

REGULAR MEETING

MARCH 9, 1999

At a regular meeting of Council held this evening at 7:30 p.m., there were present: Mayor Rodney Eagle; Assistant City Manager Roger Baker; City Attorney Earl Q. Thumma, Jr.; Vice-Mayor Hugh J. Lantz, Council Member John H. Byrd, Jr., Walter F. Green, III, and Larry M. Rogers; City Clerk Yvonne Bonnie Ryan, CMC, and Police Captain Malcolm Wilfong. Absent: City Manager Steven E. Stewart and Chief of Police Donald Harper.

Council Member Rogers delivered the invocation and Mayor Eagle led everyone in the Pledge of Allegiance.

Council Member Rogers 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 Byrd, and approved with a unanimous vote of Council.

Council Member Green offered a motion to approve issuing the general obligation school bonds for a second reading. The motion was seconded by Council Member Rogers, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Vice-Mayor Lantz

Council Member Green

Council Member Rogers

Council Member Byrd

Mayor Eagle

No - None

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND

AWARD OF NOT TO EXCEED \$2,005,000 GENERAL

OBLIGATION

SCHOOL BONDS OF THE CITY OF

HARRISONBURG, VIRGINIA, SERIES 1999, TO BE

SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY, AND

PROVIDING FOR THE FORM AND DETAILS THEREOF.

WHEREAS, the City Council (the "Council") of the City of Harrisonburg, Virginia (the "City"), has determined that it is necessary and expedient to borrow not to exceed \$2,005,000 and to issue its general obligation school bonds for the financing of certain capital projects for school purposes, to pay a portion of

the costs of the acquisition, construction, reconstruction, renovation, expansion and equipping of public school facilities in the City including, but not limited to, additions to the Keister Elementary School within the City of Harrisonburg, Virginia.

WHEREAS, the School Board of the City (the "School Board") has requested, by resolution, dated December 15, 1998, the Council to authorize the issuance, sale and award of the Bonds.

WHEREAS, the City held a public hearing, duly noticed, on February 23, 1999, on the issuance of the Bonds (as defined below) in accordance with the requirements of Section 15.2-2606, Code of Virginia, 1950, as amended (the "Virginia Code").

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

1. Authorization of Bonds and Use of Proceeds. The Council hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bonds in an aggregate principal amount not to exceed \$2,005,000 (the "Bonds") for the purpose of financing certain capital projects for school purposes as described above. The Council hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution.

2. Sale of the Bonds. It is determined to be in the best interest of the City to accept the offer of the Virginia Public School Authority (the "VPSA") to purchase, and the City to sell to the VPSA, the Bonds at a price, determined by the VPSA to be fair and accepted by the Mayor or Vice-Mayor and the City Manager that is not less than 98% of par and not more than 103% of par upon the terms established pursuant to this Resolution. The Mayor and Vice-Mayor of the Council, the City Manager and such officer or officers of the City as any of them may designate, are hereby authorized and directed to enter into a Bond Sale Agreement to be dated as of April 5, 1999, with the VPSA providing for the sale of the Bonds to the VPSA in substantially the form submitted to the Council at this meeting, which form is hereby approved (the "Bond Sale Agreement").

3. Details of the Bonds. The Bonds shall be issuable in registered form in denominations of \$5,000 and whole multiples thereof; shall be dated the date of issuance and delivery of the Bonds; shall be designated "General Obligation School Bonds, Series 1999"; shall bear interest from the date of delivery thereof payable semi-annually on each July 15 and January 15 (each an "Interest Payment Date"), beginning July 15, 1999, at the rate or rates established in accordance with Section 4 of this Resolution; and shall mature on July 15 in the years (each a "Principal Payment Date") and in the amounts set forth on Schedule I attached hereto (the "Principal Installments"), subject to the provisions of Section 4 of this Resolution.

4. Interest Rates and Principal Installments. The City Manager is hereby authorized and directed to accept the interest rate or rates on the Bonds established by the VPSA, provided that no such interest rate shall be more than ten one-hundredths of one percent (0.10%) over the annual rate to be paid by the VPSA for the corresponding maturity of the bonds to be issued by the VPSA (the "VPSA Bonds"), a portion of the proceeds of which will be used to purchase the Bonds, and provided further, that the true interest cost of the Bonds does not exceed six and one-half percent (6 ½%) per annum. The Interest Payment Dates and the Principal Installments are subject to change at the request of the VPSA. The City Manager is hereby authorized and directed to accept changes in the Interest Payment Dates and the Principal Installments at the request of the VPSA, provided that the aggregate principal amount of the Bonds shall not exceed the amount authorized by this Resolution. The execution and delivery of the Bonds as described in Section 8 hereof shall conclusively evidence such interest rates established by the VPSA and the Interest Payment Dates and the Principal Installments requested by the VPSA as having been so accepted as authorized by this Resolution.

5. Form of the Bonds. For as long as the VPSA is the registered owner of the Bonds, the Bonds shall be in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A. On twenty (20) days written notice from the VPSA, the City shall deliver, at its expense, Bonds in marketable form in denominations of \$5,000 and whole multiples thereof, as requested by the VPSA, in exchange for the temporary typewritten Bond.

6. Payment; Paying Agent and Bond Registrar. The following provisions shall apply to the Bonds:

(a) For as long as the VPSA is the registered owner of the Bonds, all payments of principal of, premium, if any, and interest on the Bonds shall be made in immediately available funds to the VPSA at or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next preceding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption.

(b) All overdue payments of principal or interest shall bear interest at the applicable interest rate or rates on the Bonds.

© Crestar Bank of Richmond, Virginia, is designated as Bond Registrar and Paying Agent for the Bonds.

7. Prepayment or Redemption. The Principal Installments of the Bonds held by the VPSA coming due on or before July 15, 2010 and the definitive Bonds for which the Bonds held by the VPSA may be exchanged that mature on or before July 15, 2010 are not subject to prepayment or redemption prior to their stated maturities. The principal installments of the Bonds held by the VPSA coming due after July 15, 2010 and the definitive Bonds for which the Bonds held by the VPSA may be exchanged that mature after July 15, 2010 are subject to prepayment or redemption at the option of the City prior to their stated maturities in whole or in part, on any date on or after July 15, 2010 upon payment of the prepayment or redemption prices (expressed as percentages of principal installments to be prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

Dates

Prices

July 15, 2010 through July 14, 2011	102%
July 15, 2011 through July 14, 2012	101
July 15, 2012 and thereafter	100

Provided, however, that while the VPSA is the registered owner of the Bonds, the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption

8. Execution of the Bonds. The Mayor or Vice-Mayor and the Clerk or any Deputy Clerk of the Council are authorized and directed to execute and deliver the Bonds and to affix the seal of the City thereto.

9. Pledge of Full Faith and Credit. For the prompt payment of the principal of, the premium, if any, and the interest on the Bonds as the same shall become due, the full faith and credit of the City are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the City subject to local taxation sufficient in amount to provide for the payment of the principal of, the premium, if any, and the interest on the Bonds as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the City to the extent other funds of the City are not lawfully available and appropriated for such purpose.

10. Use of Proceeds Certificate. The Mayor or Vice-Mayor of the Council, the City Manager and such officer or officers of the City as any of them may designate, are hereby authorized and directed to execute a Use of Proceeds Certificate and Certificate as to Arbitrage each setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Council covenants on behalf of the City that the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Use of Proceeds Certificate and 11.

State Non-Arbitrage Program; Proceeds Agreement

. The Council hereby determines that it is in the best interest of the City to authorize and direct the City Treasurer to participate in the State Non-Arbitrage Program in connection with the Bonds. The Mayor or Vice-Mayor of the Council, the City Manager, the City Director of Finance and such officer or officers of the City as any of them may designate, are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Bonds by and among the City the other participants in the sale of the VPSA Bonds, the VPSA, the investment manager (Mentor Investment Advisors, L.L.C.), and the depository (Wachovia Bank, N.A.). Such Proceeds Agreement shall contain such terms and provisions as may be requested by the VPSA for the issuance, sale and award of the Bonds, and shall be in the general form as previously submitted to the City, which form is hereby approved.

12. Continuing Disclosure Agreement. The Mayor of the Council, the City Manager and such officer or officers of the City as either may designate are hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in Appendix F to the Bond Sale Agreement, setting forth the reports and notices to be filed by the City and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12 and directed to make all filings required by Section 3 of the Bond Sale Agreement should the City be determined by the VPSA to be a MOP (as defined in the Continuing Disclosure Agreement).

13. Filing of Resolution. The appropriate officers or agents of the City are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of Rockingham County, Virginia.

14. Further Actions. The members of the Council and all officers, employees and agents of the City are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance, sale and award of the Bonds and any such action previously taken is hereby ratified and confirmed.

15. Consent to Representation. The City hereby acknowledges that the law firm of Wharton, Aldhizer & Weaver, P.L.C. has represented the School Board as general counsel from time to time, and, at the request of the City, has agreed also to serve as the City's bond counsel, and hereby consents to such multiple representations in connection with the financing for capital projects for school purposes in the City and the

transactions contemplated thereby.

15. Effective Date. This Resolution shall take effect immediately upon the approval and second reading as provided in the City Charter.

Date: February 23, 1999 - First Reading

March 9, 1999 - Second Reading

[SEAL] Mayor, City Council,

City of Harrisonburg, Virginia

City Manager, City of Harrisonburg,
Virginia

CERTIFICATE of VOTES

Record of the roll-call vote by the City Council of the City of Harrisonburg, Virginia, upon first reading on an AUTHORIZING RESOLUTION, taken after lawful public notice at its regular public meeting held on February 23, 1999:

	AYE	NAY	ABSTAIN	ABSENT
Rodney L. Eagle, Mayor	X			
Hugh J. Lantz, Vice Mayor	X			
Dr. Walter F. Green, III	X			
Larry M. Rogers	X			
John H. Byrd, Jr.	X			

CERTIFICATE of VOTES

Record of the roll-call vote by the City Council of the City of Harrisonburg, Virginia, upon second reading on an AUTHORIZING RESOLUTION, taken after lawful public notice at its regular public meeting held on March 9, 1999:

	AYE	NAY	ABSTAIN	ABSENT
Rodney L. Eagle, Mayor	X			
Hugh J. Lantz, Vice Mayor	X			
Dr. Walter F. Green, III	X			
Larry M. Rogers	X			
John H. Byrd, Jr.	X			

 Mayor 6

ATTEST: _____
 Clerk, City Council of
 City of Harrisonburg, Virginia

The presentation by the Farmers Market was postponed because of the snow. George Merz, marketing coordinator for the Farmers Market Association, said that several members of the association could not attend because of the snow. He did present the Harrisonburg Farmers Market Association Comparative

Statement of Income and Expenses for fiscal years ending February 28, 1998 and 1999 to City Council.

Clifford Davis presented a request for a financial contribution for a major addition to the existing Hogpen Run, a disabled access road. He explained that three miles of the road has been rebuilt and improvements have been made to two grade crossings to allow vehicular access for disabled handicap hunters. A grant program funded by the Federal Highway Administration has provided 50% of the funding for these repairs. They need improvements to two creek crossings which are impassable during inclement weather and adding approximately two miles of trails which would open up vast areas for the disabled hunter. Mr. Davis said that Rockingham County was willing to provide \$1,895 of the \$3,790 shortfall if the City would contribute the other \$1,895. Council Member Green offered a motion to refer this request to the City Manager to consider for placement in the budget. The motion was seconded by Council Member Byrd, and approved with a unanimous vote of Council.

Bob Satterwhite, Planner, presented the Shenandoah Valley Private Industry Council's annual plan report. Mr. Satterwhite said that each year the plan is presented for administering federally funded Job Training Partnership Act programs in the Shenandoah Valley. He said that they enrolled 91 City residents last year in the program. Fifty-eight people completed the training which resulted in placing 52 residents in jobs at an average wage of \$9.21 per hour. Sixteen welfare clients enrolled in the program. Eleven people completed the training which resulted in placing nine residents in jobs at an average wage of \$7.22 per hour. They also employed 28 City youths in the Summer Youth Program. Mr. Satterwhite reviewed how the funding was determined for the various areas. Council Member Rogers offered a motion to approve the annual summary plan as presented. The motion was seconded by Vice-Mayor Lantz, and approved with a unanimous vote of Council.

City Council directed Assistant City Manager Baker to present a number of proposed projects to be considered for funding at the Virginia Department of Transportation annual pre-allocation hearing on March 19th in Verona. Mr. Baker explained that the proposed road-widening projects are for consideration in the six-year plan. Using the Major Street Plan and last year's list, staff has developed projects for Council to set priorities. The existing projects under construction included

West Market Street, numerous railroad crossing safety improvements and Reservoir Street. New projects for consideration include South Main Street, Stonespring Road, East Market Street Corridor, Port Republic Road, Cantrell Avenue, Linda Lane, Country Club Road, Mt. Clinton Pike, Pleasant Valley Road, and Pleasant Hill Road. He said that the East Market Street Corridor would need additional left turn lanes, better traffic flow, lengthening the lanes for more stacking, and adding sidewalks for pedestrian traffic. He also noted that traffic would increase on South Main Street because of the new post office being built and DMV being relocated to the area. He noted that it will be several years before the City will have increased funding in their account because West Market Street was more expensive than anticipated. Council agreed that all of the projects listed were important.

Parks and Recreation Director Gucker introduced a request to file an application with the Virginia Recreational Trails Fund Program Department of Conservation and Recreational Resources Grant. She explained that the State Department of Conservation and Recreation has established a reimbursement grant program for developing and maintaining recreational trails and trails-related facilities. Up to 80% of the costs are reimbursable by the Virginia Recreational Trails Fund Program and 20% are matched by the locality. The associated costs have been included for consideration in the fiscal year 1999-2000 budget. This program is funded through the transportation equity act for the twenty-first century. This trail development proposal will connect the Hillandale, Lineweaver-Strait properties to Thomas Harrison Middle School and Westover Park with a paved hiking and biking trail. The trail will be approximately two miles long and ADA accessible wherever possible. The proposed trail project links together a number of areas and will be accessible to walkers, joggers, bicyclists, roller-bladers, and nature enthusiasts. The trail will include interpretive signage

and benches for resting and nature observation. This grant if awarded will provide the City of Harrisonburg the opportunity to further develop a multi-purpose trail system designed to enhance the recreational opportunities for our citizens. Mrs. Gucker recognized the Community Development Department, Public Works Department, City Attorney Thumma, School Superintendent Don Ford, and the staff and commission of Parks and Recreation for their assistance. She noted that there will be other opportunities in the future to connect other trails. Following further discussion and comments, Council Member Green offered a motion to endorse the application for the grant. The motion was seconded by Council Member Byrd, and approved with a unanimous vote of Council.

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

RESOLUTION

WHEREAS, Valley Microenterprise Alliance is a program designed to encourage Harrisonburg and Rockingham County residents who wish to pursue the establishment of their own small businesses, and

WHEREAS, the Alliance promotes the start-up, sustainability, and growth of microenterprises in the Shenandoah Valley region, and

WHEREAS, the goal of the Alliance is to create jobs and income potential for the microenterprise sector, helping people reach their full potential and encouraging community development, and

WHEREAS, the Alliance seeks to align resources with community partners to fill a niche that is under-served. Valley Microenterprise Alliance will offer financial resources, role models, and business skills to help local residents move from dream to reality in creating businesses of their own;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Harrisonburg, Virginia that said Council endorses the efforts of the Valley Microenterprise Alliance to better serve current and future entrepreneurs within the Valley, and

BE IT FURTHER RESOLVED that said Council endorses the Alliance's application to the Virginia Department of Housing and Community Development to receive a Planning Grant of up to \$25,000 to initiate this program.

Given under my hand this ninth day of March, 1999.

Rodney L. Eagle, Mayor

Attest:

Yvonne Ryan, CMC, City Clerk

Economic Development Director Shull presented a request from Valley Microenterprise Alliance, a local non-profit newly formed corporation. He explained that the Alliance is applying to the Community Development Block Grant Program for a Planning Grant to establish a local loan pool targeted for business owners in this area who employ five or fewer employees and need \$25,000 or less. This program can tie in very nicely with our small business development center that works with larger companies. No funding is

requested from the City of Harrisonburg. To date the Alliance has received \$19,000 in cash donations and commitments to support this effort. Vice-Mayor Lantz offered a motion to support this application. The motion was seconded by Council Member Rogers, and approved with a unanimous vote of Council.

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

RESOLUTION

WHEREAS, that due to construction, reconstruction, or elimination of certain streets within the City limits of Harrisonburg, there are deletions and additions of street mileage which are eligible for maintenance payments.

- 1. Collector/local streets to be deleted, totaling 0.15 center line miles (0.30 lane miles).**
- 2. Collector/local streets to be added, which meet the requirements of Section 33.1-41.1 of the Code of Virginia as of February 22, 1985, that are eligible for maintenance payments totaling 1.04 center line miles (3.62 lane miles). Said street being listed on accompanying U-1 (7-1-85), Virginia Department of Transportation form and shown in red on City map.**
- 3. Principal/Minor Arterial streets to be deleted, totaling 0 center line miles (0 lane miles).**
- 4. Principal/Minor Arterial streets to be added, which meet the requirements of Section 33.1-41.1 of the Code of Virginia as of February 22, 1985, that are eligible for maintenance payments totaling 0 center line miles (0 lane miles). Said streets being listed on accompanying U-1 (7-1-85), Virginia Department of Transportation form and shown in red on City map.**

NOW, THEREFORE, BE IT RESOLVED THAT, the City of Harrisonburg respectfully requests the Virginia Department of Transportation to make maintenance payments effective July 1, 1999.

Adopted by the Harrisonburg City Council the _____ day of March, 1999.

Mayor

Attest:

Clerk of City Council

Assistant City Manager Baker said that this resolution will add newly developed streets to VDOT Urban Street Inventory. By adding these streets to the inventory the City will be reimbursed from the State and will receive future urban maintenance funding. Vice-Mayor Lantz offered a motion to approve this resolution adding these streets to the VDOT inventory. The motion was seconded by Council Member Green, and approved with a unanimous vote of Council.

Assistant City Manager Baker presented for Council's consideration a resolution concerning voluntary working of prisoners. He explained that this resolution would allow prisoners to receive credit for good behavior for every eight hours worked toward their sentence. This resolution will be in effect from January 1, 1999 through December 31, 1999. Vice-Mayor Lantz offered a motion to approve this resolution. The motion was seconded by Council Member Rogers, and approved with a unanimous vote of Council.

Assistant City Manager Baker presented a request to increase the 1998-99 budget. He explained that the City had purchased land from Northside, LLC for an industrial park and gave a note in payment for the land. The

City has sold some of this land and the proceeds from the land sale have been used to make two prepayments on the note. Council Member Green offered a motion to approve this request for a first reading, and that:

\$112,988.00 1000-34012 Sale of Land

\$112,988.00 1000-980142-49105 Industrial Park Real Estate Note

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

Vote: Yes - Vice-Mayor Lantz

Council Member Green

Council Member Rogers

Council Member Byrd

Mayor Eagle

No - None

Council Member Green said that he had received several telephone calls regarding the far right lane on 33 East and University Boulevard backing up to Cantrell Avenue. He said that the problem has been created since Reservoir Street has been closed. Motorists are moving forward in this lane rather than turning right and backing up traffic at various times during the day. He suggested that signage could help with this problem by advising motorists to get into the proper lane.

At 8:23 p.m., Council Member Rogers offered a motion that Council enter an executive session for discussion and consideration of the acquisition of real estate to be used for public purposes, exempt from public meeting requirements pursuant to Section 2.1-344(A)(1) of the Code of Virginia, 1950, amended. The motion was seconded by Council Member Green, and approved with a unanimous vote of Council.

At 9:03 p.m., the executive session was declared closed and the regular session reconvened. The following statement was agreed to with a unanimous recorded vote of the 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 matters as were identified in the motion by which the executive or closed meeting were convened, were heard, discussed or considered in the executive session by the City Council.

At 9:04 p.m., there being no further business and on motion adopted the meeting was recessed until March 15, 1999 at 7:00 p.m., at Rockingham Memorial Hospital at which time Council plans to convene in executive session to meet with the Parks and Recreation Commission.

CLERK

MAYOR

cc: City Council

City Manager

Assistant City Manager

Director of Finance

Public Library

Charlene Rice