

The regular meeting of the Town Council of the Town of Front Royal, Virginia was held on March 25, 2013, in the Warren County Government Center’s Board Meeting Room. Mayor Darr led Council and those attending in the Pledge of Allegiance to the flag and a Moment of Silence. The roll was called at 7:00 p.m.

PRESENT: Mayor Timothy W. Darr
Vice Mayor N. Shae Parker
Councilman Daryl L. Funk
Councilman Bret W. Hrbek
Councilman Thomas H. Sayre
Councilman Eugene R. Tewalt
Town Manager Steven M. Burke, P.E.
Town Attorney Douglas W. Napier
Clerk of Council Jennifer E. Berry, CMC

ABSENT: Councilman Hollis L. Tharpe

(The above listed members represent the full body of Council as authorized in the Town Charter.)

Vice Mayor Parker moved, seconded by Councilman Tewalt that Council approve the Regular Council Meeting minutes of March 11, 2013 as corrected.

Vote: Yes – Funk, Hrbek, Parker, Tewalt and Sayre
No – N/A
Abstain – N/A
Absent – Tharpe
(Mayor Darr did not vote as there was no tie to require his vote)

RECEIPT OF PETITIONS OR CORRESPONDENCE FROM THE PUBLIC

Timothy Ratigan, of 241 Church Street, stated that he spent time around the community and there were an alarming number of store buildings. He noted that at the last meeting of Town Council he watched Councilman Funk stage a theatrical display regarding the Kratos Letter of Intent. Mr. Ratigan opined that he saw Front Royal at its best and worst and that the Town was a deeply divided community. He apologized for his unkind behavior at the last meeting, specifically calling Mr. Funk a rooster. He stated that it was unprofessional and he apologized for the comments.

Mr. Ratigan noted that many had tried to bring jobs into the community, while others had attempted to keep things the same. He called on Council to unite and urged them to rededicate themselves to move the Town into a new direction and make progress for the community.

REPORT OF THE MAYOR, COUNCIL & STAFF

Mr. Burke:

- Thanked the street crew for the recent snow removal and the electrical crews for their work to restore power throughout the Town;
- Noted that the sidewalk work should begin on Virginia Avenue soon;
- Commended Joe Waltz for his work on the electrical portfolio, noting that the Town of Front Royal recently received the designation of the lowest residential electric rates in the Commonwealth of Virginia.

Councilman Hrbek asked about the work related to the Town's meeting videos. Mr. Burke noted that airing the videos had recently been problematic and they are looking into addressing the issues. He adding that they would be meeting with the vendor to arrive at a solution for an equipment upgrade to attain proper playback for the meetings.

Councilman Hrbek asked about residents viewing meetings online. Mr. Burke noted that the full meetings could be seen from the Town's website.

Jennifer McDonald, Executive Director of the Economic Development Authority:

- Noted that a student from Shenandoah University is engaged in a full retail study for completion in June;
- Stated that the Town recently received a draft engineering study for the Avtex site;
- Commented that Busy Bees Consignment on Water Street she was looking to purchase the Schewels building on Jackson Street;
- Renovations continue on the bakery space on the Main Street; and
- Stated that the sports bar backed out of the space on Chester Street though another restaurant is looking at the site.

Councilman Sayre noted that a thesis study is a good idea for those that may wish to do a doctorate or MBA study for the Front Royal community. Ms. McDonald stated that Shenandoah University has been wonderful to work with and they have partnered well with the EDA each time.

Vice Mayor Parker stated that there may be some type of disagreement regarding the connector road. Mr. Parker noted that at one point funding was mentioned related to a grant, with having the road as it was originally proposed. Ms. McDonald noted that from the engineering study, which was conducted through a grant, there may be a few thousand dollars left over if one of the topics or additions/deletions was the connector road, then they could go back and address the issue as part of the grant money.

Mr. Parker asked about the drainage and having the road listed as permanent rather than temporary road. He requested that it be added to an upcoming worksession and requested Ms. McDonald attend. Ms. McDonald asked that said request be placed in writing, adding that the location of where the Town would like the road also be submitted in writing. Mr. Parker stated that the Town would be happy to do so, if a consensus could be made.

Doug Stanley, Warren County Administrator, presented the following report to Council:

FY2013-2014 Budget – The next work session is scheduled for March 26th at 9:00 am. Based on our current schedule, we will hold a public hearing on the budget at a special meeting on April 9th.

Development Review Committee – The Development Review Committee continues to meet on the fourth Wednesday of each month. The committee met on February 27th. A number of proposed and ongoing projects in the County and Town were discussed including: Front Royal Christian School's proposed location in the County, proposed hiker hostel in the County, proposed Rappahannock Electric Cooperative Power Line in the Town, and several potential new businesses in the Town.

North Warren Fire Station – Staff is working with the North Warren Title Holding Company to hold a celebration of the transfer of the station from the Holding Company to the County on March 30th. The event will recognize those businesses in the corridor that partnered with the County to construct the facility.

Building Inspections Department – Town and County staffs attended a webinar last week to review a permitting software package for the Town Zoning, County Zoning and County Building Inspections Departments. This is the fourth package that has been reviewed by the committee. The Committee should be making a recommendation in the next 30 days and setting up a product demonstration of the preferred software package.

Community Center – Final revisions for the proposed parking lot expansion at the Warren County Community Center have been approved by the Town. Staff will bid out this project over the next month with an expected summer construction start date. The project will double the off-street parking at the facility from 30 to 60 spaces.

Thompson Game Preserve Property – The Governor signed the bill on February 2nd that authorizes the Board of Game and Inland Fisheries to transfer 3.19 acres of property situated on Freezeland Road to Warren County. The authorization becomes effective on July 1, 2013. The Virginia Department of Game and Inland Fisheries will consider the request at its June 13th Board meeting.

Public Safety Building – Staff is working with the contractor to wrap up the final punch list items and complete building systems commissioning. It is hoped that this work will be completed in the next 30 days.

Eastham Trail/Phase II – The County has awarded the bid to Kickin Asphalt. A pre-construction meeting was held on March 22nd. The contract calls for the project to be completed within 90 days.

Gertrude Miller Park/Little League Drive – The County has received final approval from the Town for proposed improvements to install stormwater facilities and to pave Little League Drive behind Bing Crosby Stadium. A contract has been approved with Bushong Construction and a pre-construction meeting was held last week. The contract calls for the project to be completed within 90 days.

Health and Human Services Building – The contractor has completed the re-roofing project. Jeff Hayes is working with the contractor on final paperwork items to close out the contract. County staff is working with Moseley Architects to get the schematic design proposals to the Board for consideration in April to begin the design process this spring.

RSW Regional Jail – The Jail Authority has a meeting on March 28th and will discuss the water and sewer issues and latest proposal from the Town.

Vice Mayor Parker asked about the railroad spur parcel possibly being connected to the park/trails area. He noted that perhaps the County may be interested in sharing the right of way space to act as a trail when the tracks in the area were not being utilized. Mr. Stanley stated that they could discuss the matter in the future, though they would not want to broach the subject during the current ongoing discussions with the railroad.

Councilman Sayre asked about the RSW Regional Jail meeting on March 28th. Mr. Stanley noted that the draft agreement was received earlier in the day from Mr. Napier and the County Attorney was reviewing the document.

Councilman Sayre commended Mr. Stanley for their work to bring more parking to the Villa Avenue Community Center.

Councilman Sayre asked about the new middle school location. Mr. Stanley noted that they were still waiting for official word, though the Leach Run area would be a good site for various reasons.

Mr. Stanley stated that the Morgan Ford projected count was over 3,000 trips per day and the bridge replacement was justified. He noted that they would encourage those impacted to attend the public meeting to note their opinions on the matter.

Councilman Sayre noted that Shenandoah National Park's various opening dates for the month of April and May and encouraged the community to embrace the park this spring.

Councilman Hrbek noted that he voted to approve the minutes of the last meeting because they reflect the actual discussion of that meeting; however, there are many mistakes in that presentation. He noted there were items from the meeting that were not fully in the minutes, though they were in his own notes, from the speaker comments, including Mr. Reed stating that he was opposed to alternative energies as they were not realistic. Mr. Hrbek noted that he appreciated Mr. Reed's viewpoint and education, though his point was moot as to how the developer did or did not make money, as taxpayer money would not have been invested in these projects at all, and the success of the project was not dependent on the use of green energy.

Councilman Hrbek stated that Mr. Tederick also misinformed the public, as the minutes state that he (Tederick) stated that the best program to attract new business was less government, less taxes and less regulation; and Mr. Hrbek expressed his agreement with Mr. Tederick. He noted that Front Royal has gone above and beyond to do just that; Councilman Tewalt has championed the business parking issue; Vice Mayor Parker is continuously looking for every nickel within the budget of the Town; and he, Mr. Hrbek, pushed to have the County's BPOL tax removed, which saved the Town's businesses thousands of dollars in County taxes.

Councilman Hrbek noted that during his last tenure on Council the Town began their relationship with AMP and developed their portfolio of power which has resulted in the lowest electric rates in the Commonwealth of Virginia, saving businesses and residents thousands of dollars annually. He stated that was another example of outside the box thinking by the Town Staff.

Councilman Hrbek stated that Mr. Tederick asked with whom the Town needed to compete with, and Mr. Hrbek noted that the answer is: with our neighboring communities. He noted that if the Town wished to attract quality jobs then we must compete against our neighboring jurisdictions. Mr. Hrbek stated that sometimes the Town had to actually compete against our own County for that. He added that if we did not embrace the opportunities that present themselves, then they will pass by, such as Energy Answers and Solaverde, for example.

Councilman Hrbek noted that while he wished that we could have Chik-Fil-A, Kohls, and JcPenney in our community, he does not represent the people or the businesses outside of the Town limits, just the people of the Town. He stated that when the interest of the Town tax payer does not match up with a County business, he must represent the Town tax payer.

Councilman Hrbek stated that as they never debated the approval of the LOI, he would like to respond to a few of the questions presented by Councilman Funk, he explained that the process would have been:

- The Town would identify would what properties would need redevelopment;
- An outside developer would purchase the properties at fair market value without any government interference, bullying, arm twisting or eminent domain threats;
- The developer would attract their own investors and capital, not tax dollars;
- The developer would sign LOI's with a variety of companies identified as appropriate for our community;
- The Town creates a Community Redevelopment Authority which then leases the buildings and subleases the space to the companies that the developer has found;
- The rent payments go to the developer to the pay the investors; and
- The developer has set aside enough money in account for the Town to offset the downside, if for over ten years we cannot fill 70% of the spaces.

Councilman Hrbek noted that if the Town did not think they could do that, then they do not do the project. He stated that to answer the risk and the taxpayer involvement question: there is not any. He noted that this Council was not willing to explore the opportunity and educate themselves about the project. Mr. Hrbek stated that the non-binding LOI with Kratos did not require the Town to do anything but invest time.

Councilman Hrbek stated that they were Town Codes, encouraging private capital, to create private businesses, protecting and respecting private property. He noted that he looked forward to his colleagues bringing forth their own ideas for economic development.

Councilman Sayre stated that he voted for the solar panels each time they came before Council and he was a life member of his college's Business & Economics School. Mr. Sayre added that he enjoys working with business and economics. He stated that he and Mrs. Allen have enjoyed working on the Virginia Main Street Program, which would help the whole Town. Mr. Sayre added that Council killed the one Town Park and Ride area.

Mayor Darr noted that he had been fortunate to work Wednesday with the Meals on Wheels program and visit with community members at the Senior Center as well. He encouraged others to visit with the seniors at the site as often as possible.

Mayor Darr stated that he also attended the recent Community Youth Arts Event at Warren County High School and presented the Town's proclamation for the Youth Arts Month during the Student Arts Program. He noted that it was a well-attended event by art students of all ages from the community.

Mayor Darr reminded Council and the public of the County Retreat to be held Saturday, at the Main Street building.

Mayor Darr asked if there were any proposals for additions or deletions to the agenda.

COUNCIL APPROVAL – Setting of Real Estate, Personal Property and Personal Property Tax Relief Tax Rates for Fiscal Year 2013-2014 (2nd Reading)

Summary: Council is requested to adopt on its second and final reading the real estate tax rate, the personal property tax rate and the personal property tax relief for Fiscal Year 2013-2014. The advertised real estate tax rate was at \$.12 per \$100 assessed value, which represents an increase of \$.01 over the current year's rate; the personal property tax rate at \$.64 per \$100 assessed value, which represents no increase over the current year's rate; and personal property tax relief (PPTRA) from 70% to 67% per qualifying vehicle for Fiscal Year 2013-2014. Town Council affirmed on its first reading to set the real estate tax rate at \$.11 per \$100 assessed value; personal property tax rate at \$.64 per \$100 assessed value; and personal property tax relief (PPTRA) at 67% per qualifying vehicle for Fiscal Year 2013-2014.

Councilman Sayre moved, seconded by Councilman Funk, that that Council adopt on its second and final reading the real estate tax rate at 10 cents per \$100 assessed value; personal property tax rate at \$.64 per \$100 assessed value; and personal property tax relief (PPTRA) at 70% per qualifying vehicle for Fiscal Year 2013-2014.

Councilman Sayre noted that they had two cents a few years and he would rather give the taxpayers a paycheck this time.

Councilman Hrbek asked if the Town would be cutting their expenses or if they would plan to put it on a credit card so to speak, as there was not enough revenue coming in to cover the reduction. Mr. Burke stated that it would result in a shortfall of at least \$135,000.

Councilman Hrbek noted that it was not a negative to have the rates remain the same as they were. He stated that he was not in favor of raising the rate obviously.

Vice Mayor Parker noted that the increase two years ago was for specific purposes that were needed in the community, one of which were to fund Leach Run Parkway, which would be an economic boost to the community. Mr. Parker added that another item was the Local Connector Road on the former Avtex site, and the third was facility study to include a new Police Department. He asked Mr. Sayre if he was saying, with his motion to reduce the tax rate, that he was no longer interested in those three projects.

Councilman Sayre opined that there was plenty of money in the budget. He stated that with Dominion Power coming in, the Town will be making millions of dollars, and he asked if Mr. Parker was aware of that money. Mr. Burke noted that Dominion Power's submissions to the Town would be recognized in the Town's Utilities Funds. Mr. Hrbek stated that was the "credit card" process he referenced just a bit ago. Mr. Sayre noted that was correct, the water and sewer fund, yes.

Councilman Funk noted that, regarding the Connector Road, he would prefer that such a project be handled and funded by an incoming developer, rather than such a road being built by the taxpayer. Mr. Funk noted that he wants lower taxes, and the focus to remain on core services, and Mr. Sayre’s motion reflects just that.

Councilman Tewalt stated that some members of Council seem to have a mindset of a New York City pocketbook, on a Front Royal budget. He noted that cutting taxes should be done early on in the process, not this late in the season. Mr. Tewalt stated that Council and Staff can review what could be adjusted and perhaps reduce next year if possible, though we obviously cannot cut rates this late in the season. He stated that he would not be in favor of cutting to ten cents at this point in the process, as it was too late in the cycle.

Vice Mayor Parker moved, seconded by Councilman Hrbek, to amend the motion to set the rate to 11 cents for real estate; and 67% per qualifying vehicle.

Vice Mayor Hrbek stated that Council would not be raising taxes, and they would not be lowering them either. He noted that they were not currently in a position to be able to lower them. He added that Mr. Sayre was generally unwilling to cut items from the budget; however, he was willing to propose a cigarette a tax on a certain segment on the population. Mr. Hrbek expressed concern with the political posturing done with the motion by Mr. Sayre.

Councilman Funk asked about 70% for the PPTRA. Mr. Burke stated that it does not increase much on the tax payer, noting that it actually modifies the amount related to the adjustment from the State.

Vote: Yes – Hrbek, Parker and Tewalt
No – Funk and Sayre
Abstain – N/A
Absent – Tharpe
(Mayor Darr did not vote as there was no tie to require his vote)
(By Roll Call; On the Motion to Amend; 11cents, 64cents, 67% PPRTA)

Vote: Yes – Hrbek, Parker, Sayre and Tewalt
No – Funk
Abstain – N/A
Absent – Tharpe
(Mayor Darr did not vote as there was no tie to require his vote)
(By Roll Call; On Final Motion as Amended)

COUNCIL APPROVAL – An Ordinance to Amend Town Code Pertaining to Nonconformity – Parking Exception (2nd Reading)

Summary: Council is requested to adopt on its second and final reading an ordinance that would provide for a parking exemption for existing commercial and industrial businesses. The exemption found under the proposed 175-127 would allow existing commercial and industrial properties to be reused for permitted uses without the requirement of having to comply with the current parking requirements, subject to

specific qualification requirements, and specific site improvements that may be required by the Zoning Administrator to maintain existing facilities. Other minor changes, primarily to clarify existing requirements are proposed under Sections 175-124 through 175-133.

Councilman Tewalt moved, seconded by Vice Mayor Parker, that Council adopt on its second and final reading an ordinance that would provide for a parking exemption for existing commercial and industrial businesses found in Town Code Sections 175-124 through 175-133, as presented.

Vice Mayor Parker commended Councilman Tewalt for bringing the matter forward and the Planning Staff and the Planning Commission for their work to amend the ordinance. He noted that it would do wonders for the businesses downtown and the Town as a whole.

Councilman Funk noted that he echoed Mr. Parker’s comments; Mr. Sayre expressed his agreement.

Vote: Yes – Funk, Hrbek, Parker, Sayre and Tewalt
No – N/A
Abstain – N/A
Absent – Tharpe
(Mayor Darr did not vote as there was no tie to require his vote)
(By Roll Call)

COUNCIL APPROVAL – An Ordinance to Amend Town Code Pertaining to Home Occupation *(2nd Reading)*

Summary: Council is requested to adopt on its second and final reading an ordinance that would amend the Town’s home occupation regulations found under Town Code Section 175-108.1. The proposed changes provide for increased clarity of the code requirements, eliminate the specific area restriction of the interior storage and allow for home occupations to have signs if not located in a residential district.

Vice Mayor Parker moved, seconded by Councilman Tewalt, that Council adopt on its second and final reading an ordinance that would amend the Town’s home occupation regulations found under Town Code Section 175-108.1, as presented.

Vote: Yes – Funk, Hrbek, Parker, Sayre and Tewalt
No – N/A
Abstain – N/A
Absent – Tharpe
(Mayor Darr did not vote as there was no tie to require his vote)
(By Roll Call)

COUNCIL APPROVAL – Discharge of Rainwater into the Town’s Sewer System from Rappahannock-Shenandoah-Warren Regional Jail

Summary: Councilman Sayre requested that Council consider approval of discharge of rainwater into the Town’s Sewer System from the Rappahannock-Shenandoah-Warren (RSW) Regional Jail. Approval of discharge of rainwater will require an Ordinance Amendment. If Council desires,

direction should be provided to develop the Ordinance Amendment and advertise for public hearing. This item was postponed from the February 11, 2013 to the February 25, 2013 meeting.

Councilman Sayre moved, seconded by Councilman Funk, that Council postpone the matter until the next meeting.

Councilman Sayre noted that as it was in Council's last motion, he opined that it is was not currently necessary. Mr. Burke stated that it was referenced in the agreement; he recommended that perhaps that Council consider the matter on April 8th.

Councilman Sayre moved that his postponement be until April 8th.

Councilman Hrbek asked about RSW Regional Jail meeting, and as to whether they would be considering the motion Council approved at the Regular Meeting, or what was presented at the worksession. Mayor Darr stated they were considering the second offer. Vice Mayor Parker stated that they would be considering a non-binding proposal, correct.

Councilman Hrbek stated that they were considering a proposal that Council did not vote on. He noted that he read in the paper that Council made a counteroffer in an unofficial capacity at a worksession, when they had voted as a Council in official capacity.

Councilman Sayre stated that Mr. Hrbek was correct; Council cannot vote at a worksession.

Mr. Burke noted that the worksession was a consensus of Council, and it cannot trump a formal vote of Council regarding the agreement. He stated that they would of course come back for a formal vote of Council.

Councilman Funk stated that they have declined the Town's official motion it appears.

Councilman Sayre stated that they had discussion openly regarding the matter during the worksession. Mr. Hrbek noted that it was not the point, adding that Council made an offer unofficially and that offer was now being considered. He stated that if that offer had been made publicly, and had been a noted agenda item, perhaps he would have changed his schedule to have attended the worksession. Councilman Hrbek voiced concern with decision making being finalized at worksessions, rather than at a formal meeting.

Mayor Darr stated that the Town's official offer is the one on the table for the Regional Jail.

Vice Mayor Parker, seconded by Councilman Hrbek, moved to amend the motion to offer the RSW Regional Jail the in-Town rates for the life of the facility.

Councilman Sayre opined that Mr. Parker's amendment was not germane to the motion to postpone. Vice Mayor Parker voiced his disagreement.

Mayor Darr stated that the motion to amend was not germane at this point. Mr. Napier voiced his agreement with Mayor Darr.

Councilman Parker moved, seconded by Councilman Hrbek, that Council suspend the rules of order at this time.

Councilman Sayre called for the question. Mayor Darr noted that they would first address the matter as to whether to suspend the rules first.

Councilman Hrbek stated that he would be voting against postponing the matter. He stated that he did not agree with allowing rainwater into the system.

Vice Mayor Parker noted that he was hoping to do what was right for the Town’s citizens. He stated that the Town would be responsible for 20% of the cost of this facility, adding that they needed to put off allowing rainwater into the system. Mr. Parker noted that he was not in favor for allowing for an exception.

Vote: Yes – Hrbek and Parker
No – Funk, Sayre and Tewalt
Abstain – N/A
Absent – Tharpe
(Mayor Darr did not vote as there was no tie to require his vote)
(By Roll Call; On Suspension of the Rules)
(MOTION FAILED)

Vote: Yes – Funk, Sayre and Tewalt
No – Hrbek
Abstain – Parker
Absent – Tharpe
(Mayor Darr did not vote as there was no tie to require his vote)
(By Roll Call; On Motion to Postpone)

COUNCIL APPROVAL – Town Visioning Contract for Services

Summary: Council is requested to consider approving a Contract for Services with Renaissance Planning Group for the Town Visioning Process in the amount of \$37,500.00.

Budget/Funding: 8101-30206 - \$20,00.00 (Comp Plan/Plan Study)
8101-R43002 - \$12,000.00 (Professional Services)
8101-43002 - \$5,500 (Professional Services)

Councilman Tewalt moved, seconded by Councilman Funk, that Council approve the Contract for Services with Renaissance Planning Group for the Town Visioning Process in the amount of \$37,500.00.

Councilman Hrbek asked how it pertained to the Town’s comprehensive plan work. Mr. Camp stated that it was a portion, noting that this was a specific visioning piece of the comprehensive plan that was essential to the overall component.

Councilman Hrbek opined that it sounded like a cookie cutter program for any community rather than a specific design and detail gathering sessions for the Town. Mr. Camp noted that the visioning contract would go above and beyond the basics. Mr. Hrbek asked what the cost of would be to obtain the basic code requirements. Mr. Camp noted that he would not

recommend such basic requirements, as it would not include the public's input. He added that the visioning contract as presented is quite vital.

Councilman Tewalt commented that the outcome hinges on what Council places into the visioning process. He noted that the finished product depends on Council; he stated that Council needed to attend the public meetings as well, and state their visions for the community. Mr. Tewalt stressed the importance of Council speaking out during the process.

Vice Mayor Parker added that the public needs to attend these workshops as well. He noted that Mr. Burke has been very successful with the Town's Business Forums and he hoped that the Town would have the same success during the visioning process.

Councilman Sayre voiced his support with Mr. Hrbek. He added that the blighted building issue around Town was just one example that could be looked at. Mr. Sayre noted that many doing studies were people that have failed in other areas in the past. Mr. Camp stated that the proposed group was the same company that did the downtown Winchester plan and they have received very positive feedback.

Councilman Funk thanked Mr. Camp, his Staff and the Planning Commission for their efforts. He expressed his faith in the project as it moved forward.

Vote: Yes – Funk, Hrbek, Parker, Sayre and Tewalt
No – N/A
Abstain – N/A
Absent – Tharpe
(Mayor Darr did not vote as there was no tie to require his vote)

There being no further business, the Mayor declared the meeting adjourned at 8:09 p.m.

APPROVED:

Jennifer E. Berry
Clerk of Council