

**A SPECIAL MEETING OF  
THE TOWN COUNCIL  
OF  
THE TOWN OF LURAY, VIRGINIA**

**Tuesday, April 28<sup>th</sup>, 2026**

The Luray Town Council met in Special Session on Tuesday, April 28<sup>th</sup>, at 5:30 p.m. in the Luray Town Council Chambers located at 45 East Main Street, Luray, Virginia, at which time there were present the following:

**Presiding:** Mayor Stephanie Lillard

**Council Present:**

Ron Vickers  
Jerry Dofflemyer  
Ryan Dean  
Jason Pettit  
Joseph Sours  
Chuck Butler

**Also Present:**

Bryan Chrisman, Town Manager  
Danielle Babb, Clerk Treasurer  
Danielle Alger, Deputy Clerk Treasurer  
Brooke Fox, Zoning Department  
Chief Bow Cook, Luray Police Department  
Leah George, Luray Police Department  
Lonnie Foster, Luray Police Department  
Joey Haddock, Water Treatment Plant  
Tyler Horn, Water Treatment Plant  
Jen Jenkins, Parks and Recreation Department  
John Sonifrank, Wastewater Treatment Plant  
Lynn Mathews, Public Works Department  
Tyler Austin, Racey Engineering

*(This meeting was made public via the Town's Facebook page. Public comments were accepted prior to the meeting via e-mail to [bchrisman@townofluray.com](mailto:bchrisman@townofluray.com)).*

A quorum being present, Mayor Lillard declared the Council to be in session for the transaction of business. All present stood for a moment of silence. Mayor Lillard led everyone in the United States Pledge of Allegiance. The roll was then called with all Council members present.

**DISCUSSION ITEMS**

## **FY27 Budget Draft Review**

Town Manager, Bryan Chrisman, stated that Treasurer, Danielle Babb included a summary sheet of draft number 12. He added that staff are pleased to present to you and the citizens of Luray, a draft balanced budget for Fiscal Year 2026-2027. We offer a budget that is based upon the following:

- A reduction in the Real Estate Rate of .06 cents/100 due to the approximate 40% overall increase in assessed Real Estate Values. At the Regular Meeting of 4-13-2026 Town Council held the required Public Hearing and effectively reduced the RE Tax Rate to .22/100.
- No change in Personal Property Tax Rates.
- Town Staff recommend adjustments to our water, sewer, and garbage rates of 5%, 6%, and 4.4% percent, respectively.
- The proposed budget includes funding for necessary Department operations, a tiered COLA for employees ranging from 2%-4% based on current salary and reflects a 7% increase in health insurance rates imposed by Anthem. The Town saw a decrease in its defined contribution rates provided by the Virginia Retirement System.
- Funding continues to be provided by VDOT for street improvements, maintenance, and emergency response for roads in the Urban Maintenance Program.
- The proposed budget includes revenue increases of 10.4% of Transient Occupancy Tax, 26% in Sales and Use Tax, and 18.1% of Meals Tax which are reflective of a healthy and vibrant small-town economy.
- The proposed budget includes funding for Depot Roof Repairs, a Rate and Fee Study, Parks and Recreation Equipment and Office Site Plans, Atkins Drive Improvements, matching funds for the Hawksbill Greenway Extension Plans, and continued pedestrian improvements on Luray Avenue.
- The Water and Sewer funds include the cost of a Wastewater Preliminary Engineering Report, a new water line for the 15 Campbell Street project, improved communications at the Forest Hills Pump Station, and new roof at the West Main Tank Valve Building. The majority of water and sewer capital improvements are unfunded due to limited revenue sources. The backlog of needed capital projects that remain unfunded continues to grow. The CIP Items shown in red text are currently unfunded and will eventually need to be completed by some mechanism. Ongoing funding gaps prevent key capital projects from moving forward.

The total proposed budget for FY 2026-2027 is \$13,838,899 comprised of \$8,731,919 for General Fund, \$22,710 in asset forfeiture funds, \$1,000,000 for Project Funds, \$2,006,302 for Water Fund, and \$2,077,968 for Sewer Fund.

The overall proposed budget for FY 2026-2027 reflects a \$329,763 (-2%) decrease from the current FY2025-2026 Budget of \$14,168,662.

While we recognize the impact of utility rate increases on residents, these increases are necessary due to ongoing increases in operational costs that ensure citizens receive continued reliable service.

Councilman Dofflemyer stated the Meals and Lodging Taxes looked larger this year and was wondering if there was a reason for that. Mr. Chrisman stated that it was a pleasant thing to have. He added that downtown was thriving. Mr. Chrisman also added that it was based on actual numbers and is continuing to trend upwards.

## **Capital Projects Funding Cover**

Town Manager, Bryan Chrisman requested Council review and discuss the current status of funding for Capital Improvement Projects (CIP) in the proposed FY27 draft budget.

A summary sheet of unfunded CIP items is included for review.

In reviewing the current summary, many of the General Fund CIP items are able to be funded. Conversely, the majority of CIP items for the two Enterprise Funds – Water and Sewer, are not able to be funded. This occurs even after a slight increase in Water (5%) & Sewer (6%) usage rates. Increased rates to 7% and 10% respectively will generate about \$31,000 more in water revenues and about \$72,000 more in sewer revenues. Given the other increases in this budget draft, and the recent real property tax rate adjustment, higher usage rates for water and sewer are not recommended at this time.

After evaluating the current budget (FY26), it has been noted that many of the CIP items for all three funds were also unfunded. A continuation of these practices will result in an enormous backlog of needed improvements and equipment for which funding will certainly not be available. Also, pricing and availability will increase the more time that elapses. It is recommended that the Town consider allocating a certain amount of funds to each FY budget cycle to pare down these CIP lists.

The principal reason for the lack of available funding is the implementation of debt service payments for both water (meter project) and especially for sewer (various projects). This short-term debt, while strategically important, does come with higher payouts for principal and interest each year. These payments absorb nearly all of available funds above and beyond operational expenses, which continue to rise with inflation.

Given the strong current financial status of the Town, I recommend that the Council consider allocating \$400,000+ from reserves to fund at least some of these needed projects in all 3 funds for FY27. The completion of a Rate & Fee Study in FY27 may provide more of the needed funds for the FY28 CIP listing.

Councilman Sours stated he was concerned about the CIP and would like for Council to consider putting more in the budget for this. Mr. Chrisman stated that Luray has always been a pay as you go enterprise. He added that many communities are like that. Mr. Chrisman stated that many of the CIP items were not funded in the last budget and that this is the second year that they have been postponed. Mr. Chrisman doesn't recommend this trend. Mr. Chrisman stated the town is in a solid financial state and is the highest that he has seen in years. Mr. Chrisman added that taxpayers like to see good use of their money. Mr. Chrisman stated the Blue Ridge Pump will be something they need to look at in the very near future. He added that it wasn't a well-built station to begin with and needed to find a solution.

Councilman Vickers inquired if the department heads were able to pick their top priorities. Mr. Chrisman stated yes, they were and he tries to follow their recommendations. Councilman Pettit thanked Treasurer, Danielle Babb for a great job on providing easy to understand graphs and charts. He added that it was impressive looking at the revenue.

Mayor Lillard stated that she appreciated all of the department heads for coming out and attending tonight's meeting. She added she felt like Council and herself were getting off way too easy.

Lynn Mathews, Superintendent of Public Works, stated that you can never go wrong putting money into the water system. Councilman Pettit stated that has noticed they have been doing a ton of work on the lines. Councilman Pettit thanked Mr. Mathews for the direction that it's heading.

Councilman Vickers inquired how the I&I project was coming along. Mr. Chrisman stated very good. He added they have been lining manholes and has solved a significant manhole located on Cave Hill Road.

Mr. Chrisman would like Council to fund \$400,000 from reserves to CIP. He added that the allocation of that money would cover \$100,00 from general fund and would allow Lynn to replace water meter valves and annual leak detection. Ms. Babb stated the town has an unrestricted three million fund balance and the cash balance is 4.4 million to 4.9 million. She added she hasn't seen these numbers in years. Councilman Vickers stated that he is always impressed.

**Future Capital Projects Funding**

Town Manager, Bryan Chrisman, requested Council review and discuss the large Capital Infrastructure projects which the Town will need to complete within the next 3-10 years. The current estimated costs for the various projects are included. Below is a breakdown of the funds.

**General Fund**

New Parks & Recreation Office	\$375,000
Repair/Replacement of the Dry Run Bridge (WB) (Pursue majority VDOT Funding, then Town share)	\$6.88 million

**Water Fund**

New Reservoir Cover & Access/Drain System	\$375,000
New West Main Water Tank	\$3.9 million
Luray Landing Water Tank	\$3.4 million
<i>Continued Leak Detection Annually</i>	<i>\$25,000+</i>

**Sewer Fund**

Replace the Blue Ridge Court Pump Station	\$295,000
Upsize the Blue Ridge Court Force Main	\$178,000
New Stoney Brook Pump Station	\$4.4 million
New Stoney Brook Gravity Main	\$810,000
New Stoney Brook Force Main	\$590,000
Replace the Cave Hill Force Main	\$425,000

**WWTP PER Upgrades & Modifications** **Unknown**

<i>Continued I &amp; I Projects Annually</i>	
<i>Location &amp; Evaluation</i>	<i>\$85,000+</i>
<i>Lining of Pipes</i>	<i>\$350,000+</i>
<i>Lining of Manholes</i>	<i>\$100,000+</i>

The initial plan is to research funding options, such as grants and low interest loans before evaluating long-term local, state, or federal financing (30–40-year terms).

Councilman Pettit stated he thought we had purchased the trailer at the Recreation Park. He stated he would like to see us purchase something instead of renting. Councilman Pettit added that we could always sell it when we decide to build. Mr. Chrisman stated at one time they had discussed moving the Park staff to the Depot building but that didn't pan out. Mr. Chrisman stated there is a phase construction plan which is far better for us than to keep paying rent for the Parks and Recreation staff.

### **Re-Establishment of the Industrial Development Authority**

Town Manager, Bryan Chrisman, requested Council review and discuss the re-establishment of the IDA.

Below is an excerpt from a recent communication with Town Attorney, Jason Botkins. Mr. Chrisman added that his process makes legal sense. He stated to fund it, staff it, and initially have targeted goals for what the IDA would do for the town. Mr. Botkins did a great job with how the Town should do it.

IDAS have significantly greater powers than localities with respect to economic development. As one example, an IDA can lend money directly to a private party for economic development in the Town.

IDAS also serve as conduits for tax-exempt financing that can be issued to nonprofit entities. In those transactions, the IDA issues bonds but is not the borrower or the lender on the loan. The IDA collects an application fee of several thousand dollars from the borrower and receives an annual registration fee of several thousand dollars for every year that the bonds remain outstanding. The tax-exempt nature of the obligations makes it worthwhile for lenders and borrowers to pay those fees.

Here is the process that would be followed to restart the Town IDA:

- Town Council appoints directors to the current IDA.
- The newly appointed IDA directors adopt a resolution suggesting that Town Council dissolve the current IDA.
- Town Council adopts a resolution dissolving the current IDA.
- Town Council adopts an ordinance creating a new IDA and appointing directors.

The reason that dissolution is necessary is that the Virginia Code requires staggered terms for IDA appointees and it is usually impossible to figure out what term goes with each position after an extended period of inactivity. That becomes an issue with respect to issuing tax-exempt financing and other debt because we are required to certify that the IDA is properly constituted and all the members are properly appointed.

Councilman Butler stated that he appreciated Mr. Chrisman and Mr. Botkins for taking the time to do this. He added the IDA has a lot of flexibility and it doesn't just do one thing. Mr. Butler said the Town really can't live without it.

## **Special Event Venues in the B-1 Zoning District**

Town Manager, Bryan Chrisman, requested Council review and discuss the concepts surrounding request to conduct special group events on private property in the community.

Mr. Chrisman stated that many of the localities near Luray handle these requests by defining the concept, deciding where they should be allowable, and stipulating certain criteria and permitting processes.

Several localities allow such uses only in their business districts, they require them to obtain a Special Use or Conditional Permit due to the wide variety of such even types as well as the number and duration of attendees. Most localities do not make the SUP transferable upon sale to preclude different or larger uses to occur at a site.

Special events can be anything from a large group meeting to a corporate retreat to an indoor/outdoor festival to a wedding event. A fairly broad definition likely best suits the situation where such a variety of uses could be requested.

Site capacity (for both indoor and outdoor events) would be set by the building official, on-site/off-street parking will be important, as well as adherence to excess light, noise, and impacts on local traffic. Sites that abut or are near to residential neighborhoods, and even to residential uses within the Business district, are important. In some cases, water and sewer capacity may be a limiting factor unless upgrades are made. Adequate restrooms, of a suitable type for the event and neighborhood, are also essential.

We have included some additional information for your consideration.

Please provide us with any ideas or concerns about defining and allowing this type of use in our Ordinance. Currently, there is nothing in our Ordinance that is specific to this class of land-use that we can utilize. Having criteria that all applicants must address (similar to those of lodging houses) will be important.

Councilman Pettit stated that between the two departments: the Building Inspectors Office and Town Office that there has got to be a way to control it.

## **FEMA Flood Study**

Town Manager, Bryan Chrisman, requested Council review the communication from FEMA regarding the updated flood study for our area.

We plan to share our downtown flood survey project with them, and to provide copies of any flood elevation surveys and certificates that we have received.

Mr. Chrisman stated that your insurance provider will have you get a carrier. He added that it went from four thousand down to seven or eight hundred dollars. Mr. Chrisman stated this was just an informational item but if Council has suggestions/comments to please provide them.

## **ACTION ITEMS**

### **Personal Property Tax Relief**

Town Treasurer, Danielle Babb, requested Council discuss approval of the 2026 Personal Property Tax Relief Eligibility for personal use vehicles in accordance with annual funding allocated by the state as follows:

Personal Use Vehicles valued at \$1,000 or less – 100% tax relief eligible

Personal Use Vehicles valued at \$1,001 to \$20,000 – 40.0% tax relief eligible

Personal Use Vehicles valued at \$20,001 or more – 40.0% tax relief eligible for only first \$20,000 of value.

Ms. Babb stated these percentages are based on state annual funding and is asking for Council approval.

**Motion:** Councilman Vickers motioned to approve the 2026 PPTRA Resolution, as presented. Councilman Dofflemyer seconded the motion with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Dean, Pettit, Sours, Butler. **Approved 6-0**

*~Recess~*

## **CLOSED MEETING**

### **Disposition of Real Property**

Council is requested to go into Closed Meeting for discussion of the performance and employment of specific local government personnel, as authorized by Section 2.2-3711 (A) (1) of the state code. The subject matter is a specific local government employee. Also, for the discussion of the disposition of real property, where the discussion in an open meeting would adversely affect the negotiating strategy of the public body, as authorized by Section 2.2-3711 (A) (3) of the State Code. The subject matter of the meeting is real estate owned by the Town of Luray.

**Motion:** Councilman Pettit motioned to convene and go into Closed Meeting for discussion of the performance and employment of specific local government personnel, as authorized by Section 2.2-3711 (A) (1) of the state code. The subject matter is a specific local government employee. Also, for the discussion of the disposition of real property, where the discussion in an open meeting would adversely affect the negotiating strategy of the public body, as authorized by Section 2.2-3711 (A) (3) of the state code. The subject matter of the meeting is real estate owned by the Town of Luray. Councilman Sours seconded the motion with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Dean, Pettit, Sours, Butler. **Approved 6-0**

*~Closed Meeting~*

**Motion:** Councilman Pettit motioned the closed meeting be adjourned and the Luray Town Council reconvene in open session. Motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Dean, Pettit, Sours, Butler. **Approved 6-0**

**Certification:** Councilman Pettit asked members of Council with respect to the just-completed closed session and to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and only such public business matters as were identified in the motion by which the closed meeting was convened where heard, discussed, or considered in the meeting by the Town Council. Motion seconded by Councilman Sours with the vote as follows: YEA: Council Members Vickers, Dofflemyer, Dean, Pettit, Sours, Butler. **Approved 6-0**

### **COUNCIL COMMENTS**

None this evening.

### **MAYOR ANNOUNCEMENTS**

Mayor Lillard reminded folks of the upcoming ribbon cutting for the Chamber of Commerce for their 100<sup>th</sup> Anniversary at noon on Friday, May 15<sup>th</sup>. Mayor Lillard also reminded folks of the Chamber Banquet to be held on May 28<sup>th</sup> and 5pm. Mayor Lillard stated that she would not be in attendance at the May 26<sup>th</sup> work session and Vice-Mayor Vickers will handle the meeting.

### **ADJOURN**

With no further business, the meeting was adjourned at 8:22 p.m.

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Stephanie Lillard  
Mayor

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Danielle Alger  
Deputy Clerk-Treasurer