

The regular meeting of the Town Council of the Town of Front Royal, Virginia was held on June 11, 2018, in the Warren County Government Center’s Board Meeting Room. Mayor Tharpe asked 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 Hollis L. Tharpe
Councilman John P. Connolly
Councilman Jacob L. Meza
Councilman William A. Sealock
Vice Mayor Eugene R. Tewalt
Town Attorney Douglas W. Napier
Town Manager Joseph E. Waltz
Clerk of Council Jennifer E. Berry, CMC

ABSENT: Councilman Gary L. Gillispie
Councilman Christopher S. Morrison

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

Vice Mayor Tewalt moved, seconded by Councilman Sealock to approve the Regular Council Meeting minutes of May 29, 2018 as presented.

Vote: Yes – Connolly, Meza, Sealock and Tewalt
No – N/A
Abstain – N/A
Absent – Gillispie and Morrison
(Mayor Tharpe did not vote as there was no tie to require his vote)
(By Roll Call)

Mr. Napier read the Warren Memorial Hospital bond statement into the record, which noted:
The bond issue that is being considered by Town Council tonight are not bonds being issued by the Town, nor will it result in a debt of either the Town or of Warren County, nor will it ever result in any liability to the taxpayers of the Town of Front Royal or of Warren County. It is a bond issue of the Economic Development Authority, which is a completely separate legal entity from the Town or the County, for which the Town and County and their taxpayers have no liability.
The bonds represent a loan from a commercial bank through the EDA to Warren Memorial Hospital, a Virginia nonstock non-profit corporation organized under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Code provides that the governmental units having jurisdiction over the physical area in which any facility financed with the proceeds of private activity bonds is located, in this case the Town and the County, must approve the issuance of such bonds. The reason the Internal Revenue Code requires Town and County approval is to indicate that the Hospital, a 501 (c) (3) non-profit corporation, is not borrowing money for a reason that is not allowed non-profit organizations. Financing a hospital is an appropriate non-profit Section 501 (c) (3) purpose.
The issuance of the bonds, as requested by the Hospital, will not constitute a debt of the Town or the County, and neither the faith and credit nor the taxing power of the Town or the County will be pledged to the payment of the bonds or the interest thereon or other costs incident thereto. The Town and the County and their taxpayers shall never be obligated to pay the bonds or the interest thereon or other costs incident thereto, no matter what happens in the future.

RECEIPT OF PETITIONS OR CORRESPONDENCE FROM THE PUBLIC

Jason Neale, of North Warren Voluntary Fire Department, invited Council to this week's breakfast and he also presented a flyer announcing the family day event, adding that they are also looking for car show judges.

Melanie Salins, of 95 Murrays Drive, thanked Mr. Meza for continuing to recuse himself from dealings with the new Warren Memorial Hospital location. Mrs. Salins stated that there were many detriments to the new hospital, such as no ICU and no birthing unit. She noted that the new hospital was a prime opportunity for the Town to hold Valley Health accountable for their needs to the community. Mrs. Salins described issues some pregnant women have had with awaiting transport and lack of equipment. She noted that Valley Health was profiting on the cath lab and the organization was not focusing on the well being of the community. She asked Council to send a strong message to Valley Health and stand up for what was right.

Kate Kerns, of 137 Lost Acres Lane, Stephens City, noted that there were three patients in one month that had issues since the birthing unit in Front Royal was closed. She asked that the Town not do Valley Health any more favors by approving the bond matter on the agenda, when they bully their staff and call their patients liars. She noted that Valley Health should not expect the community's respect and trust, and she has yet to see a reason to trust the organization.

Amber Poe-Morris, of 3574 Howellsville Road, stated that she does not see a reason to grant the resolution for Warren Memorial, noting that this was a family orientated community with bridges that have been repaired and renewed, many homes have been planned in the community, people travel here and there is a huge market for pediatric care in this community. Ms. Morris stated that the Town should review the risks that are currently present in our community without proper care.

Steven Schlesinger, of 8 W. Prospect Street, noted that this town is about family and Council should see the big picture of what takes place when the senior community dies off and the future of our children should be considered.

Jennifer Robert, of 47 Royal Lane, noted that she agrees with the opinions stated concerning the hospital. She stated that she had a few suggestions: noting that going up hill towards the hospital a light is needed on Kendrick Lane and Shenandoah Avenue; she suggested a second pool for the community; she asked for the installation of an ice rink for the town; and also turning an empty building into a homeless shelter/restaurant setup.

Chief Magalis introduced Officer Layman, who is the newest Town Officer, noting that he graduated the Police Academy recently. Mayor Tharpe welcoming thanked Officer Layman and thanked Chief Magalis and his Department for all they do.

County Administrator, Doug Stanley, gave the following report to Council:

June 1st-3rd Storm Event – As most of you are aware, the County experienced a sizable amount of rain over the weekend of June 1st through 3rd. The County received 7-10 inches of rain from Friday June 1st through the evening

of Sunday June 3rd. With the ground already saturated, much of the heavy rain was run off into already full creeks, streams and low lying areas. During this new rain storm on Sunday morning, rapid flash flooding caused roadways to flood, cutting off traffic routes along Happy Creek Road, John Marshall Highway and Oregon Hollow Road in Linden and Howellsville Road.

We experienced three vehicles in flood waters with rescues by passersby. Boats 6 and 3 rescued a citizen on Howellsville Road. Boat 6 also made a water rescue in Clarke, off of Howellsville Road. Boats 14 and 3 rescued and removed eleven trailer occupants at North Fork Campground. These people who decided to stay out the storm in their trailers until the river flooded, trapping them in their trailers and then had to be rescued by Fire and Rescue boats. On June 4th, F&R sent a boat to search for and recover a dog that drowned in the owner's car. Overall F&R recorded 12-14 boat rescues over the weekend. They also had a couple of river rescue calls in Frederick County.

Station 6 was trapped from both sides with the only way out being over Blue Mountain to Linden. Chief Mabie held a shift over so they could staff the engine and ambulance and provide a boat operator. He did the same thing with Station 1 with off duty shift, mainly to keep boat operator available.

Fall Cleanup Day – The County's Fall Cleanup Day is scheduled for Saturday, October 27th.

Development Review Committee – The Development Review Committee met on May 23, 2018.

The Committee discussed projects in the County including:

- Proposed contractor's storage yard on Winners Court-off of Fairground Road.
- Proposed alterations to the Starbucks in Riverton Commons shopping center.
- Michaels opened May 23rd.
- A request for an RV Sales business.

The Committee also discussed Town projects including:

- A proposed brewery on Water Street (Lockhart Building). The applicant presented his plan, and the Committee offered comments and feedback for his proposal.
- A proposed shoe store that will be opening on Main Street next to Town Hall.
- Update on inspections at the Front Royal Brewery.
- Parking and possible uses for the Busy Bee's store on Jackson Street.

The Committee will meet again on June 27, 2018.

Reassessment – Wingate Appraisal has completed approximately 16,768 parcels or 65%, which leaves about 12,250 to complete this year. As of this week Wingate Appraisal has started field work inside the limits of the Town of Front Royal. The current plan is to have the initial property visits completed by the end of September. Their next step is to visit, as necessary, all properties where building permits have occurred during the Reassessment in order to update those assessments. The amount of time necessary for this phase will depend on the volume of permits, but they expect this to occur during October. Also, during October, Wingate will be running edits and data reports to assure the values are as good and error free as they can be prior to mailing notices of assessment change. Notices should be mailed around the end of October and will show hearing location, dates and times of hearings, the proposed assessment, previous assessments, percentage of change, as well as the levy. The administrative hearings, also known as the assessor's hearings, should begin at or near the first of November. They expect the hearings and reviews to take most of the month of November with about two weeks of advertised hearing dates. Owners will typically be notified of the result of their appeal during December which is when the Reassessment Book is run and delivered to the Clerk of Court and Commissioner of the Revenue along with the recapitulation which will be forwarded to the Department of Taxation.

Delinquent Taxes – Two weeks ago the County advertised the list of delinquent real estate taxpayers in the Sentinel and Northern Virginia Daily. TACS, one of the County's outside tax sale consultants, will be holding a sale of delinquent tax properties in late July. Once we have all of the information, we will post it on the County's website and Facebook page.

Tourism Advisory Committee – The Joint Tourism Advisory Committee met on May 9th and discussed available funding, budget, and the wayfinding signage system. The Committee will meet again on June 13th.

Front Royal Golf Club – The County received one proposal for management and use of the Front Royal Golf Club property. County staff has met with the vendor and have requested additional information to complete the review and make a recommendation to the Advisory Committee and eventually the Board.

Project Updates

Ressie Jeffries Elementary School – Roof/Addition/Parking Lot Project – LCW has completed the project punch list. We hope to be able to wrap up the project and pay all final invoices this month.

Ressie Jeffries Elementary School – Playground Project – County staff have substantially completed site work and installation of Phases I and II of the playground equipment. Thanks to a \$5,000 donation and a 5-year \$25,000 donation match, Phases III and IV will be fully funded if the school can raise another \$25,000-\$30,000.

Rivermont Fire Station – The Building Committee recommended the County proceed with a one-story option. County staff met with Company #2 leadership on March 27th to review preliminary plans for the replacement station at the Airport Road site. We hope to complete final design plans and put the project to bid by late-summer 2018.

Health and Human Services Complex – The Board of Supervisors, at its meeting on April 3rd, awarded a contract to Juniper Construction for improvements to portions of the building to accommodate the Registrar’s Office and the Brighter Futures alternative school program. The contractor started work around June 1st. We hope to have the school portion complete by September 1st and the Registrar by November 1st. A site plan for some minor parking improvements will be submitted to the Town this week.

Shangri-La Revenue Sharing Project – Construction of the project is scheduled to start this spring. Necessary trees were removed in early April. We hope to be able to mobilize the contractor by June 18th with the box culvert expected to be delivered the following week.

Lake Front Road Revenue Sharing Project – VDOT is planning to start construction this spring on the project. County staff is working to obtain necessary right-of-way dedication for the project, so the Board can certify the right-of-way to VDOT. Once this is complete, VDOT can schedule the start of the project.

VDOT/Marlow-Silek Revenue Sharing Project – The project will widen a portion of Route 340/522 South from the crossover in front of Shenandoah Motors to the Crooked Run Boulevard entrance by adding a 3rd lane and right turn lane. The project will also extend the left turn lane for the crossover. W&L Construction is scheduled to complete final paving and striping this week.

VDOT/Morgan Ford Bridge – The bridge and roadway opened to traffic on January 22nd. Work remaining to be completed includes staining the concrete bridge rails, final asphalt surface, seeding, and final pavement markings. The contractor completed paving of the bridge approaches and roadway up to Howellsville Road on April 13th. All remaining work was substantially completed by June 1, 2018 per the contract. The bridge approaches were damaged during the recent flooding and will be repaired prior to the scheduling of a ribbon cutting ceremony.

VDOT/Happy Creek Road – The public hearing for the project was held at 4:00 pm on May 22nd at Warren County Middle School. This will allow VDOT to move up the advertisement date for the project to January 2021.

Commercial Projects – Work continues on the following projects:

- Royal Farms Convenience Store – Building and fuel canopies are under construction – Spring 2018 Completion
- Marriott/TownePlace Suites – Winter 2018 Completion

Project	Ad/Bid Date	Cost	Estimated Completion Date	Status
FRWC Airport Obstruction Removal	Summer 2016	\$804,000	Spring 2018	Substantially Complete
Morgan Ford Bridge	12/2016	\$9,713,152	Spring 2018	Substantially Complete
Ressie Jeffries Renovations	Fall 2016	\$5,405,885	Spring 2018	Substantially Complete
Rockland Park Athletic Fields	N/A	\$300,000-\$400,000	Spring 2018	Under Construction
Rockland Park Bathhouse Renovation	N/A	\$75,000-\$100,000	Fall 2018	Under Design

WCSO/WCFR – Radio System Upgrade	N/A	\$1,509,022	Spring 2018	Installation
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Mayor Tharpe asked if there were any proposals for additions or deletions to the agenda.

Councilman Connolly moved, seconded by, Vice Mayor Tewalt that Council add the Women’s Motorcycle Rally Proclamation to the agenda.

Vote: Yes – Connolly, Meza, Sealock and Tewalt
 No – N/A
 Abstain – N/A
 Absent – Gillispie and Morrison
 (Mayor Tharpe did not vote as there was no tie to require his vote)
 (By Roll Call)

CONSENT AGENDA ITEMS – (ROLL CALL VOTE REQUIRED)

- A. COUNCIL APPROVAL – Proclamation for “Honoring the Front Royal Elks Lodge in Celebrating 150 Years of Service of the Benevolent and Protective Order of Elks”
- B. COUNCIL APPROVAL – Proclamation for “National Flag Day”
- C. COUNCIL APPROVAL – Deed of Easement from Crooked Run North, LLC and Marlow & Silek Investments, LLC to the Town for water/sewer easements and rights-of-way acquisition for Royal Farms
- D. COUNCIL APPROVAL – Proclamation for “United Sisters of MOTO Weekend – Motorcycle Rally”

Vice Mayor Tewalt moved seconded, by Councilman Sealock, that Council approve the consent agenda as presented.

Vote: Yes – Connolly, Meza, Sealock and Tewalt
 No – N/A
 Abstain – N/A
 Absent – Gillispie and Morrison
 (Mayor Tharpe did not vote as there was no tie to require his vote)
 (By Roll Call)

COUNCIL APPROVAL – Ordinance to Amend Town Code Sections 158-6 - Adoption by Reference of the State Motor Vehicular Laws (2nd Reading)

Council is requested to adopt on its second and final reading an Ordinance to amend and re-enact Front Royal Town Code Sections 158-6 pertaining to Adoption by Reference of the State Motor Vehicular Laws, as presented.

Vice Mayor Tewalt moved, seconded by Councilman Meza, that Council adopt on its second and final reading an Ordinance to amend and re-enact Front Royal Town Code Sections 158-6 pertaining to Adoption by Reference of the State Motor Vehicular Laws, as presented.

Vice Mayor Tewalt noted this is a housekeeping matter handled annually to update the State laws for the Town.

Vote: Yes – Connolly, Meza, Sealock and Tewalt

No – N/A

Abstain – N/A

Absent – Gillispie and Morrison

(Mayor Tharpe did not vote as there was no tie to require his vote)

(By Roll Call)

COUNCIL APPROVAL – Resolution to Authorize IDA Issuance of Revenue Bonds for Financing the new Warren Memorial Hospital

Summary: Warren Memorial Hospital has requested that the Industrial Development Authority (IDA) of the Town of Front Royal and the County of Warren recommend approval of the issuance of the IDA revenue bonds in an amount not to exceed \$60,000,000 to assist in a) paying a portion of the costs of acquiring, constructing, equipping and furnishing a new three-story, 175,000 square foot general acute care hospital initially licensed for 36 beds; b) funding a portion of the interest accruing on the bonds, during the construction and for a period not exceeding one year after completion; and, c) paying certain costs and expenses in connection with the authorization, issuance and sale of the bonds, as presented.

Note: County of Warren approved the Resolution on June 5, 2018

Councilman Sealock moved, seconded by Vice Mayor Tewalt that Council approve a Resolution that recommends approval of the issuance of bonds from the Industrial Development Authority (IDA) of Front Royal and County of Warren to assist in the financing of the new Warren Memorial Hospital, as presented.

Councilman Meza referenced his disclosure which will be placed into the record here:

This declaration is made pursuant to Virginia Code Sections 2.2-3112. A. 2. and 2.2- 3115. H.

The Virginia State and Local Government Conflict of Interests Act states that the following is a transaction in which I, as a Member of Town Council, may participate because I am a member of a business, profession, occupation or group of three or more persons the members of which are affected by the transaction, so long as I comply with the disclosure requirements of subsection H of Virginia Code Section 2.2-3115. Therefore, I made the following disclosure:

1. The transaction involved is the bond issue of the Economic Development Authority (EDA) to assist Warren Memorial Hospital, a 501 (c) (3) organization, with financing the construction of a new hospital to be located adjacent to Leach Run Parkway in the Town of Front Royal. Neither the credit Town of Front Royal, nor the taxpayers of the Town of Front Royal, will be obligated for this debt in any manner, as it will strictly be an indebtedness of the EDA and Warren Memorial Hospital.
2. I am not employed in Front Royal by Warren Memorial Hospital; however, I am employed in Winchester by the umbrella organization, Valley Health System, of Warren Memorial Hospital.
3. Warren Memorial Hospital employs dozens of people, and Valley Health System employs hundreds of people in multiple towns and cities and in two states. Warren Memorial Hospital and Valley Health System benefit many other people, from a health and financial basis everywhere and near where they are located.
4. I have consulted with the Town Attorney for the Town of Front Royal. He advises me that according to the Virginia State and Local Government Conflict of Interests Act, Va. Code Section 2.2- 3112. B., this bond issue is a transaction in which I, as a Member of Town Council, may participate because it affects the public generally, even though my personal interest, as a member

of the public, may also be affected by that transaction, and because I am a member of a business, profession, occupation or group of three or more persons the members of which are affected by the transaction, so long as I comply with the disclosure requirements of subsection H of Virginia Code Section 2.2-3115.

- 5. My personal interest is that I a member of a group of three or more persons which are affected by this transaction.
- 6. I affirmatively state that, notwithstanding my personal interest, and the effect it might have on the aforementioned group, I am able to participate in the transaction fairly, objectively, and in the public interest.
- 7. I shall make my declaration orally to be recorded in written minutes of the Town Council and file a signed written declaration with the Clerk of the Town Council.

Councilman Sealock noted that as stated, the Town and County will not be responsible for any part of the bond. He noted that as stated in section three of the resolution, the issuance of the bonds does not constitute a debt or pledge of the faith and credit of the Town or County, nor will they be pledged to the payment of the bonds or the interest. Mr. Sealock added that Valley Health can obtain the bonds through any municipality though they chose Front Royal and he reported that the issuance of the bonds in this locality assists this locality greatly. He noted that any fees for the bonds stay in this community, and this community benefits from those bonds. Councilman Sealock added that the bonds benefit the community, and the community has benefited previously from other such bonds, such as Heritage Hall, RMA, PenTab, and more.

Councilman Connolly noted that he is on record saying that he would not give his endorsement to downgrade our hospital services.

Councilman Meza stated that he did not know that Council’s vote was related to the approval of a business model. He noted that the vote was to validate the legitimacy of the bonds. Mr. Meza added that the Town is being asked to validate whether these bonds were for a legitimate purpose for EDA and Valley Health. He stated that Council was not voting on Valley Health’s business operations or zoning. Mr. Meza noted that he was unaware of any time the Town has declined a bond issue.

Vote: Yes – Meza, Sealock and Tewalt
 No – Connolly
 Abstain – N/A
 Absent – Gillispie and Morrison
 (Mayor Tharpe did not vote as there was no tie to require his vote)
 (By Roll Call)

COUNCIL APPROVAL – Budget Amendment to Create a Separate Departmental Budget for Community Development Summary: Council is requested to approve a FY19 Budget Amendment to create a separate departmental budget for Community Development in the amount of \$41,500 to be used to retain a graphic artist, create a newsletter to send to businesses, create additional brochures that would be geared toward businesses, and other expenses associated with Community Development.

Budget/Funding: The Town currently has \$87,396.96 that has been carried forward for Community Development. A portion of funds previously set aside that have been carried forward on purchase order#28285 could be used to fund the new departmental budget.

- 1000-3510110 – G/F Appropriated Funds Forward - \$41,500.00
- 1206-43002 – C/D Professional Services -\$25,000.00
- 1206-43007 – C/D Printing & Binding - \$5,000.00
- 1206-43007 – C/D Advertising -\$1,000.00
- 1206-45201 – C/D Postal Services -\$1,500.00
- 1206-45401 – C/D Office Supplies -\$500.00
- 1206-45411 – C/D Books & Subscriptions -\$500.00
- 1206-45412 – C/D Furniture & Fixtures -\$1,000.00
- 1206-45413 – C/D Other Operating Expense -\$1,000.00
- 1206-45504 – C/D Travel & Education -\$4,500.00
- 1206-45801 – C/D Dues & Memberships -\$1,500.00

Councilman Connolly moved, seconded by Vice Mayor Tewalt that Council approve a FY19 Budget Amendment in the amount of \$41,500 to create a separate departmental budget for Community Development be used to retain a graphic artist, create a newsletter to send to businesses, create additional brochures that would be geared toward businesses, and other expenses associated with Community Development.

Vote: Yes – Connolly, Meza, Sealock and Tewalt
 No – N/A
 Abstain – N/A
 Absent – Gillispie and Morrison
 (Mayor Tharpe did not vote as there was no tie to require his vote)
 (By Roll Call)

COUNCIL APPOINTMENT – Planning Commission

Summary: Council is requested to appoint a member to the Front Royal Planning Commission to an unexpired term ending August 31, 2019.

Vice Mayor Tewalt moved, seconded by Councilman Sealock moved that Council appoint Darryl Merchant to the Front Royal Planning Commission to an unexpired term ending August 31, 2019 and effective July 1, 2018.

Vote: Yes – Connolly, Meza, Sealock and Tewalt
 No – N/A
 Abstain – N/A
 Absent – Gillispie and Morrison
 (Mayor Tharpe did not vote as there was no tie to require his vote)
 (By Roll Call)

There being no further business, the Mayor declared the meeting adjourned at 7:54 p.m.

APPROVED:

 Jennifer E. Berry

Clerk of Council