

The SPECIAL meeting of the Town Council of the Town of Front Royal, Virginia was held on Monday, March 29, 2010, in the Town Hall Conference Room. The roll was called at 7:00 p.m.

**PRESENT:** Mayor Eugene R. Tewart  
Vice Mayor Bret W. Hrbek  
Councilman Thomas H. Sayre  
Councilman Carson C. Lauder, Jr.  
Councilman Thomas E. Conkey  
Councilman Chris W. Holloway  
Councilman N. Shae Parker  
Town Manager J. Michael Graham  
Town Attorney Thomas R. Robinett  
Clerk of Council Jennifer E. Berry

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

**COUNCIL APPROVAL – An Ordinance to Amend and Re-enact Town Code Sections 75-44 so that Real and Personal Property Taxes are Imposed at Specified Rates (2<sup>nd</sup> Reading)**

*Councilman Holloway moved that Council adopt on its second reading an ordinance to amend and re-enact Front Royal Town Code Section 75-44 so that real estate taxes are imposed at 7 cents per \$100 assessed value and the personal property tax rate is proposed at 60 cents per \$100 assessed value, effective upon adoption of the ordinance.*

Councilman Conkey clarified the tax rates as stated in the motion, as 7 cents and 60 cents. He noted that the he had concern that the Town would have to take money from their surplus funds to balance the budget. He stated that doing the “credit card” process to balance the budget would bring the Town many problems and could not be ongoing. Mr. Conkey noted that he had concerns with luxury taxes to make up any deficit in the future, and the implementation may hurt the businesses. He added that meals taxes through the Town were already down.

Vice Mayor Hrbek clarified that he Town was up against a budget deadline to move the tax rate along. Mr. Robinett noted that the April 1<sup>st</sup> deadline was imposed by the State to deliver a balanced budget.

Mr. Robinett stated that the Council will need to revisit the matter each year, whether it was by ordinance or not. He noted that the process for budgeting may not change regarding the timeframe.

Councilman Holloway stated that competition on the Corridor affected the Town meals tax amounts noted by Mr. Conkey. Councilman Conkey agreed.

Councilman Lauder noted that the anniversary of the Skyline Drive may assist with tourism numbers this coming year. He added that next year the rates would need to be raised at some point and Council needed to step up to the plate to address the needs of the citizenry.

Mayor Tewalt stated that if the Town desired tourism to assist the community, they should not reduce the Tourism Division of the budget.

Councilman Parker noted that creative ways should be developed to attempt to eliminate dipping too far into the savings fund. He reminded Council that a cigarette tax was a viable revenue stream, noting that most localities nearby had a similar tax.

Vote: Yes – Conkey, Holloway, Hrbek, Lauder, Sayre and Parker

No – N/A

Abstain – N/A

Absent – N/A

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

(By Roll Call)

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There being no further business, the Mayor declared the meeting adjourned at 7:08 p.m.

APPROVED:

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Jennifer E. Berry

Clerk of Council