

AUDIT/FINANCE COMMITTEE MEETING AT 6:00PM



REGULAR TOWN COUNCIL MEETING

Monday, October 19, 2020 @ 7:00pm
Warren County Government Center

1. Pledge of Allegiance
2. Moment of Silence
3. Roll Call
4. Approval of Minutes
Regular Council Meeting Minutes of September 28, 2020
5. Receipt of Petitions and/or Correspondence from the Public
Public speakers and Council Members must use the same civility, decorum, orderly behavior, relevancy of comments to the subject at hand, and appropriate language in addressing Town Council as they would use in addressing a Judge in a Court of Law. No profanity, vulgar, or sexist language, or irrelevant commentary, is allowed. (*Robert's Rules*, §43, pp. 379-382; *Steinburg v. Chesterfield Cty. Planning Com'n*, 527, F. 3d (4th Cir.) 2008); *Eichenlaub v. Township of Indiana*, 385 F. 3d 274 (3d Cir. 2004.).
--Further Details found on page 2 of this agenda--
6. Reports:
 - a. Report of special committees or Town Officials and Interim Town Manager
***Recognition of Officer Zachary King**
 - b. Requests and inquiries of Council members.
 - c. Report of the Mayor
 - d. Proposals for addition/deletion of items to the Agenda.
7. COUNCIL APPROVAL OF CONSENT AGENDA ITEMS (Roll Call Vote Required)
 - A. FY21 Budget Amendment for Purchase of Transformers for New Hospital
 - B. Liaison Committee Items to Add to October 22 Agenda
 - C. Reappointment for Board of Architectural Review (BAR) - Runyan
8. PUBLIC HEARING - FY21 Budget Amendment, Interfund Transfer and Financing the Construction of the Police Department
9. COUNCIL APPROVAL - Distribution of Remaining CARES Funds Phase I
10. COUNCIL APPROVAL - FY21 Budget Transfer Release Portion of Contingency Funds
11. COUNCIL APPROVAL – Resolution Requesting Valley Health and Anthem Negotiate a New Healthcare Insurance Contract
12. CLOSED MEETING – Public Alley and Contract

TOWN COUNCIL AND PUBLIC PRESENTATION DECORUM REQUIREMENTS

During all portions of a Regular Town Council Meeting, including its Public Presentations portion, the following requirements of decorum by both public speakers and Town Council Members must be followed. These are the requirements: Town Code, *Robert's Rules of Order* (incorporated into Town Code), and Federal Court Decisions interpreting First Amendment Constitutional Law on Free Speech.

1. The Mayor, as the presiding officer of Town Council, shall enforce the rules of procedure, preserve order and decorum, and appoint all Committees. (*Town Code 4-8*)
2. Every member of the Council shall address the presiding officer before speaking, confine himself to the question before the body and avoid all personal or indecorous language. (*Town Code 4-12*)
3. Public speakers and Council Members must use the same civility, decorum, orderly behavior, relevancy of comments to the subject at hand, and appropriate language in addressing Town Council as they would use in addressing a Judge in a Court of Law. No profanity, vulgar, or sexist language, or irrelevant commentary, is allowed. (*Robert's Rules, §43, pp. 379-382; Steinburg v. Chesterfield Cty. Planning Com'n. 527, F. 3d (4th Cir.) 2008; Eichenlaub v. Township of Indiana, 385 F. 3d 274 (3d Cir. 2004.)*)
4. There can be no personal attacks. A speaker can condemn the nature or likely consequences of a proposed measure in strong terms, but under no circumstances can he attack or question the personalities or the motives of another member. The measure, but not the man, is the subject of debate. (*Same Authority as above*)
5. A speaker may not speak to any matter that is the subject of a public hearing during that same Regular Meeting. (*Robert's Rules, § 43, pp. 379-382*)
6. A speaker who violates 2., 3., 4., or 5. above should be promptly asked to stop speaking in that fashion by the Mayor. If such speaker does not promptly so stop, the Mayor should ask the Sergeant at Arms (Police Officer) to remove such speaker, forcibly if necessary, and even charged with a misdemeanor crime. Federal court decisions have established that public policy in maintaining civility and decorum during the public comment sessions of its public meetings, both to ensure the efficient conduct of the people's business and to maximize citizen participation in the discussion, override the speaker's First Amendment rights of free speech. Governmental bodies may enforce policies against personal attacks in furtherance of a legitimate governmental purpose to preserve order and decorum in meetings, so long as they do not use the personal attack policy as a pretext to squelch a particular substantive viewpoint. (*Robert's Rules, § 43, pp. 379-382; Steinburg v. Chesterfield Cty. Planning Com'n. 527, F. 3d (4th Cir.) 2008; Eichenlaub v. Township of Indiana, 385 F. 3d 274 (3d Cir. 2004.)*)

Town Attorney July 2020

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The regular meeting of the Town Council of the Town of Front Royal, Virginia was held on September 28, 2020, in the Warren County Government Center. The Pledge of Allegiance was led by Boy Scouts Troop 4. The Moment of Silence was led by Mayor Tewalt.

ROLL CALL for MAYOR/TOWN COUNCIL

PRESENT:

Mayor Eugene R. Tewalt
 Vice Mayor William A. Sealock
 Councilman Lori A. Cockrell
 Councilman Gary L. Gillispie
 Councilman Chris W. Holloway
 Councilman Jacob L. Meza
 Councilman Letasha T. Thompson
 Town Attorney Douglas W. Napier
 Interim Town Manager Matthew A. Tederick
 Clerk of Council Tina L. Presley

(The above represent municipal officers of the Town of Front Royal as stated in Town Charter Section 4)

APPROVAL OF MINUTES

Councilman Cockrell moved, seconded by Councilman Meza to approve the Special, Regular and Work Session Council Meeting Minutes of September 8, 14 and 21, 2020, as presented

Vote: Yes – Unanimous -----NO ROLL CALL

RECEIPT OF PETITIONS AND/OR CORRESPONDENCE FROM THE PUBLIC

Gary Kushner, 1106 Fetchett Road, voiced his dissatisfaction of the most recently held press conference when criticisms and insults of the EDA and Warren County Board of Supervisors were stated.

David Downes, 14 Chester Street, voiced his observation that the only two councilmembers seeking reelection asked for the Resolution demanding justice for citizens. He suggested that the Mayor just call Marsha Garst and/or Michael Parker instead of passing a resolution which he opined was a waste of time.

William Huck, 409 E Main Street, advised Council that the merchants on Main Street are planning to move forward with Halloween activities since Hometown Halloween has been cancelled.

REPORTS

a. Report of special committees or Town Officials and Interim Town Manager

Interim Town Manager Tederick introduced Northern Shenandoah Valley Regional Commission Executive Director Brandon Davis to Council. He gave his report on GO VIRGINIA Program. Councilman Gillispie asked for an update on the recycling efforts mentioned in another meeting.

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Mr. Tederick introduced Trish from Strategic Solution by Trish. She gave a presentation on Tourism numbers including the activity on social media. Councilman Thompson confirmed that the Influencer event would be outside the Town as well as in Town. Mr. Tederick recognized Elena Patrice with Social Status Inc for her continued assistance on this project.

Mr. Tederick presented the Pride in Performance = Excellence Stars of the Month Awards to Officer Andrew Haywood for June and Kayla Thomas for July.

b. Requests and inquiries of Council members

Councilman Meza thanked the Boy Scouts for their attendance tonight and congratulated the Stars of the Month. He thanked the Chief for his officers that presented FREE Slurpee Certificates to children in his neighborhood. Mr. Meza confirmed that the recently held press conference was only open to the press to ask questions not the public. He also took the opportunity to clarify other statements made by Mr. Kushner earlier.

c. Report of the Mayor – Mayor Tewalt noted that Boy Scouts Troop 4 was sponsored by the Front Royal Rotary and expressed his appreciation to them for attending the meeting tonight.

d. Proposals for addition/deletion of items to the Agenda - NONE

COUNCIL APPROVAL OF CONSENT AGENDA ITEMS –

Vacation for Town Rights-of-Way Policy Revisions - Council approved the revisions of the Vacation and Town Rights-of-Way Policy as presented.

Proclamation for Public Power Week - Council approved a Proclamation proclaiming October 4 – 10, 2020 as Public Power Week in the Town of Front Royal to recognize the Town's Department of Energy Services' contributions to the community and to educate customer-owners, policy makers and employees on the benefits of public power, as presented.

Third Quarter Write-Off for Bad Debt - Council approved the removal of 5 years or older of outstanding accounts receivable (bad debts) on the Town's ledger for the third quarter of 2020 totaling \$16,739.57, which is comprised of 55 utility accounts. All possible recourse of attempting to collect these amounts has been completed and the accounts have no activity for at least 5 years.

Sole Source Purchase of Portable Message Board - Council approved a trailer mounted portable message sign board from Traffic Safety Supplies Inc., in the amount of \$15,950.00 for the Public Works Water Sewer Maintenance Department.

Bid for Light Poles - Council approved a bid in the amount of \$35,556.00 from Anixter, Inc. for the delivery of (24) Shakespeare decorative light poles for immediate use and to add to Energy Services inventory.

Move Location of October 19 Regular Meeting - Council approved moving the location of their regular meeting to the Government Center instead of the Town Hall on October 19, 2020.

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COVID-19 Emergency Ordinance Amendment - Council approved amending the COVID-19 Emergency Ordinance paragraph #6 to *“for a period until Town Council takes action otherwise”* and removing “not exceeding six months”.

FY21 Budget Amendment DMV Speed/Alcohol Enforcement Matching Grant - Council approved a FY21 Budget Amendment in the amount of \$18,900.00 to receive funds for the Virginia Highway Safety Grant.

Councilman Meza moved, seconded by Councilman Holloway that Council approve the Consent Agendas as presented.

Vote: Yes – Unanimous -----NO ROLL CALL

PUBLIC HEARING – Ordinance Amendment to Chapter 138 (2nd Reading)

Clerk of Council Presley read the summary: Council is requested to adopt on its second and final reading an ordinance to amend Front Royal Town Code Chapter 138 Peddlers, Solicitors and Itinerant Merchants to allow the use of vending vehicles operated on Town Streets to peddle ice cream and other frozen desserts, as presented.

Councilman Thompson moved seconded by Councilman Cockrell that Council adopt on its second and final reading an ordinance to amend Front Royal Town Code Chapter 138 Peddlers, Solicitors and Itinerant Merchants to allow the use of vending vehicles operated on Town Streets to peddle ice cream and other frozen desserts, as presented.

There was no discussion.

ROLL CALL Vote: Yes – Councilmen Sealock, Cockrell, Gillispie, Holloway, Meza and Thompson
 No – N/A
 Abstain – N/A
 Absent – N/A

COUNCIL APROVAL – FY21 Budget Amendment, Interfund Budget Transfer and Bid

Clerk of Council Presley read the summary: Council is requested to approve a FY21 Interfund Budget Transfer in the amount of \$113,280.00 to allocate funds from the General Fund Reserve Funds to the Electric Fund and to approve the purchase of a SCADA system upgrade from Survalent Technology Inc in the amount of \$113,280.00.

~~*Councilman Cockrell moved seconded by Councilman Meza approve a FY21 Interfund Budget Transfer in the amount of \$113,280.00 to allocate anticipated CARES funds from the General Fund to the Electric Fund and to approve the purchase of SCADA system upgrade from Survalent Technology Inc in the amount of \$113,280.00.*~~

Councilman Thompson read the following statement:

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The cover page for this item states general fund COVID-19 expense per the attached memo we are to be reimbursed with funds from the CARES Act. We are unable to do so because according to the US Department of the Treasury's website the expenditure would not qualify. Per the website the CARES Act requires the payments to come from the coronavirus relief fund and only to be used to cover expenses that are 1) necessary incurred due to the current public health emergency with respect to the coronavirus 2) were not accounted for in the budget most recently approved March 27th 2020, which is the date of the enactment. SCADA can be found on pages 52 and 53 of our FY20-21 Budget. Further per Mr. Ferrell, the CARES Act Committee will not approve the above-mentioned item and we will not get reimbursed. For this I will vote no for the proposed amendment and I have a link to the Treasury website if anyone needs it.

Mr. Tederick advised that the CARES Act Committee at the County level was asking for additional information for the SCADA system. He advised that after talking with Mr. Ferrell [Emergency Coordinator for Warren County], law enforcement hours can be used as an expenditure so the Town would be using that instead of SCADA. New information came out Friday and over the weekend.

Councilman Gillispie advised that there was a revised motion placed before Council at the beginning of the meeting for this item.

Councilman Cockrell withdrew the motion seconded by Councilman Meza.

Councilman Cockrell moved seconded by Councilman Holloway that Council approve a FY21 Interfund Budget Transfer in the amount of \$113,280.00 to allocate funds from the General Fund Reserve Funds to the Electric Fund and to approve the purchase of a SCADA system upgrade from Survalent Technology Inc in the amount of \$113, 280.00.

Mr. Tederick noted that he has spoken to Rick Ferrell and with his guidance the Town can spend the funds in various ways.

Councilman Cockrell asked that Finance Director Wilson explain to the public what the SCADA System is used for.

ROLL CALL Vote: Yes – Councilmen Sealock, Cockrell, Gillispie Holloway, and Meza
No – Thompson
Abstain – N/A
Absent – N/A

COUNCIL APPROVAL – Resolution Seeking Justice for Citizens of Front Royal as a Result of the EDA Scandal

Clerk of Council Presley read the summary and resolution: Councilmen Cockrell and Holloway request that Council consider a resolution seeking justice for citizens of Front Royal as a result of the EDA scandal, as drafted.

**RESOLUTION
DEMANDING JUSTICE FOR THE CITIZENS OF THE TOWN OF FRONT ROYAL
RELATED TO THE EMBEZZLEMENT OF FUNDS FROM THE FRONT ROYAL/WARREN
COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

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WHEREAS, on March 26, 2019 the Front Royal/Warren County Economic Development Authority, hereafter (“EDA”) filed a civil suit alleging the embezzlement of over eighteen million dollars by its former Executive Director Jennifer McDonald, hereafter McDonald and other persons and entities; and,

WHEREAS, the Warren County Circuit Court on March 27, 2019, convened a Special Grand Jury to investigate and based upon probable cause to issue True Bills of Indictment against individuals who may have committed claims related to the embezzlement of said funds from the EDA; and,

WHEREAS, during the following year, the Special Grand Jury obtained over one million documents related to the various alleged embezzlement schemes and returned over seventy-five True Bills of Indictment against McDonald and others; and,

WHEREAS, the Special Prosecutor, Michael Parker, who was designated by Marsha Garst, Harrisonburg/Rockingham County Commonwealth Attorney, to prosecute these matters, moved to dismiss all of the True Bills returned by the Special Grand Jury based upon his professed inability to provide discovery to the defendants and his lack of preparation to competently prosecute the over seventy-five True Bills, previously issued against McDonald and other defendants; and,

WHEREAS, Chief Judge Bruce Albertson who regularly sits in Harrisonburg granted Parker’s motion to dismiss said indictments nolle prosequi which permits parker to seek reinstatement of the charges at a later date; and,

WHEREAS, over nine months has passed since Parker was appointed to work with the Special Grand Jury and prosecute these matters, giving him ample time to review the various indictments and the documentation supporting these indictments and to decide whether sufficient evidence exists to seek conviction of McDonald and the other defendants for the alleged criminal activity contained within these seventy-five True Bills previously issued by the Special Grand Jury; and,

WHEREAS, justice for the citizens of Front Royal in these matters has thus far been justice denied as a result of Parker’s dismiss said indictments; and,

WHEREAS, many Town citizens have lost faith in the local criminal justice system as a result of Parker’s seeming reluctance to prosecute the alleged criminal activity; and,

WHEREAS, The Front Royal Town Council is determined to ensure that the citizens of Front Royal receive justice in this matter, including but not limited to, the criminal prosecution of all crimes and the payment of restitution to reimburse our citizens for the alleged eighteen million dollars embezzled from the EDA; and,

BE IT RESOLVED, The Front Royal Town Council in order to attempt to restore the trust of our citizens in our local criminal justice system demands that within 60 days of the adoption of this resolution, Marshal Garst, Commonwealth Attorney for Harrisonburg/Rockingham County direct her surrogate Michael Parker, Esquire to request that Harrisonburg Circuit Judge Clark Ritchie reconvene the Special Grand Jury to consider reissuing any of the former True Bills of Indictment which she and her surrogate have determined are worthy of criminal prosecution and to expeditiously proceed to trial on these matters and seek restriction from those convicted as a result of the funds embezzled from the EDA and by extension from the citizens of Warren County; and,

BE IT FURTHER RESOLVED, if Michael Parker, Esquire chooses not to reissue True Bills of Indictment, in the alternative to publicly explain to the citizens of Front Royal and Warren County why no state prosecution has been sought related to these matters and how they propose to ensure the citizens of Front Royal are guaranteed a just result.

The Clerk of Council is directed to forward this resolution to the Board of Directors of the Front Royal Warren County Economic Development Authority and the Warren County Board of Supervisors requesting that they adopt a similar resolution on behalf of Town and County residents demanding justice on behalf of our mutual constituents.

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Councilman Gillispie moved seconded by Councilman Holloway that Council approve a resolution seeking justice for citizens of Front Royal as a result of the EDA scandal, as drafted.

Councilman Cockrell read the following statement:

My Comments on the Resolution Demanding Justice for our Citizens Related to the EDA Scandal

As I have been going door to door seeking input from the town citizens, hundreds of town citizens have asked me why those who embezzled money from the EDA have not been brought to justice. It is obviously first and foremost on their minds.

With the recent announcement that the former Executive Director of the EDA has filed bankruptcy, effectively preventing the EDA in its civil lawsuit from recovering any money from her personally, the criminal prosecution of her and others responsible for the embezzlement is the only way that our citizens can be paid back. This would be in the form of criminal restitution for the millions of dollars that we are all paying now and will have to pay in the future to keep the EDA afloat.

Several months ago, the special prosecutor dismissed over seventy-five indictments against the former executive director and others promising that he would ensure that those who committed crimes would be brought to justice. The town citizens, and I suspect county citizens as well, want that to occur sooner rather than later. They deserve swift action by the special prosecutor on an explanation as to why no one is currently being prosecuted for these crimes. This resolution seeks an answer for the citizens of Front Royal. The citizens of Front Royal and Warren County are victims of these crimes and by extension members of the Town Council, the Board of Supervisors, and the EDA Board past and present, are victims as well. The resolution requests that the Board of Supervisors and the EDA Board adopt a similar resolution requesting action by the special prosecutor.

This request is based upon my many conversations with citizens on their front porch, walking down the street, or just this past weekend at my class reunion. I believe the community wants us to work together to bring the criminals to justice first and then leave for another day how any monies recovered should be distributed as a result of these crimes.

With the recent bankruptcy filing, which may be followed by others, our focus must move, in my opinion, from the civil lawsuits to seeking criminal restitution in any criminal indictments brought by the special prosecutor, or in cases brought by the US Attorney's Office if the special prosecutor has turned the investigation over to the F.B.I. One way or the other, our citizens deserve an explanation.

Finally, I am hopeful that the recent settlement of the principal debt for the Front Royal Police Department and the adoption of this resolution by all three bodies, the Town Council, the Board of Supervisors, and the EDA Board, will serve to foster a more cooperative relationship going forward between all of us. The resolution acknowledges that we are all victims and must, as a community; focus on bringing those responsible for the wrong-doing to justice.

Councilman Thompson read the following statement:

To prepare myself for this meeting and to make an educated vote on this matter I reviewed several new articles, etc. A few things, there are over one million documents related to the matter that the prosecuting attorney has to go through. Mr. Parker said in an email to the Northern Virginia Daily "I assure you that I am not pleased about this and I also assure you that this is not the end. However while it is my duty to bring justice to the guilty it is also my duty to be just and ethical in my conduct to everybody that includes people who have been accused but have not yet been found guilty. At the current time I am unable to satisfy certain basic obligations I have to the defendant to which have existed since before I was appointed to the case. I cannot ethically keep the status quo. In fact, if I try to keep the case active I'd run the risk of a judge at some point dismissing them with prejudice so that I could not bring them back." Unfortunately, I was unable to reach Mr. Parker today to ask if there was any updates. I am not sure if my Council have contacted him for additional information before demanding certain actions. It is my opinion it is better to wait and have it done the right way versus rushing it and have the entire thing dismissed with no chance of bringing it back. Further the Virginia State Police have stated that as of today they are still investigating this matter as well.

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This is a legal issue and I prefer to leave it to lawyers and political issues to the politicians. It is for the reasons stated that I will vote no on this item tonight.

Councilman Holloway stated that the citizens demand justice and deserve justice and the resolution tonight is a step in the right direction.

ROLL CALL Vote: Yes – Councilmen Sealock, Cockrell, Gillispie Holloway, and Meza
 No – Thompson
 Abstain – N/A
 Absent – N/A

 CLOSED MEETING

Councilman Meza moved second by Councilman Cockrell that Council go into closed motion for the following purposes:

- (1) With respect to the Town Manager's position, the discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, salaries, or resignation of specific public officers, appointees, or employees of the public body, pursuant to Section 2.2-3711. A. 1. of the Code of Virginia.
- (2) With respect to the Town's lawsuit against the EDA, consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in Open Meeting would adversely affect the negotiating or litigating posture of the public body; "probable litigation" meaning litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party; pursuant to Section 2.2-3711. A. 7. of the Code of Virginia.
- (3) Regarding a Town public alley, the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of Town Council, pursuant to Section 2.2-3711.A.3.

Vote: Yes – Unanimous -----NO ROLL CALL

Councilman Thompson moved seconded by Councilman Holloway that the Mayor and Council certify that to the best of each member's knowledge, as recognized by each Mayor and Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by the Mayor and Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.

ROLL CALL Vote: Yes –Councilmen Sealock, Cockrell, Gillispie Holloway, Meza and Thompson
 No – N/A
 Abstain – N/A
 Absent – N/A

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APPROVED:

Eugene R. Tewalt, Mayor

ATTEST:

Tina L. Presley Clerk of Council

*Councilman _____ moved, seconded by Councilman _____ approved the
Regular Council Meeting minutes of September 28, 2020 on October 19, 2020.*

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7A



Council Agenda Statement

Item # 7A

Meeting Date: October 19

Agenda Item: FY21 Budget Amendment for Purchase of Transformers for New Hospital

Summary: Council is requested to approve a FY21 Budget Amendment in the amount of \$70,488.70 for the purchase of transformers for the new hospital to be reimbursed by Valley Health.

Budget/Funding:

9401-3410209	Dept. of Energy Services Reimbursement	- \$70,488.70
9401-47502	Electric Line Extensions	- \$70,488.70

Meetings:

Should Council wish to remove this item from the consent agenda, the following motion would allow approval of this request:

Proposed Motion: I move that Council approve a FY21 Budget Amendment in the amount of \$70,488.70 for the purchase of transformers for the new hospital to be reimbursed by Valley Health.

Approved By: _____

Moved _____ Seconded _____

VM Seacock _____ Cockrell _____ Gillispie _____ Holloway _____ Meza _____ Thompson _____

Town of Front Royal
Department of Energy Services
P.O. Box 1560
Front Royal, Virginia 22630-1560
(540) 635-3027 Fax: (540) 631-3620



Memo

To: BJ Wilson
From: David W. Jenkins
Date: September 25, 2020
Re: Warren Memorial Hospital Transformers

The Town of Front Royal Energy Services Department has completed the electrical connection to the New Warren Memorial Hospital and will be billing them on a time and materials basis for a total of \$205,690.33. The Energy Services Department is requesting a budget amendment in the amount of \$70,488.70 to cover the purchase of the power transformer for the project from our Line Extension account (9401-47502).

Thank you,

David W. Jenkins

Director of Energy Services
Town of Front Royal
PO Box 1560
Front Royal VA 22630
540-635-3027 (office)
540-631-3620 (fax)

7B



Council Agenda Statement

Item # 7B

Meeting Date: October 19, 2020

Agenda Item: Liaison Committee Meeting Items

Summary: Council is requested to approve the addition of items to the October 22, 2020 Liaison Committee Meeting Agenda. These items are:

- 1) Joint Substance Abuse Committee [Drug Task Force Committee]
- 2) Closed Meeting on a Contract and discussion with legal counsel

Budget/Funding: None

Meetings: Work Session held October 5, 2020

Should Council wish to remove this item from the consent agenda, the following motion would allow approval of this request:

Proposed Motion: I move that Council approve the following items to be added to the October 22, 2020 Liaison Committee Agenda: 1) Joint Substance Abuse Committee 2) Closed Meeting on a contract and discussion with legal counsel

Approved By: _____

Moved _____ Seconded _____

VM Sealock _____ Cockrell _____ Gillispie _____ Holloway _____ Meza _____ Thompson _____

7C



Council Agenda Statement

Item # 7C

Meeting Date: October 19, 2020

Agenda Item: Reappointment to the Board of Architectural Review (BAR) - Runyan

Summary: Council is requested to reappoint a member to the BAR

Budget/Funding: None

Meetings: Work Session held October 5, 2020

Should Council wish to remove this item from the consent agenda, the following motion would allow approval of this request:

Proposed Motion: I move that Council reappoint Lauren Runyan to a 4-year term expiring November 13, 2024.

Approved By: _____

Moved _____ Seconded _____

VM Sealock _____ Cockrell _____ Gillispie _____ Holloway _____ Meza _____ Thompson _____

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Council Agenda Statement

Item # 8

Meeting Date: October 19, 2020

Agenda Item: PUBLIC HEARING – FY21 Budget Amendment, Interfund Transfer and Financing the Construction of the Police Department

Summary: Council is requested to award financing for the construction of the police department to United Bank in the amount of \$8,483,001.15. This award is for the repayment of the Front Royal-Warren County Economic Development Authority's existing loan with United Bank for the construction of the Police Department. Terms of financing with United Bank are:

- Interest rate of 1.87% per annum, with the assumption that the rate qualifies for Bank Qualified Tax-Exempt financing, if at any time the loan does not qualify for BQTE financing, then the rate will automatically be fixed at 2.24% per annum
- Repaid over 10 years in equal monthly installments of principal and interest in the amount of \$30,806.23 (assuming the fixed rate of 1.87% per annum),
- Based upon a 30-year amortization, with remaining unpaid balance due in full at the end of that 10-year period

Also, Council is requested to approve a FY21 budget amendment in the amount of \$8,483,001.15 to receive funds from United Bank and to pay off \$8,483,001.15 for the Front Royal-Warren County Development Authority's existing loan for the construction of the Police Department. Furthermore, Council is requested to approve an inter-fund budget transfer in the amount of \$277,256.07 to transfer funds from the special project fund to the debt service fund. This inter-fund transfer will allocate funds previously set aside for the construction of the police department to allow 9 monthly payments for the financing during FY21.

Budget/Funding:

Budget Amendment

1800-3410001	Debt Service Fund Bond/Loan Proceeds	\$8,483,001.15
1800-47013	Debt Service Fund Police Dept. Facility	\$8,483,001.15

Payoff Existing E.D.A. existing United Bank Loan


1800-47013	Debt Service Fund Police Dept Facility	\$8,483,001.15
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Interfund Transfer

9130-47013	Community Development Fund Police Dept Facility	<\$277,256.07>
9130-49007	Community Development Fund Transfer to Debt Service Fund	\$277,256.07
1800-3510115	Debt Service Fund Transfer From Comm Dev. Fund	\$277,256.07
1800-40001	Debt Service Fund Principal on Debt	\$117,983.86
1800-40005	Debt Service Fund Interest on Debt	\$159,272.21

Meetings: Work Session October 5, 2020

Proposed Motion: I move that Council approve a FY21 Budget Amendment, an Interfund Budget Transfer and award financing construction of the Police Department in the amount of \$8,483,001.15.

Approved By: 

Moved _____ Seconded _____

VM Sealock _____ Cockrell _____ Gillispie _____ Holloway _____ Meza _____ Thompson _____

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Council Agenda Statement

Item # 9

Meeting Date: October 19, 2020


Agenda Item: Distribution of Remaining CARES Funds Phase I

Summary: Council is requested to select and approve an option to distribute the remaining \$309,058.00 for the Town of Front Royal's first allocation of CARES Funds from Warren County and Amendment 1 to the Agreement with the Front Royal-Warren County Chamber of Commerce. Upon approval, the Town will provide the Chamber of Commerce with funds necessary to distribute additional Front Royal CARES Grants to those businesses who previously received grant funding from the program.

Budget/Funding: 8105-45606 Economic Development Chamber of Commerce \$309,058.00

Meetings: Work Session held October 5, 2020

Proposed Motion: I move that Council approve option ____ to distribute the remaining \$309,058.00 for the Town of Front Royal's first allocation of CARES Funds from Warren County. I further move to approve Amendment 1 to the Agreement of the Chamber of Commerce.

Approved By: 

Moved _____ Seconded _____

VM Sealock _____ Cockrell _____ Gillispie _____ Holloway _____ Meza _____ Thompson _____

**AGREEMENT OF CHAMBER OF COMMERCE WITH TOWN OF FRONT ROYAL
THAT CHAMBER OF COMMERCE WILL COMPLY WITH MANAGEMENT AND
DISTRIBUTION OF CARES ACT FUNDS THE CHAMBER OF COMMERCE RECEIVES
FROM THE TOWN OF FRONT ROYAL**

THIS AGREEMENT made and dated this ¹³~~15~~ day of July, 2020, by and between the Town Council of the Town of Front Royal, Virginia, a Municipal Corporation, party of the first part (the "Town"), and the Front Royal Warren County Chamber of Commerce (the "Chamber"), a nonprofit, nonsectarian, 501 (c) 6 organization pursuant to the Internal Revenue Code.

WHEREAS, the County of Warren (the "County"), through its Board of Supervisors dated June 16, 2020, approved allocating \$1,276,558 of CARES Act funds, based on the population of the Town. Of the approved allocation, up to \$1,176,558 will be used for economic recovery grant assistance to citizens and businesses located in the Town of Front Royal, all as set for in a memorandum dated June 18, 2020, to Doug Stanley, Warren County Administrator from Matthew A. Tederick, Interim Town Manager, titled "CARES ACT FUNDS" (the "Memorandum"), which said Memorandum is attached hereto, incorporated herein and made a part hereof for all purposes.

WHEREAS, pursuant to Va. Code § 15.2-953, local governments may make gifts and donations of of property, real or personal, or money to chambers of commerce which are nonprofit and nonsectarian.

WHEREAS, the County agreed to allocate the CARES Act funds, and the Town agreed to accept said funds, in accordance with said Memorandum and in accordance with the United States Treasury Department's requirements as contained in *Appendix D – "Certification for Use of Coronavirus Relief"*, and the Commonwealth of Virginia's Secretary of Finance's *"Local Allocations for Federal CARES Coronavirus Relief Funds"* requirements, which requirements are further set forth and outlined in said Memorandum and made a part of said Memorandum.

WHEREAS, the Town agrees to allocate the CARES Act funds to the Chamber acting in the capacity of agent and fiduciary for the Town, and the Chamber agrees to accept and allocate said funds acting in the capacity of agent and fiduciary for the Town, in accordance with said Memorandum and in accordance with the United States Treasury Department's requirements as contained in *Appendix D – "Certification for Use of Coronavirus Relief"*, and the Commonwealth

of Virginia's Secretary of Finance's "*Local Allocations for Federal CARES Coronavirus Relief Funds*" requirements, which requirements are further set forth and outlined in said Memorandum.

WHEREAS, the Town agrees to reimburse the Chamber for related expenses incurred while acting in capacity of agent and fiduciary for the Town of said Agreement

THEREFORE, that for and in consideration of the premises, and the benefits that flow to each of the parties hereto and to the citizens and residents of the Town of Front Royal, who are also citizens and residents of the County of Warren, the Town and Chamber do each agree as follows:

- (1) The Town agrees to allocate the CARES Act funds to the Chamber, for the Chamber to be acting in the capacity of the Town's agent and fiduciary for the Town, and the Chamber agrees to accept and allocate said funds acting in the capacity of agent and fiduciary for the Town, to be used for economic recovery grant assistance to citizens and businesses located in the Town of Front Royal, as set forth hereafter, and in accordance with the United States Treasury Department's requirements as contained in *Appendix D – "Certification for Use of Coronavirus Relief"* (the "Certification"), and the Commonwealth of Virginia's Secretary of Finance's "*Local Allocations for Federal CARES Coronavirus Relief Funds*" requirements, which requirements are further set forth and outlined in said Memorandum.
- (2) The Chamber agrees that it will be and is responsible for ensuring compliance with all requirements heretofore set forth, including all requirements of the United States Treasury Department, the said Memorandum, this Agreement, and the documentation requirements required by said Certification, and shall ensure that the use of the funds meets all the requirements set forth in said Certification, the Memorandum, and in this Agreement. If the Chamber has questions about ensuring compliance with said requirements, the Chamber will be responsible for resolving its questions by seeking answers to said questions from Rick Farrall, Cost Recovery Manager/Deputy Emergency Manager, Warren County Department of Fire Rescue Services, and from Douglas W. Napier, Town Attorney, and/or from such other appropriate and knowledgeable persons and sources as Rick Farrall and Douglas W. Napier may direct.
- (3) The Chamber agrees to ensure that the use of the CARES Act funds meet the requirements heretofore set forth in this Agreement, in said Memorandum, and in all required Certifications and otherwise.

- (4) The Chamber agrees to promptly reimburse and indemnify the Town in full for any use of the funds by the Chamber or any of its officials, agents, or employees in any manner that is deemed by the United States or the Commonwealth of Virginia to have violated and provision of the grant of funds pursuant to the CARES Act.
- (5) The Chamber agrees that it will complete and file with all required legal entities all certifications, assurances and other documentation and instruments required by law in connection with the grant of moneys under the CARES Act, including the following:

We certify that we have read the above certification and our statements contained herein are true and correct to the best of our knowledge.

By: _____	By: _____	By: _____
Signature:	Signature:	Signature:
Title:	Title:	Title:
Date:	Date:	Date:

- (6) The Town may require the Chamber to secure and execute a liability bond in the amount of \$1,176,558 in favor of the Town of Front Royal to bind itself, its officers, employees and agents for the faithful performance of this Agreement in full compliance with this Agreement, said Memorandum, and said Certification, and upon faithful performance thereof, said bond will be released and discharged; however, upon material breach of any part of this Agreement, said Memorandum, or said Certification, which cause the Town of Front Royal to suffer any monetary damages or loss, said Town may recover the amount of its monetary damages or loss, including its attorneys' fees, expert witness fees, and all costs of litigation, from said bond. Given the current financial situation of the Chamber, the Town will pay for the reasonable expenses incurred by the Chamber in securing said bond. **[SIGNATURES FOLLOWING NEXT PAGE:]**

CHAMBER OF COMMERCE FRONT ROYAL-WARREN COUNTY

By: Nicole Foster, President 7-21-20
Authorized Representative/Title/Date

Nicole Foster, President 7-21-20

Print Name/Title

Attest: R. Bramble 7/21/2020
Date

Raymond Bramble, Chairman
Print Name

TOWN OF FRONT ROYAL, VIRGINIA

By: Eugene R. Tewalt 7/16/20^{TP}
Eugene R. Tewalt, Mayor Date

Attest: Tina A. Presley 7/16/20
Tina Presley, Clerk of Town Council Date

Approved as to Form:

Douglas W. Napier 07-16-2020
Douglas W. Napier Town Attorney Date

**AGREEMENT OF CHAMBER OF COMMERCE WITH TOWN OF FRONT ROYAL THAT
CHAMBER OF COMMERCE WILL COMPLY WITH MANAGEMENT AND
DISTRIBUTION OF CARES ACT FUNDS THE CHAMBER OF COMMERCE RECEIVES
FROM THE TOWN OF FRONT ROYAL**

WHEREAS, the Front Royal-Warren County Chamber of Commerce hereby agrees to distribute an additional amount not to exceed \$309,058.00 to previous recipients of the Front Royal CARES Grant program equal to the allocations approved by Town Council and adhering to terms of original agreement.

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OPTION 1

ADDITIONAL ROUND 1 CARES ACT PAYMENTS FOR FRONT ROYAL CARES GRANTS

CARES Phase 1 Town Allocation \$ 1,276,558.00

Total Grants Paid
To Small

Businesses \$ 967,500.00

Remaining Balance \$ 309,058.00

<u>Grant Received</u>	<u># of Businesses in Tier</u>	<u>31.4% Additional Payout</u>	<u>Total Expense</u>
\$ 2,500.00	27	\$ 785.69	\$ 21,213.67
\$ 5,000.00	30	\$ 1,571.37	\$ 47,141.00
\$ 10,000.00	25	\$ 3,142.72	\$ 78,567.92
\$ 20,000.00	25	\$ 6,285.42	\$ 157,135.42
	107		\$ 304,058.00

Est. Chamber of Commerce Administration Fee \$ 5,000.00

Remaining
Balance of Phase
1 Allocation

\$ -

OPTION 2

ADDITIONAL ROUND 1 CARES ACT PAYMENTS FOR FRONT ROYAL CARES GRANTS

CARES Phase 1 Town Allocation \$ 1,276,558.00

Total Grants Paid

To Small

Businesses \$ 967,500.00

Remaining Balance \$ 309,058.00

<u>Grant Received</u>	<u># of Businesses in Tier</u>	<u>30% Additional Payout</u>	<u>Total Expense</u>
\$ 2,500.00	27	\$ 750.00	\$ 20,250.00
\$ 5,000.00	30	\$ 1,500.00	\$ 45,000.00
\$ 10,000.00	25	\$ 3,000.00	\$ 75,000.00
\$ 20,000.00	25	\$ 6,000.00	\$ 150,000.00
	107		\$ 290,250.00

Est. Chamber of Commerce Administration Fee \$ 18,808.00

Remaining

Balance of Phase

1 Allocation \$ -

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Council Agenda Statement

Item # 10

Meeting Date: October 19, 2020

Agenda Item: FY21 Budget Transfer Release Portion of Contingency Funds

Summary: Council is requested to approve a budget transfer to release contingency funds totaling \$2,126,214.00. The release of these funds will return line items that were previously removed from the FY21 Budget in response to potential revenue shortfalls due to COVID-19 Pandemic.

Overall FY21 revenues are tracking to be able to support the release of these funds from contingency and will not fully deplete the FY21 contingency funds previously set aside. Revenues will continue to be monitored and remaining contingency funds will be addressed accordingly as we move forward.

Release of these contingency funds will allow the Town to implement the third year of the compensation study increase effective October 28, 2020 and FY21 Merit Increases to coincide with employee anniversary dates as originally budgeted for currently employed staff.

Budget/Funding: Net effect on FY21 Budget = Zero

Amounts Released from Contingency

9790-49999	General Fund Contingency	<\$935,005.00>
4500-49999	Street Fund Contingency	<\$165,280.00>
9499-49999	Electric Fund Contingency	<\$630,529.00>
9699-49999	Water Fund Contingency	<\$395,400.00>
9899-49999	Sewer Fund Contingency	<\$90,185.00>
4203-49999	Solid Waste Contingency	<\$11,290.00>

Meetings: Work Session held October 5, 2020

Proposed Motion: I move that Council approve a budget transfer to release contingency funds totaling \$2,126,214.00.

Approved By: _____

Moved _____ Seconded _____

VM Sealock _____ Cockrell _____ Gillispie _____ Holloway _____ Meza _____ Thompson _____

Funds to Release From Contingency & Transfer to Originally Budgeted Line Items

GENERAL FUND			
	Merit Increase - Town Manager Department	\$	4,790.00
	Merit Increase - Human Resource	\$	4,320.00
	Merit Increase - Fleet Maintenance	\$	6,250.00
	Merit Increase - Information Technology	\$	3,856.00
	Merit Increase - Town Attorney Department	\$	6,285.00
	Merit Increase - Finance Administration	\$	4,460.00
	Merit Increase - Finance Customer Service	\$	6,450.00
	Merit Increase - Purchasing Department	\$	2,690.00
	Merit Increase - Police Administration	\$	10,520.00
	Merit Increase - Police Patrol	\$	36,550.00
	Merit Increase - Police Investigations	\$	7,825.00
	Merit Increase - Police Services	\$	13,155.00
	Merit Increase - Gang/Drug Task Force	\$	4,575.00
	Merit Increase - Planning & Zoning	\$	7,885.00
	Merit Increase - General Properties	\$	1,530.00
	Merit Increase - Horticulture	\$	3,230.00
	Compensation Study Year 3- Information Technology	\$	1,950.00
	Compensation Study Year 3 - Town Attorney Dept	\$	2,330.00
	Compensation Study Year 3 - Finance Customer Service	\$	4,770.00
	Compensation Study Year 3 - Police Administration	\$	4,085.00
	Compensation Study Year 3 - Police Patrol	\$	43,825.00
	Compensation Study Year 3 - Police Investigations	\$	7,815.00
	Compensation Study Year 3 - Police Services	\$	30,555.00
	Compensation Study Year 3 - Gang/Drug Task Force	\$	8,730.00
	Compensation Study Year 3 - Planning & Zoning	\$	2,685.00
	Compensation Study Year 3 - General Properties	\$	940.00
	Compensation Study Year 3- Horticulture	\$	1,675.00
	Assistant Town Manager	\$	124,600.00
9790-49006	Interfund Transfer to Street Fund	\$	145,005.00
1201-43002	Town Manager - Professional Services	\$	38,805.00
1203-45408	Fleet Maintenance - POL	\$	4,000.00
1203-45504	Fleet Maintenance - Travel & Education	\$	1,000.00
1203-47001	Fleet Maintenance - Machinery & Equipment (Parts Cleaner)	\$	10,000.00
1203-47009	Fleet Maintenance - Debt Service Rehabilitation Building	\$	111,865.00
1204-43002	I/T - Professional Services	\$	5,000.00
1204-43005	I/T - Maintenance Service Contract	\$	10,000.00
1204-43039	I/T - Web Page Maintenance	\$	18,050.00
1204-45421	I/T - Hardware/Software	\$	5,000.00
1204-45421	I/T - Travel & Education	\$	3,000.00
1204-47007	I/T - Computer Equipment (Recording Servers)	\$	22,000.00

1205-43002	Tourism - Blighted Buildings	\$	46,000.00
2201-43002	Tourism - Town Attorney EDA Attorney Fees	\$	63,139.00
3101-45504	Police Admin - Travel & Education	\$	2,000.00
3102-41002	Police Patrol - Overtime	\$	10,810.00
3102-45408	Police Patrol - POL	\$	8,000.00
3102-45504	Police Patrol - Travel & Education	\$	5,000.00
3103-41002	Police Investigations - Overtime	\$	8,000.00
8101-43002	Planning & Zoning - Property Maintenance	\$	40,000.00
4305-43002	Horticulture - Professional Services	\$	20,000.00
9790-49999	General Fund Contingency	\$	(935,005.00)

STREET FUND

	Merit Increase Streets - Non-VDOT	\$	1,950.00
	Merit Increase - Highway Maintenance	\$	13,960.00
	Merit Increase - Inspections	\$	870.00
4500-45407	Highway Maintenance - Repairs & Maintenance Supplies	\$	25,000.00
4500-45477	Highway Maintenance - Curb & Gutter Reconstruction	\$	40,000.00
4500-45478	Highway Maintenance - Snow Removal	\$	25,000.00
4500-47001	Highway Maintenance - Machinery & Equipment (Tire Loader)	\$	58,500.00
4500-49999	Street Fund Contingency	\$	(165,280.00)

ELECTRIC FUND

	Merit Increase - Electric Dept	\$	20,955.00
	Merit Increase - Meter Reading	\$	770.00
	Compensation Study Year 3 - Electric Dept	\$	6,960.00
	Compensation Study Year 3 - Meter Reading	\$	2,510.00
9401-43004	Electric - Repairs & Maintenance	\$	98,000.00
9401-45407	Electric - Repair & Maintenance Supplies	\$	20,000.00
9401-47502	Electric - Line Extensions	\$	50,000.00
9401-47512	Electric Fiber Network	\$	33,334.00
9401-47001	Electric - Machinery & Equipment (Wire Trailer)	\$	10,000.00
9401-47009	Electric - Building & Structures (Generator & Paving)	\$	128,000.00
9401-47937	Electric - Manassas Substation Transformer Replacement	\$	135,000.00
9401-47957	Electric - Leach Run Parkway Line Extensions	\$	125,000.00
9499-49999	Electric - Contingency	\$	(630,529.00)

WATER FUND

	Merit Increase - Water Administration	\$	1,780.00
	Merit Increase - Water Treatment Plant	\$	13,340.00
	Merit Increase - Waterline Maintenance	\$	4,250.00
	Merit Increase - Meter Reading	\$	770.00
	Compensation Study Year 3 - Water Administration	\$	450.00
	Compensation Study Year 3 - Water Treatment Plant	\$	10,025.00
	Compensation Study Year 3 - Waterline Maintenance	\$	1,125.00
	Compensation Study Year 3 - Meter Reading	\$	2,510.00
9672-49004	Water Interfund Transfer to General Fund	\$	42,150.00
9501-45504	Water Admin - Travel & Education	\$	1,000.00
9602-47513	Water Line Maintenance - Waterline Upgrades	\$	249,000.00
9602-47530	Water Line Maintenance - Capital Inventory	\$	55,000.00
	Water Line Maintenance - Machinery & Equipment (Messag Board &		
9602-47001	Street Broom)	\$	14,000.00
9699-49999	Water Fund Contingency	\$	(395,400.00)

SEWER FUND

	Merit Increase - Sewer Administation	\$	1,785.00
	Merit Increase - Waste Water Treatment Plant	\$	7,720.00
	Merit Increase - Sewer Line Maintenance	\$	4,250.00
	Compensation Study Year 3 - Sewer Administration	\$	840.00
	Compensation Study Year 3 - Waste Water Treatment Plant	\$	4,795.00
	Compensation Study Year 3 - Sewer Line Maintenance	\$	1,125.00
9872-49004	Sewer Interfund Transfer to General Fund	\$	13,670.00
9502-45504	Sewer Admin - Travel & Education	\$	1,000.00
9801-43002	Waste Water Plant - Professional Services (Chemical Study)	\$	55,000.00
9899-49999	Sewer Contingency	\$	(90,185.00)

REFUSE FUND

	Merit Increase - Solid Waste	\$	11,290.00
4203-49999	Solid Waste Contingency	\$	(11,290.00)

Total Released from Contingency (All Funds) \$ (2,126,214.00)

KEY REVENUE & CONTINGENCY REVIEW

as of September 30, 2020

General		FY21 Budgeted Amount	Year to Date Receipts	Budget Expired	Above/Below Expired FY21 Budget
	Sales Tax - Warren County	\$ 1,084,340.00	\$ 308,988.95	\$ 271,085.00	\$ 37,903.95
	Lodging Tax	\$ 316,000.00	\$ 61,069.44	\$ 79,000.00	\$ (17,930.56)
	Meals Tax	\$ 1,994,000.00	\$ 500,100.29	\$ 498,500.00	\$ 1,600.29
	PILOT - Utility Bills	\$ 530,480.00	\$ 147,449.53	\$ 132,620.00	\$ 14,829.53
	Fines & Forfeitures	\$ 202,000.00	\$ 32,944.71	\$ 50,500.00	\$ (17,555.29)
	Rental Vehicle Tax	\$ 99,000.00	\$ 17,611.58	\$ 24,750.00	\$ (7,138.42)
	Communication Tax	\$ 135,890.00	\$ 34,141.00	\$ 33,972.50	\$ 168.50
	599 Funding Police Dept (Received Quarterly)	\$ 376,295.00	\$ 94,074.00	\$ 94,074.00	\$ -
				Subtotal	\$ 11,878.00
	General Fund Contingency Less Difference in Revenues				\$ 1,316,821.00
	G/F Difference After Contingency				\$ 1,328,699.00
Police Department Attrition Position					\$ (27,957.50)
Recommended Release from Contingency					\$ (935,005.00)
General Fund Difference After Deductions					\$ 365,736.50

Streets		FY21 Budgeted Amount	Year to Date Receipts	Budget Expired	Above/Below Expired FY21 Budget
	Street Construction & Maintenance (V-DOT)	\$ 1,971,380.00	\$ 492,608.20	\$ 492,845.00	TBD Quarterly Payment
	Street Fund Contingency				\$ 204,145.00
	Street Fund Difference Contingency				\$ 204,145.00
Recommended Release from Contingency					\$ (165,280.00)
Street Difference After Deductions					\$ 38,865.00

Electric		FY21 Budgeted Amount	Year to Date Receipts	Budget Expired	Above/Below Expired FY21 Budget
	Electric Sales	\$ 19,154,800.00	\$ 5,062,655.82	\$ 4,788,700.00	\$ 273,955.82
	Electric Fund Contingency				\$ 674,979.00
	Electric Fund Contingency Plus Revenue Difference				\$ 948,934.82
Recommended Release from Contingency					\$ (630,529.00)
Electric Difference After Deductions					\$ 318,405.82

Water		FY21 Budgeted Amount	Year to Date Receipts	Budget Expired	Above/Below Expired FY21 Budget
	Water Sales	\$ 5,064,250.00	\$ 1,440,295.47	\$ 1,266,062.50	\$ 174,232.97
	Water Connections	\$ 160,000.00	\$ 75,598.00	\$ 40,000.00	\$ 35,598.00
				Subtotal	\$ 209,830.97
	Water Contingency				\$ 458,325.00
	Water Contingency Plus Revenue Difference				\$ 668,155.97
Recommended Release from Contingency					\$ (395,400.00)
Water Difference After Deductions					\$ 272,755.97

Sewer		FY21 Budgeted Amount	Year to Date Receipts	Budget Expired	Above/Below Expired FY21 Budget
	Sewer Sales	\$ 6,057,430.00	\$ 1,489,815.39	\$ 1,514,357.50	\$ (24,542.11)
	Sewer Connections	\$ 332,140.00	\$ 204,612.00	\$ 83,035.00	\$ 121,577.00
				Subtotal	\$ 97,034.89
	Sewer Contingency				\$ 359,525.00
	Sewer Contingency Plus Revenue Difference				\$ 456,559.89
Recommended Release from Contingency					\$ (90,185.00)
Sewer Difference After Deductions					\$ 366,374.89

Solid Waste		FY21 Budgeted Amount	Year to Date Receipts	Budget Expired	Above/Below Expired FY21 Budget
	Solid Waste Sales	\$ 1,020,935.00	\$ 254,792.94	\$ 255,233.75	\$ (440.81)
	Tipping Fees Collected from Utility Billing	\$ 26,000.00	\$ 4,988.00	\$ 6,500.00	\$ (1,512.00)
				Subtotal	\$ (1,952.81)
	Solid Waste Contingency				\$ 38,465.00
	Solid Waste Contingency Less Revenue Difference				\$ 36,512.19
Recommended Release from Contingency					\$ (11,290.00)
Solid Waste Difference After Deduction					\$ 25,222.19

OVERALL DIFFERENCE AFTER DEDUCTIONS	\$ 1,387,360.37
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Council Agenda Statement

Item # 11

Meeting Date: October 19, 2020

Agenda Item: Resolution Requesting Valley Health and Anthem Negotiate a New Healthcare Insurance Contract

Summary: Mayor Tewalt and Councilman Thompson request that Council consider approval of a resolution requesting Valley Health and Anthem negotiate a new healthcare insurance contract, as presented.

Budget/Funding: None

Meetings: Work Session held October 5, 2020

Proposed Motion: I move that Council approve a Resolution requesting Valley Health and Anthem negotiate a new healthcare insurance contract, as presented.

Approved By: _____

Moved _____ Seconded _____

VM Sealock _____ Cockrell _____ Gillispie _____ Holloway _____ Meza _____ Thompson _____

RESOLUTION

Of the Town Council of the Town of Front Royal, Virginia Requesting Valley Health and Anthem Negotiate a New Healthcare Insurance Contract

WHEREAS, Valley Health is a regional health care consortium and is the parent company of six core hospitals, including Warren Memorial Hospital in the Town of Front Royal, located in the Shenandoah Valley of Virginia and West Virginia, together with other related medical facilities that provide a *de facto* monopoly on many vital life-saving and critical healthcare provisions in the geographic area in which Valley Health is located; and

WHEREAS, Valley Health is also a not-for-profit health care consortium in this geographic region, and because it provides a *de facto* monopoly on many vital life-saving and critical healthcare provisions in the geographic area in which Valley Health is located, it has a moral, if not legal, fiduciary responsibility to provide these vital life-saving and critical healthcare provisions to the citizens and residents within this geographic region in a manner which puts the well-being of the citizens and residents of this geographic region, including the citizens and residents of the Front Royal community, above the profits and pecuniary interests of Valley Health; and

WHEREAS, Anthem Healthcare Insurance (“Anthem”), also known as Anthem Blue Cross Blue Shield, is one of the best known and largest health and medical insurance companies in the United States and in Virginia, and in the geographic area in which Valley Health is located, including the Front Royal community; and

WHEREAS, Valley Health and Anthem are currently in a four year contract (the “Contract”) which provides the rates and reimbursements Anthem will pay Valley Health providers and facilities, including Warren Memorial Hospital, for health and medical care services, prescription drugs, and other needed supplies and services, which Contract ends December 31, 2020; and

WHEREAS, the Contract between Anthem and Valley Health covers all of Valley Health’s facilities, including Warren Memorial Hospital, and all of Anthem’s services and products, and the Contract accounts for about Twenty Per Cent (20%) of Valley Health’s services; and

WHEREAS, according to Valley Health President and CEO Mark Nantz, negotiations to renew the current Contract Valley Health has with Anthem beyond December 31, 2020, have stalled over rates and rates of reimbursement with Anthem, because, according to an official of Anthem, Anthem cannot agree to the rate increases sought by Valley Health because those

increases will make health and medical care costs charged by Valley Health in the Valley Health regional health care monopoly region some of the highest in Virginia; and

WHEREAS, if a new Contract between Valley Health and Anthem is not renewed, about 40,000 people in the Valley Health regional health care monopoly region, including Warren Memorial Hospital, will lose their Anthem health and medical care insurance coverage and could be faced with literal life-altering decisions about their health and medical insurance coverage; and

WHEREAS, if a new Contract between Valley Health and Anthem is not renewed, a great number of people in the Valley Health regional health care monopoly region, including Warren Memorial Hospital, who have Anthem insurance through their employers, including school and government workers in Warren County and in the Town of Front Royal, may also lose their health and medical care insurance, and may face the choice of obtaining less than satisfactory or more expensive insurance, or pay medical and health care bills out of their own pockets, or not even be able to afford health or medical care at all; and

WHEREAS, the COVID-19 pandemic continues to threaten the livelihood and well-being of the Front Royal and indeed, the greater Warren County community of which the Town of Front Royal is an integral and indispensable part, and would only be exasperated by the dissolution of the currently-existing Valley Health and Anthem partnership to provide quality, affordable, and in-network healthcare services to the residents and citizens of the Front Royal and Warren County community of many thousands of people.

WHEREAS, Town Council of the Town of Front Royal finds and is of the opinion that the COVID-19 pandemic has already created enough stress and anxiety for its citizens and employees, and any uncertainty related to their health insurance or health care options at this time is **extremely detrimental to the thousands of people in our community**; and

WHEREAS, Town Council of the Town of Front Royal finds and is of the opinion that the most vulnerable members of the Front Royal community, including the elderly, the immuno-compromised, the financially vulnerable, and hardworking working families would be most severely affected by a disruption in the availability of affordable healthcare services caused by a lack of healthcare insurance if the Contract between Valley Health and Anthem is not able to be renewed because negotiations are not able to be resolved; and

WHEREAS, because Valley Health is in a monopolistic position in providing the critical medical and health care and life-saving facilities in this geographic region, including the Front Royal community, Valley Health in effect controls the health and medical care insurance the citizens of the Front Royal community are able to use within the Valley Health system, which means that Valley Health, being a not-for-profit health care facility, is in a fiduciary position with

respect to the citizens of the Front Royal community, so that Valley Health has a moral, if not a legal, obligation to put the well-being of the citizens of the Front Royal community above the profits and pecuniary interests of Valley Health.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Front Royal that the Town Council respectfully requests that Valley Health to act with all reasonable speed and in all good faith to negotiate with Anthem to renew a new Contract for health and medical insurance for the Valley Health healthcare geographic region, including the Front Royal community, that is fair, just, and reasonable to all, both as to price and as to terms, and does not exclude insurance coverage for anyone with chronic or pre-existing health conditions.

BE IT FURTHER RESOLVED by the Town Council of the Town of Front Royal hereby expresses its strongest support and encouragement to Valley Health and Anthem of Virginia to continue contract negotiations in earnest, and strive to reach mutually-agreeable terms in order to sustain and continue their partnership in providing in-network, high-quality, and affordable healthcare services to the many thousands of residents and citizens of the Front Royal and Warren County community.

FURTHER, BE IT RESOLVED that the Town Manger and Town Attorney are hereby directed to take all lawful, necessary, and appropriate actions to effectuate this Resolution.

ADOPTED this ____ day of October, 2020.

This Resolution was approved at the Regular Meeting of the Town of Front Royal, Virginia, Town Council conducted on October _____, 2020, upon the following recorded vote:

APPROVED:

Eugene R. Tewalt, Mayor

Town Council Members:

Attest:

Lori A. Cockrell _____
Gary L. Gillispie _____
Chris W. Holloway _____

Jacob L. Meza _____
William A. Sealock _____
Letasha T. Thompson _____

Tina L. Presley, Clerk of Council

Approved as to form and legality:

Douglas W. Napier, Town Attorney

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Council Agenda Statement

Item #12

Meeting Date: October 19, 2020

Agenda Item: CLOSED MEETING – Public Alley

Motions to Go Into Closed Meeting

I move that Town Council go into Closed Meeting regarding:

- (1) A Town public alley, the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of Town Council, pursuant to Section 2.2-3711.A.3.
- (2) Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in Open Meeting would adversely affect the negotiating or litigating posture of the public body; "probable litigation" meaning litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party; pursuant to Section 2.2-3711. A. 7. of the Code of Virginia.
- (3) Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, pursuant to Section 2.2-3711. A. 8. of the Code of Virginia.

Motion to Certify Closed Meeting at its Conclusion *[At the conclusion of the Closed Meeting, immediately re-convene in open meeting and take a roll call vote on the following:]*

I move that the Mayor and Council certify that to the best of each member's knowledge, as recognized by each Mayor and Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by the Mayor and Council, and that the vote of each individual member of the Mayor and Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.

Approved By: _____

Moved _____ Seconded _____

VM Sealock _____ Cockrell _____ Gillispie _____ Holloway _____ Meza _____ Thompson _____