

REGULAR MEETING

JUNE 22, 2004

At a regular meeting of Council held this evening at 7:30 p.m., there were present: Mayor Joseph Gus Fitzgerald; City Manager Roger Baker; Assistant City Manager Kurt Hodgen; City Attorney Thomas H. Miller, Jr., Vice-Mayor Larry M. Rogers; Council Members Carolyn W. Frank; Dorn W. Peterson; Hugh J. Lantz; City Clerk Yvonne "Bonnie" Ryan, CMC/MMCA, and Chief of Police Donald Harper.

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

Bob Steere, a resident of the City, requested that Mayor Fitzgerald proclaim the week of June 20-27 as "Massanutten/Valley Amateur Radio Week". He also invited everyone to the field day emergency exercises being held on Saturday, June 26th and Sunday, June 27th.

Council Member Peterson offered a motion to approve the consent agenda, including approval of the minutes as amended and the second reading of a Supplemental Appropriation for the Fire Department and the City's Golf Course Fund. The motion also included the second reading enacting Section 11-7-11 and amending and re-enacting Section 7-1-15, 7-1-21, 7-4-1, 13-1-3, 13-1-25, 5-2-35 and 7-4-22 of the Harrisonburg City Code. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

Public Works Director Baker presented a brief overview of the proposed Solid Waste Management Plan. He said that the Department of Environmental Quality requires that the City update the plan every five years. He reviewed the basic plan, which sets forth solid waste management goals and objectives, and describes the planning for the future to protect the health, safety and welfare of the citizens of Harrisonburg. The plan includes all aspects of solid waste including recycling, landfill and collection, and resource recovery at the steam plant. Mr. Baker recognized Meki Shifflett, Recycling Supervisor, for her remarkable job in putting the program together and saving the City the expense of hiring an outside consultant.

At 7:40 p.m., Mayor Fitzgerald 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 Friday, June 11, 2004.

NOTICE OF PUBLIC HEARING
City Council Chambers
Tuesday, June 22, 2004
7:30 p.m.

The Harrisonburg City Council will hold a public hearing on Tuesday, June 22, 2004, at 7:30 p.m., in the City Council Chambers, Municipal Building, 345 South Main Street, Harrisonburg, Virginia, to receive public comments on the following:

A Solid Waste Management Plan prepared for and submitted to the Virginia Department of Environmental Quality. A copy of said plan is available for public review at the office of the City Manager, 345 South Main Street, Harrisonburg, VA. Information is also available at the Public Works office located at 320 East Mosby Road, Harrisonburg, VA – Telephone 540-434-5928.

CITY OF HARRISONBURG
Roger D. Baker
City Manager

Mayor Fitzgerald called on anyone desiring to speak for or against this proposed Solid Waste Management Plan. There being no one desiring to be heard, the public hearing was declared closed at 7:41 p.m., and the regular session reconvened. Council Member Peterson offered a motion to approve this Solid Waste Management Plan as presented. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

The next item was a request by the Harrisonburg Redevelopment & Housing Authority. Michael Wong, Director of HRHA, said that the authority intends to obtain a bridge loan for the Lucy F. Simms Project. It is anticipated that the City will be reimbursed for a portion of the cost of construction and renovation of the Simms Center. The authority hopes to obtain Historical Tax Credits. Mr. Wong reviewed how the funding would be utilized for the project.

At 7:47 p.m., Mayor Fitzgerald 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 Wednesday, June 9, and Wednesday, June 16, 2004.

NOTICE OF PUBLIC HEARING

On Tuesday, June 22, 2004 the City Council of the City of Harrisonburg, Virginia, will conduct a public hearing in accordance with Section 15.2-2606 of the Code of Virginia regarding the proposed guarantee by the City to the Harrisonburg Redevelopment and Housing Authority of the repayment of certain loans totaling not more than \$3,000,000. The Authority intends to lend the Boys & Girls Club of Harrisonburg and Rockingham County up to \$1,700,000, the Association for Retarded Citizens-Harrisonburg/Rockingham, Inc. up to \$600,000 and the Virginia Historic and Housing Equity Fund of Virginia I.L.L.C. (the "Fund") or a limited partnership or company of which the Fund has a membership or ownership interest up to \$700,000 (collectively the "Borrowers"). The Authority will seek City approval at such meeting to form such a limited partnership or company in order to facilitate the further development of the Simms Community Center. It is proposed that the City guarantee the repayment of such loans to the Authority. The general purpose of the proposed guarantee is to provide funds to repay a portion of the indebtedness of the City of Harrisonburg which was incurred in order to finance certain construction, capital improvement and renovation costs undertaken for the benefit of the Simms Community Center facility currently owned by the City and located at 620 Simms Avenue, Harrisonburg, Virginia 22802, together with related expenses. The Borrowers have agreed to pay certain sums towards the construction and renovation of the Simms Community Center in exchange for certain agreements to be made with various parties regarding the use of the Center. The City previously advanced funds necessary to construct and renovate the Center, and the guarantee proposed to be provided by the City shall enable a portion of such City debt to be retired.

The public hearing, which may be continued or adjourned, will be conducted at 7:30 p.m. in the Municipal Building, City Council Chamber, 345 South Main Street, Harrisonburg, Virginia 22801. Interested persons may appear at such time and place and present their views.

Mayor Fitzgerald called on anyone desiring to speak for or against the loan. There being no one desiring to be heard, the public hearing was declared closed at 7:48 p.m., and the regular session reconvened.

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

RESOLUTION AUTHORIZING THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY TO OBTAIN FINANCING IN ORDER TO RETIRE A PORTION OF CITY DEBT AND OTHER MATTERS CONCERNING THE LUCY F. SIMMS CONTINUING EDUCATION CENTER

WHEREAS, the City of Harrisonburg, Virginia (the "City"), in cooperation with the Harrisonburg Redevelopment and Housing Authority (the "Authority") has decided to assist in the construction and renovation of the Lucy F. Simms Continuing Education Center (the "Simms Center"); and,

WHEREAS, the Simms Center will be utilized as a community education center in order to promote life-long learning and to enhance the health, safety and welfare of the citizens of the Harrisonburg/Rockingham County community; and,

WHEREAS, on March 25, July 22, September 23, November 11 and November 25 of 2003 the City passed resolutions in support of the Simms Center, including agreeing to finance the entire cost of the Simms Center during construction and renovation; and,

WHEREAS, the funding for the Simms Center is still expected to come from the following sources:

1. The Boys & Girls Club Capital Campaign	\$ 1,500,000
2. The ARC/OP Shop of Harrisonburg/Rockingham County	500,000
3. Historical Tax Credits	800,000
4. City Contribution	<u>2,700,000</u>
Total:	\$ 5,500,000

WHEREAS, it is anticipated that the City will be reimbursed for a portion of the cost of construction and renovation of the Simms Center from the funding sources described above, with the exclusion of the City Contribution; and,

WHEREAS, in order to reimburse the City, the Authority intends to obtain a bridge loan (the "Bridge Loan") from SunTrust Bank (the "Bank"), the proceeds of which will be lent to the Boys & Girls Club of Harrisonburg and Rockingham County, the Harrisonburg-Rockingham Association for Retarded Children, Inc., and Lucy F. Simms, L.P., a taxable limited partnership to be formed by the Authority that can use the Historical Tax Credits, (collectively the "Borrowers"); and,

WHEREAS, the Borrowers will utilize such funds in order to finance some or all of their contributions to the Simms Center, which contributions will be used to assist in the refunding of \$2,970,000 in City Notes that were issued in order to finance the construction and renovation of the Simms Center; and,

WHEREAS, as the proceeds of the Bridge Loan will be used to refund the City Notes, it has been requested that the City guarantee payment of the Bridge Loan by the Borrowers to the Authority; and,

WHEREAS, substantially final forms of the following documents have been presented at this meeting: (a) City Guaranty Agreement, (b) Authority Note to the Boys & Girls Club of Harrisonburg and Rockingham County, (c) Authority Note to the Harrisonburg-Rockingham Association for Retarded Children, Inc., and, (d) Authority Note to Lucy F. Simms, L.P.

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 the Authority to obtain the Bridge Loan in the maximum amount of \$2,700,000 from the Bank and to lend it to the Borrowers in the amounts set forth in paragraph 4. The maximum interest rate on the Bridge Loan will be 4.5% per annum.

3. The City authorizes the Authority to apply for and, if received, utilize an Economic Development and Growth Enhancement loan that would reduce the interest rate payable on the Bridge Loan.

4. The City's full faith and credit is irrevocably pledged to the guarantee of repayment of the Bridge Loan by the Borrowers to the Authority up to the following amounts:

A) The Boys & Girls Club of Harrisonburg and Rockingham County	\$ 1,500,000
B) The Harrisonburg-Rockingham Association for Retarded Children, Inc.	\$500,000
C) Limited Partnership	\$700,000
Total City Guarantee:	\$ 2,700,000

5. The City Manager and Mayor, either of whom may act, are hereby authorized and directed to execute the City Guaranty Agreement in favor of the Authority as described in this resolution, which shall be in substantially the form submitted to this meeting, with such changes as may be approved by the City Manager or the Mayor. The City Manager and Mayor are also authorized to take such other actions as are necessary to fulfill the City's commitments set forth in this resolution.

6. The City approves of the Authority's formation of a limited partnership and a limited company so that the Historical Tax Credits can be obtained from the Simms Center. It is anticipated that the members of the partnership and company will be the Authority, the Borrowers, taxable companies that benefit from tax credits, and a management entity.

7. The Resolutions passed by the City Council on March 25, July 22, September 23, November 11 and November 25 of 2003 shall continue in full force and effect, as modified by this Resolution.

This Resolution shall take effect immediately upon its adoption.

READ AND ADOPTED: June 22, 2004

CERTIFICATE

Record of the roll-call vote by the City Council of the City of Harrisonburg, Virginia, upon reading of a resolution titled "RESOLUTION AUTHORIZING THE HARRISONBURG REDEVELOPMENT AND HOUSING AUTHORITY TO OBTAIN FINANCING IN ORDER TO RETIRE A PORTION OF CITY DEBT AND OTHER MATTERS CONCERNING THE LUCY F. SIMMS CONTINUING EDUCATION CENTER," taken at a regular meeting of the City Council held on June 22, 2004:

	AYE	NAY	ABSTAIN	ABSENT
Joseph G. Fitzgerald, Mayor	X			
Larry M. Rogers, Vice-Mayor			X	
Carolyn W. Frank			X	
Hugh J. Lantz	X			
Dorn W. Peterson	X			

Dated: June 22, 2004

(SEAL)

Mayor, City of Harrisonburg, Virginia

ATTEST:

Clerk, City Council of the City of
Harrisonburg, Virginia

The undersigned Clerk of the City Council of the City of Harrisonburg, Virginia (the "City Council") hereby certifies that the foregoing is a true, correct and complete copy of a Resolution adopted by the City Council at its meeting duly called and held on June 22, 2004, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect as of the date hereof.

WITNESS my hand and the seal of the City of Harrisonburg, Virginia this ____ day of _____, 2004.

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

Following further discussion and comments, Council Member Peterson offered a motion to approve this resolution. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Lantz
Mayor Fitzgerald

Abstained – Council Member Frank
Vice-Mayor Rogers

Absent – None

The next item of business was a request for a street closing for Valley 4th. Robin Iten Porter, Executive Director of the Arts Council, said that a parade and musical performance as part of the Valley 4th event will be held on Monday, July 5th. The area to be closed for the parade, which will begin at 5:00 p.m., will be from Campbell Street to the county administration building. She said that the request also includes closing a small portion of West Market Street from Court Square to Liberty Street at noon on July 5th. This will allow adequate time to locate the stage for the evening's musical entertainment. Moving the stage and tent to the West side of the square will allow better sightlines for a larger number of people. City Manager Baker reminded everyone that a fire lane must be kept open for emergency vehicles. Council Member Frank offered a motion to approve this request. The motion was approved with a unanimous vote of Council.

Planning and Community Development Director Turner introduced a request for variances by Orden Harmon for a preliminary plat of 49 townhouse lots. The site consists of an 8.176-acre parcel. The property is zoned R-3, Multiple Dwelling Residential District and is located at the north end of Buttonwood Court. She said that these lots will all front on a yet to be constructed private street. This proposed design requires two variances to the City Code including that all lots front on a public street and requiring that all dead end public street terminate with a cul-de-sac. The Comprehensive Plan designates this area as Medium-Density Residential. She reviewed the surrounding uses in the area. The townhouses on the west side of the proposed private street of the development will have garages with a driveway accommodating two cars. The townhouses on the east side of the development will have two and one-half parking spaces per lot in front of the units. A total of 146 parking spaces will be provided. This exceeds the City's requirement by 23 spaces. The applicant has informed staff that he will be installing speed tables to reduce the risk of high-speed traffic through this development. She said that Planning Commission has recommended approval of the request.

Randy Harman, reviewed several aspects of the proposed development and said that because of the steepness of the terrain, even though these townhouses will be three levels, they will sit below the sight distances of all of the houses located on Park Road. The units will contain

approximately 2,000 square feet on all three levels. Each unit will have an all brick facade on the front.

Following further discussion and comments, Vice-Mayor Rogers offered a motion to approve this request. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

The next item of business was a request from the City Treasurer to charge off uncollectable personal property taxes for the year 1998 and real estate taxes for the year 1983. City Manager Baker said the 1983 real estate tax being written off is \$174.85 and the 1998 personal property taxes' amount is \$84,847.83. Council Member Peterson offered a motion to approve this request. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

The next item of business was a request from the City Treasurer to advertise delinquent real estate taxes in the Daily News-Record. Council Member Peterson said that according to City Code Section 4-1-28 the Treasurer should submit this request to the City Council at its July meeting. He said it was inappropriate for this Council to vote on the request. He offered a motion to table this request until the next meeting in July. There was a consensus of Council to table this request.

The next item of business was a request by the Town of Dayton to purchase City property. City Manager Baker said the Town of Dayton has been leasing a small parcel of land containing .666 acres from the City since 1978. He said that the City might have a need for this parcel of land in the future and staff has recommended that the land not be sold. Vice-Mayor Rogers offered a motion to reject this request. The motion was approved with a unanimous vote of Council.

Public Works Director Baker presented a request for a transfer for the Public Works Department. He said these existing funds, which are available in the operational budget need to be transferred to the future Port Republic Road project allowing this project to get started. Vice-Mayor Rogers offered a motion to transfer these funds.

\$ 5,700.00 chge. to: 1000-410241-43320 Service Contracts
475,800.00 chge. to: 1000-410241-43374 Maintenance & Repairs-Allowable
54,500.00 chge. to: 1000-410241-43375 Maintenance & Repairs-Non-Allowable

\$536,000.00 approp. to: 1000-990111-49216 Transfer to Capital Projects
536,000.00 approp. to: 1310-910141-48617 Port Republic Road Street Improvements

The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

Public Works Director Baker presented a request for a transfer for the Public Works Department. He said that these funds will be used to complete road improvements from Devon Lane to Peach Grove/Neff Avenue intersection. Vice-Mayor Rogers offered a motion to transfer these funds.

\$ 97,731.83 chge. to: 1310-910141-48615 N. Main Street Bridge-Blacks Run
1,359.15 chge. to: 1310-910141-48618 North Main Street Bridge @ Johnson
106,563.33 chge. to: 1310-910141-48620 Burgess Road Extension
488,198.38 chge. to: 1310-910141-48638 Cantrell Avenue Road Improvements
\$693,852.69 approp. to: 1310-910141-48617 Port Republic Road Street Improvements

The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

City Manager Baker presented a request to transfer funds for the School Board. The City School system is suppose to receive \$1,265,685 more in state revenues than included in the original 2004-2005 school budget. After considering VRS and GLI changes, an amount of \$291,433 is needed to fully fund the school's 2004-05 budget. Therefore as previously promised by the School Board, the remaining addition amount of \$974,252 is being used to reduce the General Fund's transfer to the School Fund. Approval of this request will neither increase nor

decrease the City's 2004-2005 budget only how the money is allocated. Council Member Peterson offered a motion to transfer these funds.

\$974,252.00 chge. to: 1000-990111-49220 Transfer to School Fund

\$974,250.00 approp. to: 1000-31010 Amount from fund balance

The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

Police Chief Harper presented a request for a supplemental appropriation for the Police Department. He said that these funds were received through a grant from the Bureau of Justice's Bulletproof Vest Program. Vice-Mayor Rogers offered a motion to approve request for a first reading, and that:

\$5,473.00 chge. to: 1000-33504 Bullet proof vest grant

\$5,473.00 approp. to: 1000-310231-481240 Bullet proof vests

The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

Parks and Recreation Director Foerster presented a request for the Parks and Recreation Department. He said that these funds will establish the budget for the Blacks Run Greenway position made possible by a one million dollar endowment from Zane Showker with the Harrisonburg-Rockingham Community Foundation. The City has received a check and will continue to receive funds from the Zane Showker endowment for fiscal year 2004-2005. The City also received an reimbursement grant from the Virginia Division of Forestry for the Blacks Run Greenway project. Council Member Lantz offered a motion to approve this request for a first reading, and that:

\$51,755.00 chge, to: 1000-31823 Donations Blacks Run Greenway

\$28,017.00 approp. to: 1000-710971-41010 Salaries & Wages
156.00 approp. to: 1000-710971-41015 Employer Benefit
2,143.00 approp. to: 1000-710971-42010 FICA
4,203.00 approp. to: 1000-710971-42020 Retirement-VRS
7,898.00 approp. to: 1000-710971-42050 Hospital Insurance
530.00 approp. to: 1000-710971-42110 Worker's Comp.
400.00 approp. to: 1000-710971-42120 Clothing Allowance
38.00 approp. to: 1000-710971-42160 Flex Spending Plan
300.00 approp. to: 1000-710971-43110 Medical Services
500.00 approp. to: 1000-710971-43600 Advertising
800.00 approp. to: 1000-710971-44200 Central Garage
1,500.00 approp. to: 1000-710971-44310 C.S. Powered Equipment Fuel
200.00 approp. to: 1000-710971-45230 Telecommunication
670.00 approp. to: 1000-710971-45350 Motor Vehicle Insurance
1,200.00 approp. to: 1000-710971-45530 Training & Travel
3,200.00 approp. to: 1000-710971-46140 Other Operating

The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

The next item of business was a resolution authorizing the City Manager to apply for grant funding from the Homeland Security funds from the Department of Justice. The request also designated City Manager Roger D. Baker as the Designated Agent for the City of Harrisonburg. Council Member Peterson offered a motion to approve this request. The recorded roll call vote was taken as follows:

Vote: Yes - Council Member Peterson
Council Member Frank
Council Member Lantz
Vice-Mayor Rogers
Mayor Fitzgerald

Absent – None

Council Member Peterson offered a motion that Stacy Turner be appointed to a term on the Central Shenandoah Planning District Commission to expire on June 30, 2007. The motion was approved with a unanimous vote of Council.

At 8:20 p.m., there being no further business and on motion adopted the meeting was adjourned.

CITY CLERK

MAYOR