

REGULAR MEETING

September 14, 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 Anne C. Lewis; 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.

Mayor Degner welcomed new Assistant City Manager Anne C. Lewis to Harrisonburg.

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

Greg Coffman presented a three part resolution to solve the concerns of the golf course. First, evaluate the Golf Course using a Committee. Second, bring all information to the public and hold a Public Hearing. Third, have a ballot with options, not yes or no for the citizens to vote on.

Bucky Berry raised concern about Kelly Street and all of the recent events. He would like more money put into the Boys and Girls Club and utilize the Simms Center.

Council Member Byrd offered a motion to approve the minutes on the consent agenda and to dispense with the reading of the minutes from the previous meeting. 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 Frank
Council Member Byrd
Mayor Degner

Absent – None

City Manager Hodgen presented to Council that the City has recently completed a \$43,270,000 bond issue. The proceeds from this bond issue were used to fund the refunding of several outstanding bond issues and provide 9.5 million for the Erickson Avenue/Stone Spring Road construction. A grant fund in the amount of \$5,120 was received from Canaan Valley Institute for interpretive signage for the Purcell Park stream bank restoration project. It is requested that City Council increase the current budget to account for the receipt and disbursement of these funds. Amount of this request will increase the 2010-2011 budget by \$44,971,679.

At 7:05 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, September 4, 2010.

NOTICE OF PUBLIC HEARING

A public hearing will be held by the Harrisonburg City Council on Tuesday, September 14, 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. The purpose of this public hearing will be to get citizen input concerning a proposed increase in the City's 2010-2011 budget in the amount of \$44,971,679. The funds will be used to construct Erickson Avenue/Stone Spring Road, refund several outstanding bond issues and signage for Blacks Run. The expenditures will be funded by the proceeds from funds that were received from a recently completed bond issue and a grant from Canaan Valley Institute.

The budget increases will be as noted below:

Revenues:

General Fund:

Premium on long term debt	233,483
Refunding bond proceeds	5,691,105
Donation-Blacks Run Greenway	5,120

General Capital Projects Fund:

Premium on long term debt	129,424
Bond proceeds	9,515,000

Water Fund:

Premium on long term debt	195,277
Refunding bond proceeds	9,570,000

Sanitation Fund:

Premium on long term debt	1,138,375
Refunding bond proceeds	<u>18,493,895</u>

Total revenues **44,971,679**

Expenditures

General Fund:

Bond issuance costs, etc.	77,341
Deposit to escrow agent	5,847,247
Other operating supplies	5,120

General Capital Projects Fund:

Erickson Avenue/Stone Spring Road	9,644,424
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Water Fund:

Bond issuance costs, etc.	130,054
Deposit to escrow agent	9,635,223

Sanitation Fund:

Bond Issuance costs, etc.	251,327
Deposit to escrow agent	<u>19,380,943</u>

Total expenditures

44,971,679

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
Kurt D. Hodgen
City Manager**

Mayor Degner called on anyone desiring to speak for or against increasing the 2010-2011 budget. There being no one desiring to be heard the public hearing was declared closed at 7:06 p.m., and the regular session reconvened. Vice Mayor Baugh offered a motion to approve this request for a first reading, and that:

\$ 233,483 chge. to: 1000-34013 Premium on long term debt
5,691,105 chge. to: 1000-34114 Refunded bond proceeds
129,424 chge. to: 1310-34013 Premium on long term debt
9,515,000 chge. to: 1310-34110 Bond proceeds
195,277 chge. to: 2011-34013 Premium on long term debt
9,570,000 chge. to: 2011-34114 Refunded bond proceeds
1,138,375 chge. to: 2014-34013 Premium on long term debt
18,493,895 chge. to: 2014-34114 Refunded bond proceeds

\$ 77,341 approp. to: 1000-980142-49550 Bond issuance costs, etc.
5,847,247 approp. to: 1000-980142-49555 Deposit to escrow agent
9,644,424 approp. to: 1310-910141-48636 Erickson Avenue/Stone Spring Road
130,054 approp. to: 2011-382061-49550 Bond issuance costs, etc.
9,635,223 approp. to: 2011-382061-49555 Deposit to escrow agent
251,327 approp. to: 2014-982042-49550 Bond issuance costs, etc.
19,380,943 approp. to: 2014-982042-49555 Deposit to escrow agent

\$ 5,120.00 chge. to: 1000-31823 Donations-Blacks Run Greenway Fund

\$ 5,120.00 approp. to: 1000-710971-46140 Other Operating Supplies

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 Frank
Council Member Byrd
Mayor Degner

Absent – None

The next item of business was recognizing Harrisonburg's Deputy Commissioner of the Revenue Kelly Whetzel. Commissioner of the Revenue June W. Hosaflook said it was a pleasure to recognize Mrs. Whetzel for her professional achievements and contributions. The Commissioners Career Development Program was developed by the Commissioners of the Revenue of Virginia to promote professionalism and excellence in the field of tax assessment. A committee of Commissioners and the Weldon Cooper Center for Public Service at the University of Virginia administers the program. Mrs. Whetzel has worked in the Harrisonburg Commissioner's office since 2006. Kelly thanked City Council for the chance to participate in the certification program for the Commissioner of the Revenue office.

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

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HARRISONBURG,
VIRGINIA, SETTING THE PERCENTAGE OF PERSONAL PROPERTY
TAX RELIEF FOR THE YEAR 2010**

WHEREAS, pursuant to Article J of Title 4, Chapter 2 of the Harrisonburg City Code, the City Council shall by resolution set the percentage of personal property tax relief that is anticipated to fully exhaust the Personal Property Tax Relief Act of 1998 (PPTRA) funds provided to the city by the Commonwealth of Virginia; and

WHEREAS, the percentage of personal property tax relief for the year 2010 has been determined to be forty-two percent (42.0%);

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

That the City Council of the City of Harrisonburg, Virginia, sets the percentage of personal property tax relief for the tax year of 2010 to be forty-two percent (42.0%), which percentage is anticipated to fully exhaust the PPTRA relief funds provided to the city by the Commonwealth of Virginia.

Approved: September 14, 2010.

MAYOR

ATTEST:

CLERK OF THE COUNCIL

Commissioner of the Revenue June Hosaflook stated the annual resolution to set the percentage of personal property tax relief for the year 2010 pursuant to Article J of Title 4, Chapter 2 of the Harrisonburg City Code. The commissioner of the revenue's office has determined the final percentage to be forty-two percent (42.0%). Council Member Byrd offered a motion to adopt the resolution setting the percentage of personal property tax relief for the year

2010 at 42.0%. 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

Michael Wong, Harrisonburg Redevelopment and Housing Authority Executive Director, presented the following resolution for Council’s consideration of approval:

**A RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN REAL
PROPERTY
BY THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY**

WHEREAS, the Harrisonburg Redevelopment and Housing Authority (the “Authority”) has decided (either directly or through its solely owned subsidiary, Franklin Heights, LLC, a Virginia limited liability company) to purchase several parcels of real property most of which are improved by residential buildings from Forkovitch Family II, LLC, Forkovitch Family III, LLC, Forkovitch Family IV, LLC, and Forkovitch Family V, LLC which property is located next to or in the vicinity of other properties owned by the Authority in the City of Harrisonburg (hereinafter “the Property”); and,

WHEREAS, the Authority intends to hold the Property pursuant to its mission of providing safe and sanitary dwellings to persons of low income, as set forth in the Housing Authorities Law, Chapter 1, Title 36 of the Virginia Code; and,

WHEREAS, Code of Virginia Section 36-19.2 requires that the Authority obtain the approval of the City of Harrisonburg (the “City”) prior to purchasing the Property as it is the current intention of the Authority to use such Property for housing purposes; and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Harrisonburg, Virginia, that:

- 1. The City approves the foregoing recitals, which are incorporated in, and deemed a part of, this Resolution as if fully set forth herein.**
- 2. The City authorizes and approves the purchase of the Property by the Authority and the Authority’s utilization of such Property as a housing project or for such other uses as the Authority shall deem appropriate and which is permitted by law.**

3. This authorization and approval applies only to the Authority's obligation to obtain City approval pursuant to Code of Virginia Section 36-19.2 and does not constitute a waiver of any City ordinance with respect to the Property, including but not limited to compliance with City zoning and building codes.

This resolution shall take effect immediately upon its adoption.

READ AND ADOPTED: September 14, 2010

CERTIFICATE

Record of the roll-call vote by the City Council of the City of Harrisonburg, Virginia, upon reading on a resolution titled "RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN REAL PROPERTY BY THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY" taken at a regular meeting of the City Council held on September 14, 2010:

	AYE	NAY	ABSTAIN	ABSENT
Kai Degner, Mayor	X			
Richard Baugh, Vice-Mayor	X			
David Wiens	X			
Ted Byrd	X			
Carolyn W. Frank	X			

Dated: September 14, 2010

(SEAL)

Mayor, City of Harrisonburg, Virginia

ATTEST:

Clerk, City Council of the City of Harrisonburg, Virginia

The Authority is planning to purchase several parcels of property in the City next to or in the vicinity of properties it currently owns in support of its mission to provide housing to persons of low income. Following further discussion and comments, Council Member Wiens made a motion to approve the resolution authorizing the purchase of Certain Real Property by the Harrisonburg Redevelopment and Housing Authority. 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

Greg Campbell, Executive Director of Shenandoah Regional Airport Commission presented the following resolution for Council’s consideration for approval:

**A RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS
BY SHENANDOAH VALLEY REGIONAL AIRPORT**

WHEREAS, the Shenandoah Valley Regional Airport Commission (the “Commission”) was duly established pursuant to the Code of Virginia, 1950, as amended, and by resolution and agreement of the several political subdivisions of the Commonwealth of Virginia comprising the Commission, namely the Counties of Augusta and Rockingham and the Cities of Harrisonburg, Staunton and Waynesboro (collectively, the “Member Localities”), to have and exercise, on behalf of such Member Localities, the power and authority to operate the Shenandoah Valley Regional Airport (“SVRA”) located in Augusta County, Virginia; and

WHEREAS, the Commission has determined that it is necessary and desirable to issue and sell its aggregate up to \$400,000 taxable airport revenue bond, in one or more series, including an interim financing therefore, if deemed necessary or convenient by the Commission (collectively, the “Local Obligation”), in order to finance any one or more of the following capital costs to: (i) acquire, construct and equip site improvements in connection with taxi lane pavement rehabilitation near aircraft hanger facilities at SVRA, (ii) acquire, construct and equip all or any portion of the main terminal facilities of SVRA, (iii) pay engineering, design planning, and other preliminary costs with respect to fuel farm facilities at SVRA, and (iv) pay issuance costs (collectively, the “Project”); and

WHEREAS, it is reasonably anticipated that the Commission shall obtain interim financing from a local commercial bank, with the long-term permanent financing for the costs of the Project to be provided by (i) the United States of America, acting through Rural Housing Service, an Agency of United States Department of Agriculture (USDA- Rural Development), or (ii) Virginia Resources Authority (VRA) under the Virginia Airport Revolving Fund or any other applicable financing program administered or otherwise offered from time to time by VRA, or (iii) any other financial institution or financing program as the Commission may deem advisable; and

WHEREAS, the Commission desires to obtain the approval of each of the governing bodies of its Member Localities with respect to the incurrence of indebtedness to pay the costs of the Project, subject to the Commission’s final determination of the form and details thereof (all such undertakings by the Commission to finance the Project, including any interim financing, being collectively referenced herein as the “Loan”).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Harrisonburg, Virginia (the “Council”), as follows:

1. The incurrence of the Loan by the Commission, from time to time, is hereby approved and authorized, to the fullest extent as may be required, if at all.

2. It is to be understood that nothing contained in this Resolution is or shall be deemed to be a debt of the City of Harrisonburg, Virginia (the "City") or a pledge of the faith and credit or the taxing power of the City, and nothing herein or therein shall legally bind or obligate the Council or any future Council of the City to appropriate funds for such purposes.

The indebtedness of the Commission represented by the Local Obligation (or otherwise in connection with the Project and the Loan) shall not be deemed to constitute a debt or pledge of the faith and credit of the taxing power of the City, and neither the faith and credit nor the taxing power of the City shall be pledged for the payment of the principal of, premium, if any or interest on the Local Obligation or any other obligation of the Commission in connection with the Project or the Loan, or any other costs incident thereto.

3. The Mayor and Vice Mayor, and the City Manager, any one or more of whom may act, and such officers, employees, and agents of the City as any of them may designate, are each authorized and directed to take all such further actions and to execute and deliver any and all instruments, certificates and other documents (if any), in order to carry out the purposes hereof and in furtherance, otherwise, of the financing (including the interim financing) of the Project by the Commission, as described herein.

4. This Resolution shall be effective immediately.

Adopted: September 14, 2010

CITY OF HARRISONBURG, VIRGINIA

CERTIFICATE OF VOTES

The undersigned hereby certifies that the foregoing Resolution constitutes a true and correct copy thereof, duly adopted by the City Council of the City of Harrisonburg, Virginia, at its regular meeting duly held on the date hereof, and that the recorded roll-call vote of the Council is as follows:

NAME	AYE	NAY	ABSTAIN	ABSENT
Kai Degner, Mayor	X			
Richard Baugh, Vice-Mayor	X			
Ted Byrd	X			
Carolyn Frank	X			
David Wiens	X			

Dated: September 14, 2010

Mayor

ATTEST:

Clerk of City Council

Mr. Campbell stated Harrisonburg is one of five member localities of the Commission. All members have been asked to approve the resolution which would authorize the Shenandoah Valley Regional Airport Commission (SVRAC) to issue a taxable airport revenue bond in an amount up to \$400,000.00. Proceeds would be used to finance pavement rehabilitation, improvements to the main terminal facilities, and engineering and design costs for “fuel farm” facilities at the airport. It is likely that interim financing will be obtained from a local bank, with subsequent long-term, permanent financing provided through USDA – Rural Development. Council Member Wiens made a motion to approve the resolution authorizing the issuance of revenue bonds by Shenandoah Valley Regional Airport Commission (SVRAC). 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

Ande Banks, Director of Special Projects and Grants, presented Council on a City application that was completed for a USDA Rural Business Enterprise Grant (RBEG). Funds received from USDA, if approved, will be used to capitalize a revolving loan fund within the Economic Development Department. The revolving loan fund will be used to aid with the creation and expansion of small businesses within the City. The application is for those cities and towns of less than 50,000 citizens. If the funds are received, Brian Shull, Economic Development Director, agreed to provide 25% matching funds of already budgeted money to help create the capitalization of these funds. Mr. Banks stated that ultimately Harrisonburg Economic Development would be creating a Revolving Loan Fund with the total assets of approximately \$124,000.00. The proposal went in August 27, 2010 and will be reviewed and scored by the State Director for Rural Development. Consideration for this grant could take up to twelve (12) months.

City Manager Hodgen requested consideration for Council to approve the “Block Party In The ‘Burg” event. Harrisonburg Downtown Renaissance (HDR) has requested closing the North West corner of Court Square from Cally’s Restaurant to the South East corner of Court Square at Bank of America for an the event to be held on Friday, October 1, 2010 from 4:00 – 8:00 p.m. Closure will be from 2:00 – 9:30 p.m. This event is an annual event to welcome College Students back to the Harrisonburg area. Council Member Wiens made a motion to approve the

“Block Party In The ‘Burg” event. The motion was seconded by Council Member Frank and approved with a unanimous voice vote.

Mayor Degner presented for Council’s consideration to authorize the City Manager to enter into agreement with responsible, responsive low bidder for “Safe Routes to Schools – Keister Elementary School Project”. The Department of Public Works applied for a Safe Routes to Schools grant through VA Department of Transportation (VDOT) in 2007 and was subsequently awarded an infrastructure grant in the amount of \$455,330. This is a federally funded grant, with no local match required. The Department of Community Development developed the project documents and plans. The project consists of the following: sidewalk on both sides of South Avenue between Walker Street and South High Street, sidewalk on the north side of South Avenue between South High Street and Dogwood Drive, sidewalk construction on south side of Maryland Avenue between South High Street and Dogwood Drive, sidewalk construction on portions of Central Avenue. A prebid meeting was held at the Public Works Department on Wednesday, August 31, 2010 at 10:00 a.m. and bids were opened at the same location on Friday, September 10, 2010 at 10:00 a.m. Contracting Unlimited was awarded the project with a bid \$444,222.07. Council Member Wiens made a motion to authorize the City Manager to enter into an agreement with Contracting Unlimited for “Safe Routes to Schools – Keister Elementary School Project. 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

City Manager Hodgen presented a draft outline of the Golf Course Study Committee’s anticipated tasks. Once the committee is formed, they will be able to make further elaborations on any the five areas or may even have some other suggestions to incorporate to the outline for the Golf Course Study Committee. He also stated that when Council is ready to make appointments to the Committee that it should be by a resolution, which will also establish the general tasks for the Committee. Mayor Degner read the main areas of the draft and they are as follows: existing facilities, marketing efforts, operation & maintenance practices, course comparisons/current trends in golf, and projections. Applications for this committee will be accepted until 5:00 p.m. on Friday, September 17, 2010.

City Manager Hodgen requested Council’s consideration of appointment of Assistant City Manager, Anne C. Lewis to Boards and Commissions. He stated that an alternate for the City Manager needs to be appointed for both the Harrisonburg/Rockingham Regional Sewer Authority and the Metropolitan Planning Organization. Council Member Byrd made a motion to appoint, Assistant City Manager Lewis to both the Harrisonburg/Rockingham Regional Sewer Authority and the Metropolitan Planning Organization. The motion was seconded by Council Member Wiens and approved with a unanimous voice vote.

Mayor Degner congratulated Coach Matthew's and the James Madison University Football Team for their recent win against Virginia Tech this past Saturday.

At 7:48 p.m., Council Member Wiens offered a motion that Council enter into a closed session for discussion and consideration of the acquisition and of real estate, used for public purposes, exempt from the public meeting requirements pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, as amended. Discussion and consideration of personnel, exempt from the public meeting requirements pursuant to Section 2.2-3711(A)(1) 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 Wiens
Vice-Mayor Baugh
Council Member Frank
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 9:05 p.m., there being no further business and on motion adopted, the meeting was adjourned.

CITY CLERK

MAYOR