

REGULAR MEETING

NOVEMBER 14, 2006

At a regular meeting of Council held this evening at 7:00 p.m., there were present: Mayor Rodney Eagle; City Manager Roger Baker; Assistant City Manager Kurt Hodgen; City Attorney Earl Q. Thumma, Jr.; Vice-Mayor George W. Pace; Council Members Charles R. Chenault; Council Member Carolyn W. Frank, and Ted Byrd; City Clerk Yvonne “Bonnie” Ryan, MMC, and Chief of Police Donald Harper.

Council Member Chenault gave the invocation and Mayor Eagle led everyone in the Pledge of Allegiance.

Bucky Berry, a resident of Harrisonburg, said more funds should be provided for homeless people in the City.

Vice-Mayor Pace offered a motion to approve the consent agenda, including approval of the minutes and second reading of a supplemental appropriation for the Police Department and enacting Section 1-1-14 and amending and re-enacting Section 17-1-3 of the Harrisonburg City Code. The motion also included referring an alley closing request by Funkhouser and Associates Properties to the Planning Commission. The motion was seconded by Council Member Chenault, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Vice-Mayor Pace
Mayor Eagle

Absent – None

A.B. McHone and Sons requested that a scheduled public hearing be continued until the December 12th Council meeting. Vice-Mayor Pace offered a motion to continue this agenda item until the December 12th Council meeting. The motion was seconded by Council Member Chenault, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Vice-Mayor Pace
Mayor Eagle

Absent – None

City Manager Baker presented for Council’s consideration adjusting the budgeting for the proceeds from the recently completed bond issue and the estimated interest that will be earned on

the investment of the bonds proceeds. Issued funds include \$5,250,000 for Linda Lane extended, \$3,500,000 for HRHA public housing rehabilitation, and \$43,000,000 for the new elementary/middle school.

At 7:04 p.m., Mayor Eagle 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 Tuesday, November 7, 2006.

NOTICE OF PUBLIC HEARING`

A public hearing will be held by the Harrisonburg City Council on Tuesday, November 14, 2006 at 7:00 p.m., or as soon as the agenda permits, in the Harrisonburg Municipal Building, 345 South Main Street, Harrisonburg, Virginia. The purpose of this public hearing will be to get citizen input concerning a proposed increase in the City's 2006-2007 budget in the net amount of \$51,750,000. This represents General Capital Projects Fund expenditures for the construction of Linda Lane extended, HRHA Rehabilitation of Public Housing and School Capital Projects Fund expenditures for the construction of the new elementary/middle school. These expenditures will be funded by proceeds from a 50 million dollar bond issue and the interest that will be received from the investments of the bond proceeds.

The budget increases will be as noted below:

Revenues:

General Capital Projects Fund:

Bond Proceeds 8,500,000.00

Investment earnings 250,000.00

School Capital Projects Fund:

Bond Proceeds 41,500,000.00

Investment earnings 1,500,000.00

Total 51,750,000.00

Expenditures:

General Capital Projects Fund:

Linda Lane Extension 5,250,000.00

HRHA Rehabilitation of Public Housing 3,500,000.00

School Capital Projects Fund:

Elementary/Middle School 43,000,000.00

Total 51,750,000.00

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 Eagle called on anyone desiring to speak for or against this issue. There being no one desiring to be heard, the public hearing was declared closed at 7:05 p.m., and the regular session reconvened. Vice-Mayor Pace offered a motion for approval of the first reading to approve the request with the caveat that within the next six months there be a “true up” of whatever the actual interest income is and we make an appropriation to the budget once we see where it comes out, and that:

\$8,500,000.00 chge. to: 1310-34110 Bond proceeds
250,000.00 chge. to: 1310-31513 Investment earnings
\$41,500,000.00 chge. to: 1311-34110 Bond Proceeds
1,500,000.00 chge. to: 1310-31513 Investment earnings

\$5,250,000.00 approp. to: 1310-910141-48696 Linda Lane Extension
3,500,000.00 approp. to: 1311-910141-48696 HRHA Rehabilitation of Public Housing
\$43,000,000.00 approp. to: 1311-910114-48700 Elementary/Middle School

The motion was seconded by Council Member Chenault, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Vice-Mayor Pace
Mayor Eagle

Absent – None

The next item of business was a request to vacate Patterson Street and four existing alleys located between Warsaw Avenue and Grace Street. City Attorney Thumma said James Madison University requests that these alleys and Patterson Street be closed to construct a new fine arts center. He said JMU has assured him that if the street and alleys are vacated they will continue to be open until Kyger Funeral Home moves to a new location.

At 7:07 p.m., Mayor Eagle closed the regular session temporarily and called the evening second public to order. The following notice appeared in the Daily News-Record on Saturday, November 3, and Saturday, November 10, 2006.

**NOTICE OF INTENTION TO VACATE
PATTERSON STREET AND FOUR (4) EXISTING ALLEYS
LOCATED BETWEEN WARSAW AVENUE AND GRACE STREET
IN THE CITY OF HARRISONBURG**

**City Council Chambers
345 South Main Street**

**Harrisonburg, VA 22801
Tuesday, November 14, 2006
7:00 P.M.**

The Harrisonburg City Council will hold a public hearing on Tuesday, November 14, 2006, 7:00 P.M., at City Council Chambers, 345 South Main Street, Harrisonburg, Virginia, to consider a proposed motion by the City Council to vacate Patterson Street containing approximately 0.635 acres and four (4) existing alleys containing 0.366 acres, all located between Warsaw Avenue and Grace Street in the City of Harrisonburg, Virginia.

A copy of the plat showing the street and alleys to be vacated are available in the City Manager's office, 345 South Main Street, Monday through Friday.

All persons interested will have an opportunity to express their views at this public hearing.

**CITY OF HARRISONBURG
Roger D. Baker,
City Manager**

Mayor Eagle called on anyone desiring to speak for or against vacating this property. There being no one desiring to be heard, the public hearing was declared closed at 7:08 p.m., and the regular session reconvened. Council Member Chenault offered a motion to vacate Patterson Street and four existing alleys between Warsaw Avenue and Grace Street. The motion was seconded by Vice-Mayor Pace, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Vice-Mayor Pace
Mayor Eagle

Absent – None

Public Works Director Baker presented the following resolution for Council's consideration of approval:

**RESOLUTION
REVENUE SHARING PROGRAM**

WHEREAS, the Council of the CITY OF HARRISONBURG desires to submit an application for an allocation of funds up to \$1,000,000 through the Virginia Department of Transportation Fiscal Year 2006-2007 Revenue Sharing Program; and

WHEREAS, \$1,000,000 of these funds are requested to fund the Stone Spring Road-Erickson Avenue Project # U000115128 between State Route 42 and United States Route 11; and

NOW, THEREFORE BE IT RESOLVED THAT: the Council of the CITY OF HARRISONBURG hereby support this application for an allocation of \$1,000,000 through the Virginia Department of Transportation Revenue Sharing Program.

Adopted this 14th day of November in the year 2006.

Rodney L. Eagle, Mayor

Attest: Yvonne, Ryan, MMC, City Clerk

Mr. Baker explained this resolution requests that VDOT allow Harrisonburg to participate in the "Revenue Sharing Program" for Fiscal Year 2006-07. The program will allow the City to apply for funding up to \$1,000,000.00 for the Stone Spring Road-Erickson Avenue project. Council Member Chenault offered a motion to adopt this resolution as presented. The motion was seconded by Council Member Frank, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Vice-Mayor Pace
Mayor Eagle

Absent – None

Jim Baker, Director of Public Works, presented an overview of the proposed improvements to Reservoir Street from University Boulevard to the southern City limits in anticipation of Rockingham Memorial Hospital relocation. The City has chosen a consultant to start the design work, but have not signed any contracts. He said the roadway design is a conceptual idea, which will include informational meetings for the public. The plan includes a four lane facility with a center turn lane, multi use bicycle trail with sidewalks on one side. Mr. Baker reviewed the project to the east City limits and said the City is working with current development in the area. One big issue of the whole project is maintaining traffic flow while the project is built, and realignment of traffic signals. The estimated project cost includes \$2,700,000 for right-of-way acquisition, \$1,300,000 for engineering and \$4,700,000 for construction for a total of \$8,700,000. The tentative schedule begins in November, 2006, bid advertisement in July, 2008 with construction ending in November, 2009. Mr. Baker requested permission to move forward with the design process at a cost of approximately \$700,000 of the \$1,300,000 for engineering funds.

The following discussion by Council Members included: Has the City worked with the architect designing the new hospital to make sure the tie-in on that section of the project will meet a five-lane road at the City limits? Is there a master plan for the entire section? It is a lot of money for one mile of highway and could place a burden on Council on how to fund this project. It could involve at least half the proceeds of the sale of the old high school. Is there an opportunity to rethink this project and have the old three lane highway with the center left turn lane since the road will only provide transportation to residents living in the area as well as

provide a way for people to get to the new hospital? Is it necessary to continue from University Boulevard to Neff Avenue? Following further discussion and comments, Council Member Chenault offered a motion to approve a design study conducting an evaluation to determine current projected traffic volumes within the next five to twenty years in making decision on how to move forward with the project. The motion was seconded by Council Member Frank, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Vice-Mayor Pace
Mayor Eagle

Absent – None

Mayor Eagle presented the following resolution for Council’s consideration of approval:

**RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA**

WHEREAS, Rockingham Memorial Hospital, a not-for-profit Virginia nonstock corporation (the “Corporation”), has requested the Industrial Development Authority of the City of Harrisonburg, Virginia (the “Authority”), to issue its revenue bonds (the “Bonds”), pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Act”), in an amount not to exceed \$265,000,000; and

WHEREAS, the Corporation owns and operates an acute care hospital facility currently located at 235 Cantrell Avenue, in Harrisonburg, Virginia; and

WHEREAS, the proceeds of the Bonds will be used to (1) pay costs of the Project, defined below, (2) refund all or a portion of the Authority’s outstanding \$50,000,000 Variable Rate Revenue Bonds (Rockingham Memorial Hospital), Series 2005, (3) pay the costs of the issuance of the Bonds, (4) pay the cost of credit enhancement for the Bonds, and (5) fund a debt service reserve fund for the Bonds; and

WHEREAS, the Project will consist of acquiring, constructing and equipping a replacement hospital facility for the Corporation containing approximately 234 beds to be located on 254 acres along Port Republic Road, between Reservoir Street and Boyers Road, in Rockingham County and may include the purchase of ordinary equipment, replacements and working capital related to the Project and the operations of the Corporation; and

WHEREAS, the Authority, on November 2, 2006, held a public hearing on the issuance of the Bonds; and

WHEREAS, Section 147(f) of the Internal Revenue Code, as amended (the “Code”), and Section 15.2-4906 of the Act require that the governmental unit on behalf of which the Authority will issue the Bonds approve the issuance of such bonds; and

WHEREAS, the Corporation has requested the City Council of the City of Harrisonburg, Virginia (the “Council”), to approve the issuance of the Bonds to comply with Section 15.2-4906 of the Act and Section 147(f) of the Code; and

WHEREAS, a copy of the Authority’s resolution of November 2, 2006, approving issuance of the Bonds, a record of the public hearing and a fiscal impact statement with respect to the issuance of the Bonds have been filed with the Council; and

WHEREAS, the Authority has recommended that the Council approve the issuance of the Bonds to comply with Section 147(f) of the Code and Section 15.2-4906 of the Act.

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

1. The Council hereby approves the issuance of the Bonds by the Harrisonburg Authority for the benefit of the Corporation, as required by Section 147(f) of the Code and Section 15.2-4906 of the Act.

2. The approval of the issuance of the Bonds does not constitute an endorsement of the Bonds or the creditworthiness of the Corporation or Rockingham Health Care, Inc. The Bonds shall provide that neither the City of Harrisonburg, Virginia, nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from revenues and moneys pledged therefore, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia, the City of Harrisonburg, Virginia, or the Authority shall be pledged thereto.

3. All acts and doings of the officers and members of the Council that are in conformity with the purposes and intent of this resolution shall be, and the same hereby are, in all respects approved and confirmed.

4. This Resolution shall take effect immediately upon its adoption.

City Attorney Thumma said the Harrisonburg Industrial Development Authority held a public hearing at the request of Rockingham Memorial Hospital on November 10th to issue its bonds in an amount not to exceed \$265,000,000 to finance the construction of the new hospital and re-issuance of existing debt. Council Member Byrd offered a motion to approve this resolution as presented. The motion was seconded by Council Member Frank, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Mayor Eagle

Abstained - Vice-Mayor Pace

Absent – None

The next item of business was a report from the Harrisonburg City Council Finance Committee consisting of Council Member Byrd and Vice-Mayor Pace. Council Member Byrd explained that the function of the committee will be: 1) To review all supplemental appropriations in excess of \$75,000 coming from the general fund balance in order to make a recommendation for or against to the full council. In addition, this committee will have the latitude to seek offsetting savings from current budgeted accounts. 2) To review all supplemental appropriations that will be continuing on an annual basis, (as an example, a new non-budgeted employee position). In addition, this committee will have the latitude to seek offsetting savings from current budgeted accounts. 3) To review all current returns from the City's investment accounts and present quarterly performance reviews to the full council. 4) To provide oversight for the sale of surplus property in which the individual asset value is in excess of \$100,000. 4) To monitor capital project funding to ensure any excess cash is reallocated to the general fund balance on a timely basis. 5) To review the Annual Financial Trends and Ratio Analysis provided by the Finance Department and provide the full Council with a summary of key observations. Following further discussion and comments, Council Member Chenault offered a motion to change the amount to review all supplemental appropriations in excess of \$75,000 to \$100,000 and eliminate items four and five from the committee functions. The motion was seconded by Council Member Frank, and approved with a unanimous vote of Council.

City Attorney Thumma presented for Council's consideration an ordinance amending and re-enacting a portion of Section 13-5-1 of the Harrisonburg City Code. This ordinance amends the definition for mopeds in order to bring the City's ordinance into compliance with amendments to the state statute. Council Member Byrd offered a motion to adopt this ordinance for a first reading. The motion was seconded by Vice-Mayor Pace, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Vice-Mayor Pace
Mayor Eagle

Absent – None

Council Member Frank questioned the extended holiday schedule issued by the Governor. Assistant City Manager Hodgen noted that the previous Council adopted the state policy because the Commission of Revenue and Treasurer offices were closed on all state holidays. The constitutional offices have a lot more customers than the City Manager's office. The City does not have any control over constitutional offices.

Council asked the administrative staff to review the financial impact of pay incentives to retain employees, particularly on the police force. Council Member Chenault suggested factoring in \$2,000 to \$3,000 per classification increase in salary and also what the financial affect would be from offering a retention bonus. Also, he asked staff to factor in the savings a program would give the City by retaining the officers, instead of constantly training replacements.

Council Member Chenault offered a motion to approve the cancellation of the December 26, 2006 Council meeting. The motion was seconded by Vice-Mayor Pace, and approved with a unanimous vote of Council.

Council agreed to have a work session with Planning Commission on December 13th at 6:00 p.m.

At 8:21 p.m., Vice-Mayor Pace offered a motion that Council enter a closed session for discussion and consideration of personnel, and prospective candidates to be appointed to the Harrisonburg Parking Authority, Harrisonburg Transportation Safety Commission, Board of Viewers, Parks and Recreation Commission, Harrisonburg Planning Commission, Harrisonburg Electric Commission, Building Code Board of Appeals, and Harrisonburg Redevelopment and Housing Authority, exempt from the public meeting requirements pursuant to Section 2.2-3711(A)(1) of the Code of Virginia. Discussion and consideration of the acquisition of real estate to be used for public purposes, exempt from public meeting requirements pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended. The motion was seconded by Council Member Byrd, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Chenault
Council Member Byrd
Council Member Frank
Vice-Mayor Pace
Mayor Eagle

Absent – None

At 9:05 p.m., the closed session ended and the regular session reconvened. City Clerk Ryan read the following statement was agreed to with a unanimous recorded vote of Council: I hereby 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 public business matters as were identified in the motion by which the closed session was convened, were heard, discussed or considered in the closed session by the City Council.

Council Member Chenault offered a motion that James E. Huffman, 1214 Windsor Road, be appointed to a first term on the Harrisonburg Redevelopment and Housing Authority to expire on November 29, 2010. The motion was seconded by Vice-Mayor Pace, and approved with a unanimous vote of Council.

Council Member Chenault offered a motion that William K. Latham, 427 Mountain View Drive, be appointed to a second term on the Parks and Recreation Commission to expire on December 31, 2010. The motion was seconded by Vice-Mayor Pace, and approved with a unanimous vote of Council.

Council Member Chenault offered a motion that J.M. Snell, II, 580 Alleghany Avenue, be appointed to a second term on the Harrisonburg Planning Commission to expire on December 31, 2010. The motion was seconded by Vice-Mayor Pace, and approved with a unanimous vote of Council.

Council Member Chenault offered a motion that Jared Burden, 460 Andergren Drive, be appointed to a second term on the Harrisonburg Planning Commission to expire on December 31, 2010. The motion was seconded by Vice-Mayor Pace, and approved with a unanimous vote of Council.

Council Member Chenault offered a motion that Orden L. Harman, 650 Stone Spring Road, Leon Armentrout, 3031 South Main Street, and Henry Morris, 1926 Park Road, be appointed to second terms on the Building Code Board of Appeals to expire on November 30, 2010. The motion was seconded by Vice-Mayor Pace, and approved with a unanimous vote of Council.

Council Member Chenault offered a motion that Malcolm Wilfong be appointed to another term on the Rockingham/Harrisonburg ASAP Commission to expire on December 31, 2011. The motion was seconded by Vice-Mayor Pace, and approved with a unanimous vote of Council.

Council Member Chenault offered a motion that Ben Wyse, 324 East Rock Street, be appointed to the Harrisonburg Transportation Safety Commission. The motion was seconded by Vice-Mayor Pace, and approved with a unanimous vote of Council.

At 9:52 p.m., there being no further business and on motion adopted the meeting was adjourned.

CITY CLERK

MAYOR

