the budget he would like to see the funds placed back in the general fund. Councilman Sours said that his opinion is that taxpayers choose where to place their contributions on their own. Mr. Hoke explained that Council has several choices; return the amount to the general fund or distribute the remaining funds over the unfunded organizations. The United Way and Performing Arts Luray have both received their funding for the current year.

**Motion:** Councilman Sours motioned to return the unallocated contributions to the general fund, motion seconded by Councilwoman Flasch with the vote as follows: YEA: Council Members Vickers, Flasch, Lancaster, Sours, Meaney. **Approved 5-0**

### **New line item: Tree Removal Right of Ways**

Town Manager, Charlie Hoke, said that he feels the town has a problem with right of ways. He said that the town has a lot of right of ways and they are very costly to maintain. Currently there is no specific budget line item for this expense. He would like to implement a specific line item in the general fund to track these costs. Mayor Presgraves said these areas also pose a safety hazard if not maintained. Mr. Hoke said that these will not be new monies but will be extracted from the present line item expenditure and that these projects will be taken on as funds permit and on a priority basis.

Town Attorney, Jason Spitler, noted that the town's existing ordinance 74-9 provides for property owners to keep obstructions out of the right of way. He said that there is no reason why this ordinance could not be modified to make this include all public rights of way/property. Mr. Spitler said that currently the ordinance provides for a five day notice, with failure to comply resulting in the town billing the property owner for the costs. He said that this gives the property owner some incentive to avoid creating a hazard and to help out the town's budget also. Council and staff also discussed the maintenance of alleyways. Mr. Hoke said that he can work with the Town Attorney to attempt to alleviate this liability altogether. If this cannot be achieved he would like to go ahead with the plan to implement a new expense line item. Mr. Spitler said that he will recommend some amendments to the ordinance and bring back at the February 10<sup>th</sup> meeting.

### **Forest Hills Subdivision Low Pressure**

Mr. Hoke explained that there is a pressure and volume problem in the Forest Hills area. He said that about five years ago the problem was identified and in 2008 Reid Engineering provided a proposal to solve this problem. The cost of the project proposed by Reid Engineering was about \$75,000 at that time. Mr. Hoke said that he applied for several grants for this over the years and the Town of Luray was not eligible. He said that we are now five years later and the subdivision has continued to build out, which has worsened the pressure problem. Mr. Hoke said the proposal is made up of two parts; one is VFD pumps that work based on demand and second is a bypass around the existing booster pump to improve fire suppression. Mr. Hoke noted that this is still an issue for residents and he would like to see the reserve for water facility fees be utilized for this project as a part of the upcoming budget planning. Mr. Hoke feels that the town staff and the utility department can achieve these improvements at a maximum cost of \$80,000.

### **Performance Pay Increases**

Town Manager, Charlie Hoke, said that he has drafted a proposal to compensate employees who acquire a Class B Commercial Driver's License, a Class A Commercial Driver's License, and the Water and Wastewater licensures. Mr. Hoke said that he has been working for the town for many years and has seen individuals ask for compensation for obtaining these certifications and were not granted such compensation. He said that while this did not affect their performance it does affect their morale. Mr. Hoke said that licensed water and wastewater personnel are in short supply. He feels that it is important to recognize this achievement for employees as they add value to themselves and to the town and would like council's consideration of this proposal. Mayor Presgraves agreed that water and wastewater personnel are hard to find, as are other areas of town staff. He added that some departments are not in a position to increase their education but are doing a fantastic job and those employees cannot be overlooked. Mr. Hoke agreed and said that he is also drafting a proposal for performance increases.

### **Announcements/Adjourn**

Town Manager, Charlie Hoke, briefed Council members on some recent water supply issues. He noted that these issues have been resolved and that many measures are in place to prevent such problems.

There being no further business, Mayor Presgraves adjourned the work session of the Town Council at approximately 8:35 pm.

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Barry Presgraves  
Mayor

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Danielle P. Babb  
Deputy Clerk-Treasurer