

The regular meeting of the Town Council of the Town of Front Royal, Virginia was held on May 27, 2008, in the Warren County Government Center’s Board Meeting Room. Mayor Eastham 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 James M. Eastham
Councilman Stanley W. Brooks, Jr.
Councilwoman M. Eileen Grady
Councilman Bret W. Hrbek
Councilman Thomas H. Sayre
Councilman Eugene R. Tewalt
Town Manager J. Michael Graham
Town Attorney Thomas R. Robinett
Temporary Clerk Nicole S. Stabile

ABSENT: Vice Mayor Timothy W. Darr
Clerk of Council Jennifer E. Berry

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

Councilman Hrbek moved, seconded by Councilman Tewalt, that Council appoint Nicole S. Stabile as Temporary Clerk for the duration of the May 27, 2008 Regular Council Meeting.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre and Tewalt
No – N/A
Abstain – N/A
Absent – Vice Mayor Darr
(Mayor Eastham did not vote as there was no tie to require his vote)

Councilman Hrbek moved, seconded by Councilman Tewalt, that Council approve the Regular Council Meeting Minutes of May 12, 2008.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre and Tewalt
No – N/A
Abstain – N/A
Absent – Vice Mayor Darr
(Mayor Eastham did not vote as there was no tie to require his vote)

REPORT OF THE MAYOR, COUNCIL & STAFF

Mr. Brooks expressed his disappointment with the lack of landscaping present on Commerce Avenue from East Coast down to the Exxon station. He stated that although the sidewalk was fine, the entire area was covered with gravel and the possibility of having decent grass present was not feasible unless someone removed what was present and put down top soil. He requested that each member of Council consider walking along

the same area and reminded Staff that Council's objective had been not to allow anything that they wouldn't allow for their own homes. Mr. Brooks stated that if the situation could not be remedied in-house Council should consider the possibility of forming a committee.

Councilman Tewalt noted his agreement with Councilman Brooks' observations and informed Council that he had, over the previous weekend, witnessed a mother struggling to push a baby buggy through the area without success.

Councilman Hrbek encouraged the Town residents to visit the Town's new web-site and opined that the new look was impressive and thanked Jonathan McMahon, IT Technician, for his efforts.

Councilman Sayre thanked Director of Public Works Terry Seal and the Public Works Department for picking up a couch that had been dumped near the farm pond on Happy Creek Road.

Mayor Eastham informed Council that Vice Mayor Darr and his wife Tammy were both doing very well and expected to be back in their home by the end of the week.

Mayor Eastham presented a Pride in Performance Award to Sharon Embry for her work in the Finance Department.

Town Manager Graham advised that due to the Town holiday weekly yard debris collection would resume the following Wednesday and that ads were placed in the papers to advise the public. He informed Council that John Marshall Highway would be closed beginning the following evening at ten o'clock at night, from Richmond Road to Commerce Avenue, so the Town could complete pipe and extension work. Mr. Graham further informed Council that on June 6th, at ten o'clock in the evening, Staff would be closing Water Street so the Town could replace storm sewer piping in that area.

Mr. Graham addressed the power outage that had occurred the previous day and informed Council that it had been caused by an Allegheny Power failed switch. He noted that the Town would temporarily switch over all of Allegheny's power and energy to the Town's grid so that Allegheny could complete repairs this evening and that the hope was to switch back the following morning by six.

Mr. Graham thanked the cleanup crews for how well they did after the weekend Dancing Downtown event.

Mr. Graham introduced the following employees as recent graduates from the police academy and new Town employees: Landon Waller, Kevin Orndoff, Ryan Miller and Luke Callas.

He then introduced the Town's new Horticulturist, Anne Rose, and informed Council that she would begin with the Town Monday June 2nd.

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

CONSENT AGENDA:

A. COUNCIL APPROVAL – Byrne Justice Assistance Grant – Police Department.

B. COUNCIL APPROVAL – Deed Easement and Conveyance – WesRock.

C. COUNCIL APPROVAL – Deed of Additional Electric Transmission Easement.

Councilman Hrbek moved, seconded by Councilman Brooks, that Council delete Item #7B- Deed of Easement and Conveyance – WesRock, from the Consent Agenda.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre and Tewalt

No – N/A

Abstain – N/A

Absent – Vice Mayor Darr

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

Councilman Tewalt moved, seconded by Councilman Sayre, that Council approve the Consent Agenda as amended.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre and Tewalt

No – N/A

Abstain – N/A

Absent – Vice Mayor Darr

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

Councilman Sayre mentioned that the Police Department had a total request of \$1,840 in overtime for one sergeant for sixteen hours and two patrol officers for forty-eight hours. He then mentioned the request included a quantity of five flashlights and three rolls of barrier tape. Mr. Sayre commended the grant writer for doing an amazing job as the Town was paying only a small portion of the grant.

COUNCIL APPROVAL – Annual Appropriation Ordinance for Proposed Budget Fiscal Year beginning July 1, 2008 and ending June 30, 2009. (2nd Reading)

Councilwoman Grady read the following statement into the record:

Pursuant to the requirements of Section 2.2-3112(A)(2) and 2.2-3115(G) of the Code of Virginia, 1950, as amended, I, hereby declare that the discussion and approval of the Town’s budget also includes the size of the Town’s contribution to the Samuel’s Public Library where I am employed. My salary is, therefore, a small component of that Budget, but I am part of a group of Library employees similarly affected by the Council’s decision as to the size of that contribution. I declare that I am able to participate in this transaction fairly, objectively, and in the public interest. A copy of this

statement is hereby tendered to the Clerk for inclusion in the minutes of this meeting.

Councilman Sayre moved, seconded by Councilman Brooks, that Council adopt on it's second and final reading the Annual Appropriation Ordinance for the Proposed Budget Fiscal Year beginning July 1, 2008 and ending June 30, 2009.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre, and Tewalt
No – N/A
Abstain – N/A
Absent – Vice Mayor Darr
(Mayor Eastham did not vote as there was no tie to require his vote.)

Mayor Eastham noted that the Economic Development Authority (EDA) portion of the text was not included in Councilman Sayre's motion.

Councilman Brooks moved to set aside the \$30,917 that Council had allocated for the Economic Development Authority in a separate account to be decided later.

Councilman Hrbek called a point of order and stated that the motion that was printed in the Council packets was not the motion that was read and that he believed that Council needed to read the entire motion and then amend.

Councilwoman Grady requested a legal opinion from Town Attorney Robinett. Mr. Robinett stated that the text as it appeared in the packet was correct and that a possible addition would be that Council would determine where the \$30,917 would go. He suggested that Council consider transferring the money into a contingency account because Council would have the ability to appropriate that money at a later time.

Councilman Brooks moved, seconded by Councilman Hrbek, that Council move the \$30,917 allocated for the Economic Development Authority into the Contingency Fund.

Councilman Brooks mentioned that he was aware that the County was considering the Council's requests regarding the EDA and that pulling the funding may confuse the situation if the County had not yet agreed to the recommendations. Mr. Brooks stated that he simply wanted to set the money aside so that the future Council would have the ability to make a decision on whether or not to return the funds to the EDA and that in the meantime the County would hopefully agree with some of the Town's recommendations. He suggested that if the Town and County were to come to an agreement they should then work together to decide whether it would be necessary, or right, to fund the EDA.

Councilman Tewalt noted that he could not support the amendment and opined that this was the wrong way to approach removing funding from the EDA.

Councilman Hrbek agreed with Councilman Brooks' observations and stated that he supported the matter during the passing of the resolution, which was consistent with the

amendment, and after receiving a response from the County the entities would decide if returning funds to the EDA was appropriate.

Councilman Brooks expressed his belief that this was the beginning of a new relationship between the Town and County and that the Town and County were now heading in the direction of being able to work together. Mr. Brooks stated that he could not vote to fund the EDA in addition to what they were already being funded and mentioned that the EDA now had a new director whom had no influence in the recent events which he was going to speak of.

Councilman Brooks informed Council that when he originally made his motion he did so as a result of the EDA's lack of accountability, checks and balances, and because they had begun to head off into their own direction without any guidance from the Town or County. He expressed his willingness to reconsider, the issue, in the event he may have been wrong.

Mr. Brooks referenced a May 9th EDA meeting at which a discussion ensued regarding the possibility of the EDA purchasing theatre equipment; specifically seating and the boxes the seating was on. He stated that during this open discussion the EDA members had rendered a decision not to purchase the equipment unless they received a firm commitment from another group to open the theatre and purchase or rent the theatre equipment. Mr. Brooks further stated that six days after the original meeting a special meeting was held by the EDA on a day which three of the members were not able to attend and that those particular members had been in opposition of the purchase discussed at the May 9th meeting. He pointed out the fact that neither of the two Town representatives were present during the second closed meeting.

Councilman Brooks opined that accountability, openness, and an understanding that although that EDA had possession of the money it was not theirs but the community's, all appeared to be lacking. Mr. Brooks further opined that he did not believe the EDA would have made the purchase if they had not had \$2.5 million in the bank and quoted an EDA member who said, "\$67,000 is no big deal".

Councilman Brooks stated that he was not interested in debating whether or not it was a good idea for the EDA to enter into the theatre business, but that his focus was on the process itself and the lack of Town representation when the decision was rendered. He voiced his doubt that Council would have supported the purchase had it been brought before them first.

Vote: Yes – Councilmen Brooks, Grady, Hrbek and Sayre.

No – Councilman Tewalt

Abstain – N/A

Absent – Vice Mayor Darr

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

(By Roll Call, to move \$30,917 from the EDA fund into a Contingency Fund)

Councilman Hrbek moved, seconded by Councilman Brooks, that the line item "Facility Study" be renamed to the "Town Master Plan/Facility Study".

Councilman Hrbek informed Council that Town Manager Graham had indicated that with the \$100,000 budgeted for this study the Town should be able to complete the study. Mr. Hrbek suggested the possibility of working with the EDA to add the money they had allocated for a transportation study to the Town's transportation study. He noted that his intent was for the Town to have a good plan and a good planning year and that would consist of water, master, electric, and transportation plans. Mr. Hrbek informed Council that the purpose of renaming the Facility Study was to allow the Town Manager to begin pursuing options and presenting proposals to Council.

Councilman Brooks stated that he was tempted to support the motion but that he did not understand the entire scope of it and that he was aware that there was already a master plan for the downtown area which included building fronts and backs. He questioned if the intent was to utilize the entire \$100,000 allotted for this line item only.

Councilman Hrbek suggested making the change so that Council would have the option to spend the funds on it now, rather than waiting for an additional amendment and the reallocation of funds. Mr. Hrbek stated that Council could wait for the new Council to review the issue later though passing the motion now would allow the Town Manager to begin working on the study immediately.

Councilman Sayre mentioned that he had read through the Hopewell Vision however he was not aware that Council would be making a decision on a change in focus. Mr. Sayre requested this be discussed during a work session before Council rendered a decision.

Councilwoman Grady voiced her approval of the motion and stated that she supported the motion because it increased the scope for the vision of the Town, it did not lock the new Council into anything, and it provided the opportunity for the Town to engage in a partnership with the EDA.

Councilman Brooks mentioned that this item was a planning document and opined that as such Council should hear from the Town Planner.

Director of Planning & Zoning Andy J. Conlon informed Council he had not yet reviewed the Hopewell plan. Mr. Brooks apologized for not providing notice prior to the meeting and expressed that he would prefer the item be moved to a work session in order to better understand the effect of the amendment and to provide Mr. Conlon time to review the Hopewell Plan so that he could provide Council with his opinion.

Councilwoman Grady reiterated her support of the motion and noted that the motion did not seem to present any restrictions but rather it expanded possibilities for Council.

Councilman Tewalt voiced his support of the motion and his agreement with Councilwoman Grady. He stated that Council has approved many different items for the budget that have not always been done exactly as approved but that when the Town

Manager presented proposals to the Council they then had the opportunity to make additional changes before casting a vote.

Councilwoman Grady mentioned that this would also provide the Town Planner time to review the Hopewell document and how those plans could possibly assist in forming a strategy for the Town along with providing flexibility.

Councilman Brooks questioned whether the Town Manager felt it was possible to fold the facilities study into this without having to request additional funding.

Town Manager Graham stated that this was brought forward because Culpeper had done one and that this study was different than the Comprehensive Plan as it provided a vision. Mr. Graham further stated that when a developer, or redeveloper, came into the Town there was not a picture of what Front Royal wanted to be and the Town was always reacting to situations rather than moving ahead in a positive fashion. Mr. Graham informed Council that Culpeper completed their study with \$50,000 which provided a range from \$50,000 to \$100,000.

Town Manager Graham referenced the expansion of the conservancy and the growth of population that the Town would experience and noted that a vision plan was not in place to state the Town's needs.

Mr. Graham mentioned a conversation he had held with a redeveloper who had expressed interest in redeveloping, and upgrading, the entire downtown area but who had also stated that the purchase of a single building was not sufficient due to the absence of a vision plan from the Town.

Mr. Graham explained that the Master Plan was an attempt to assist Council, and future Councils, with what Front Royal would want to be and that it is different from the Comprehensive Plan as it provided the technical side rather than an overall idea.

Mr. Graham addressed Councilman Brooks' question regarding the spending of funds and stated that the current funds should cover it; however, he was unsure of what the facility study should look like at this point. He informed Council that he was not positive that the current Town Hall would be sufficient once upgrades were complete and if not where Town Hall should be relocated to. Mr. Graham noted the same problem existed with the Police Department's building and that the department was quickly outgrowing the facility. He stated that he was in reactive mode rather than a positive proactive mode.

Councilman Hrbek suggested that the Master Plan could provide some guidance on what the Town wants and needs along with the visions of the citizens and what they're specifically looking for. He explained that it would be helpful to Council to decide what kind of governmental facilities were needed as well and urged the Council to support the name change to indicate to the Town Manager and Town Planner to begin the process. Mr. Hrbek noted that if Council did not make an initiating move then they're left to wonder what will happen next.

Councilman Brooks voiced his support with the understanding that this motion provided flexibility. He stated that he wanted to temper it with spontaneity and creativity that sometimes was not best decided by the government, but by the people themselves.

Town Manager Graham provided an overview of the plan and mentioned that it incorporated the rivers, conservancy, Skyline Drive, the five golf courses, and the walking trails along with promoting citizens to walk to work. He noted that it was not only about the building, but, that it was also about attitude and the manner in which the Town would tie everything together.

Councilwoman Grady stated that Council would define the scope of the Front Royal Study making it specific to the Town but that it did not mean it was a mirror of Hopewell's study. She opined that the motion provided flexibility which would allow the Council to make the study as small, or large, as necessary.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, and Tewalt

No – Councilman Sayre

Abstain – N/A

Absent – Vice Mayor Darr

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

(By Roll Call, to rename line item *Facility Study* to *Master Plan/Facility Study*)

Councilman Sayre motioned, seconded by Councilman Brooks, to take \$5,000 from the Contingency Fund to the Tourism account to fund the Tourism Program "Where the Mountains Meet the River".

Councilman Sayre stated that he understood that the Town would be utilizing bonded funds from the Tourism budget in order to properly fund the Trails Program and that was why he was making this motion.

Councilman Brooks voiced his support and requested confirmation that the non-profit groups would require a Council vote rather than automatically receiving funding, directly from the Tourism budget, every year. Town Manager Graham confirmed that he was correct.

Councilman Tewalt requested a figure on the amount that Council had in the Contingency Fund.

Director of Finance Kim Gilkey-Breeden requested verification on the motion as to whether Council would vote to have the funds come from the current 2008 budget or the 2009 budget. Ms. Breeden informed Council that there was \$30,000 in the 2009 budget's contingency fund that was already available to Council to allocate and that she could reduce that without changing the bottom line of the budget.

Councilwoman Grady questioned why it was Council needed to make a motion if there was \$30,000 already allotted that was available for Council to utilize at their discretion. Ms. Breeden informed Council that once the funds were designated they could be

transferred; however, if it was not designated during the 2009 cycle then it would have to be brought back to Council.

Councilwoman Grady noted that she was aware of that and that such a process would allow the new Council to specify how the 2009 budget would be utilized and requested the amount of the total funding available for the Trails project. Town Manager Graham informed Council that it was roughly \$75,000.

Councilman Hrbek questioned if the funding was strictly obtained by lodging taxes. Ms. Breeden confirmed that it was and stated that the Town also utilized a portion of that revenue for beautification.

Councilman Hrbek voiced his opposition to this motion and explained that he believed that the reason Blue Ridge Arts Council received \$5,000 was because it benefited Tourism. He commented that the motion was a maneuver to get the funds from contingency for the same purpose, but by labeling it differently.

Councilman Brooks stated that because they were the same Council that had taken the money out of the Trails program, he did not see a problem with Council returning it.

Vote: Yes – Councilmen Brooks and Sayre
No – Councilmen Grady, Hrbek, and Tewalt
Abstain – N/A
Absent – N/A

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

(By Roll Call, to transfer \$5,000 from the Contingency Fund to the Tourism account to fund the Tourism Program “Where the Mountains Meet the River”.)

Councilman Brooks moved, seconded by Councilman Hrbek, to move \$200,000 from the Contingency Fund for use to install curb, gutter, and sidewalks along Warren Avenue.

Councilman Brooks questioned what Council had in the main Contingency Fund to which Ms. Breeden noted a total of \$4.5 million in the General Fund alone. Councilman Brooks asked if there was additional money remaining in other funds and requested the total budget amount. Ms. Breeden provided the amount of \$31 million. Mr. Brooks then inquired as to what the State recommended as a contingency reserve. Ms. Breeden stated that three months was the reserve recommendation and noted that the Town did have that.

Town Manager Graham stated that the Town currently had \$6.9 million dollars in the General Fund with an additional \$9.4 million in the Electric Fund giving the Town a reserve of approximately \$5.8 million. He explained that the Town also held a reserve in every enterprise fund.

Councilman Brooks raised the question of whether or not transferring such an amount would cause the need for an entire revision of the budget or if it would remain a balanced. Director Breeden informed Council that the budget would remain balanced.

Mr. Brooks expressed his concern with the current condition of Warren Avenue, specifically from the Post Office to Commerce Avenue, due to the lack of curb, gutter, and sidewalk. He stated that redevelopment of the area would be very difficult due to its current state and that a redeveloper would not consider the area without the Town having first made an investment there.

Councilman Brooks mentioned the investment the Town had already made on Virginia Avenue and North Royal Avenue and the improvements that the curb and gutter brought to that area. He encouraged Council to ride along Warren Avenue and noted that the installation work there would give Virginia Avenue, North Royal Avenue, and Warren Avenue a uniform look.

Councilman Brooks stated that he did not feel the need to change the budget but rather that he would like the item discussed at a future work session.

Councilman Brooks withdrew his motion to move \$200,000 from the Contingency Fund for use to install curb, gutter, and sidewalk along Warren Avenue.

Mayor Eastham ensured that the only amendments were to move the \$30,917 in funds for the EDA to the contingency fund and to rename the Facility Study line item to the Master Plan/Facility Study.

Councilman Hrbek requested that either Senior Staff or the Town Manager provide highlights of the positive aspects in this year's budget.

Town Manager Graham stated that this was the second year that the Town would not have any new taxes and that the budget was reduced by 7.6 percent. Mr. Graham commended Staff for an amazing job as the Town's goal was to be the most efficient without losing any of the customer service it provided.

Mr. Graham mentioned that although the Town had reduced the budget it had also maintained all of the Capital Improvements. He further mentioned that there was a lot happening that the Town was proud of including avoiding the introduction of new taxes. He noted that it was seldom that the opportunity arose to spend and improve and at the same time cut your budget. Mr. Graham thanked Staff and stated that they were doing much more with much less.

Councilman Hrbek thanked and applauded the Staff for being good stewards of the money of the citizenry and thanked the Staff and Council for looking ahead and preparing for future residents, and visitors, of the Town.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre, and Tewalt

No – N/A

Abstain – N/A

Absent – Vice Mayor Darr

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

(By Roll Call to approve the Annual Appropriation Ordinance for the Proposed Budget Fiscal Year beginning July 1, 2008 and ending June 30, 2009, as amended)

ANNUAL 2008-2009 BUDGET APPROPRIATION ORDINANCE OF THE TOWN OF FRONT ROYAL

For The Fiscal Year Ending June 30, 2009 An Ordinance Making Appropriations Of Sums Of Money For All Necessary Expenditures Of The Town Of Front Royal, Virginia For The Fiscal Year Ending June 30, 2009 To Prescribe The Provisos, Terms, Conditions, And Provisions With Respect To The Terms Of Appropriation And Their Payment, And To Repeal All Ordinances Wholly In Conflict With This Ordinance, And All Parts Of All ordinances Inconsistent With This Ordinance To The Extent Of Such Inconsistency.

BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF FRONT ROYAL, VIRGINIA:

SECTION I

That the following sums of money are hereby appropriated for the general governmental purposes herein specified for the fiscal year ending June 30, 2009:

GENERAL FUND EXPENDITURES

General Government	1,040,309
Financial Administration	865,418
Legal	315,643
Law Enforcement Services	3,484,070
General Property Maintenance	1,212,472
Planning and Zoning Administration	497,679
Risk Management/Insurance	575,840
Economic Development	10,519
Information Technology	407,305
Library	68,924
Transfers/Contingency Reserve	1,192,021
TOTAL GENERAL FUND EXPENDITURES	\$9,670,200

STREET FUND EXPENDITURES

Public Works	579,278
State Highway Maintenance System	2,180,274
TOTAL STREET FUND EXPENDITURES	\$2,759,552

ECONOMIC DEVELOPMENT FUND

Principal on Debt	73,787
Interest Payments	23,245
Operations	37,474
TOTAL DEBT SERVICE FUND EXPENDITURES	\$134,506

SPECIAL PROJECTS FUND

Community and Neighborhood Development	4,000
TOTAL SPECIAL PROJECTS FUND EXPENDITURES	\$4,000

SPECIAL REVENUE FUND

Asset Forfeiture	12,000
TOTAL SPECIAL REVENUE FUND EXPENDITURES	\$12,000

and the following sums of money are hereby appropriated for the enterprise operations specified for the year ending June 30, 2009:

ELECTRIC FUND EXPENDITURES

Operations	
2,376,995	
Purchase of Bulk Electricity	12,409,300
Transfer to General Fund	920,000
TOTAL ELECTRIC FUND EXPENDITURES	\$15,706,295

WATER FUND EXPENDITURES

Administrative Office	134,612
Water Plant Operation	1,181,363
Maintenance of Lines	495,936
Debt Service	1,138,472
Contingency and Transfers to Other Funds	389,950
TOTAL WATER FUND EXPENDITURES	\$3,340,333

SEWER FUND EXPENDITURES

Administrative Office	134,611
Wastewater Treatment Plant Operations	1,492,512
Maintenance of Lines	495,936
Debt Service	564,990
Contingency and Transfers to Other Funds	389,950
TOTAL SEWER FUND EXPENDITURES	\$3,077,999

REFUSE FUND EXPENDITURES

Operations	
929,100	
Transfer to General Fund	82,000
TOTAL REFUSE FUND EXPENDITURES	\$1,011,100

<u>TOTAL ALL FUNDS EXPENDITURES</u>	\$35,715,985
--	---------------------

**REVENUES
TO BE PROVIDED AS FOLLOWS**

GENERAL FUND

Real Estate Property Tax (\$.0525 Per \$100 assessed valuation)	1,091,000
Public Service Property Tax & Tax Penalties	47,700
Personal Property Tax (\$.60 per \$100 assessed valuation)	677,000
Other Local Taxes	4,882,000
Permits and Fees	35,000
Fines and Forfeitures	335,000
Revenue from Use of Money and Property	209,000
Public Rights-of-Way Use Fee	50,000
Charges for Services	14,000
Intergovernmental	502,600
Interfund Transfers:	
Electric Fund	920,000
Water Fund	389,950
Sewer Fund	389,950
Refuse Fund	82,000
Non-Revenue Receipts	45,000
TOTAL GENERAL FUND REVENUE	\$9,670,200

STREET FUND

State Highway Maintenance Funds	1,540,000
Revenue from Use of Money and Property	41,500
Street, Curb & Gutter Assessments	48,000
Transfers from General Fund	1,130,052
TOTAL STREET FUND REVENUE	\$2,759,552

ECONOMIC DEVELOPMENT FUND

Real Estate Property Tax (\$.0175 per \$100 assessed valuation)	134,506
TOTAL DEBT SERVICE FUND REVENUE	\$134,506

SPECIAL PROJECTS FUND

Recovered Costs	4,000
TOTAL SPECIAL PROJECTS FUND	\$4,000

SPECIAL REVENUE FUND

Asset Forfeiture Grant Funding	12,000
--------------------------------	--------

TOTAL SPECIAL REVENUE FUND **\$12,000**

ELECTRIC FUND

Revenue from Use of Money and Property	160,000
Sale of Service	5,019,335
Non-Revenue Receipts	526,960
TOTAL ELECTRIC FUND REVENUE	\$15,706,295

WATER FUND

Revenue from Use of Money and Property	150,000
Antenna Rentals	15,000
Sale of Service and Commodities	2,844,333
Connection Fees	325,000
Miscellaneous	6,000
TOTAL WATER FUND REVENUE	\$3,340,333

SEWER FUND

Revenue from Use of Money and Property	80,000
Sale of Service and Commodities	2,692,499
Connection Fees	305,000
Miscellaneous	500
TOTAL SEWER FUND REVENUE	\$3,077,999

REFUSE FUND

Revenue from Use of Money and Property	4,000
Sale of Services/Bags/Recycle Bins/Other	986,600
Sale of Recyclable Materials	20,500
TOTAL REFUSE FUND REVENUE	\$1,011,100

TOTAL ALL FUNDS REVENUES **\$35,715,985**

SECTION II

All moneys appropriated as shown by the items contained in Section I are appropriated upon the provisos, terms, conditions and provisions hereinafter set forth in connection with said items and those set forth in this section.

Paragraph One

I. To provide for the current and other expenditures of the Town of Front Royal, Virginia; for the fiscal year beginning July 1, 2008 and ending June 30, 2009 the tax rates shall be set at:

- A) Upon all real estate the rate shall be set at \$0.07 for each \$100.00 of assessed valuation.
- B) Upon all personal property and machinery and tools the rate shall remain set at \$0.60 for each \$100.00 of assessed valuation. Except, that personal property described in Town of Front Royal Code §75-49(B), that has been specifically accepted for special classification by the designated official, shall remain at \$0.30 for each \$100.00 of assessed valuation for such volunteer fire or rescue members' single vehicle used to respond to calls or perform other official duties.

II. Assessed valuation of property shall be determined and certified to the Town of Front Royal by the Commissioner of the Revenue of Warren County, and the State Corporation Commission on Public Service Corporation Property. All taxes shall be due and payable on or before December 5, 2008. For taxes not paid on or before December 5, 2008 a penalty of ten percent of the tax due will be added to the tax due. Interest at the annual rate of ten percent of the tax due will be added after December 31, 2008 on all unpaid taxes.

III. Proration of Personal Property Tax.

A. Tax levied and prorated on monthly basis. Tangible personal property tax shall be levied and collected on motor vehicles, trailers, and boats which have acquired a situs within the Town after January 1 of any tax year for the remaining portion of the tax year. When any person acquires a motor vehicle, trailer or boat with situs in the Town after January 1 and situs remains in the Town after such acquisition, the tax shall be assessed against the new owner for the remainder of the tax year. Such tax shall be prorated on a monthly basis. For purposes of proration, a period of more than one-half of a month shall be counted as a full month and a period of less than one-half of a month shall not be counted.

B. Relief or refund. When any motor vehicle, trailer, or boat loses its situs within the Town after January 1 or after the day on which it acquires a situs within the Town (hereafter "situs day"), the tax shall be relieved, prorated on a monthly basis, and the appropriate amount of tax refunded if such tax has already been paid, upon application by the owner to the Commissioner of the Revenue and notice to the Commonwealth of Virginia Department of Motor Vehicles (if applicable); provided however that no refund shall be made if the motor vehicle, trailer, or boat acquires a situs within the Commonwealth in a non-prorating locality.

C. Relief, refund or credit on sale. When any person sells or otherwise transfers title to a motor vehicle, trailer, or boat with a situs in the Town after January 1 or situs day, the tax shall be relieved, prorated on a monthly basis, upon application by the owner to the Commissioner of the Revenue and notice to the Commonwealth of Virginia Department of Motor Vehicles (if applicable), and the appropriate amount of tax already paid refunded or credited by the Treasurer, at the option of the taxpayer, against the tax due on any motor vehicle, trailer, or boat owned by the taxpayer during the same tax year.

D. Time Limitation for refund; minimum refund. Any refund required shall be made within thirty (30) days of the date such tax is relieved. No refund of less than five dollars (\$5.00) shall be issued to a taxpayer, unless specifically requested by the taxpayer.

E. Conditions for certain tax credits. Any person who moves from a non-prorating locality to the Town in a single tax year shall be entitled to a property tax credit in the Town if (i) the person was liable for personal property taxes on a motor vehicle, trailer, or boat and has paid those taxes to a non-prorating locality; and (ii) the owner replaces for any reason the original vehicle, trailer or boat upon which taxes are due to the non-prorating locality for the same tax year. The Town shall provide a credit against the total tax due on the replacement vehicle, trailer, or boat in an amount equal to the tax paid to the non-prorating locality for the period of time commencing with the disposition of the original vehicle, trailer, or boat and continuing through the close of the tax year in which the owner incurred tax liability to the non-prorating locality for the original vehicle, trailer or boat.

F. Exemptions of property for which tax has been paid to another jurisdiction. Tangible personal property which was legally assessed by another jurisdiction in the Commonwealth and on which the tax has been paid is exempt from taxation under this section for the tax year or portion thereof during which such property was legally assessed by other jurisdiction and taxes were paid to that jurisdiction and not refunded in whole or in part.

G. Filing of returns. Filing procedures shall be in compliance with the Warren County Code.

H. Billing for less than full year. Notwithstanding any other date for billings and payment of personal property taxes, the Town may bill all personal property taxes assessed for a portion of the tax year on or after December 15 of each year.

I. Due date of taxes. The taxes shall be due not less than thirty (30) days after the date of the tax bill or due date on the tax bill, whichever is later.

J. Time limit for applications. Any taxpayer entitled to a refund or credit must make application therefore to the Director of Finance no later than three (3) years from the last day of the tax year during which the motor vehicle, trailer or boat lost situs, was sold or had its title transferred.

Paragraph Two

Subject to the qualifications contained in this ordinance all appropriations made out of the General Fund, Street Fund, Economic Development Fund, Special Projects Fund, Service District Fund, Special Revenue Fund, Electric Fund, Water Fund, Sewer Fund, and Refuse Fund are declared to be maximum, conditional and proportionate appropriations, the purpose being to make the appropriations payable in full in the amount named, if necessary, and then only in the event the aggregate revenues collected and available during the fiscal year for which the appropriations are made are sufficient to pay all the appropriations in full. Otherwise the said appropriations shall be deemed to be payable in

such proportions as the total sum of all realized revenue of the General Fund, Street Fund, Debt Service Fund, Special Projects Fund, Service District Fund, Special Revenue Fund, Electric Fund, Water Fund, Sewer Fund, and Refuse Fund is to the total amount of revenues estimated to be available in the said fiscal year by the Town Council.

Paragraph Three

All balances of the appropriations payable out of the General Fund, Street Fund, Debt Service Fund, Special Projects Fund, Service District Fund, Special Revenue Fund, Electric Fund, Water Fund, Sewer Fund, and Refuse Fund of the Town Treasury unencumbered at the close of business on the thirtieth day of June, 2009, except as otherwise provided for, are hereby declared to be lapsed into the Town Treasury. Such unencumbered balances shall be used for the payment of the appropriations that may be made in the appropriation ordinance for the fiscal year beginning July 1, 2009. However, nothing in this paragraph shall be construed to be applicable to unencumbered balances remaining to the credit of any Sinking Fund, or any funds created by the setting up of special revenues, but such balances shall be used in financing the proposed expenditures of these funds for the fiscal year beginning July 1, 2009.

Paragraph Four

The director or administrative officer in charge of a department shall have the authority to transfer moneys between line items and categories within the budgeted appropriations of such department. No department receiving appropriations under the provisions of this ordinance shall exceed the total amount of its appropriation except with the prior consent and approval of the Town Council or the Town Manager. Where the Town Manager is the administrative officer in charge of a department, no prior consent or approval shall be required for such department to exceed its appropriation. The Town Manager may transfer moneys within any Fund to provide for such expenditure in excess of a department's budgeted appropriation. No Fund receiving appropriations under the provisions of this ordinance shall exceed the total amount of its appropriation except with the prior consent and approval of the Town Council who may then authorize by resolution the transfer of moneys between the Funds. If any such department or fund shall exceed the amount of its appropriation without such consent and approval, the director or administrative officer, in the discretion of the Town Council, may be deemed guilty of neglect of official duty and may be subject to removal therefore.

Paragraph Five

Nothing in this section shall be construed as authorizing any reduction to be made in the amounts appropriated in this ordinance for the payment of interest, bonds, or contributions to any Sinking Fund on the bonded debt of the Town Government.

Paragraph Six

None of the moneys mentioned in this ordinance in connection with the General Fund, Street Fund, Economic Development Fund, Special Projects Fund, Service District Fund, Special Revenue Fund, Electric Fund, Water Fund, Sewer Fund, and Refuse Fund shall be

expended for any purpose other than those for which they are appropriated except as provided in Paragraph Four. It shall be the duty of the Director of Finance to see that this provision is strictly observed and to report to the Town Manager any irregularities.

Paragraph Seven

Allowances out of any of the appropriations made in this ordinance by any or all of the Town departments, bureaus, or agencies to any of their officers and employees for expenses on account of the use of such officers and employees of their personal automobiles in the discharge of their official duties shall not exceed the standard mileage rate as determined by the IRS (50 ½ cents per mile as of January 1, 2008).

Paragraph Eight

All traveling expense accounts shall be submitted on forms and according to regulations prescribed or approved by the Town Manager.

Paragraph Nine

All moneys from the sale of general government real estate or other property shall be set aside in a separate account of the General Fund and subject to expenditure only through appropriate action of the Council. Except, where the Council shall have specified that the moneys from the sale of an item or a class of property shall be paid into a specified account of a Town department.

Paragraph Ten

All moneys collected by any department, bureau, agency or individual of the Town Government shall be paid into the Town Treasury not later than the day immediately following the day of collection.

Paragraph Eleven

The Fund budgets in Section I as included in the general budget are hereby adopted and made the official budget document of the Town of Front Royal. It is expressly provided that the restrictions with respect to the expenditure of the moneys appropriated shall apply only to the lump sum amounts for the classes of expenditures, of Funds, which have been included in this ordinance.

Paragraph Twelve

All ordinances and parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed.

THIS ORDINANCE SHALL BECOME EFFECTIVE JULY 1, 2008.

COUNCIL APPROVAL – Begin the Process of Assessing Specific Property Owners for the Installation of Curb and Gutter along Cherrydale Avenue, Brown Avenue, Duncan Avenue, Kerfoot Avenue and River Drive

Councilman Tewalt moved, seconded by Councilman Sayre, that Council authorize the advertisement of a Public Hearing pertaining to the installation of curb and gutter by assessment of certain property owners along Cherrydale Avenue, Brown Avenue, Duncan Avenue, Kerfoot Avenue and River Drive.

Councilman Sayre opined that this was long overdue and expressed his hope that the citizens would get involved with Council and Staff and attend the Public Hearing on this matter.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre and Tewalt

No – N/A

Abstain – N/A

Absent – Vice Mayor Darr

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

PETITIONS FROM THE PUBLIC

Dennis Fusaro, Resident of North Warren County, read the following statement into the record:

I live in North Warren County, I'm not a resident of the Town but I've become concerned about an issue that I believe is going to affect the quality of life for me and my family, in the County.

Mr. Mayor, is it true that Chik-Fil-A has backed out of their contract to build a restaurant in the Riverton Commons Shopping Center because the Town of Front Royal is planning to charge them over one hundred thousand dollars per year to supply them water and sewer?

Mr. Mayor, is it true that Cracker Barrel is paying water and sewer bill under protest in the amount of \$180,000 and has threatened, along with other restaurants, to bring a lawsuit against the Town?

Is it true that the Town Council has retained outside legal counsel and has met in secret for the better part of a year planning to annex the entire Route 522/340 Corridor into the Town of Front Royal?

Is it true, Mr. Mayor, that the Town Attorney has drafted a resolution in secret, and in collusion with the Warren County Board of Supervisors, and intends to pass this resolution that endorses the double taxation of all businesses in the Route 522/340 Corridor and commits the County to pay Town legal fees if litigation ensues?

Is it true, Mr. Mayor, that Councilman Stan Brooks is the architect of the strategy by which the Town of Front Royal is stating that it can charge the

Town's meals tax on businesses outside the Town boundaries as part of their water and sewer rate?

Thank you for allowing me to read this statement, I'd like to give you this letter Mr. Mayor, this is a Freedom of Information Request.

Holly Sessions, resident of 123rd West 5th Street, made the following statement:

Because Council had discussed this category tonight I feel comfortable bringing it up. As a person who walks to employment another improvement to the Town would be a safe walking path on Virginia Avenue between 6th and 13th. It would not need to be a full-fledged sidewalk, and I think that one side would be sufficient, just some place to get out of the way of the oncoming traffic. There's a lot of traffic on Virginia Avenue now. I enjoy walking and there are other routes, I have the alternative of Royal Avenue and Shenandoah Avenue, but I'm not the only one that walks Virginia Avenue, so I just thought I'd put that out for you to discuss in one of your work sessions.

CLOSED MEETING – Consultation with Legal Counsel

Councilman Hrbek moved, seconded by Councilman Sayre, that Council convene in a closed meeting to discuss legal ramifications of the Agreement between the Town and Warren County dated January 1998, and to discuss the legal ramifications of additional changes of the floodplain portions of the zoning ordinance both being of specific legal matter requiring the advice of counsel pursuant to Section 2.2-3711(A)(7) of the Code of Virginia, 1950, as amended.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre, and Tewalt

No – N/A

Abstain – N/A

Absent – Vice Mayor Darr

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

Councilman Hrbek moved, seconded by Councilman Brooks, that Council certify that, to the best of each Council member's knowledge as recognized by each Council member's affirmative vote, that only public business matters as were identified in the motion by which the preceding closed session was convened; were heard, discussed or considered during the closed session of the Council; and, that the vote of each individual member be taken by roll call and recorded and included in the minutes of this meeting.

Vote: Yes – Councilmen Brooks, Eastham, Grady, Hrbek, Sayre, and Tewalt.

No – N/A

Abstain – N/A

Absent – Vice Mayor Darr

(By Roll Call)

Councilman Sayre moved, seconded by Councilman Tewalt, that Council hold a Special Meeting on June 2nd, 2008 at the Town Hall for the purpose of passing an emergency ordinance to amend the floodplain portion of the Zoning Ordinance.

Vote: Yes – Councilmen Brooks, Grady, Hrbek, Sayre, and Tewalt

No – N/A

Abstain – N/A

Absent – Vice Mayor Darr

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

There being no further business the Mayor declared the meeting adjourned at 8:48 p.m.

SIGNED:

Nicole S. Stabile
Temporary Clerk