

REGULAR MEETING

SEPTEMBER 25, 2001

At a regular meeting of Council held this evening at 7:30 p.m., there were present: Mayor Carolyn W. Frank; City Manager Roger Baker; Assistant City Manager Kurt Hodgen; City Attorney Thomas H. Miller, Jr., Vice-Mayor Dorn W. Peterson; Council Member Larry M. Rogers, Hugh J. Lantz, Joseph Gus Fitzgerald; and Chief of Police Donald Harper. Absent: City Clerk Yvonne Bonnie Ryan, CMC/MMCA.

Human Resource Director Whistleman introduced nine new employees: Shawn Adams, Lorie Loker, Keith Mowbray, Public Works Department; Betty Crigler, Emperatriz Mujica, Paul Stoner, Public Transportation Department; Jim Scott, Community Development Department; Karen Musselman, City Manager's Office; and David Loker, Public Utilities Department.

Mayor Frank delivered the invocation and led everyone in the Pledge of Allegiance.

Council Member Fitzgerald offered a motion to approve the consent agenda, including approval of the minutes and the second reading of appropriations for the Police Department and Public Works Department, and purchasing one Dupont trolley bus. The motion also included referring a street closing to the Planning Commission. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Lantz

Council Member Rogers

Vice-Mayor Peterson

Council Member Fitzgerald

Mayor Frank

Absent - None

Vice-Mayor Peterson offered a motion to add Matt Gilkerson's presentation to the agenda. The motion was approved with a unanimous vote of Council.

Matt Gilkerson, a resident of 979 South Dogwood Drive, and a junior at Harrisonburg High School presented an overview of the crowded conditions at the high school. He said, "I am a leader in the student organization known as PALS (Peers Assisting Listening and Sharing), an Eagle Scout and have lived in Harrisonburg for 16 years. Before I go any further, I would like it to be known that everything I am in support of tonight, I will never benefit from it, because I will have already graduated from high school. The only reason I am here tonight is in consideration of the future students of Harrisonburg High School who are too young now to see exactly what is happening. Harrisonburg is a place for families, education, and it has always been that way; however, recently, I have noticed a change. Through my presentation I will take you to the hallways and classrooms in Harrisonburg High School that are all overcrowded. I have done the best I can to collect accurate data. Overcrowding occurs everyday and some students deal with overcrowded classrooms in several periods every day. He mentioned that a physical education teacher has 31 students in one class period. During this same time period there are an average of 101 students in the gym. He said lunch starts with a great wait in long lunch lines because there are only three lines to receive food and some students are never served. Some teachers do not have a classroom. His presented data showing overcrowded classes, labs, gymnasium, and the cafeteria. He quoted teachers as saying students in smaller classes will have more interaction and more personal attention. Larger classrooms create more stress and could make students feel like a number. The 1,050-seat auditorium does not hold the entire student population for an assembly. He said that the School Board has made their choice and presented the options to City Council. It is time to build a new high school and not compare Harrisonburg High School to other schools being built in Virginia. The goal should be to unify the student population, not divide it. He said, "I am only one student and everything I have mentioned is my point of view. I am asking citizens and parents to address the overcrowding issues at the high school."

Mayor Frank announced that the public hearings to consider a rezoning request by Dunham Bush and amending the Comprehensive Plan would be postponed until the October 9th meeting.

School Superintendent Ford presented an overview of the School Board's long-range plan. He said that the School Board was trying to get a projection of what is needed in terms of long-term building needs in the City. The City's 1998 Comprehensive Plan stated that the City should have a population of 52,267 residents at build out in 2018 and stated that the City was growing at an annual rate of 2.2%. The School Board used these numbers in their original projection. The School Board applied the 2.2% in terms of enrollment growth for the schools as well as the growth of the City population in order to determine an estimate of the school population at build out in 2018. However, something important has happened since the original projection was made. He said the 2000 census shows that the City's population is 40,468. The City's school enrollment in April was 3,774 students. This constituted approximately 9.3% of the City's population. The School Board will be looking at how the 4,860 actually translate into the occupancy of the school facilities in the school board long-range plan. Dr. Ford requested that City Council provide the appropriate funding for the school division to proceed with the building project, which has been proposed.

School Board Chairman Lacey reviewed the statistic used to project the enrollment based on the long-range plan. He said that the schools should be able to accommodate the increase in students even beyond the projected numbers at build out.

David Rose and Darrell Hill with Davenport and Company presented an analysis of the City's financial position. Mr. Rose explained that his company had prepared a preliminary capital funding strategy plan for Harrisonburg, which included existing debt service obligations, a new high school funding analysis, and other capital projects. The City's obligations were reviewed which included notes, historical VPSA issues, literary loans, and some utility related financing which were not self-supporting. The new high school could require a tax increase of between 12 and 19 cents if only school debt service is considered. He reviewed the existing schools debt service and said that in the year 2002, the total debt service would be approximately \$3.3 million. There should be a decline of approximately \$100,000 over the next several years. If the City replaces the existing school debt with new school debt, the capacity should be about \$12 to \$13 million. He also reviewed the VPSA structuring options, which include amortization, debt service repayment, principal deferred, and capitalized interest. The current outstanding debt is approximately \$55 million. The City could have more than \$80 million on capital improvement projects in the future and will need additional revenue. The representatives did question why the site location for the new high school had not been selected. They also discussed interim financing, paying early interest, and the choices Council had in seeking financing.

At 8:40 p.m., Mayor Frank closed the regular session temporarily and called the evening's public hearing to order. The following notice appeared in the Daily News-Record on Monday, September 10, and Monday, September 17, 2001.

NOTICE OF PUBLIC HEARING WITH RESPECT TO THE PROPOSED ISSUANCE, SALE AND AWARD OF GENERAL OBLIGATION SCHOOL BONDS BY THE CITY OF HARRISONBURG, VIRGINIA IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$41,500,000 TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY, FOR THE PURPOSE OF PROVIDING FUNDS TO PAY COSTS OF CAPITAL PROJECTS FOR SCHOOL PURPOSES FOR THE CITY OF HARRISONBURG, VIRGINIA.

Notice is hereby given that the City Council (the Council) of the City of Harrisonburg, Virginia, (the City) will hold a public hearing pursuant to the provisions of Section 15.2-2606 of the Code of Virginia (1950), as amended, with respect to the adoption by the Council of a Resolution authorizing the issuance, sale and award of the principal amount not to exceed \$41,500,000 of General Obligation School Bonds of the City of Harrisonburg, Virginia, (the Bonds) to be sold to the Virginia Public School Authority (the VPSA) in the 2001 Fall Bond Sale through the VPSA, for the purpose of providing funds to pay costs of the acquisition, construction; and equipping of public school facilities for the City including, but not limited to, a new High School and related facilities thereto (all capital projects for school purposes for the City being designated collectively therein as the Project).

The Bonds will be a general obligation of the City secured by its full faith and credit pledge. The public hearing, which may be continued or adjourned, will be held at 7:30 p.m., on September 25, 2001, before the Council in the City Council Chambers, located at 345 South Main Street, Harrisonburg, Virginia. Any person interested in the issuance, sale and award of the Bonds may appear at the hearing and

present his or her views. The Council may set time limits on speakers and other rules and procedures for the conduct of this public hearing.

Requests for audio or visual assistance for those persons requiring such assistance during the hearing must be submitted in writing to the City Manager at the address given above no later than 12:00 noon, Friday, September 21, 2001. Such requests must specify the type of assistance or aid required.

CITY OF HARRISONBURG

Roger D. Baker

City Manager

Mayor Frank called on anyone desiring to speak for or against this request to issue General Obligation Bonds in the amount of \$41,500,000 for school purposes.

Steven Blatt, a resident of 755 South Dogwood Drive, said that since the City has had an elected school board, it has worked hard to restore creditability and accountability with City Council. The School Board has done an excellent job in making this decision. This is the best proposal with the resources the City has and he requested that City Council endorse the bond issue.

Mary Grace Penrod, a resident of 312 East Grattan Street, said that she was a senior at Harrisonburg High School. She said that she was strongly in favor of building a new high school. She also noted that she would not benefit from a new high school.

Vicky Bennett, a resident of 236 Wakefield Place, said that she has lived in the City for 12 years and was also a teacher at Thomas Harrison Middle School. She said that she was in favor of building a new high school.

Cathy Slusher, a resident of 520 South Mason Street, asked City Council to approve the funding for building a new high school and noted that it is time to move forward.

Bob Steere, a resident of 652 Central Avenue, said that during the past several months, he has been trying to obtain answers to many of the questions related to the bond issue. Those questions echo the inquiries that have been put forth by many, many others. He said, "So far, I have not received answers that will allow me at this time to support floating a bond issue in these uncertain times. Why are we proceeding so fast with this bond issue in these uncertain economic times?" He suggested that everyone should stop, take a step backward, and re-examine the situation during the next six months and gather as much information as possible. He said that

he was very concerned about the City taking on such a large debt.

Warren Dillenbeck, a resident of 1121 South Dogwood Drive, said that he would prefer spending his allowed three minutes talking to a stonewall than talking to City Council because it was useless. City Council has made their minds up concerning the school bond issue. He said his family felt very blessed to live in this beautiful valley. Now the City is about to embark on a necessary school building program. Nobody disputes the need. But, if we are going to do this, let's do it well. Let's make sure we do an excellent job of it. Let's be sure we serve the educational needs of our children the best way we know how. There is so much controversy and uncertainty swirling around the School Board's plan that it would be a terrible mistake to launch it tonight. The entire community should support this project.

Jerry Scripture, a resident of 1175 South Dogwood Drive, said, I am here tonight as a citizen that cares about the community and the children and building suitable schools. He asked whom do I talk to about taking care of my neighborhood? What if I think that extra buses and remote schools will clog our roads and diminish our quality of life in Harrisonburg? What if somebody thinks keeping schools close to kids is important? Small town culture is important unless Harrisonburg wants to become SAMA (Standard Metropolitan Statistical) or whatever they are called. I am concerned about the financial issue, but I am also concerned about Harrisonburg. He encouraged City Council to request that the School Board try to keep the new Harrisonburg High School in the City.

Ken Handrich, a resident of 610 Broad Street, presented a map showing where the elementary school children are located in the City. He reviewed each school and said that some students will be moved away from their current school. He requested that City Council say no to this funding proposal.

Sam Knight, a resident of 434 Kelly Street, said that he was living on a fixed income. He noted that in the past City Council's had been allowed to answer questions concerning School Board decisions. He questioned how we could take care of such a large debt without a tax increase. He noted that he had heard the twelve pennies and nine pennies mentioned by the financial consultants; however, he said, I do not understand because I am not a banker. He noted that his daughter rides the bus now for 45 minutes and wondered how any child living in the City could walk to a new high school in Rockingham County.

Bob Bersson, a resident of 441 East Wolfe Street, said that he has been a resident of Harrisonburg for 21 years. He explained that his remarks would focus on issues of race and class relative to the overall school board plan of which the new high school is a major part. Let me say straight off that I do not think that conscious racism played any part in the development of the school board's plan. At the same time, it is clear that certain very important Harrisonburg policy makers are definitely afraid of my multi-racial, multi-class northeast area in which, Simms the public school for blacks, was located. We have heard you, our policy makers, say directly or indirectly never, never, have another school at Simms. The immortal depth of your response makes it clear that no radical argument, no amount of research data, charts, maps, overheads, power point presentations; however, compelling will ever sway you. So for all the wrong reasons, the Simms School was eliminated from the school board long-range plan. Some of the plan was based upon fear. He

thanked Council Members Lantz and Rogers for continuing to support the renovation of Simms School to be used for other activities. He said, "Would Martin Luther King tell us to avoid transforming Simms into a fifth elementary school in the populous Northeast community where most of the young people in Harrisonburg live? Would Martin Luther King say let us bus all of the students of the Northeast out of their neighborhoods to the outskirts of the City to go to schools in a distant barely developed area? Or would Rev. King tell us to sit down as brothers and sisters to face our interracial fears and wounds together, to confront man-to-man and woman-to-woman the problems in our community and our souls. Would he not tell us to walk in the light and not in the darkness?"

Joe Redman, a resident of 864 Chicago Avenue, said that there is no consensus in the City that the School Board's plan is a good one. There is a great deal of controversy on how the plan will benefit our neighborhoods, children's education, and whether it is financially sound. He also questioned why the wide gap between the per-pupil cost of the proposed high school and other schools built in Virginia. He suggested that it would cost less to expand the present high school at its current site.

Chuck Heckman, a resident of 1555 Shank Drive, said that we should put our tax dollars to use inside our neighborhoods and save our family friendly communities from the same fate larger cities have experienced when moving schools out of the neighborhoods. Neighborhood schools are a major part of that strength. He encouraged City Council to support education and keep the schools in the City.

There being no others desiring to be heard, the public hearing was declared closed at 9:30 p.m., and the regular session reconvened.

Vice-Mayor Peterson questioned if Council had agreed to borrow \$41.5 million in approving the bond issue, are we forced to spend the money for schools. He also questioned what would happen if Rockingham County's Board of Supervisors turned down the Port Republic Road site. Would the City be forced to build on the Smithland Road site? He also said that he was concerned with the prospect of committing to borrowing money for a school without knowing where the school would be built.

Council Member Lantz commented that this has been a controversial issue. He said our role is decide if the City can financially afford to fund the School Board's request. He said that he appreciated everyone comments because everyone had the children in mind. We all have the same goal to provide the best education for the children of the City. No one will admit that the schools are overcrowded; however, the City can't afford two high schools He also encouraged the School Board to look for a site within the City and to study the configuration of the fourth and fifth grade elementary school. He also said that he believes the county will do what is best for the area, just as the City did when it ran water and sewer lines into the county for a school project.

School Board Chairman Lacey, came to the podium and said, the School Board Liaison Committee met to discuss why the projected cost of the new high school was higher than other recently constructed schools in Virginia. He reviewed statistics showing inflationary factors between the per-pupil cost of the proposed new high school and the cost of recently constructed schools in other areas of Virginia. He also shared statistics showing the growth in the ESL population and special education classes in Harrisonburg. Special need students are state mandated to have smaller classes.

Carolyn Perry, appearing as School Board Counsel, responded by saying if the City Council legally would authorize the issuance of VPSA bonds tonight, September 25th, Council would have to October 9th to back out; however, after October 9th which is the date of the bond sale agreement, the VPSA would have to know whether or not the City is participating and if they are what is the bond amount. October 9th is the absolute cut off deadline for participation in the fall pool bond sale with Virginia Public School Authority. In the event there are extra monies, it can be used for other capital projects for school purposes for the City. It cannot be used to pay off other previous debt.

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND
AWARD OF NOT TO EXCEED \$41,500,000 GENERAL
OBLIGATION SCHOOL BONDS OF THE CITY OF
HARRISONBURG, VIRGINIA, SERIES 2001, TO BE
SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY, AND
PROVIDING FOR THE FORM AND DETAILS THEREOF.**

WHEREAS, the City Council (the "Council") of the City of Harrisonburg, Virginia (the "City"), has determined that it is necessary and expedient to borrow not to exceed \$41,500,000 and to issue its general obligation school bonds for the purpose of providing funds to pay costs of the acquisition, construction, and equipping of public school facilities for the City including, but not limited to, a new High School and related facilities thereto (all capital projects for school purposes for the City being designated collectively herein as the Project).

WHEREAS, the School Board of the City (the School Board) has requested, by resolution dated August 7, 2001, the Council to authorize the issuance, sale and award of the Bonds.

WHEREAS, the Council has determined that it is necessary and appropriate to proceed to issue its bonds pursuant to the authority set forth in the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia 1950, as amended (the Public Finance Act), including but not limited to Section 15.2 2601 thereof, and for the Council, as the governing body of the City, to elect to issue bonds under

such provisions of the Public Finance Act without regard to the requirements, restrictions or other provisions contained in the Charter of the City.

WHEREAS, the City held a public hearing, duly noticed, on September 25, 2001, on the issuance of the Bonds (as defined below) in accordance with the requirements of Section 15.2 2606, Code of Virginia, 1950, as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA:

1. **Authorization of Bonds and Use of Proceeds.** The Council hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bonds in an aggregate principal amount not to exceed \$41,500,000 (the "**Bonds**") for the purpose of financing certain capital projects for school purposes as described above. The Council hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution. Upon mature consideration, the Council has determined that it is necessary and appropriate to proceed to issue its bonds pursuant to the authority set forth in the Public Finance Act, as set forth above, and, accordingly, hereby elects to issue the Bonds under such provisions of the Public Finance Act without regard to the requirements, restrictions or other provisions contained in the Charter of the City.

2. **Sale of the Bonds.** It is determined to be in the best interest of the City to accept the offer of the Virginia Public School Authority (the "**VPSA**") to purchase, and the City to sell to the VPSA, the Bonds at a price, determined by the VPSA to be fair and accepted by the Mayor or Vice Mayor and the City Manager that is not less than 98% of par and not more than 103% of par (105% for bonds with a final maturity or amortization schedule of 10 years or less) upon the terms established pursuant to this Resolution except that in the event the purchase price determined by VPSA would exceed the upper limit of 103% or 105% the City, at the request of VPSA, will lower the amount of the local school bonds to be issued to provide a purchase price for such bonds and a proceeds amount that is within 103% or 105% of the amount requested pursuant to application submitted to VPSA. The Mayor and Vice Mayor of the Council, the City Manager and such officer or officers of the City as any of them may designate are hereby authorized and directed to enter into a Bond Sale Agreement to be dated as of October 9, 2001, with the VPSA providing for the sale of the Bonds to the VPSA in substantially the form submitted to the Council at this meeting, which form is hereby approved (the "**Bond Sale Agreement**").

3. **Details of the Bonds.** The Bonds shall be dated the date of issuance and delivery of the Bonds; shall be designated General Obligation School Bonds, Series 2001 ; shall bear interest from the date of delivery thereof payable semiannually on each January 15 and July 15 beginning July 15, 2002 (each an "Interest Payment Date"), at the rates established in accordance with Section 4 of this Resolution; and shall mature on July 15 in the years (each a "Principal Payment Date") and in the amounts set forth on Schedule I attached hereto (the "Principal Installments"), subject to the provisions of Section 4 of this Resolution.

4. **Interest Rates and Principal Installments.** The City Manager is hereby authorized and directed to accept the interest rate or rates on the Bonds established by the VPSA, provided that no such interest rate shall be more than ten one hundredths of one percent (0.10%) over the interest rate to be paid by the VPSA for the corresponding principal payment date of the bonds to be issued by the VPSA (the "VPSA Bonds"), a portion of the proceeds of which will be used to purchase the Bonds, and provided further that the true interest cost of the Bonds does not exceed five and eighty five one hundredths percent (5.85 %) per annum. The Interest Payment Dates and the Principal Installments are subject to change at the request of the VPSA. The City Manager is hereby authorized and directed to accept changes in the Interest Payment Dates and the Principal Installments at the request of the VPSA, provided that the aggregate principal amount of the Bonds shall not exceed the amount authorized by this Resolution. The execution and delivery of the Bonds as described in Section 8 hereof shall conclusively evidence such interest rates established by the VPSA and the Interest Payment Dates and the Principal Installments requested by the VPSA as having been so accepted as authorized by this Resolution.

5. **Form of the Bonds.** For as long as the VPSA is the registered owner of the Bonds, the Bonds shall be in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.

6. **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Bonds:

(a) For as long as the VPSA is the registered owner of the Bonds, all payments of principal of, premium, if any, and interest on the Bonds shall be made in immediately available funds to the VPSA at or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for banks in the Commonwealth of Virginia or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next preceding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption.

(b) All overdue payments of principal or interest shall bear interest at the applicable interest rate or rates on the Bonds.

7. **Prepayment or Redemption.** The Principal Installments of the Bonds held by the VPSA coming due on or before July 15, 2011, and the definitive Bonds for which the Bonds held by the VPSA may be exchanged that mature on or before July 15, 2011, are not subject to prepayment or redemption prior to their stated maturities. The Principal Installments of the Bonds held by the VPSA coming due after July 15, 2011, and the definitive bonds for which the Bonds held by the VPSA may be exchanged that mature after July 15, 2011, are subject to prepayment or redemption at the option of the City prior to their stated maturities in whole or in part, on any date on or after July 15, 2011, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be

prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2011 through July 14, 2012	102%
July 15, 2012 through July 14, 2013	101
July 15, 2013 and thereafter	100

Provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

8. **Execution of the Bonds.** The Mayor or Vice Mayor and the Clerk or any Deputy Clerk of the Council are authorized and directed to execute and deliver the Bonds and to affix the seal of the City thereto.

9. **Pledge of Full Faith and Credit.** For the prompt payment of the principal of, the premium, if any, and the interest on the Bonds as the same shall become due, the full faith and credit of the City are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the City subject to local taxation sufficient in amount to provide for the payment of the principal of, the premium, if any, and the interest on the Bonds as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the City to the extent other funds of the City are not lawfully available and appropriated for such purpose.

10. **Use of Proceeds Certificate and Certificate as to Arbitrage.** The Mayor or Vice-Mayor of the Council, the City Manager and such officer or officers of the City as any of them may designate, are hereby authorized and directed to execute a Use of Proceeds Certificate and Certificate as to Arbitrage each setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Council covenants on behalf of the City that the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Use of Proceeds Certificate and Certificate as to Arbitrage and that the City shall comply with the covenants and representations contained therein. Furthermore, the Council covenants on behalf of the City that the City shall comply with the provisions of the Code so that interest on the Bonds and on the VPSA Bonds will remain excludible from gross income for Federal income tax purposes.

11. **State Non Arbitrage Program; Proceeds Agreement.** The Council hereby determines that it is in the best interest of the City to authorize and direct the City Treasurer to participate in the State Non Arbitrage Program in connection with the Bonds. The Mayor or Vice-Mayor of the Council, the City Manager, the City Director of Finance and such officer or officers of the City as any of them may designate, are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Bonds by and among the City, the other participants in the sale of the VPSA Bonds, the VPSA, the investment manager (Mentor Investment Advisors, L.L.C.), and the depository (Wachovia Bank, N.A.). Such Proceeds Agreement shall contain such terms and provisions as may be requested by the VPSA for the issuance, sale and award of the

Bonds, and shall be in the general form as submitted to the City, which form is hereby approved.

12. **Continuing Disclosure Agreement.** The Mayor of the Council, the City Manager and such officer or officers of the City as either may designate are hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in Appendix F to the Bond Sale Agreement, setting forth the reports and notices to be filed by the City and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12 and directed to make all filings required by Section 3 of the Bond Sale Agreement should the City be determined by the VPSA to be a MOP (as defined in the Continuing Disclosure Agreement).

13. **Filing of Resolution.** The appropriate officers or agents of the City are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of Rockingham County, Virginia.

14. **Further Actions.** The members of the Council and all officers, employees and agents of the City are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance, sale and award of the Bonds and any such action previously taken is hereby ratified and confirmed.

15. **Effective Date.** This Resolution shall take effect immediately upon the approval by Council.

Date: September 25, 2001

[SEAL] Mayor, City Council,

City of Harrisonburg, Virginia

City Manager, City of Harrisonburg, Virginia

CERTIFICATE of VOTES

Record of the roll call vote by the City Council of the City of Harrisonburg, Virginia, taken after lawful notice therefor at the regular meeting of the City Council held on September 25, 2001, at which meeting the City Council, among other things, elected to comply with the authority provided under the Public Finance Act of 1991, Chapter 26, Title 15.2 of the Code of Virginia 1950, as amended, including but not limited to Section 15.2-2601 thereof, for the issuance of bonds under the provisions thereof without regard to the requirements, restrictions or other provisions contained in the Charter of the City, the undersigned hereby certify the voting of the City Council on the foregoing **RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF NOT TO EXCEED \$41,500,000 GENERAL OBLIGATION SCHOOL BONDS OF THE CITY OF HARRISONBURG, VIRGINIA, SERIES 2001, TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY, AND PROVIDING FOR THE FORM AND DETAILS THEREOF** , as follows:

AYE	NAY	ABSTAIN	ABSENT
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**Carolyn W.
Frank, Mayor**

X

Dorn W. Peterson, Vice Mayor X

Hugh J. Lantz X

Larry M. Rogers X

Joseph Gus Fitzgerald X

Date: September 25, 2001

Mayor, City Council of

City of Harrisonburg, Virginia

ATTEST: _____

Clerk, City Council of City of Harrisonburg, Virginia

Following further discussion and comments, Council Member Fitzgerald offered a motion to adopt the resolution as presented. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Lantz

Council Member Rogers

Council Member Fitzgerald

No - Vice-Mayor Peterson

Vote: Yes - Council Member Lantz

Mayor Frank

Absent - None

City Manager Baker presented the following resolution for Council's consideration of approval:

RESOLUTION

WHEREAS, Virginia's firefighters, courageous and dedicated men and women, give unselfishly of themselves to assist their fellow Virginians in times of great need; and

WHEREAS, their duties often place firefighters in harm's way, and, tragically, some of them lose their lives in the line of duty; and

WHEREAS, courage, sacrifice, and an extraordinary sense of duty characterize firefighters throughout the Commonwealth and the nation; and

WHEREAS, it is entirely appropriate that those firefighters who have made the ultimate sacrifice in service of their fellow citizens be recognized and honored; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, that the General Assembly hereby designate October 14, 2001, and the second Sunday in each succeeding year, as Fallen Firefighter's Day in Virginia; and, be it

RESOLVED FURTHER, That the General Assembly urges the citizens of Virginia to honor Virginia's fallen firefighters with appropriate observances and ceremonies.

Date

Mayor

Vote: Yes - Council Member Lantzo:p

Attest:

Clerk of the Council

Council Member Rogers offered a motion to approve this resolution. The motion was approved with a unanimous vote of Council.

City Manager Baker presented the following resolutions for Council's consideration of approval:

RESOLUTION TO SUPPORT ADDITIONAL FUNDING

TO IMPROVE RAILROAD INFRASTRUCTURE TO CARRY FREIGHT

WHEREAS, Interstate 81 carries a high volume of truck traffic hauling freight over long distances;
and

WHEREAS, Interstate 81 will be reconstructed over the next 20 years at a projected cost of \$3.5 billion; and

WHEREAS, the Chicago, Illinois to Los Angeles, California rail shipping routes carry approximately 90% of the freight that is capable of being hauled; and

WHEREAS, the southeastern United States shipping routes only carry 35% to 40% of the freight that is capable of being hauled; and

Council Member Rogers offered a motion to approve this resolution. The motion was approved with

WHEREAS, only 1% of the freight is being hauled by rail long along the Interstate corridor from Chattanooga, Tennessee to Harrisonburg, Pennsylvania; and

WHEREAS, approximately 1 million trucks representing 35% to 40% of the freight that is capable of being hauled could be directed from Interstate 81 at a cost of approximately \$1 billion to make necessary improvements to Norfolk Southern Railroad infrastructure;

NOW, THEREFORE, BE IT RESOLVED that Harrisonburg supports efforts to improve railroad infrastructure to carry freight and reduce the volume of truck traffic along Interstate 81 in Virginia and the corridor from Chattanooga, Tennessee to Harrisburg, Pennsylvania in conjunction with plans to widen and improve Interstate 81 in the Commonwealth of Virginia.

Date

Mayor

Attest:

Clerk of the City Council

City Manager Baker explained that Bill Strider, Executive Director of the Planning District Commission is requesting that the City consider adopting a resolution supporting additional funding to improve railroad infrastructure to carry freight. City Council agreed not to take action either way regarding this resolution.

City Manager Baker presented the following resolution for Council's consideration of approval:

RESOLUTION TO REQUEST FEDERAL COMPENSATION

TO PAY FOR LOCAL EMERGENCY SERVICES

ON FEDERAL TRANSPORTATION RIGHT OF WAY

WHEREAS, Interstates 81 and 64 provide excellent vehicular access to other parts of the Commonwealth and Mid Atlantic Region; and

WHEREAS, these interstates traverse localities within the Central Shenandoah Planning District; and

WHEREAS, the localities within our District appreciate and benefit from the federal interstate highway system; and

WHEREAS, the localities hosting federal transportation right of way provide emergency services to accidents on interstates; and

WHEREAS, traffic and accidents have increased significantly on Interstates 81 and 64 in our District over the past several years; and

WHEREAS, there were 1,855 accidents along Interstates 81 and 64 in our District for the period of July 1, 1997 through June 30, 2000, resulting in 29 persons killed and 1,270 persons injured; and

WHEREAS, approximately 90% of these accidents require a local emergency service response; and

WHEREAS, most local emergency services in the District are provided on a volunteer basis; and

WHEREAS, there is an increasing cost to employers, lost wages, and additional training associated with providing local emergency services personnel in the District; and

WHEREAS, the estimated average direct cost for each local emergency service response on federal transportation right of way is \$630; and

WHEREAS, an additional indirect cost to employers and local emergency services personnel for each local emergency service response is \$240; and

WHEREAS, the estimated direct cost to localities within the District for providing local emergency service responses on federal transportation right of way for the period of July 1, 1997 through June 30, 2000 was \$1,452,000 an average of \$484,000 per year; and

WHEREAS, there is currently no federal compensation to localities to provide local emergency service responses on federal transportation right of way; and

WHEREAS, localities within the District are having increased difficulty to pay for emergency services; and

THEREFORE BE IT RESOLVED, that Harrisonburg respectfully requests that federal compensation be provided to pay for local emergency services on federal transportation right of way.

Adopted Mayor

Attest:

Clerk of the City Council

City Manager Baker explained that Bill Strider, Executive Director of the Planning District Commission, is requesting that the City consider adopting a resolution to request Federal compensation to pay for local emergency services on Interstate 81. Vice-Mayor Peterson offered a motion to adopt this resolution as presented. The motion was approved with a unanimous vote of

Council.

Michael Wong, Executive Director of the Harrisonburg Redevelopment and Housing Authority, explained that HRHA wants to issue bonds for the acquisition and rehabilitation of approximately 140 apartments multi-family housing facility project in Henrico County, Virginia. The bonds will not be an obligation of the City nor impact the City's debt limit. Council Member Lantz offered a motion to approve this resolution. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Lantz

Council Member Rogers

Vice-Mayor Peterson

Council Member Fitzgerald

Mayor Frank

Absent - None

Assistant City Manager Hodgen announced that the Heritage Oaks Golf Course will open to the general public on Saturday, September 29, 2001. He reminded everyone the golf course will only be open on Friday, Saturday, and Sunday until December 1st. He also announced that the opening day schedule would include some of the City Council Members participating in a contest.

Commissioner of Revenue Hosaflook explained that a request had been made for the City to remove the 1% sales tax on heating fuel. She said that the City received approximately \$67,150 in 2000 in sales tax on the heating fuel. Vice-Mayor Peterson offered a motion to repeal the 1% sales tax on heating fuel and requested that it should be effective October 1, 2001. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Lantz

Council Member Rogers

Vice-Mayor Peterson

Council Member Fitzgerald

Mayor Frank

Absent - None

City Manager Baker stated that the Virginia Municipal League Conference has been scheduled for October 14-17, 2001. Vice-Mayor Peterson offered a motion naming City Manager Roger Baker as the voting delegate and Council Member Larry Rogers as the alternate delegate. The motion was approved with a unanimous vote of Council.

City Attorney Miller presented for Council's consideration amending and re-enacting Section 17-1-2(a) and Section 17-1-3(b) of the Harrisonburg City Code. He explained that these amendments are necessary due to the 2000 Census, which showed that about twice as many people live East of the Main Street as West of Main Street. He explained that the language in Section 17-1-3(b) stated that at every election, all registered voters of the City shall be entitled to vote for three (3) board members, one (1) from the west school district and two (2) from the east school district. This is a carry over of language that has been in the City Code book. Council Member Fitzgerald offered a motion to table this agenda item until the next Council meeting. The motion was approved with a unanimous vote of Council.

The agenda item to consider additional funding for OASIS was tabled until October 23, 2001.

Vice-Mayor Peterson offered a motion to authorize establishing a Petty Cash Fund for the golf course operations. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Lantz

Council Member Rogers

Vice-Mayor Peterson

Council Member Fitzgerald

Mayor Frank

Absent - None

The agenda item to consider amending and re-enacting Section 14-1-1 of the Harrisonburg City Code was tabled until the next Council meeting.

City Manager Baker explained that Bill Strider, Executive Director of the Planning District Commission

At 10:30 p.m., there being no further business and on motion adopted the meeting was adjourned.

ACTING CITY CLERK

MAYOR