

MINUTES - REGULAR MEETING OF CITY COUNCIL - APRIL 9, 2002

REGULAR MEETING

APRIL 9, 2002

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; City Clerk Yvonne Bonnie Ryan, CMC/MMCA, and Chief of Police Donald Harper.

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

Council Member Fitzgerald offered a motion that Council resolve to approve the consent agenda, including approval of the minutes and the second reading of supplemental appropriations for the Police Department. 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 requested the unanimous consent of Council to change the agenda by adding a presentation by the Office on Children and Youth. This agenda item will be number 11 A.

Planning and Community Development Director Turner introduced a request by the Salvation Army for a special use permit to allow a charitable institutional use of a retail store and warehouse to locate within

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an existing warehouse in the M-1 zoning classification. The site is located at 245 East Washington Street. She reviewed the surrounding uses in the area. The Salvation Army has purchased the warehouse structure to create a larger storage area for its current operations in Harrisonburg. The applicant is requesting the special use permit to allow the creation of 6,000 square feet of retail sales area. If allowed, a new entrance and sales floor space would be created in the northeast corner of the warehouse. The remaining warehouse space would be used for donated material storage of the Salvation Army and separate storage space for any other material storage (in the southwest corner of the building). The parking area being utilized by the Salvation Army is required to have 32 parking spaces. The submitted site plan shows exactly 32 parking spaces for the warehousing and retail use. Due to the high traffic, staff feels that not allowing the storage of vehicles for sale will keep the spaces available for the retail customers and will not require any parking on East Washington Street. In addition, the limited amount of parking on the lot will not allow parking of any warehouse vehicles, since many of these vehicles are shared and currently parked at the two other Salvation Army facilities in the City. Staff does recommends approval of the special use permit to allow a charitable institutional use, which does not provide housing with the following conditions: 1) The property owner place signs at the parking lot entrances stating that the parking lot is to be used for customer parking only and that vehicle storage/drop-off should be done at another location. In addition, no parking is to be allow for the trucks, vans, etc., that are used in connection with the warehouse. 2) The property owner shall not allow the outside storage of materials or inoperable vehicles. 3) The special use permit shall remain valid for only the period of time the Salvation Army occupies the site. If the Salvation Army leaves the site, the parcel will revert to the current zoning of the area. She said that staff recommended approval of the Salvation Army special use permit and Planning Commission recommended unanimous approval of the request.

At 7:42 p.m., Mayor Frank closed the regular session temporarily and called the evening s first public hearing to order. The following notice appeared in the Daily News-Record on Monday, March 25, and Monday, April 1, 2002.

Notice Of Public Hearing

The Harrisonburg City Council will hold public hearings on Tuesday, April 9, 2002, at 7:30 p.m. in the Municipal Building, City Council Chamber, 345 South Main Street, to consider the following.

SPECIAL USE PERMIT- SALVATION ARMY PROPERTY

Public hearing to consider a request by the Salvation Army for a special use permit {per section 10-3-97 (9)} to allow a charitable institutional use of 6,000 square feet of retail space in an existing warehouse that they own. The site can be found on tax map parcel 33-B-5 through 10A and is located at 245 East Washington Street.

Maps and other information are available for review in the Community Development Department, 409 South Main Street, Monday through Friday, 8:00 a.m. to 5:00 p.m.

All persons interested will have an opportunity to express their views at these public hearings. Any individual requiring auxiliary aids, including signers, in connection with the public hearing shall notify the City Manager at least five (5) days prior to the date of the meeting.

CITY OF HARRISONBURG

Roger D. Baker

City Manager

Mayor Frank called on anyone desiring to speak for or against this special use permit.

Bucky Berry, a resident living at 877 North Main Street, said that he had rung the bell for the Salvation Army for 22 years. He also said that the Salvation Army does a lot for the people in the community and having the store at this location would be very convenient for the citizens of Harrisonburg.

Gary Martin, Sr., a resident living at 274 East Johnson Street, said that he did not object to the Salvation Army using the building for a retail store and warehouse facility; however, he questioned whether it was a rumor that the facility might also be considered for a soup kitchen and a home for battered women.

Charlie Hampton introduced himself as the business administrator for the Salvation Army. He said the Salvation Army did not have any intentions or any plans to have anything located at this facility other than stated.

There being no others desiring to be heard, the public hearing was declared closed at 7:42 p.m., and the

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regular session reconvened.

Vice-Mayor Peterson offered a motion that the Council resolve to approve this special use permit request. 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

Planning and Community Development Director Turner introduced a request by the Park View Mennonite Church for a special use permit to allow the operation of an Adult Day Care Program. Generations Crossing is a non-profit corporation proposing to operate an Adult Day Care facility providing care for elderly and impaired adults. The property is located at 1600 College Avenue. She reviewed the surrounding uses in the area. Generation Crossing has requested to create a licensed Adult Day care center in the lower level of the Park View Mennonite Church, which will serve approximately 18 adults. The church currently has adequate space to house the facility and sufficient parking to support the use. The entrance into the center would be from the eastern side of the building and would directly access the space to be utilized. In a letter submitted by the applicant they state that Generations Crossing is a newly formed non-profit program with a mission for providing quality day care services to both adults and children in the Harrisonburg and Rockingham community. She said that staff does recommend approval of the special use permit to allow the Generation Crossing Adult Day Care Center use, with the following conditions: 1) Regular hours of operation for the site are to be restricted to Monday through Friday between 7:00 a.m. to 6:00 p.m. 2) The special use permit shall remain valid for only the period of time an Adult Day Care Center occupies the site. If the Adult Day Care Center leave the site, the parcel will revert to the current zoning of the area. She said that Planning Commission recommended approval.

At 7:46 p.m., Mayor Frank closed the regular session temporarily and called the evening's second public hearing to order. The following notice appeared in the Daily News-Record on Monday, March 25, and Monday, April 1, 2002.

Notice Of Public Hearing

The Harrisonburg City Council will hold public hearings on Tuesday, April 9, 2002, at 7:30 p.m. in the Municipal Building, City Council Chamber, 345 South Main Street, to consider the following.

SPECIAL USE PERMIT- PARK VIEW MENNONITE CHURCH

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Public hearing to consider a request by Park View Mennonite Church for a special use permit {per section 10-3-40 (2)} to allow the operation of an Adult Day Care Program by Generations Crossing, a non-profit corporation that provides care for elderly and impaired adults. The property is identified as tax map 52-G-5 and is located at 1600 College Avenue.

Maps and other information are available for review in the Community Development Department, 409 South Main Street, Monday through Friday, 8:00 a.m. to 5:00 p.m.

All persons interested will have an opportunity to express their views at these public hearings. Any individual requiring auxiliary aids, including signers, in connection with the public hearing shall notify the City Manager at least five (5) days prior to the date of the meeting.

CITY OF HARRISONBURG

Roger D. Baker

City Manager

Mayor Frank called on anyone present desiring to speak for or against this special use permit.

Besty Hay, executive director of Generation's Crossing, said her organization proposes to provide an adult day care center to provide a safe environment for individuals who require supervision for daily activities. Ms. Hay said that she has received permission from the church to install alarms on the exit doors in the area where the program will operate. This would notify staff if anyone was attempting to leave the facility. She said that this is a temporary location. They have contracted with the church to use this space for up to one year. The hope and goal of Generation's Crossing is to find a location where they would be able to provide both child and adult day care under one roof.

There being no others desiring to be heard, the public hearing was declared closed at 7:47 p.m., and the regular session reconvened.

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Council Member Rogers offered a motion that the Council resolve to approve this special use permit request. 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

Planning and Community Development Director Turner introduced a request by property owners Mervin and Ellen Rutt, with contract purchaser Raymond Ressler, for a special use permit to allow not more than three (3) individuals to occupy each side of a two-family dwelling unit. The property is zoned R-2 Residential District and is located at 1321 Greystone Street. Currently, the lot is undeveloped and sits between two single-family dwellings to the East and West. She reviewed the surrounding uses in the area. Mr. Ressler states that he purchased the lot at 1321 Greystone Street and plans to build a three bedroom duplex. Staff did a door-to-door survey of the neighborhood to find out the existing uses and density in the existing houses along Summit Avenue, Greystone Street (to Smith Avenue), and Hillside Avenue. The only non-developed area was across Greystone Street. The area consists of a mixture of uses in the area. The property is between two single-family dwellings. After consideration by staff, it was recommended approving the request with the following conditions being applied to the property. These considerations should protect the surrounding properties from the increased density: 1) A total of eight (8) off-street parking spaces must be provided on the property as shown in his submitted site plan. There is enough room at the rear of the property to provide for this requirement and any additional the property owners feels is needed. 2) The property shall be inspected on an annual basis, similar to the boarding house in inspection, to ensure building code requirements are met and the number of people residing on the premise meets the criteria of the permit. 3) The Zoning Administrator shall revoke the permit, if this inspection does not take place every twelve (12) months. Staff shall be authorized to review complaints received on the property on an on-going basis and based on their findings, notify the landlord that the permit is being revoked unless they wish to reapply for a special use permit. 5) The permit shall automatically expire one year from the date of City Council approval and is renewable administratively on an annual basis provided the use is still permitted by the Zoning Ordinance. 6) A landscaping buffer shall be place and maintained along the eastern, western, and southern parking areas, with mixed evergreen trees and/or shrubbery which create an opaque buffer which shall shield adjoining property owners from the increased density and traffic. Mr. Ressler's proposal would fit with the mixed uses currently existing in the area, due to the multiple housing types and densities within the neighborhood. In addition, Mr. Ressler lives within the neighborhood and already owns three other rental units adjoining or near his house and should be able to control situations within the area easier, than if he did not live in the neighborhood. Staff recommended approval with these conditions; however, when Planning

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Commission reviewed the request they had significant concerns with the impact that this type of tenant occupancy could have on the surrounding neighborhood. Planning Commission felt that this neighborhood has the potential of being a nice single-family neighborhood. She said that Planning Commission unanimously recommended denial of the request.

At 7:57 p.m., Mayor Frank closed the regular session temporarily and called the evening's third public hearing to order. The following notice appeared in the Daily News-Record on Monday, March 25, and Monday, April 1, 2002.

Notice Of Public Hearing

The Harrisonburg City Council will hold public hearings on Tuesday, April 9, 2002, at 7:30 p.m. in the Municipal Building, City Council Chamber, 345 South Main Street, to consider the following.

SPECIAL USE PERMIT- RAYMOND RESSLER

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Public hearing to consider a request by property owners Mervin and Ellen Rutt, with contract purchaser Raymond Ressler, for a special use permit {per section 10-3-40 (7)} to allow not more than four (4) individuals to occupy each side of a two-family dwelling unit proposed to be located at 1331 Greystone Street. The property is zoned R-2, Residential District and can be found on tax map parcel 125-B-7.

Maps and other information are available for review in the Community Development Department, 409 South Main Street, Monday through Friday, 8:00 a.m. to 5:00 p.m.

All persons interested will have an opportunity to express their views at these public hearings. Any individual requiring auxiliary aids, including signers, in connection with the public hearing shall notify the City Manager at least five (5) days prior to the date of the meeting.

CITY OF HARRISONBURG

Roger D. Baker

City Manager

Mayor Frank called on anyone present desiring to speak for or against this special use permit.

Raymond Ressler, a resident living at 899 Hillside Avenue, said there was a need for affordable housing in the area. He said that he had revised his request to limit three people per unit because of the Planning Commission's concern. He said that he lives within the neighborhood and takes care of his property.

Harley Showalter, a resident living at 861 Summit Avenue, said that as a traveler of Greystone Street, it already has congested parking problems. He also noted that under certain weather conditions the parking creates hazardous situations and the area didn't need more congestions. He requested that City Council deny the request.

There being no others desiring to be heard, the public hearing was declared closed at 8:00 p.m., and the

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regular session reconvened.

Vice-Mayor Peterson offered a motion that the Council resolve to deny this request for a special use permit. 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

Planning and Community Development Director Turner introduced a request by Lewis Bagwell to rezone 21,153 square feet of land from M-1, General Industrial District to R-2, Residential District. The site is located at 707 and 715 North Main Street. She explained that the Comprehensive Plan's Land Use Guide shows the property as Commercial. The Commercial designation consists of land and structures used for retail, wholesale, or service functions. These areas are found along the major travel corridors and in the Central Business District of the City. According to the Comprehensive Plan, the purpose of the Commercial designation is to encourage a central shopping area of diverse, but compatible uses. The site contains two parcels of property, which abutting each other, each with two-story single-family homes zoned M-1, General Industrial. She reviewed the surrounding uses in the area. For the past several years the City has had zoning issues with the properties located at 707 and 715 North Main Street. In May of 2000 the Zoning Administrator informed the previous owner of the property at 707 North Main Street of the violation to the City's trash and inoperable vehicle ordinances. The Zoning Administrator repeatedly sent letters to the property owner asking for the violation to be corrected. Some trash was removed, but the inoperable vehicles still remained. During this time the property was purchased by Mr. Lewis Bagwell. In September of 2000, an adjoining property owner reported inoperable vehicles on the Bagwell property. This in turn prompted an inspection from the City Zoning Administrator who informed Mr. Bagwell by letter of the violation. When he came in to discuss this letter with City staff he was informed of the restrictions on the uses of these properties because of their location in the M-1, General Industrial zoning district. In a letter dated June 13, 2001, the Zoning Administrator clearly outlined the nonconforming nature of the dwelling located at 707 North Main Street. Because of this nonconforming use in the M-1, General Industrial District he was informed that he would not be able to convert the structure into two dwelling units. Several months later, after renovations to the property were nearing completion, City Building Officials inspected the property. After noticing roughed-in plumbing on the second floor that indicated a future kitchen installation and the removal of the interior stairway to the second floor, Mr. Bagwell was reminded that the structure could not be converted into two units. The plumbing was capped and a note was placed on the Certificate of Occupancy that the building was to be used as single family dwelling only.

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The structure at 715 North Main Street has a similar history. In July of 2000, Mr. Bagwell met with the Zoning Administrator to discuss what uses were available for the property. He was informed verbally and in a letter dated August 11, 2000 that because of the M-1 zoning classification he would be unable to use the structure as a dwelling. City records showed that the property has stood vacant for more than 24 months, thus nullifying the nonconforming use protection that the structure at 707 North Main Street had maintained. The Zoning Administrator stated that if Mr. Bagwell had records indicating that the property had been used as a legal non-conforming use in the 24 months she would further research the matter. No information was provided.

In December of 2001, after he was informed that he could not convert the abandoned structure at 715 North Main Street into rental units, Mr. Bagwell applied for building permits to install a new kitchen and bathroom in the building. The permit was denied. The Zoning Administrator again informed Mr. Bagwell in a letter dated January 3, 2002 that the M-1, General Industrial District does not allow dwelling units, therefore the existing structure cannot be used as a residence. Mrs. Turner reviewed Section 10-3-20(1) of the Zoning Ordinance.

The property located at 707 North Main Street is allowed to continue its nonconforming use as a single-family dwelling unit because the structure has served as this use at some point within the past 24 months. Creating two units, or duplexing the property would be in violation of the City zoning ordinance; however, the letter submitted by Mr. Bagwell to City staff for consideration for the rezoning request indicated that he has already converted each of the structures on the two properties into two unit apartments. City records indicate that the property located at 707 North Main Street has a lot area of only 7,288 square feet making it impossible to be split into two units. The parcel at 715 North Main Street has a lot size of 13,865 square feet and therefore if rezoned it could be used for two dwelling units.

It should be noted that Mr. Bagwell has made drastic improvements to both of the properties. Photographs taken in 2000 show the two properties in very poor condition with numerous zoning violations on each site. Since that time, he has greatly improved both properties by removing trash, inoperable vehicles, and by making structural improvements to both the interior and exterior of the structures by adding new siding and paint. He has served as a strong example of positive change for the surrounding properties in the north end of town. It is; however, the opinion of planning staff that a residential use at this location is not in the best interest of the City, due to the fact that this section of town is predominantly occupied by industrial and commercial uses. She said that the Comprehensive Plan identified North Main Street as being suitable for commercial development. She explained that Planning Commission reviewed City staff's recommendation not to approve this request and had a very labored discussion of this issue because Planning Commission had a lot of support for the work Mr. Bagwell has done on the property. However, Mrs. Turner said that Planning Commission recommended denying this rezoning request by a four to three vote.

At 8:10 p.m., Mayor Frank closed the regular session temporarily and called the evening's fourth public hearing to order. The following notice appeared in the Daily News-Record on Monday, March 25, and Monday, April 1, 2002.

Notice Of Public Hearing

The Harrisonburg City Council will hold public hearings on Tuesday, April 9, 2002, at 7:30 p.m. in the Municipal Building, City Council Chamber, 345 South Main Street, to consider the following.

REZONING- LEWIS BAGWELL PROPERTY

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Public hearing to consider a request by Lewis Bagwell, with representative William Pye, to rezone 21,153 square feet of land from M-1, General Industrial District to R-2, Residential District. The site is represented by tax map 40-T-9 & 10 and is located at 707 and 715 North Main Street.

The Comprehensive Plan designates this area as Commercial. This designation calls for commercial uses including retail, wholesale, or service functions. These are areas found along the major travel corridors and in the Central Business District of the City.

The Zoning Ordinance states that the M-1, General Industrial District is intended for the manufacturing, processing, storage and distribution activities that are not properly associated with, nor compatible with, residential and institutional development. No minimum lot size restrictions exist in the M-1, General Industrial District. The R-2, Residential District is intended for medium density, single-family, and two-family residential development and for areas where such development is likely to occur in the future, together with certain governmental, educational, religious, recreational and utility uses subject to restrictions and requirements necessary to ensure compatibility with residential surroundings. Minimum required lot sizes range from 7,000 sq. ft. for single-family homes to 11,000 sq. ft. for two-family homes in the R-2 district.

Maps and other information are available for review in the Community Development Department, 409 South Main Street, Monday through Friday, 8:00 a.m. to 5:00 p.m.

All persons interested will have an opportunity to express their views at these public hearings. Any individual requiring auxiliary aids, including signers, in connection with the public hearing shall notify the City Manager at least five (5) days prior to the date of the meeting.

CITY OF HARRISONBURG

Roger D. Baker

City Manager

Mayor Frank called on anyone present desiring to speak for or against this rezoning request.

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Bucky Berry, a resident of 877 North Main Street, recommended that City Council approve this request.

Doris Pye, a resident living at 250 Hartman Drive, said she was favor of this request. Mr. Bagwell has done a lot of work to improve this property and removed an eyesore from the area.

Lewis Bagwell, a resident living at 225 Bridgeport Drive, Bridewater, Virginia said that he has lived in the area his whole life and knows a lot about the North end of Harrisonburg. He said he did not know what he was getting into with these properties. He said that he was involved in a program with the Harrisonburg Redevelopment and Housing Authority and received weekly telephone calls from people seeking low-income housing. We re a car dealer, we re a small business, and ever since 9-11, I don t need to tell anybody the consequences that have occurred. We were faced with the most horrific downturn spiral in business that we had ever seen, on top of a recession that was already taking a big bit out of investment. This project is good for the City, for businesses, and it is good for mankind. He requested that City Council approve this request.

There being no others desiring to be heard, the public hearing was declared closed at 8:15 p.m., and the regular session reconvened.

Following further discussion and comments, Vice-Mayor Peterson offered a motion that the Council resolve to approve this rezoning request. 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 requested the Section 10-3-110 amending Article T., Modifications and Adjustments to the Zoning Ordinance be tabled.

Council Member Fitzgerald offered a motion that the Council resolve to table discussion for 30 days of a report by the City Attorney. However, he withdrew his motion after not receiving any support from other Council Members.

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City Attorney Miller presented a brief overview on his findings concerning the guidelines/restrictions on displaying political signs at a Council meeting. He quoted City Code Section 2-3-6, which states, "Every member of the Council shall confine himself to the question before the Council and avoid personal, or indecorous language. No discussion of a sectarian or political nature shall be allowed. No member shall interrupt another while speaking, except to make a point of order, the point to be briefly stated to the presiding officer. He said that the language Council should focus on was a particular incident, which occurred at the last Council meeting. It is the part stating that no discussion of a political nature shall be allowed. As far as process or procedure is concerned, it is up to the Council to enforce this ordinance. Mr. Miller said that it is difficult to determine whether a particular statement or action arose to the level of being discussion of a political nature. He quoted City Code Section 2-2-2, which states, "The Council may, by a majority vote of its whole number, punish one of its own members for disorderly behavior by a fine not exceeding \$50 and may, by a three-fifths (3/5) vote of its whole number, expel a member of its own body for malfeasance or misfeasance in office. Mr. Miller said, "The City Code allows the Council to punish its own members with a fine or expulsion from office, but I would not recommend it. Even discussion of expelling a member of Council is exceedingly rare, even bringing it up. Council Member Rogers offered a motion that the Council resolve to table this issue.

Vice-Mayor Peterson said, "I thought I was doing my best to correct an error and doing it by speaking for under one minute, saying to people if you want to see the detailed explanation of what I think the error is, here is a place you can go. At that point, I wasn't thinking terribly clearly, I probably shouldn't have used the CHANGE web site, but it was the most convenient one for me to you. I am amazed to hear people even considering fining me for something like this. If one wants to worry about having political discourse of Council, tonight Council Member Lantz gave an invocation asking the people of Harrisonburg to give thanks for the fact that we have the second lowest property tax in the commonwealth which is a major point in his election campaign. I did not set back and say that is bringing politics into Council. A few weeks earlier Mr. Lantz informed us there is misinformation going around the City about the bond issue and he wanted to correct it. That could be misunderstood as bringing politics into Council Chambers. I admit I shouldn't have used the CHANGE web site. That's such a minor thing for this to be blown up and continuing with this issue at this point it's almost laughable.

Council Member Fitzgerald said, "I do not want to go on with this, but I do want to point out that it is not laughable. What you did Vice-Mayor Peterson was wrong. You shouldn't have done it.

Council Member Lantz said we pray for natural resources, a good labor force and I didn't realize that by praying to acknowledge we have a low tax rate would get me into trouble. It is a compliment to everybody that has served on this Council that we have a low tax rate. My presentation was non-political. Anytime this body takes action and there is a rumor going around in the community that something is wrong, then we have a right as Council Members to defend it. We need to set the record straight. The City is financially better off by issuing the bonds last fall than they are right now. The City is saving money. Mr. Lantz said, "I don't want anybody to think that's the action we're going to pursue is dismissal because this may not be the only time something like this comes up.

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Mayor Frank said that she believed we should always give thanks to God for all good things.

Council Member Rogers again offered a motion that the Council resolve to table this issue until the City Attorney can conduct further research concerning this matter. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Lantz

Council Member Rogers

Vice-Mayor Peterson

Council Member Fitzgerald

No - Mayor Frank

Absent None

City Manager Baker presented an overview of the proposed 2002-2003 budget to the City Council. He explained that pursuant to Section 60 of the City's Charter, a balanced budget is presented for the fiscal year ending June 30, 2003. It is suggested that a public hearing and first reading be held on April 23, 2002 and that the final adoption of the budget occur on May 14, 2002. The City's Charter requires that the budget be adopted by June 1, 2002. One of the major jobs of the City Manager and his staff is the preparation of the annual budget. The guiding force behind this budget has been staff's continued commitment to the cost efficient delivery of services, to the Principles of Continuous Improvement and to the attainment of Council's goals. The proposed budget's primary goal is to provide the means by which services are delivered to the citizens of Harrisonburg in the most cost-effective manner. The review and adoption of the budget represents one of the Council's most important activities. The City continues to be in a growth situation as evidenced by the latest population figure of 40,900 as estimated by the Weldon Cooper Center of Public Service. This population increase represents a 2.8% annual growth rate since 1990. For this time period, the City's population growth rates second among all independent cities. The proposed budget recognizes the increased demand for services while being sensitive to the need to hold expenditure levels to a minimum. The proposed budget represents a 46.4% decrease in net expenditures from the fiscal year 2002 budget as amended (13.1% decrease when compared to the original 2002 budget), while moving forward towards many of the City's priorities. The decrease from the current year budget is mainly due to a decrease in capital projects expenditures. This budget has been prepared through a conscientious and coordinated effort by all City departments and represents a team approach by City employees. A continued major commitment remains to the funding for education, public safety, roads, public utilities and the maintenance of existing infrastructure. The General Fund budget that I am present to you is balanced without any recommendation tax or fee increase, although \$3,549,750 in budgetary revenue will come from fund balance. Based upon projected needs, future year budgets will probably not be able to be balanced without a decrease in services and capital

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projects or additional revenue. Therefore, I recommend that we consider developing some new revenue generating options. Some of these options may require General Assembly approval such as a tobacco tax. This budget format is similar to prior years, with detailed explanations by fund and by major function areas in the General Fund. A number of charts and graphs have also been included in order to assist with the explanation of the budget document. The section on performance based budgeting is again included with the budget document. We will continue to refine the presentation of this budget format in future years. Staff is committed to implementing this management tool that will provide for a better link between the allocation of funds to planned service efforts and accomplishments. Mr. Baker reviewed the 2000 retreat goals. The proposed budget reflects sensitivity to the need to keep expenditure levels to a minimum as evidenced by the ability to provide current service levels without any tax rate or fee increases in the General Fund. It also reflects a commitment to the City's adopted Mission Statement, Organizational Values, 2000 City Council Retreat Goals and Total Quality Management. Primary emphasis is placed on education, public safety, roads and public utilities.

Capital outlay expenditures have been reviewed with an attempt not to delay items that would reduce current service levels or would add greatly to future costs. Most priority 1 and 2 Capital Improvement Projects are proposed to be funded. Emphasis is placed on capital outlay in this budget due to the aging infrastructure of the City. **NO** priority 3 projects are proposed due to funding restraints. Schools represent the largest single expenditure in the City budget. The proposed transfer and the school related debt service expenditures paid from the General Fund is 43.3% of the total General Fund budget. After adjusting for the accounting change in debt service mentioned previously, the proposed School Fund budget is \$2,101,503 or 6.3% higher than the original fiscal year 2002 budget. The City's proposed funding represents a \$789,147 or a 4.3% increase over the current years funding. This proposed appropriation represents 78% of the estimated new General Fund revenues for 2003. For the City to provide 78% of new General Fund revenue again speaks loudly as to the priority placed on schools. The proposed appropriation and school debt service is \$35,412,183. In addition, another \$150,000 is proposed in the Public Transportation budget for purchase of new school buses. The primary increases (based on the biennial real estate reassessment and growth, not rate increases) will occur in property taxes, business license taxes, lodging taxes, meal taxes and public right-of-way user fees. Also, HEC is expected to increase its contribution by \$200,000 for a total of \$3.6 million. **NO INCREASE IN TAX RATES IS PROPOSED IN ORDER TO BALANCE THE GENERAL FUND BUDGET!** Harrisonburg has the **second** lowest nominal real estate tax rate among all independent cities and sixth on personal property rates for motor vehicles. Harrisonburg is ahead of Charlottesville according to population. The total Police Department budget has increased less than 1.0% when compared to the amended fiscal year 2002 budget. Non-departmental contributions include Juvenile Detention Center, Massanutten Regional Library, Upper Valley Regional Park Authority, Blue Ridge Legal Services and the Salvation Army. Most of these agencies received the same amount except for the Office on Children and Youth, which was cut from the state and City of Harrisonburg. Reserve for Contingencies is budgeted at \$683,766. \$200,000 of the appropriation is for unplanned expenditures. The remaining funds will be used to implement a new pay and benefits study recommendation. Proposed expenditures in the General Capital Projects Fund includes widening of Cantrell Avenue, resurfacing nearly 10 miles of City streets, a traffic calming project, replacing deteriorated sidewalks, replacing various construction equipment, rebuilding the steam plant, playground equipment replacement, and the Hardesty-Higgins House renovations. Each department has made a commitment to continuously look for ways to become more cost efficient. The new employees that are being added are necessary to maintain and improve the current service levels. It becomes increasingly important that the City maintain a competitive wage and fringe benefit package in order to attract and retain highly qualified and motivated employees who in many cases are being asked to do more with less. Each department budget includes adequate funding to provide for a 2% pay adjustment to cover the increase in health insurance premiums. Employees that are recommended to receive a salary adjustment resulting from the pay and benefits study will be eligible to receive it on their respective anniversary dates. This will help spread the cost of the salary adjustments over

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the entire year. In conjunction with the pay study, a new performance appraisal process and form will also be implemented. There will be no merit pay increases associated with employee s performance appraisals as recommended by the performance appraisal evaluation team. Premiums for health insurance will increase for the next fiscal year by 20%. The City currently contributes 70% towards the cost of health insurance for all full-time employees and the employee pays the remaining 30%. Mr. Baker reviewed the proposed new positions.

Council Member Lantz suggested that the City provide more money for tourism. He said, A dollar invested in tourism returns sevenfold to the community that invested that dollar. We re pretty pathetic when it comes to funding our tourism compared to what other localities do. Council Member Rogers suggested that Rockingham County should also increase its contribution.

Vice-Mayor Peterson proposed scheduling a work session on April 17th at 5:30 p.m.

Jane Hubbell, Director of the Office on Children and Youth for Harrisonburg and Rockingham County, presented a brief report on the Office on Children and Youth. She requested that the City reconsider submitting into the budget \$16,670.00 to support the efforts of the Office on Children and Youth. Many people in the community worked for ten years to get funding for the Office on Children and Youth through the state grant. It is a grant provided within the Department of Juvenile Justice budget. She reviewed a procedure used by the state to include funding for the Office on Children and Youth in with the Virginia Juvenile Community Crime Control Acts Fund (VJCCCA). However, funding for Children and Youth was eliminated from the budget. Last year the total from the State grant (\$40,000) and the City and County match (\$6,670.00 each) was \$53,340.00. She said that OCY is asking for only \$16,670.00 from the City and the same amount from the County to help us stay open. OCY will be receiving support from United Way and some other small grant contributors to make up the rest. Office on Children and Youth is very small; however, has accomplished a tremendous amount by conducting long-range planning. She said OCY work with all of the youth serving community to provide the data necessary to write grants. Through the data developed in the last four years, over \$2 million in new grant money has come into this community. She also noted that the organization would have to close its doors as of July 1 if we are unable to receive some small amount of funding from the City and County. Following further discussion and comments, Council Member Rogers offered a motion that the Council resolve to approve adding \$16,670.00 to the budget in support of the Office on Children and Youth. 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

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Absent None

Vice-Mayor Peterson offered a motion to increase the Heritage Oaks Golf Course petty cash by an additional \$300.00. 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

Mike Shaffren and Marcia DuBois representing the Arc and VAIL presented an overview of a proposal from the partnership. Arc and VAIL are non profit organizations embarking on a joint building campaign to create a facility that would house both organizations and offer conference space for community events. It is believed this project combines community resources in an efficient, cost-effective manner. Currently, the Arc is housed in the basement of the Simms building and needs to relocate due to inadequate space, poor lighting and air conditioning. Additionally, the limited space for individuals with physical disabilities makes it almost impossible to provide services in this environment. The Arc owns approximately one acre of prime land in close proximity to the Simms building, but unfortunately this land is not ideally suited for the Arc's development needs. Mr. Shaffren said the Arc has been serving individuals with mental retardation for the last 50 years. The organization developed because there were no services for these individuals. Over the year or two, the Arc has changed directions and is serving all individuals with developmental disabilities. It has made the mission more difficult. The Arc needs a more functional site. Ms. DuBois said that VAIL's mission is to promote self-direction among people with disabilities and to remove barriers to independent living in the community. One of the biggest barriers is that the office is so small that when people come to visit have no private place to meet with staff. Most of the work is done in the community, but people do come into the office to learn about the services. The Arc and VAIL have identified an ideal building site located off of South High Street. This property is on a slope and would require the creation of approximately 500 feet of new road, water, and sewer to the site. The owner of the property has indicated a willingness to donate a substantial amount of land in exchange for the installation of the new road, water and sewer. We believe that this situation presents the perfect opportunity for the City to invest in this project by building the road, water line, and sewer in exchange for the Arc's property. This would allow the City to support two local non-profit organizations serving over 250 individuals with disabilities and their families in this community. Additionally, the City would receive land located near the Simms building in return for its expense. We believe this partnership offers a win-win proposition for all parties. Following further

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discussion and comments, Council Member Fitzgerald offered a motion that the Council resolve to refer this request to City staff for their recommendation.

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF HARRISONBURG, VIRGINIA
(Westridge-Oxford Limited Partnership)**

WHEREAS, the Harrisonburg Redevelopment and Housing Authority (the Authority) has held a public hearing on March 27 2002 on amendments to its Multifamily Housing Revenue Refunding Bonds (Westridge Oxford Project) issued in 1996 in an amount not to exceed \$14,000,000 (the Bonds) to assist Westridge Oxford Limited Partnership, a Maryland limited partnership (the Developer), in refinancing the acquisition and construction of a multi family apartment project of approximately 220 units (the Project) located at 3937 Pennhurst Lane in Prince William County, Virginia; and

WHEREAS, the Authority has recommended that the City Council of the City of Harrisonburg, Virginia (the City Council) approve the amendments to the Bonds and the termination of certain agreements with respect to the Bonds to comply with Section 147(f)(2) of the Internal Revenue Code of 1986, as amended (the Code) and Virginia Code Section 36-19.2; and

WHEREAS, a copy of the Authority s resolution recommending such approval by the City Council and approving the amendments to the Bonds and the termination of certain agreements with respect to the Bonds, subject to terms to be agreed upon, a record of the public hearing and a fiscal impact statement with respect to the Project have been filed with the City Council;

WHEREAS, the Bonds shall not constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia, or any political subdivision thereof, including but not limited to, the City of Harrisonburg, the Authority or the County of Prince William, but shall be paid solely from the revenues of the Project.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA;

The City Council approves the amendments to the Bonds and termination of certain agreements with respect to the Bonds for the benefit of the Developer to the extent required by Section 147(f)(2) of the Code and Virginia Code Section 36-19.2.

The approval of the amendments to the Bonds and termination of certain agreements with respect to the Bonds, as required by Section 147(f)(2) of the Code and Virginia Code Section 36-19.2, does not constitute an endorsement of the Bonds or the creditworthiness of the Developer, but, as required by Virginia Code Section 36-29, the Bonds shall provide that the Bonds shall not be a debt of the Commonwealth of Virginia or any political subdivision thereof, including but not limited to the City of Harrisonburg, the Authority (other than through a pledge of revenues of the Project) or the County of Prince William, and neither the City of Harrisonburg nor the Commonwealth of Virginia or any political subdivision thereof (other than the Authority) shall be liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority specifically pledged thereto. The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

This resolution shall take effect immediately upon its adoption.

CERTIFICATE

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The undersigned Clerk of the City Council of the City of Harrisonburg, Virginia (the City Council), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by the following vote of the members of the City Council present and voting at a meeting duly called and held on April 9, 2002, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended, and is in full force and effect on the date hereof.

<u>MEMBER</u>	<u>VOTE</u>
Carolyn W. Frank	Aye
Dorn W. Peterson	Aye
Joseph Gus Fitzgerald	Aye
Hugh J. Lantz	Aye
Larry M. Rogers	Aye

WITNESS the following signature this 9th day of April, 2002.

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By _____

Clerk, City Council of the City of Harrisonburg, Virginia

Harrisonburg Redevelopment and Housing Authority Director Michael Wong explained that the financing would be through the Redevelopment and Housing Authority authorizing the sale of \$14 million in bonds for a project in Prince William County. The bonds will not be a debt or obligation of the City. Council Member Lantz offered a motion that Council resolve to approve this resolution issuing the revenue bonds for a project in Prince William County. 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 Attorney Miller presented a brief overview of Adelphia franchise. He said that the proposed contract is for 15 years with an automatic renewal of five years. It is a non-exclusive contract and another cable company could come to the City and offer cable service. There are FCC rules and regulations concerning airing time and some channels have to be used for broadcasting. The City can negotiate the contract; however, since FCC laws have changed so much localities cannot control the cable company. Mr. Miller pointed out that if the City does not renew the franchise under the existing agreement, which was signed 15 years ago, Adelphia is still required to provide service until an agreement is reached.

Public Utilities Director Collins presented a brief overview of the City water supply as it relates to implementation of conservation measures. He said that if a drought existed in the City, Section 7-2-19 of the City Code establishes implementation activities associated with various levels of conservation practices. The first level is voluntary which is educational, the second level is mandatory which impacts the quality of life in terms of irrigation, landscaping, certain types of recreational practices, and water rate increases, and the last level is emergency, which would have an impact on industry in the City. Mr. Collins said that he didn't intend to change the ordinance. He also said he wanted to place the information on the web page. He reviewed the water conservation planning matrix chart. Four criteria are listed; any one of these could trigger the implementation schedule. The criteria are 1) North River environmental initiative, 2) the City demand-WTP capacity relationship, 3) the level of water in the Switzer Reservoir and 4) the City supply-demand relationship. He also said that the water treatment facility must meet demands on a weekly

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duration, using change in storage to accommodate daily usage patterns. At 49 million gallons per week, the facility must extend normal hours of operation to seven days per week 24 hours per day with overtime staffing. Mr. Collins said that the City is undertaking a big project, but will be in a wonderful situation with water supply once the City completes the Shenandoah project for a long time.

Bucky Berry, a resident of 877 North Main Street, suggested that City Council should learn to get along with each other.

At 11:00 p.m., Vice-Mayor Peterson offered a motion that the Council resolve to enter a closed session for the purpose of a consultation with legal counsel pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Council. A closed session is permissible for this purpose to Section 2.2-3711.A.7 of the Code of Virginia (1950), as amended (the Code).

At 11:02 p.m., the closed session ended and the regular session reconvened. City Clerk Ryan read the following statement which was agreed to with a unanimous recorded vote of Council: I certify to the best of my knowledge and belief that (1) only public matters lawfully exempt from open meeting requirements pursuant to Chapter 21 of Title 2.1 of the Code of Virginia, 1950, as amended, and (2) only such matters as were identified in the motion by which the closed session were convened were heard, discussed or considered in the closed session by the City Council.

At 11:03 p.m., there being no further business and on motion adopted the meeting was adjourned.

CITY CLERK

MAYOR

cc: City Council

City Manager

Assistant City Manager

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Public Library