

REGULAR MEETING

May 25, 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 David Wiens, Carolyn W. Frank and Ted Byrd; City Clerk Yvonne “Bonnie” Ryan, MMC; and Chief of Police Donald Harper.

Vice-Mayor Baugh gave the invocation, and Mayor Degner led everyone in the Pledge of Allegiance.

Mike Layman, chairman of The First Tee of Harrisonburg Foundation, presented an opportunity using donated fill dirt to create a large grass tee area at Heritage Oaks Golf Course. Mr. Layman reviewed a problem that exists on rainy days at The First Tee Learning Center because they were built behind 18 artificial tees. He suggested that the concrete pads should be moved closer to the building. First Tee can help pay for the cost of erecting a silt fence and putting down gravel on the road to the site. First Tee has an approved soil and erosion permit.

Council Member Frank offered a motion to approve the consent agenda, including approval of the minutes and the second reading of supplemental appropriations for the Parks and Recreation Department, Police Department, and Fire Department. The motion also included a rezoning request from Stephan Hess. The motion was seconded by Council Member Wiens and approved with a recorded roll call vote taken as follows:

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

Absent – None

The item of business was a request for exemption from local property taxation for several City businesses. Commissioner of the Revenue June Hosaflook said current applications include the Harrisonburg Community Health Center, Inc., and the Rockingham Dental Clinic. The Harrisonburg Community Health Center, Inc. has a mission to promote health and wellness to provide care for the ill, injured, and also have affordable health care accessible to people of all ages in the Central Virginia community. They provide a safety net for people facing financial, social, cultural, and language barriers to obtaining health care. They are applying for exemption from business personal property tax in the amount of \$2,180.25. The Harrisonburg-Rockingham Dental Clinic has a mission to provide at reduced fees basic preventive and restorative dental care to low income families who reside in the City of Harrisonburg and Rockingham County. They are applying from business personal property tax in the amount of \$1,226.55. A committee including the City Treasurer, the Commissioner of Revenue, and the Finance Director has recommended approval of these applications.

At 7:13 p.m., Mayor Degner 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 Saturday, May 8, 2010.

**CITY OF HARRISONBURG
NOTICE OF PUBLIC HEARING**

Please take notice that on May 25, 2010 at 7:00 P.M. in the City Council Chamber, 409 South Main Street, Harrisonburg, Virginia, the Harrisonburg City Council will conduct a public hearing, pursuant to Section 4-2-17 of the Harrisonburg City Code, as amended, concerning the following two (2) requests by non-profit corporations for exemption from local personal property taxation:

- (1) Harrisonburg Community Health Center, Inc., 563-A Neff Avenue, Harrisonburg, VA 22801. The assessed value of all personal property owned by applicant in the City of Harrisonburg for the year 2009 was \$250.00, equaling \$5.00 in personal property taxes. The assessed value of personal property owned in Harrisonburg on January 1, 2010 is \$85,500.00, equaling \$1,710.00 in personal property taxes.**
- (2) The Harrisonburg-Rockingham Dental Clinic, 25 West Water Street, Harrisonburg, VA 22801. The assessed value of all personal property owned by the applicant in the City of Harrisonburg for the year 2009 was \$55,200.00, equaling \$1,104.00 in personal property taxes; for the year 2010, an assessed value of \$48,100, equaling \$962.00 in personal property taxes.**

Public comments on the proposed exemptions are invited and all citizens shall have an opportunity to be heard. Further information is available from the Commissioner of the Revenue Office at 345 South Main Street, Harrisonburg, Virginia between the hours of 8:00 A.M. to 5:00 P.M., Monday through Friday.

**Kurt D. Hodgen,
City Manager**

Mayor Degner called on anyone desiring to speak for or against these tax exemptions. Christopher Nye Executive Director of the Harrisonburg Community Health Center said the organization is rapidly outgrowing their facility and need a larger building. We provide services in partnership with the University of Virginia to help with patients having infectious disease. There being no others desiring to be heard, the public hearing was declared closed at 7:18 p.m., and the regular session reconvened. Council Member Wiens offered a motion to approve the personal property tax exemption. The motion was seconded by Council Member Frank and approved with a recorded roll call vote taken as follows:

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

Mayor Degner

Absent – None

City Manager Hodgen presented for Council's consideration issuing general obligation debt not to exceed \$15,000,000. The proceeds of the bonds will be used to finance a portion of Stone Spring/Erickson Avenue Phase 2.

At 7:20 p.m., Mayor Degner 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 Tuesday, May 11, and Tuesday, May 18, 2010.

**NOTICE OF PUBLIC HEARING
ON PROPOSED
ISSUANCE OF BONDS BY
THE CITY OF
HARRISONBURG, VIRGINIA**

Notice is hereby given that the City Council of the City of Harrisonburg, Virginia (the "Council") will hold a public hearing on the proposed issuance by the City of Harrisonburg, Virginia (the "City"), without a referendum and subject to final approval, of general obligation bonds in a principal amount not to exceed \$15,000,000 (the "Bond") for capital improvement projects. The Bonds may be issued from time to time and in one or more series.

The proceeds of the Bonds will be used to (i) finance a portion of the costs of road construction including portions of Stone Spring Road and Erickson Avenue and all necessary grading, overpasses, bridges and other capital costs relating thereto and (ii) pay the costs of issuance of the Bonds.

The public hearing, which may be continued or adjourned, will be held at 7:00 p.m. on Tuesday, May 25, 2010, before the Council at a regularly scheduled meeting in the Council Chambers at 409 South Main Street in Harrisonburg, Virginia 22801. Any person interested in the issuance of the Bonds and the purposes for which the Bonds are being issued may appear at the hearing and present his or her views.

**CITY OF HARRISONBURG, VIRGINIA
Kurt D. Hodgen, City Manager**

Mayor Degner called on anyone desiring to speak for or against authorizing the issuance of the general obligation bonds. There being no one desiring to be heard, the public hearing was declared closed at 7:21 p.m., and the regular session reconvened. Council Member Byrd offered a motion to approve the issuance of this general obligation debt not to exceed \$15,000,000. The motion was seconded by Vice-Mayor Baugh and approved with a recorded roll call vote taken as follows:

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

Absent – None

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

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF HARRISONBURG, VIRGINIA
DECLARING ITS INTENTION TO REIMBURSE
THE COST OF CERTAIN EXPENDITURES**

The City of Harrisonburg, Virginia (the “City”) has made or will make expenditures (the “Expenditures”) in connection with road construction including portions of Stone Spring Road and Erickson Avenue and all necessary grading, overpasses, bridges and other capital costs relating thereto (the “Project”).

The City may determine that the funds advanced and to be advanced to pay the Expenditures will be reimbursed to the City from the proceeds of one or more obligations to be issued by or on behalf of the City (the “Indebtedness”).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA (THE “COUNCIL”):

1. The Council hereby adopts this declaration of official intent under Treasury Regulations Section 1.150-2 and declares that the City intends to reimburse itself with the proceeds of Indebtedness for Expenditures made on, after or within sixty (60) days prior to the date hereof with respect to the Project. Further, Expenditures made more than sixty (60) days prior to the date hereof may be reimbursed as to certain *de minimis* or preliminary expenditures described in Treasury Regulations Section 1.150-2(f) and as to other expenditures permitted under applicable Treasury Regulations.

2. The maximum principal amount of Indebtedness expected to be issued for the Project is \$15,000,000.

3. This resolution shall take effect immediately upon its adoption.

Adopted: May 11, 2010

A Copy Teste:

City Clerk

**City Council of the City of Harrisonburg,
Virginia**

(SEAL)

CERTIFICATION

The undersigned City Clerk of the City of Harrisonburg, Virginia hereby certifies (1) that the foregoing constitutes a true, correct and complete copy of a Resolution adopted by the City Council of the City of Harrisonburg, Virginia at a regular meeting duly called and held on May 11, 2010, with the City Council members present and absent and voting on the Resolution as set forth below; (2) that such meeting was duly convened and held in all respects in accordance with law; and (3) that the foregoing Resolution has not been repealed, revoked, rescinded or amended.

<u>NAME</u>	<u>ATTENDANCE</u>		<u>VOTE</u>	
	<u>PRESENT</u>	<u>ABSENT</u>	<u>AYE</u>	<u>NAY</u>
Kai Degner, Mayor	_____	_____	_____	_____
Richard Baugh, Vice Mayor	_____	_____	_____	_____
Ted Byrd	_____	_____	_____	_____
Carolyn Frank	_____	_____	_____	_____
David Wiens	_____	_____	_____	_____

WITNESS, my hand and the seal of the City of Harrisonburg, Virginia this __ day of May, 2010.

CITY OF HARRISONBURG, VIRGINIA

By _____
Name: Yvonne Bonnie Ryan
Title: City Clerk

(SEAL)

Council Member Byrd offered a motion to approve a reimbursement resolution for certain costs associated with Stone Spring Road/Erickson Avenue Phase 2 construction project. The motion was seconded by Council Member Frank and approved with a recorded roll call vote taken as follows:

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

Absent – None

Mayor Degner presented the following resolution for Council's consideration of approval:

**A RESOLUTION SUPPORTING AN APPLICATION
FOR VDOT REVENUE SHARING FUNDS**

WHEREAS, 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 2010-2011, Revenue Sharing Program; and,

WHEREAS, \$1,000,000 of these funds are requested to fund construction for Stone Spring Road/Erickson Avenue East-West Connector which includes:

UPC 92959: \$1,000,000 (western terminus: South Main Street to eastern terminus: Beery Road)

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

Adopted this ____ day of _____, 2010

**BY: _____
Kai Degner, Mayor**

**ATTEST: _____
Yvonne H. Ryan, MMC, City Clerk**

City Manager Hodgen said that the City has applied for \$1 million in funding from the General Assembly Revenue Sharing funds for FY11 for qualifying transportation projects. The City will be required to match \$1 million in local funding. Council Member Byrd offered a motion to approve this resolution as presented. The motion was seconded by Council Member Wiens and approved with a recorded roll call vote taken as follows:

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

Absent – None

Council Member Wiens offered a motion to approve a request by Rockingham Memorial Hospital to close Mason Street between Grace Street and Cantrell Avenue on June 22, 2010 from 7:00 a.m. until 6:00 p.m. RMH will be moving patients and equipment from the hospital's existing location to the Port Republic Road location. The motion was seconded by Council Member Frank and approved with a recorded roll call vote taken as follows:

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

Absent – None

Public Utilities Director Collins presented a request to write off delinquent utility bills incurred January 1, 2008 through December 31, 2008. These accounts are currently with the collection agency, which will still be pursued. Council Member Byrd offered a motion to write off the list of delinquent accounts for a total value of \$49,008.82. The motion was seconded by Vice-Mayor Baugh and approved with a recorded roll call vote taken as follows:

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

Absent – None

Public Utilities Director Collins presented a request for a supplemental appropriation for the Public Utilities Department. These funds were received from a “Safety Grant” from the Virginia Municipal League Insurance Program and will be used to purchase steel trench boxes. Council Member Byrd offered a motion to approve this request for a first reading, and that:

\$2,000.00 chge. to: 2011-31828 VML Safety Grant

\$2,000.00 approp. to: 2011-372061-48111 Machinery & Equipment

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

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

Absent – None

Public Utilities Director Collins presented a transfer request for the Public Utilities Department. These funds will cover expenses after putting all viable cost reduction measures in place for FY 2010. Council Member Frank offered a motion to approve transferring these funds, and that:

\$500,000.00 chge. to: 1321-910161-48657 Water Storage Tanks
500,000.00 chge. to: 2011-34295 Transfer from Water Capital Projects Fund

\$500,000.00 approp. to: 1321-910161-49241 Transfer to Water Fund
160,000.00 approp. to: 2011-31318 Application Fees
320,000.00 approp. to: 2011-31513 Investment earnings
20,000.00 approp. to: 2011-31611 Utility Sales to customers

\$240,000.00 chge. to: 2012-31318 Application fees
185,000.00 chge. to: 2012-31513 Investment earnings
125,000.00 chge. to: 2012-31621 Utility Sales to customers
550,000.00 chge. to: 1322-911161-48647 HRRSA WTP Expansion

\$550,000.00 approp. to: 2012-34294 Transfer from Sewer Capital Project
550,000.00 approp. to: 1322-911161-49242 Transfer to Sewer fund

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

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

Absent – None

City Manager Hodgen presented a request for a supplemental appropriation for the Parks and Recreation Department. These funds will reimburse the Blacks Run Greenway budget for expenses incurred from the purchase of a Hydra Lab. Council Member Byrd offered a motion to approve this request for a first reading, and that:

\$4,965.35 chge. to: 1000-32531 Department of Conservation Grant

\$4,965.35 approp. to: 1000-710971-46140 Other operating supplies

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

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

Absent – None

Police Chief Harper presented a request for a supplemental appropriation for the Police Department. These funds were a reimbursement through the State Police for Internet Crimes Against Children (ICAC). Council Member Wiens offered a motion to approve this request for a first reading, and that:

\$2,896.72 chge. to: 1000-32547 ICAC Grant – State Police

\$2,896.72 approp. to: 1000-310431-46140 Other Operating Supplies

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

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

Absent – None

Police Chief Harper presented a request for a supplemental appropriation for the Police Department. These funds were received through state asset seizure money and will be used to purchase and replace a K-9. Council Member Wiens offered a motion to approve this request for a first reading, and that:

\$7,500.00 chge. to: 1000-31010 Amount from fund balance

\$5,000.00 approp. to: 1000-310631-48241 Police K-9

2,500.00 approp. to: 1000-310631-45530 Training

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

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

Absent – None

Police Chief Harper presented a request for a supplemental appropriation for the Police Department. These funds were received through state asset seizure money and will be used to purchase chemical, impact, and aerosol munitions due to depletion of inventory. Council Member Wiens offered a motion to approve this request for a first reading, and that:

\$8,000.00 chge. to: 1000-31010 Amount from fund balance

\$8,000.00 approp. to: 1000-310631-46100 Police supplies

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

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

Absent – None

Police Chief Harper presented a request for a supplemental appropriation for the Police Department. These funds were received from the Department of Forensic Science to reimburse the City for sending an officer to school. Council Member Wiens offered a motion to approve this request for a first reading, and that:

\$229.20 chge. to: 1000-31914 Recovered costs

\$229.20 approp. to: 1000-310231-45530 Training and travel

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

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

Absent – None

Police Chief Harper presented a request for a supplemental appropriation for the Police Department. These funds were reimbursed through a DMV grant and will be used for overtime hours. Council Member Wiens offered a motion to approve this request for a first reading, and that:

\$6,782.98 chge. to: 1000-33524 Federal DMV Grant

\$6,141.89 approp. to: 1000-310231-41020 Salaries/wages OT
477.17 approp. to: 1000-310631-41020 Salaries/wages OT
163.92 approp. to: 1000-310431-41020 Salaries/wages OT

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

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

Absent – None

Under “Other Matters”, at the request of Council, Mike Layman, chairman of The First Tee of Harrisonburg Foundation, once again reviewed an opportunity to use donated fill dirt to create a large grass tee area at Heritage Oaks Golf Course. There will be no hauling fees, nor operator or bulldozer expenses associated with the donated dirt. Cost estimates include approximately \$3,000 for gravel for a road and \$18.00 per hundred feet for a silt fence. Future projects could include additional top soil, grass seed, mulch, and water. Mr. Layman said that First Tee is willing to help pay for some of the expenses to help Heritage Oaks Golf Course be as financially successful as it can be.

Mayor Degner asked if the Parks and Recreation Commission have discussed the golf tee issue and whether a plan with this tee expansion has been approved. Will there be a possibility of donated dirt in the future? Is there an estimate of expenses associated with this donation from staff? The community has demonstrated an ability to raise private funds to offset costs for things like this. Is there a sense of urgency involved in this gift disappearing because the timing doesn't work?

Assistant City Manager Vass read the Parks and Recreation Commission meeting minutes. “The Harrisonburg Parks and Recreation Commission recommends to City Council that a conceptual master plan be devised for additional and complementary facilities to Heritage Golf Course including a short gain practice area on acreage adjacent to the existing driving range.”

Council Member Wiens said the Parks and Recreation Commission approved the concept of developing a plan. “I believe Mr. Layman wants the facility to be more useable and also avoid anyone getting hit from people using the driving range. However, I am not sure we need to develop a Master Plan.” The donated dirt will be useful for the area.

Council Member Byrd said that loads of dirt, gravel for a road, and silt fence should cost approximately \$6,000. Is First Tee willing to help with any expenses? If we accept the donation will the City have a level area until the Parks and Recreation Commission can provide a long range plan for the operation of the course?

Vice-Mayor Baugh said that if we accept the proposal, but not accept any related expenses or other commitment then we still have the dirt. But, it could sit there for a long time.

We should allocate some funds for it rather than waiting on the development of a plan telling us whether we want to do it or not.

City Manager Hodgen said we do not have any money in the budget and unless some funds are appropriated we cannot do anything with the donated dirt. Perhaps The First Tee program would be willing to contribute to the expenses.

Following more discussion and comments, Council Member Byrd offered a motion to authorize staff to accept the dirt contingent that the cost does not exceed \$10,000. The motion was seconded by Council Member Wiens, and approved with a recorded roll call vote taken as follows:

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

No - Council Member Frank

Absent – None

Council Member Frank asked staff to look into the possibility of leasing the golf course. “I believe that it continues to be a drain on the City and we are not able to close the gap between the operational costs and in coming revenue.” We still have to pay the debt service and leasing the golf course could save the City at least \$300,000 or more.

Council Member Frank offered a motion that Anne Elizabeth Leake Frazier, 216 Divot Drive, be appointed to a second term on the Social Services Advisory Board to expire on July 1, 2014. The motion was seconded by Council Member Wiens and approved with a unanimous voice vote.

At 8:27 p.m., there being no further business and on motion adopted, the meeting was adjourned.

CITY CLERK

MAYOR