

REGULAR MEETING

April 27, 2010

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 Carolyn W. Frank and Ted Byrd; City Clerk Yvonne “Bonnie” Ryan, MMC; and Chief of Police Donald Harper. Absent: Council Member David Wiens.

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

Mike Layman, chairman of The First Tee of Harrisonburg Foundation, provided a brief review of a proposed project for The First Tee Program.

George Pace said that he supports the proposed grass practice tee area at Heritage Oaks Golf Course. This is a unique opportunity for the City thanks to the willingness of citizens donating material and professional engineering designs to help build the grass practice tee area. The proposed practice tee area will offer more space for more golfers to practice and golfers will enjoy the superior experience of hitting golf balls off of natural grass versus artificial mats. The driving range revenue will significantly increase.

Council Member Byrd offered a motion to approve the consent agenda, including approval of the minutes and the second reading of supplemental appropriations for the Sewer and Water Department, and the School Board. The motion also included a rezoning request from Harrisonburg-Rockingham Community Services Board and Eastern Mennonite University and amending Sections 10-3-5, 16, 25, 48.3, 120, 122, and 123 of the Zoning Ordinance. The motion was seconded by Council Member Frank and approved with a recorded roll call vote taken as follows:

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

Absent – Council Member Wiens

City Manager Hodgen presented the proposed FY 2010-2011 budget. Mr. Hodgen presented an overview of the City’s expenditures and revenues. Because of a slowed down economy local revenues have decreased, state support for local government functions has been reduced and transportation funding has been reduced. The proposed gross budget is \$183,890,164. Primary emphasis is placed on **EDUCATION, PUBLIC SAFETY, TRANSPORTATION, AND PUBLIC UTILITIES**. 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 revenues will increase by 2.25% due to annual reassessment and “natural” growth. The

City's population continues to grow. The budget includes the new short term rental tax that was adopted by City Council in January 2010. Harrisonburg Electric Commission has increased their appropriation to the City by \$100,000 for a total of \$4.9 million. He reviewed the general fund expenditures by category. No salary increases are proposed for the second consecutive year. The budget does require the addition of four new full-time employees as a result of the City's taking over the operations of the Simms Building and the addition of the "Dream Come True Playground". Ten full-time vacant positions will be frozen and remain vacant as long as the City can still meet established service levels. There is a reduction in funding of the outside agencies by 3%. Most requested and/or planned capital projects are being delayed at this time. The budget does contain planned rate increases in the Water and Sewer enterprise funds to address ongoing major construction needs and increased operational costs. A larger than previously anticipated Sewer Fund rate increase is also necessary to help fund the City's share of the upgrade and expansion of the Harrisonburg-Rockingham Regional Sewer Authority, as well as the increased operational costs associated with the expanded plant. He announced that the City has been able to keep the child safety seat program in the budget.

At 7:32 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 17, 2010.

**CITY OF HARRISONBURG, VIRGINIA
PROPOSED BUDGET FOR FISCAL YEAR ENDED JUNE 30, 2011
For information and fiscal planning purposes only**

A public hearing will be held by the Harrisonburg City Council on Tuesday, April 27, 2010 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>2009-10</u>		<u>2010-11</u>
		<u>Amendments</u>	<u>Amended</u>	<u>As Proposed</u>
Operating:				
General	83,615,484	1,162,073	84,777,557	84,840,166
School	53,492,698	1,689,038	55,181,736	52,062,238
School Nutrition	2,304,079	27,155	2,331,234	2,483,018
ECC	3,547,863	-	3,547,863	3,450,630
Comm Dev Block Grant	670,774	243,525	914,299	583,140
Water	8,260,969	11,397	8,272,366	7,442,298
Sewer	9,034,563	5,578	9,040,141	9,157,118
Public Transportation	7,738,854	294,283	8,033,137	8,043,645
Sanitation	12,366,655	173,882	12,540,537	13,170,206
Central Garage	872,351	-	872,351	842,213
Central Stores	125,430	-	125,430	123,373

Total Operating	182,029,720	3,606,931	185,636,650	182,162,045
Capital Projects:				
General Capital Projects	932,000	21,815,415	22,747,415	420,000
School Capital Projects	-	1,746,392	1,746,392	-
Water Capital Projects	875,000	14,422,143	15,297,143	186,119
Sewer Capital Projects	450,000	3,700,369	4,150,369	300,000
Sanitation Capital Projects	<u>630,000</u>	<u>4,617,840</u>	<u>5,247,840</u>	<u>822,000</u>
Total Capital Proj	2,887,000	46,302,159	49,189,159	1,728,119
Total	<u>184,961,720</u>	<u>49,909,090</u>	<u>234,825,809</u>	<u>183,890,164</u>

Expenditures - By Funds

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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 2010-2011 budget. There being no one desiring to be heard, the public hearing was declared closed at 7:33 p.m., and the regular session reconvened. It was announced that the City's bond rating was upgraded from an A positive to an AA negative. Following further discussion and comments, Council Member Byrd offered to approve the budget as presented. The motion was seconded by Vice-Mayor Baugh and approved with a recorded roll call vote taken as follows:

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

Absent – Council Member Wiens

The next item of business was authorizing the City Manager to execute a contract for the Stone Spring/Erickson Avenue, Phase II project. The responsible low bidder is Perry Engineering with a bid of \$20,732,523.02. This project involves construction between South Main Street and the east City limits. The City Attorney has drafted a resolution that outlines the process. It is requested that Council authorize the City Manager to execute a contract subject to receipt of final recommendation of award from the consulting engineers and approval of the Commonwealth Transportation Board, and VDOT. VDOT is financially responsible for the replacement of the I-81 bridge and the approaches on either side. Council Member Byrd offered a motion to adopt the resolution and authorize the City Manager to execute the contract with the successful bidder. The motion was seconded by Council Member Frank and approved with a recorded roll call vote taken as follows:

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

Absent – Council Member Wiens

Mayor Degner presented for Council's consideration amending Section 4-2-6 of the Harrisonburg City Code. This will allow the City Manager to approve the transfer of funds between expenditure line items within funds except for the General Fund. Council Member Byrd offered a motion to approve this ordinance for a first reading as presented. The motion was seconded by Vice-Mayor Baugh and approved with a recorded roll call vote taken as follows:

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

Absent – Council Member Wiens

Ted Cole of Davenport and Company, the City's financial advisor, presented an update on the proposed bond issuance for the Stone Spring/Erickson Avenue, Phase II project and to discuss some refinancing opportunities available for the City. Mr. Cole briefly reviewed the prospective on new money borrowing for the Stone Spring/Erickson Avenue, Phase II, refunding existing general obligation bonds. A preliminary timetable was reviewed. Council requested that the Finance Committee review this report.

Vice-Mayor Baugh offered a motion to authorize the City Manager to execute a resolution applying for Department of Homeland Security grants and emergency management grants. The motion was seconded by Council Member Byrd and approved with a unanimous vote of Council Members present.

Council Member Byrd offered a motion that Stacy Turner, Vice-Mayor Richard Baugh, and Council Member Carolyn Frank be re-appointed to the Central Shenandoah Planning District Commission to expire on June 30, 2014. The motion was seconded by Vice-Mayor Baugh and approved with a unanimous vote of Council Members present.

Council Member Byrd offered a motion to appoint Denise A. Whitman, 417 Mt. View Drive, to a third term on the Community Services (Chapter 10) Board to expire on July 1, 2013. The motion was seconded by Council Member Frank and approved with a unanimous vote of Council Members present.

At 8:14 p.m., Council Member Byrd offered a motion that Council enter into a closed session for discussion and consideration of the disposition of real estate, exempt from public meeting requirements pursuant to Section 2.2-3711(A)(3) 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 Byrd
Vice-Mayor Baugh
Council Member Frank
Mayor Degner

Absent – Council Member Wiens

At 9:15 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 9:16 p.m., there being no further business and on motion adopted, the meeting was adjourned.

CITY CLERK

MAYOR