

REGULAR MEETING

FEBRUARY 28, 2006

At a regular meeting of Council held this evening at 7:30 p.m., there were present: Mayor Larry Rogers; City Manager Roger Baker; Assistant City Manager Kurt Hodgen; City Attorney Earl Q. Thumma, Jr.; Vice-Mayor Rodney L. Eagle; Council Members Charles R. Chenault; Hugh J. Lantz; and George W. Pace; City Clerk Yvonne "Bonnie" Ryan, CMC/MMCA, and Chief of Police Donald Harper.

Vice-Mayor Eagle gave the invocation and Mayor Rogers led everyone in the Pledge of Allegiance.

Council Member Chenault offered a motion to approve the consent agenda, including approval of the minutes and the second reading of a supplemental appropriation for the School Board and City's 2005-2006 budget. The motion was seconded by Vice-Mayor Eagle, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Lantz
Vice-Mayor Eagle
Council Member Pace
Council Member Chenault
Mayor Rogers

Absent – None

Transportation Director Smith explained that this is the annual application for operating funds for the state formula assistance and capital assistance funds. The City applies directly to the Federal Government for funding under the Federal Transit Administration Section 5307. Mr. Smith said the proposed budget is approximately \$2.4 million of which the City should receive \$593,700 in Federal operating assistance and approximately \$500,000 in formula funds from the state. He also said that some of the funds will be used to purchase five transit buses, bus stop shelters, and voice announcement system.

At 7:40 p.m., Mayor Rogers 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, February 18, and Saturday, February 25, 2006.

NOTICE OF PUBLIC HEARING

The City of Harrisonburg is currently preparing the annual grant application for Operating and Capital Funds for FY07. This application is for Federal and State funds under the Federal Transit Administration 49USC Section 5307.

A public hearing for this application will be held on Tuesday, February 28, 2006, at the City Council meeting. This meeting will be held in Council Chambers in the Municipal Building at 7:30 p.m. All interested citizens are encouraged to attend.

Comments and suggestions for the Transit System are encouraged and welcomed. Please contact Reggie Smith or Vicki Conley before February 27, 2006 at 540-432-0492; or mail comments to Harrisonburg Public Transit, 475 East Washington Street, Harrisonburg, VA 22802.

Mayor Rogers called on anyone desiring to speak for or against this grant application. There being no one desiring to be heard, the public hearing was declared closed at 7:42 p.m., and the regular session reconvened. Following further discussion and comments, Council Member Chenault offered a motion to approve the application as presented. The motion was seconded by Council Member Pace, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Lantz
Vice-Mayor Eagle
Council Member Pace
Council Member Chenault
Mayor Rogers

Absent – None

City Manager Baker presented a request for supplemental appropriations for the School Board, Public Works Department, and Fire Department. Funds for the schools will be used to purchase land, renovation of an old building, and make an interim payment for architect fees. The Public Works Department funds will be used for operational expenses in the new expanded purchasing facility. The Fire Department funds were received for fire programs and from donations and will be used for travel, training and equipment.

At 7:51 p.m., Mayor Rogers 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 Monday, February 20, 2006.

NOTICE OF PUBLIC HEARING

A public hearing will be held by the Harrisonburg City Council on Tuesday, February 28, 2006 at 7:30 p.m., in the Harrisonburg Municipal Building, 345 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 2005-2006 budget in the gross amount of \$4,380,868.09, net amount of \$2,203,637.09. This amount represents funds from the General Fund unappropriated fund balance, Fire Department donations and interest earned on school bonds.

The budget increase will be as noted below:

Revenues:

General Fund:		2,177,231.00
Fire Programs funds		3,267.00
Donations		<u>4,510.00</u>
Total General Fund		2,185,008.00
School Fund:		
Transfers from General Fund		100,000.00
Central Stores Fund:		
Transfers from General Fund		52,481.00
School Capital Projects Fund:		
Amount from fund balance		4,052.00
Investment earnings		14,577.09
Transferred from General Fund	<u>2,024,750.00</u>	<u>2,043,379.09</u>
Total revenues		<u>4,380,868.09</u>
Expenditures		
General Fund:		
Fire Department-Suppression:		
Travel and training		4,510.00
Equipment		3,267.00
Transfer to Central Stores Fund		52,481.00
Transfer to School Fund		100,000.00
Transfer to School Capital Project Fund		2,024,750.00
Total General Fund		2,185,008.00
School fund:		
Operation and maintenance		100,000.00
Central Stores Fund:		
Various expenditure categories		52,481.00
School Capital Projects Fund:		
Elementary/Middle School		<u>2,043,379.09</u>
Total expenditures		<u>4,380,868.09</u>

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
Roger D. Baker
City Manager**

Mayor Rogers called on anyone desiring to speak for or against these supplemental appropriations. There being no one desiring to be heard, the public hearing was declared closed

at 7:55.m., and the regular session reconvened. Council Member Chenault offered a motion to approve this request for a first reading, and that:

\$2,124,750.00 chge. to: 1000-31010 Amount from fund balance

100,000.00 approp. to: 1000-990111-49220 Transfer to School Fund

2,024,750.00 approp. to: 1000-990111-49225 Transfer to School Capital Projects

\$ 100,000.00 chge. to: 1111-34210 Transfer from General Fund

2,024,750.00 chge. to: 1311-34210 Transfer from General Fund

4,052.00 chge. to: 1311-31010 Amount from fund balance

14,577.09 chge. to: 1311-31513 Investments earning

\$ 100,000.00 approp. to: 1111-111114-40640 Operations and maintenance

2,043,379.09 approp. to: 1311-910114-48700 Elementary/Middle School

\$ 52,481.00 chge. to: 1000-31010 Amount from fund balance

52,481.00 approp. to: 1000-990111-49260 Transfer to Central Stores Fund

\$ 52,481.00 chge. to: Transfer from General Fund

\$ 20,165.00 approp. to: 2112-712141-41010 Salaries & Wages, Regular

156.00 approp. to: 2112-712141-41015 Employer Benefit Match

1,129.00 approp. to: 2112-712141-42010 FICA

3,311.00 approp. to: 2112-712141-42020 Retirement – VRS

7,300.00 approp. to: 2112-712141-42050 Hospital Insurance

64.00 approp. to: 2112-712141-42110 Worker's Compensation

22.00 approp. to: 2112-712141-42160 Flex. Spending Plan Cost

5,000.00 approp. to: 2112-712141-43320 Service Contracts

379.00 approp. to: 2112-712141-43340 Maint & Rep-Furn. & Fixtures

346.00 approp. to: 2112-712141-43600 Advertising

150.00 approp. to: 2112-712141-43710 Uniform Maintenance Contract

1,280.00 approp. to: 2112-712141-44302 C.S. Powered Equip. Supplies

2,300.00 approp. to: 2112-712141-45110 Electricity

1,400.00 approp. to: 2112-712141-45120 Hearing

36.00 approp. to: 2112-712141-45340 Property Insurance

20.00 approp. to: 2112-712141-45370 Pub. Official Liability Insurance

300.00 approp. to: 2112-712141-46010 Office Supplies

1,500.00 approp. to: 2112-712141-46140 Other Operating Supplies

7,623.00 approp. to: 2112-712141-48121 Furniture & Fixtures

\$ 3,267.00 chge. to: 1000-32512 Fire Programs Funds

4,510.00 chge. to: 1000-31809 Donations

4,510.00 approp. to: 1000-320232-45530 Travel & Training

3,267.00 approp. to: 1000-320232-48113 Equipment

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

Vote: Yes - Council Member Lantz
Vice-Mayor Eagle
Council Member Pace
Council Member Chenault
Mayor Rogers

Absent – None

A presentation by Blue Ridge Community College was postponed until a later meeting.

City Manager Baker introduced a request from Virginia Self Storage Partners II, LLC, for an extension of a City water main into Rockingham County. He said approving this request would allow the relocation of a City fire hydrant. This extension would only be used for fire protection. The self-storage business will continue to be connected to Rockingham County for their potable water supply. All construction and materials of this extension would be the responsibility of the applicant. The City would maintain the hydrant in a public water easement. He said that Planning Commission recommended approval. Council Member Lantz offered a motion to approve this request as presented. The motion was seconded by Council Member Chenault, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Lantz
Vice-Mayor Eagle
Council Member Pace
Council Member Chenault
Mayor Rogers

Absent – None

Brian Shull, Economic Development Director, presented an overview on tourism initiatives, technology advances, and overall commercial/industrial activities within the City. He said the tourism and visitor services center operates in the Hardesty-Higgins House. This new location is more attractive, centrally located, easier to find and is in the heart of downtown. During the fourth quarter of 2005, the center had 4,491 walk-in visitors in comparison to 2,306 for the same time period in 2004. Total visits increased from 664 in January 2005 to 1,271 in January 2006. A tremendous effort has been directed toward the website design (harrisonburgtourism.com). During the fourth quarter of 2005 this website had 891,768 hits in comparison to 663,865 for the same time period in 2005. Tourism across the state is down, but not in Harrisonburg. Local tax revenue figures through the first eight months of FY 2006 include \$1 million in lodging taxes, meal taxes at \$4.2 million and sales tax revenues at \$7.7 million. The City's tremendous retail boom has generated a lot of sales tax revenue. Harrisonburg serves as a retail hub and generated \$967 million in retail sales in 2004, which represents a 12% increase over 2003. The City is on track to top one billion dollars in sales for 2005. He reviewed statistics for manufacturing, distribution and growth in the downtown area.

The City is working on a new initiative called distributed services, which concentrates on attracting business units that do not need to be centrally located at company headquarter.

Assistant Economic Developer Director Jim Barnes said that one new technology company is moving into the technology zone in the downtown area. Council has approved the IPv6 wireless initiative, which is the latest, the best and most secure technology of its type in the world. World AirWaves, the franchisee, has been meeting with City staff as well as other parties that are critical to the success of this particular project. The first phase of this project (downtown) will be completed by April 1, 2006. Phase two should be completed by July 31, 2006. The third phase of operation will begin in mid August and should fill in any gaps that are not being covered Citywide. This wireless initiative will be completed by the end of the year. He reviewed the Harrisonburg Innovation Company (HIC) timeline including the dates of abatement, demolition, renovation and completion by July 2007.

Community Development Block Grant Coordinator Kim Alexander presented an overview of the preliminary budget recommendations for 2007 CDBG program and amendments. She said the CDBG Review/Selection Committee has completed evaluations of the 2007 CDBG grant proposals. Council Member Chenault announced that after further review the committee will fully fund the Community Resource Center at \$6,000 and recommended that \$3,000 be removed from a traffic light project at Whetsel Seed Apartment. Ms. Alexander said six City projects were considered for funding and eight non-City applications were submitted (not including HRHA, to whom funding has already been committed). The entitlement amount for 2007 is \$550,442 dollars. Funds received in 2005-06 were \$613,398 and the first year consisted of \$648,000. It is a challenge in making the recommendations because the funding has been reduced. She reviewed the various City projects and public services that are being recommended to be funded.

The next item of business was granting a conservation easement along Blacks Run in Purcell Park. Parks and Recreation Director Foerster said the Parks and Recreation Department and the Friends of the Blacks Run Greenway have been working with the Canaan Valley Institute for over a year to obtain grant funds of over \$200,000 to correct and stabilize the banks of Blacks Run in Purcell Park. The granting of conservation easement along the stream is part of this process. The easement will be held by the Valley Conservation Council with the approval of the Nature Conservancy. City Attorney Thumma said details of the easement still need to be determined. Approval of the easement is contingent upon the grant money being received. Vice-Mayor Eagle offered a motion to approve granting this easement provided the City received the grant money. The motion was seconded by Council Member Chenault, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Lantz
Vice-Mayor Eagle
Council Member Pace
Council Member Chenault
Mayor Rogers

Absent – None

The next item of business was a request to use the City lot behind the Municipal Building. City Manager Baker said that the March of Dimes will once again be holding WalkAmerica in Harrisonburg. The event is scheduled for Saturday, April 22, 2005. The City lot will be used as a staging area as well as for pre-and post-walk events. No street closings will be requested. Council Member Pace offered a motion to approve this request. The motion was seconded by Vice-Mayor Eagle, and approved with a unanimous vote of Council.

City Manager Baker presented the following resolution for Council's consideration of approval:

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HARRISONBURG,
VIRGINIA, REGARDING THE REIMBURSEMENT OF EXPENSES AND COSTS
INCURRED BY THE CITY, OUT OF THE BOND PROCEEDS TO BE USED FOR THE
ACQUISITION OF REAL ESTATE, THE CONSTRUCTION OF LINDA LANE
EXTENDED AND THE CONSTRUCTION OF AN ELEMENTARY SCHOOL AND A
MIDDLE SCHOOL**

WHEREAS, the City is in the process of planning the construction of Linda Lane Extended, the construction of a new elementary school and the construction of a new middle school, along with the acquisition of the necessary real estate upon which to construct the same; and

WHEREAS, the acquisition of real estate, the construction of Linda Lane Extended, the construction of a new elementary and middle school will require the City to issue general obligation bonds in an amount estimated to be around Forty Five Million Dollars (\$45,000,000.00); and

WHEREAS, the City intends to reimburse itself out of the bond proceeds for all expenditures and costs associated with the acquisition of real estate, the construction of Linda Lane Extended, and the construction of a new elementary and middle school, which are properly reimbursable under all State and Federal laws, and which are incurred and paid prior to the issuance of the bonds;

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

1. The City of Harrisonburg will be issuing general obligation bonds that are estimated to be in the amount of Forty Five Million Dollars (\$45,000,000.00) to pay for the acquisition of real estate, the construction of Linda Lane Extended, and the construction of an elementary and a middle school.

2. The City of Harrisonburg shall be reimbursed from the proceeds of the bonds and for all costs and expenditures, which are properly reimbursable under State and Federal laws, incurred for the acquisition of real estate, the construction of Linda Lane Extended, and the construction of an elementary and a middle school. The City represents

that it will pay certain expenditures out of general funds for the acquisition of real estate, the construction of Linda Lane Extended and the construction of an elementary school and a middle school prior to the issuance of the general obligation bonds. Therefore, it is hereby declared to be the intent to reimburse the City with a portion of the proceeds of the Bonds for expenditures related to the acquisition of real estate, the construction of Linda Land Extended, and the construction of an elementary school and a middle school that were paid with general funds of the City and made no earlier than 60 days prior to the adoption of this resolution and on and after the date hereof.

Each of the expenditures was and shall be either (a) of a type properly chargeable to capital accounts under general federal income tax principles (determined in each case as of the date of the expenditure), (b) a cost of issuance with respect to the borrowings, or (c) a nonrecurring item that is not customarily payable from current revenues. The City shall make a reimbursement allocation, in writing, to evidence the use of the proceeds of the bonds to reimburse each of the expenditures, no later than 18 months after the later of the date of which each expenditure is paid or the land is acquired, the street and schools are constructed and/or placed in service or abandoned, but in no event more than 3 years after the date on which the expenditure is paid, all in accordance with the Code and Treasury Regulations hereunder.

3. These forgoing provisions are intended as a declaration of official intent by the City in compliance with the Treasury Regulations under the Code regarding proceeds of tax exempt bonds used for reimbursement.

Approved: February 28, 2006.

MAYOR

ATTEST:

CLERK OF THE COUNCIL

City Manager Baker said adopting this resolution allows the City to be reimbursed from bond proceeds. Council Member Lantz offered a motion to approve this resolution. The motion was seconded by Vice-Mayor Eagle, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Lantz
Vice-Mayor Eagle
Council Member Pace
Council Member Chenault
Mayor Rogers

Absent – None

Paul Lavigne, Executive director of Valley Program for Aging Services, thanked Council for its continued financial support.

Twila Leap from Mercy House thanked Council for its financial support. She said that HUD studies show that people most likely to become homeless are those people who have already been homeless.

Assistant City Manager Hodgen said that the City received a grant offer from the Department of Justice through the Edward Byrne Memorial Justice Assistance Program. It will be the City's intent to expend all grant funds \$13,305.00 during the upcoming fiscal year. These funds will be used for the Police Department.

At 8:45 p.m., Council Member Chenault offered a motion that Council enter a closed session for discussion and consideration of personnel and prospective candidates to be appointed to the Harrisonburg Parking Authority, Parks and Recreation Commission, Harrisonburg Transportation Safety Commission and Tree Advisory Board exempt from the public meeting requirements pursuant to Section 2.2-3711(A)(1) of the Code of Virginia. Discussion concerning a prospective business where no previous announcement has been made of the business' interest in locating within the City, exempt from public meeting requirements pursuant to Section 2.2-3711(A)(5) of the Code of Virginia. Discussion and consideration of the acquisition of real estate to be used for public purposes, exempt from public meeting requirements pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended. The motion was seconded by Council Member Lantz, and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Lantz
Vice-Mayor Eagle
Council Member Pace
Council Member Chenault
Mayor Rogers

Absent – None

At 10:10 p.m., the closed session ended and the regular session reconvened. City Clerk Ryan 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 requirements 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 10:15 p.m., there being no further business and on motion adopted the meeting was adjourned.

CITY CLERK

MAYOR

