

## REGULAR MEETING

April 28, 2009

At a regular meeting held this evening at 7:00 p.m., there were present: Mayor Kai Degner; City Manager Kurt Hodgen; Assistant City Manager Evan Vass; City Attorney Earl Q. Thumma, Jr.; Vice-Mayor Richard A. Baugh; Council Members David Wiens, Carolyn W. Frank, and Ted Byrd; City Clerk Yvonne “Bonnie” Ryan, MMC; and Chief of Police Donald Harper.

Council Member Frank gave the invocation, and Mayor Degner led everyone in the Pledge of Allegiance.

Council Member Frank offered a motion to approve the consent agenda, including approval of the minutes and the second reading of a supplemental appropriation for the Fire Department and amending Section 10-3-24, 10-3-46, 10-48.4, and 10-3-52 of the Zoning Ordinance, and 11-7-14 of the Sign Ordinance. The motion also included enacting Section 16-8-52, and amending and re-enacting Section 4-2-12 of the Harrisonburg City Code. The motion was seconded by Council Member Byrd and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Frank  
Vice-Mayor Baugh  
Council Member Wiens  
Council Member Byrd  
Mayor Degner

Absent – None

City Manager Hodgen presented the proposed FY 2009-2010 budget. Mr. Hodgen presented an overview of the City’s expenditures and revenues. The proposed net budget is \$147,336,355. The proposed gross budget is \$184,916,720. The City has the fourth lowest nominal real estate tax rate among all independent cities in Virginia. The real estate tax rate has been proposed to remain at the current rate of \$0.59 cents. While the proposed tax rate remains the same, real estate tax revenues will increase by 9.6% due to the annual reassessment and “natural” growth. Primary emphasis is placed on **EDUCATION, PUBLIC SAFETY, ROADS, AND PUBLIC UTILITIES**. General fund revenues are projected to decrease by \$8.5 million because of the reduction in sales tax, meals tax, BPOL tax and investment earnings reserves. No reserve funds are being proposed to balance the 2009-2010 budget. Also, the budget does not include any projections on potential receipt of stimulus funds. No salary increases or new employees are being proposed. Several vacant positions have been eliminated, reduction in part-time employee hours and training and travel, proposed elimination of one and one-half paid holidays, reducing support of outside non-mandated agencies by 10%, and deferring most of the capital projects. Nearly all of the departmental budgets are less than the current year budget and premiums for health insurance will increase 10%. The proposed budget includes new debt service, an increase in the responsibilities under the Comprehensive Services Act, and an

increase in sewer and water rates. This is a responsible budget adapting to the difficult times and maintaining the core priorities that Council has expressed.

Council Member Byrd asked whether the funding percentage regarding joint projects or agencies with Rockingham County has remained the same as in the past years.

City Manager Hodgen reviewed two proposed changes that were not included in the budget. The City reduced an appropriation to Massanutten Regional Library by 10%. However, since Rockingham County only reduced its appropriation by 5%, Mr. Hodgen recommended adding 5% of the 10% reduction back into the budget to maintain the ratio between City and County expenditures for library services. This is a change of approximately \$23,000. The other change is the S.P.C.A. allocation, which has been maintained at a 55% County and 45% City ratio over the years. Both the County and the City have been asked for the same amount this year reducing the City's appropriation request to maintain that ratio. This will change the City's amount from \$205,500 to 194,755 and save \$10,745 dollars.

City Manager Hodgen reviewed expenditure projects that have been deferred this year.

At 7:26 p.m., Mayor Degner closed the regular session temporarily and called the evening's public hearing to order. The following notice appeared in the Daily News-Record on Saturday, April 18, 2009.

**CITY OF HARRISONBURG, VIRGINIA  
PROPOSED BUDGET FOR FISCAL YEAR ENDED JUNE 30, 2010  
For information and fiscal planning purposes only**

**A public hearing will be held by the Harrisonburg City Council on Tuesday, April 28, 2009 at 7:00 p.m., or as soon as the agenda permits, in the Harrisonburg City Council Chambers located at 409 South Main Street, Harrisonburg, Virginia. Interested citizens are encouraged to attend and express their views.**

<u>Revenue-By Funds</u>	<u>Original</u>	<u>2008-09</u> <u>Amendments</u>	<u>Amended</u>	<u>2009-10</u> As <u>Proposed</u>
<b>Operating:</b>				
General	89,604,680	4,086,368	93,691,048	83,620,484
School	60,281,222	696,578	60,977,800	53,492,698
School Nutrition	-	-	-	2,304,079
ECC	3,690,122	-	3,690,122	3,547,863
Comm Dev Block Grant	527,522	556,808	1,084,330	670,774
Water	8,982,834	2,276,165	11,258,999	8,260,969
Sewer	9,229,349	1,016,700	10,246,049	9,034,563
Public Transportation	6,754,939	4,923,738	11,678,677	7,738,854
Sanitation	14,022,397	517,328	14,539,725	12,366,655
Central Garage	876,412	-	876,412	872,351

Central Stores	<u>119,389</u>	-	<u>119,389</u>	<u>125,430</u>
<b>Total Operating</b>	<b><u>194,088,866</u></b>	<b><u>14,073,685</u></b>	<b><u>208,162,551</u></b>	<b><u>182,034,720</u></b>
<b>Capital Projects:</b>				
General Capital Projects	14,007,000	25,089,835	39,096,835	932,000
School Capital Projects	-	4,120,474	4,120,474	-
Water Capital Projects	1,942,905	10,146,157	12,089,062	875,000
Sewer Capital Projects	1,564,627	4,040,878	5,605,505	450,000
Sanitation Capital Projects	<u>4,478,236</u>	<u>4,842,496</u>	<u>9,320,732</u>	<u>630,000</u>
<b>Total Capital Projects</b>	<b><u>21,992,768</u></b>	<b><u>48,239,840</u></b>	<b><u>70,232,608</u></b>	<b><u>2,887,000</u></b>
<b>Total</b>	<b><u>216,081,634</u></b>	<b><u>62,313,525</u></b>	<b><u>278,395,159</u></b>	<b><u>184,921,720</u></b>
<b><u>Expenditures - By Funds</u></b>				
<b>Operating:</b>				
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Any individual requiring auxiliary aids, including signers, in connection with this public hearing must notify the City Manager at least five (5) days prior to the date of the meeting.

**Copies of the proposed budget are available for public review in the City Manager's office, 345 South Main Street; the Massanutten Regional Library, 145 South Main Street and on the City's Internet web site at (<http://www.harrisonburgva.gov>)**

Mayor Degner called on anyone present desiring to speak for or against the proposed FY 2009-2010 budget.

Alicia Horst, representing Big Brothers/Big Sisters, thanked Council for being included in the budget. The economy has affected both the agency's finances and services.

Gary Turner who participates in Big Brothers/Big Sisters introduced his little brother Diego. Gary and Diego spend time together twice a week. Big Brothers/Big Sisters is about developing relationships that make a difference in the community. This program truly works. There being no others desiring to be heard, the public hearing was declared closed at 7:31 p.m., and the regular session reconvened.

Council Member Byrd offered a motion to approve the budget as presented with the two appropriation adjustments to the Massanutten Regional Library and the S.P.C.A. The motion was seconded by Vice-Mayor Baugh and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Frank  
Vice-Mayor Baugh  
Council Member Wiens  
Council Member Byrd  
Mayor Degner

Absent – None

The next item of business was a presentation by Harrisonburg Backyard Chicken Project (HBCP). Nicholas Stodder said HBCP is a group of citizens in Harrisonburg who have banded together after receiving information that keeping laying hens violated the zoning codes. Keeping laying hens in the backyard comes from a desire for greater personal environmental health, access to a fresh food source, and a source of enjoyment that chickens offer as pets. The City Code does not have any provisions for allowing chickens on residential lots. Council was asked to consider the request and develop new ordinances. Lonny Wegner said that the proposal will not allow roosters, only egg-laying hens. The HBCP proposal would require that laying hens be enclosed and not permitted to "run at large" except in ones own yard, if it is fully fenced. It would also require clipping the wings of the chickens to eliminate flying. Dr. Peggy Duvall, a veterinarian, said she supported the efforts of HBCP. In the previous outbreaks of avian flu, the small flocks that were family owned had a much lower risk of becoming affected. Having backyard chickens in small numbers in the City should not change the biosecurity risk for the large poultry operations.

Following further discussion and comments, Council agreed with a unanimous voice vote to refer this issue regarding keeping laying hens in the backyard to the Planning Commission.

City Manager Hodgen presented several requests for supplemental appropriations for the Public Utilities Department. These requests will be used to transfer funds within the water fund balance for revenue shortfalls and transfer funds within the sewer fund balance for revenue shortfalls. This request will also include transferring funds from the Harrisonburg Rockingham Regional Sewer Authority expansion capital project account to the Treatment and Disposal account (HRRSA operations) and the Debt Service (HRRSA) account to accommodate a one-payment carryover and budget amendments from HRRSA. Council Member Byrd offered a motion to approve these requests for a first reading, and that:

\$1,200,000.00 chge. to: 2011-31010 Amount from fund balance  
1,500.00 chge. to: 2011-31810 Sale of materials and supplies  
16,500.00 chge. to: 2011-31832 Collection fee  
55,722.00 chge. to: 2011-31902 Recoverable charges

\$650,000.00 approp. to: 2011-31318 Application fees  
294,047.00 approp. to: 2011-31513 Investment earnings  
329,675.00 approp. to: 2011-31611 Utilities sales to customers

\$1,450,000.00 chge. to: 2012-31010 Amount from fund balance  
49,540.00 chge. to: 2012-31902 Recoverable charges  
150.00 chge. to: 2012-34011 Insurance recoveries

\$850,181.00 approp. to: 2012-31318 Application fees  
170,604.00 approp. to: 2012-31513 Investment earnings  
239,452.00 approp. to: 2012-31621 Utilities sales to customers  
239,453.00 approp. to: 2012-31623 Sewer Authority fee

\$630,000.00 chge. to: 1322-911161-48647 HRRSA WWTP Expansion  
630,000.00 chge. to: 2012-34313 Transfer from Sewer Capital projects

\$630,000.00 approp. to: 1322-911161-49242 Transfer to Sewer Fund  
320,000.00 approp. to: 2012-422061-43840 HRHSA Regional Sewer Authority-O&M  
310,000.00 approp. to: 2012-482061-47060 HRHSA Regional Sewer Authority-Debt

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

Vote: Yes - Council Member Frank  
Vice-Mayor Baugh  
Council Member Wiens  
Council Member Byrd  
Mayor Degner

Absent – None

The next item of business was an update on planning efforts for the green space behind the Community Development Building. City Manager Hodgen said that at a previous Council meeting, there was discussion relative to the development as well as the operation and maintenance of the area behind the Community Development building and adjacent to the Farmers Market Pavilion. Mr. Hodgen presented an overview regarding the costs associated with the proposed additional facilities, which would include restrooms, a permanent stage, and future Farmers Market expansion area. Potential sources of funding would include Fundfest sponsors, Farmers Market, the City of Harrisonburg, and others yet to be determined. Additional issues include the operation and maintenance of these facilities, scheduling the use of the facilities, and naming of the “green space”. Council Member Frank offered a motion to approve in concept the site plan for a park in the “green space” behind the Community Development building. The motion was seconded by Vice-Mayor Baugh and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Frank  
Vice-Mayor Baugh  
Council Member Wiens  
Council Member Byrd  
Mayor Degner

Absent – None

Vice-Mayor Baugh offered a motion that Council appoint Mike Collins to the Environmental Quality Committee, Lester Seal to the Finance Committee, Earl Thumma and Council Member Ted Byrd to the General Laws Committee, Evan Vass and Council Member Carolyn Frank to the Human Development and Education Committee, Reggie Smith to the Transportation Committee, and Stacy Turner to the Community & Economic Development. The motion was seconded by Council Member Frank and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Frank  
Vice-Mayor Baugh  
Council Member Wiens  
Council Member Byrd  
Mayor Degner

Absent – None

Council Member Byrd offered a motion that Denise Dawson, 1160 Decca Drive, be appointed to a second term on the Blue Ridge Community College Board of Trustees to expire on June 30, 2013. The motion was seconded by Council Member Frank and approved with a unanimous voice vote.

At 8:38 p.m., Council Member Frank offered a motion that Council enter into a closed session for consultation with legal counsel and briefings concerning probable litigation, exempt from public meeting requirements pursuant to Section 2.2-3711(A)(7) of the Code of Virginia.

The motion was seconded by Vice-Mayor Baugh and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Frank  
Vice-Mayor Baugh  
Council Member Wiens  
Council Member Byrd  
Mayor Degner

Absent – None

At 9:00 p.m., the closed session ended and the regular session reconvened. City Attorney Thumma read the following statement, which 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 requirement 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.

At 9:01 p.m., there being no further business and on motion adopted, the meeting was adjourned.

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CITY CLERK

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MAYOR