

REGULAR MEETING

April 8, 2008

At a regular meeting of Council held this evening at 7:00 p.m., there were present: Mayor Rodney Eagle; City Manager Kurt Hodgen; City Attorney Earl Q. Thumma, Jr.; Vice-Mayor George W. Pace; Council Members Charles R. Chenault, Carolyn W. Frank, and Ted Byrd; City Clerk Yvonne “Bonnie” Ryan, MMC; and Chief of Police Donald Harper.

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

Mayor Eagle announced that April 13–19, 2008 is NATIONAL PUBLIC SAFETY TELECOMMUNICATIONS WEEK and that April 25, 2008 be observed as “ARBOR DAY” in the City of Harrisonburg.

Council Member Byrd offered a motion to approve the consent agenda, including approval of the minutes, the second reading of an appropriation for the Police Department and referring an alley-closing request by Muhlenberg Lutheran Church to the Planning Commission. The motion was seconded by Council Member Chenault and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

Planning and Community Development Director Turner introduced a request from RMC Corporation for a special use permit to allow recreation and leisure time activities within the M-1, General Industrial District. The property is located at 1000 South High Street and can be found on tax map 19-D-10. The Comprehensive Plan designates this area as Commercial. Mrs. Turner reviewed the surrounding uses in the area. The applicants are interested in operating a competitive training center for the instruction and practice of martial arts and wrestling within a large warehouse section of the building located on site. They hope to include fitness and exercise equipment and also to allow space and time allotments for physical education for home schooled children and an area for physical therapy and sports medicine. Other sections occupying the building include two professional offices and an auction company. Because this special use permit would open the door to allow other recreational and leisure time activities such as paintball facilities and go cart tracks, staff recommends the special use be granted only for the competitive training/exercise facility. This would require an application and further review for any other uses allowed under this category. Staff has met with the applicant and discussed that if they receive approval of their request, most of the issues they would have to resolve to operate this facility would come during the building permitting phase. If this permit

is approved, before they would receive approval for their building permit, parking requirements must be met for all uses on the property. Planning Commission recommended approval of the special use permit.

At 7:08 p.m., Mayor Eagle 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 March 24, and Monday, March 31, 2008.

NOTICE OF PUBLIC HEARING

The Harrisonburg City Council will hold several public hearings on Tuesday, April 8, 2008 at 7:00 p.m., in the City Council Chambers, 409 South Main Street to consider the following:

Special Use Permit – 1000 South High Street Recreation Facility 10-3-97 (10)

Public hearing to consider a request from RMC Corporation, with representative Gary Green for a special use permit per Section 10-3-97 (10) of the Zoning Ordinance to allow recreational and leisure time activities within the M-1, General Industrial District. The property is located at 1000 South High Street and can be found on tax map 19-D-10.

Mayor Eagle called on anyone desiring to speak for or against this special use permit request. Beau Baker, owner of the business, said he was available to answer any questions. There being no others desiring to be heard, the public hearing was declared closed at 7:09 p.m., and the regular session reconvened. Vice-Mayor Pace offered a motion to approve this special use permit as presented. The motion was seconded by Council Member Frank and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

Planning and Community Development Director Turner introduced a request from Heritage Estates LLC, to rezone R-2C property near Garbers Church Road. The property is located near Garbers Church Road and can be found on tax map 117-F-1C. The Comprehensive Plan designates this area as Low-Density Mixed Residential. Mrs. Turner reviewed the surrounding uses in the area. The applicant is requesting to rezone a 1.33 acre parcel zoned R-2C, Residential District Conditional. The rezoning would amend existing proffers that were approved in September 2007. The applicant intends to keep the existing single-family home and replace the formerly planned single-family dwellings with two duplex structures, a total of four new dwelling units. Heritage Estates is an age restricted neighborhood interconnected by private streets. The 2007 rezoning proffered that the parcel would be subdivided into five single-family home lots, one of which would be for the existing dwelling located on the site. Other proffers

included that all of the rezoned parcels would be incorporated into the age restricted 55+ community and the architecture of the new homes would be consistent with that of the existing Heritage Estates. The rezoning would amend existing proffers on the parcel with the following: 1) Two duplex units (a total of four new homes) would be constructed on the property along with the existing single-family home. 2) The architecture of the newly created duplex homes would be compatible with the existing French Country architecture of Heritage Estates. 3) The newly created homes would be regulated by the covenants and restrictions of the Heritage Estates 55+ community. 4) Each individual home would have a minimum of 1,600 square feet of living space above the basement level, exclusive of garage space. The overall density of the property would remain the same as was previously approved. If rezoned, these lots would need to be preliminarily platted with a variance to the subdivision ordinance to allow lots to not front on a public street, and a comprehensive site plan review would be required. Planning Commission recommended approval of the rezoning request.

At 7:14 p.m., Mayor Eagle 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 March 24, and Monday, March 31, 2008.

NOTICE OF PUBLIC HEARING

The Harrisonburg City Council will hold several public hearings on Tuesday, April 8, 2008 at 7:00 p.m., in the City Council Chambers, 409 South Main Street to consider the following:

Rezoning – Heritage Estates R-2C Proffer Amendment

Public hearing to consider a request from Heritage Estates LLC, with representative Amar Gogia to rezone 1.33 +/- acres of R-2C, Residential District Conditional property. The rezoning would amend existing proffers on the parcel. The property is located near Garbers Church Road and can be found on tax map 117-F-1C.

The Comprehensive Plan designates this area as Low-Density Mixed Residential. These large undeveloped areas located at the edge of the city are planned for residential development containing a mix of large and small-lot single family detached dwellings and attractive green spaces.

The Zoning Ordinance states that the R-2, Residential District is intended for medium-density, single-family and two-family residential development. The residential density ranges for R-2 are single-family, 7,000 sq. ft. minimum and two-family, 5,500 sq. ft/unit.

Mayor Eagle called on anyone desiring to speak for or against this rezoning request.

Amar Gogia, project manager with Heritage Estates, reviewed a few points as to why this proffer is being requested. After the original rezoning, they focused on the engineering of the four single-family homes and ran into many issues such as setbacks, drainage, and placement of and access to the houses. The idea of the duplex dwellings seemed to be a better arrangement for the site. In addition to the better engineering, the duplexes would allow the site to be a bit more golfer friendly, as there would not be as much space along the golf course taken up by the individual homes. It allows for more green space within the community as well as around the

existing house on the site. Finally, the density of the area will not change. Each individual home will have a minimum of 1,600 square feet of floor area on the main level exclusive of garage space. There being no others desiring to be heard, the public hearing was declared closed at 7:17 p.m., and the regular session reconvened. Council Member Chenault offered a motion to approve this rezoning request as presented. The motion was seconded by Vice-Mayor Pace and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

Planning and Community Development Director Turner introduced a request from Heritage Estates LLC for a special use permit to the Zoning Ordinance to allow community buildings and facilities used for recreational, social, education and cultural activities within the R-1, Single Family Residential District. The property is located near Garbers Church Road and can be found on tax map 116-C-19. The applicant intends to utilize one of the existing undeveloped single-family home lots as a swimming pool/recreation area for Heritage Estates property owners and their guests. Six parking spaces are also provided on the site to meet the parking requirements. The Heritage Estate Homeowners Association has been structured to include a specific allowance to cover operation and maintenance costs for the swimming pool/recreation area. Planning Commission recommended approval of the special use permit.

At 7:20 p.m., Mayor Eagle closed the regular session temporarily and called the evening's third public hearing to order. The following notice appeared in the Daily News-Record on March 24, and Monday, March 31, 2008.

NOTICE OF PUBLIC HEARING

The Harrisonburg City Council will hold several public hearings on Tuesday, April 8, 2008 at 7:00 p.m., in the City Council Chambers, 409 South Main Street to consider the following:

Special Use Permit – Heritage Estates LLC 10-3-34 (5)

Public hearing to consider a request from Heritage Estates LLC, with representative Amar Gogia for a special use permit per Section 10-3-34 (5) of the Zoning Ordinance to allow community buildings and facilities used for recreational, social, educational and cultural activities within the R-1, Single Family Residential District. The property is located near Garbers Church Road and can be found on tax map 116-C-19.

Mayor Eagle called on anyone desiring to speak for or against this special use permit request. Amar Gogia, project manager with Heritage Estates, said he was available to answer any questions. There being no others desiring to be heard, the public hearing was declared closed at

7:21 p.m., and the regular session reconvened. Vice-Mayor Pace offered a motion to approve this special use permit 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 Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

Planning and Community Development Director Turner introduced a request from Muhlenberg Lutheran Church to rezone two parcels totaling 1.63 acres from B-2, General Business District to B-1C, Central Business District Conditional. The properties are located at 281 East Market Street and can be found on tax maps 26-A-11 & 22. The Comprehensive Plan designates this area as Mixed Use Development. Mrs. Turner reviewed the surrounding uses in the area. The properties are located between East Market Street and Water Street within a block that has both B-1 and B-2 zoned properties. Mrs. Turner reviewed variances and site plans that have been approved in the past associated with this property. The applicant has proffered the following: 1) The B-2, General Business District parking requirements as set forth in the zoning ordinance will be maintained. 2) Front setbacks of ten (10) feet will be maintained from East Market Street and East Water Street to provide adequate sight distance. Planning Commission recommended approval of the rezoning request.

At 7:26 p.m., Mayor Eagle closed the regular session temporarily and called the evening's fourth public hearing to order. The following notice appeared in the Daily News-Record on March 24, and Monday, March 31, 2008.

NOTICE OF PUBLIC HEARING

The Harrisonburg City Council will hold several public hearings on Tuesday, April 8, 2008 at 7:00 p.m., in the City Council Chambers, 409 South Main Street to consider the following:

Rezoning – Muhlenberg Lutheran Church 281 East Market Street

Public hearing to consider a request from Muhlenberg Lutheran Church, with representative Mark Byerly to rezone two parcels totaling 1.63 +/- acres from B-2, General Business District to B-1C, Central Business District Conditional. The properties are located at 281 East Market Street and can be found on tax maps 26-A-11 & 22.

The Comprehensive Plan designates this area as Mixed Use Development. This designation includes both existing and proposed new mixed use areas. These areas are intended to combine residential and non-residential uses in planned neighborhoods where the different uses are finely mixed instead of separated. These areas are prime candidates for “live-

work” and traditional neighborhood developments. Live-work developments combine residential and office / service uses allowing people to both live and work in the same area.

The Zoning Ordinance states that the B-2, General Business District is intended to provide sufficient space in appropriate locations for a wide variety of retail shopping, commercial, automotive, miscellaneous recreational, and service activities. No minimum lot size restrictions exist in the B-2, General Business District. The B-1, Central Business District is intended as an urban and regional center for the conduct of commercial, financial, professional and governmental activities to which the public requires direct and frequent access. No minimum lot size or setback restrictions exist in the B-1, Central Business District.

Mayor Eagle called on anyone desiring to speak for or against this rezoning request.

Mark Byerly, co-chair of the building committee for Muhlenberg Lutheran Church, spoke in favor of the rezoning. There being no others desiring to be heard, the public hearing was declared closed at 7:27 p.m., and the regular session reconvened. Council Member Byrd offered a motion to approve this rezoning request as presented. The motion was seconded by Council Member Frank and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

Planning and Community Development Director Turner introduced a request from Hugo A. Kohl, III to rezone one lot totaling 3,000 square feet lot from B-2, General Business District to B-1C, Central Business District Conditional. The property is located at 311 South Federal Street and can be found on tax map 26-K-6A. The property is also located just south of the intersection of Federal Street and Franklin Street and is improved with a 24 foot by 22 foot wood frame structure. The Comprehensive Plan designates this area as Mixed Use Development. Mrs. Turner reviewed the surrounding uses in the area. This parcel was originally part of the adjoining lot to the west, having frontage on South Main Street and Federal Street. The wood frame structure was an accessory building to the residential dwelling located on the site. The accessory building was renovated by the owner in 1997 to be used as a workshop and a storage area. In 2004, the property owner subdivided the property creating and retaining ownership of the 3,000 sq. ft. parcel in the rear and selling the remaining portion with the residential dwelling. If rezoned, the applicant’s plan for the property is to increase the size of the commercial building and add a residential dwelling unit upstairs. The applicant has proffered the following: 1) The improvements will include increasing the off-street parking to four (4) spaces. 2) Any residential unit will be limited to either two (2) unrelated persons or a single family. Planning Commission recommended approval of the rezoning request.

At 7:33 p.m., Mayor Eagle closed the regular session temporarily and called the evening's fifth public hearing to order. The following notice appeared in the Daily News-Record on March 24, and Monday, March 31, 2008.

NOTICE OF PUBLIC HEARING

The Harrisonburg City Council will hold several public hearings on Tuesday, April 8, 2008 at 7:00 p.m., in the City Council Chambers, 409 South Main Street to consider the following:

Rezoning – 311 South Federal Street (Kohl)

Public hearing to consider a request from Hugo A. Kohl, III to rezone one lot totaling 3,000 +/- square feet from B-2, General Business District to B-1C, Central Business District Conditional. The property is located at 311 South Federal Street and can be found on tax map 26-K-6A.

The Comprehensive Plan designates this area as Mixed Use Development. This designation includes both existing and proposed new mixed use areas. These areas are intended to combine residential and non-residential uses in planned neighborhoods where the different uses are finely mixed instead of separated. These areas are prime candidates for “live-work” and traditional neighborhood developments. Live-work developments combine residential and office / service uses allowing people to both live and work in the same area.

The Zoning Ordinance states that the B-2, General Business District is intended to provide sufficient space in appropriate locations for a wide variety of retail shopping, commercial, automotive, miscellaneous recreational, and service activities. No minimum lot size restrictions exist in the B-2, General Business District. The B-1, Central Business District is intended as an urban and regional center for the conduct of commercial, financial, professional and governmental activities to which the public requires direct and frequent access. No minimum lot size or setback restrictions exist in the B-1, Central Business District.

Mayor Eagle called on anyone desiring to speak for or against this rezoning request.

Hugo Kohl, owner of the property, said he does not have anything to add at this time, but would answer any questions Council might have. Mr. Kohl said that his business is not local. He manufactures jewelry for other stores. There being no others desiring to be heard, the public hearing was declared closed at 7:35 p.m., and the regular session reconvened. Vice-Mayor Pace offered a motion to approve this rezoning request as presented. The motion was seconded by Council Member Byrd and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

A scheduled public hearing rezoning request from W. Kelly Straughen was tabled.

Kim Alexander, Assistant to the City Manager, presented an overview of the Community Development Block Grant Program (CDBG) Review/Selection Committee recommendations. The 2009 Annual Action Plan for the CDBG program serves as the planning document for addressing overall community development and housing needs that will utilize the \$527,522 entitlement of CDBG funding available to the City for 2009. The City received \$962,182.62 in requests. Funding provided for various City projects include HRHA Harrison Heights renovations (\$140,000.00), Mercy House Teen Mothers House roof repair (\$4,500.00), City sidewalks (\$130,195.00), sewer rehabilitation project (\$66,300.00), Water Street Alley Extension (\$15,329.62), and administration costs (\$105,504.00). Public Services include The ARC (\$10,000.00), Free Clinic Dental Clinic (\$10,000.00), Valley Program for Aging Services (\$8,000.00), Way to Go Transportation Services (\$4,000.00), Big Brothers/Big Sisters (\$13,454.00), Salvation Army Emergency Shelter (\$13,774.30), Center for Marriage and Counseling (\$2,500.00), New Bridges Immigrant Assistance (\$6,400.00), and Harrisonburg & Rockingham Thermal Shelter (HARTS) (\$11,000.00). Staff will prepare formal documents for HUD and after a required 30-day public comment period, staff will request final approval.

At 7:42 p.m., Mayor Eagle closed the regular session temporarily and called the evening's sixth public hearing to order. The following notice appeared in the Daily News-Record on March 25, 2008.

**CITY OF HARRISONBURG
2009 ACTION PLAN
PUBLIC HEARING/COMMENT NOTICE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

The City of Harrisonburg will hold a public hearing on Tuesday, April 8, 2008, at 7:00 PM in the City Council Chambers, 409 South Main Street, in order to receive citizen input regarding the 2009 Action Plan for the Community Development Block Grant (CDBG) Program. Citizen participation is essential to the City's involvement in the Federal Department of Housing & Urban Development's (HUD) CDBG Program. The Action Plan serves as the planning document for addressing overall community development and housing needs that will utilize the \$527,522 entitlement of CDBG funding available to the City for 2009. Projects selected to receive this funding will be included in the Action Plan.

All citizens and organizations are invited to attend the public hearing to comment orally or in writing on the FY 2009 Action Plan. The City of Harrisonburg will make reasonable accommodations and services necessary for sensory-impaired and disabled citizens at the public meeting. Additionally, translation services may be offered upon request and availability. Persons requiring such accommodations/services should contact Kim Alexander at (540) 432-8923 at least three working days in advance of the meeting.

Copies of the Action Plan are available at the City Manager's Office, 345 South Main Street, Harrisonburg between 8:00 AM and 5:00 PM, Monday through Friday, and at the reference desk at the Massanutten Regional Library for a 30 day public comment and

review period which begins April 8, 2008. The Action Plan will also be posted on the City website at www.ci.harrisonburg.va.us on this date. Written comments may be mailed to Kristin E. McCombe, grants Compliance Officer, Office of City Manager, 345 South Main Street, Harrisonburg, VA 22801. Comments may also be submitted by calling (540) 432-8926 or emailing CDBG@ci.harrisonburg.va.us. Comments are welcomed prior to the start of the review period, but all comments should be received no later than 10:00am on Friday, May 9, 2008, to be considered.

Mayor Eagle called on anyone desiring to speak for or against these recommendations for the CDBG program.

Sam Nichols representing New Bridges reviewed various events and activities held by the group.

Mary Ellen Chewing representing The ARC said these funds will help purchase a craft show tent, a folding hand cart, storage unit shelves, and computer memory software.

Rich Sider, Director of the Free Clinic, thanked Council for being included in the CDBG requested funding. These funds will be applied toward a new dental program.

Betty Newell representing Way to Go Transportation Services said these funds will help to provide transportation for low income workers traveling to and from work.

Twila Lee thanked Council for their consideration of Mercy House.

Mary Rodihan and Harry Reif representing Big Brothers/Big Sisters of Harrisonburg and Rockingham County thanked Council for supporting the organization.

David Penrod representing the Center for Marriage and Family Counseling said the center provides counseling services for the working poor on a sliding scale based upon a client ability to pay. Supervised visitation for parents with children is also provided. There being no others desiring to be heard, the public hearing was declared closed at 7:59 p.m., and the regular session reconvened.

Kim Alexander, Assistant to the City Manager, presented an overview of amendments to the FY 2007 & 2008 Action Plans. Ms. Alexander said that \$9,133.19 remains from the 2007 Public Works Bike Paths project. Staff recommends that this funding be put towards Streetscape improvements – specifically improvements to the sidewalk/alley between Water Street & Court Square. Staff requests that the \$15,872.01 in funding recently moved to the Wayfinding Sign System project be used instead to assist in funding the sewer line relocation project behind the municipal building in order to accommodate the Farmer’s Market pavilion. These amendments are on the same schedule as the 2009 Action Plan. After tonight’s public hearing, there will be a 30 day HUD-required Public comment period for this document. At the end of this comment period and at the May 13, 2008 regular Council meeting, Staff will bring these amendments to Council for approval.

At 8:01 p.m., Mayor Eagle closed the regular session temporarily and called the evening’s seventh public hearing to order. The following notice appeared in the Daily News-Record on March 25, 2008.

PUBLIC HEARING NOTICE
CITY OF HARRISONBURG
AMENDMENTS TO 2007 & 2008 ACTION PLAN
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

PUBLIC HEARING - The City of Harrisonburg will hold a public hearing on Tuesday, April 8, 2008 at 7:00 p.m. in the City Council Chambers, 409 South Main Street, in order to receive citizen input regarding Amendments to the 2007 & 2008 Action Plans for the Community Development Block Grant (CDBG) Program. These Action Plans serve as the City's guides for addressing overall community development and housing needs that will utilize the City's annual entitlements of CDBG funding available from HUD to meet those needs. The Amendments to be considered at this Public Hearing are as follows:

- **\$9,133.19 in funding that remains from the Public Works Bike Paths Project (07CDBG04) will be put towards Streetscape Improvements (08AMEND03), specifically improvements to the sidewalk/alley between Water Street and Court Square. This is a part of the City's Downtown Streetscape Revitalization Project.**
- **\$15,872.01 in funding will be moved from the Wayfinding Sign System Project (08AMEND02) that was originally identified in the February 2008 Amendment document to a NEW PROJECT – a sewer line relocation for the City's Farmer's Market (08AMEND06). The Wayfinding Project will no longer be using any HUD / CDBG funds.**

Following the Public Hearing, there will be a 30 day Public Comment Period. All citizens and organizations are invited to attend the public hearing to comment orally or in writing on funding needs and priorities. Questions regarding the grant program are also encouraged. The City of Harrisonburg will make reasonable accommodations and services necessary for sensory-impaired and disabled citizens at the public meeting. Additionally, translation services may be offered upon request and availability. Persons requiring such accommodations/services should contact the City at least three working days in advance of the meeting.

Please contact Kristin McCombe, at kristinm@harrisonburgva.gov or 540-432-8926 with questions. Written comments may also be mailed to Kristin McCombe, Grants Compliance Officer, 345 South Main Street, Harrisonburg, VA 22801. All comments must be received by 10:00 on May 9, 2008.

Mayor Eagle called on anyone desiring to speak for or against these amendments to the FY 2007 & 2008 Action Plans. There being no one desiring to be heard, the public hearing was declared closed at 8:02 p.m., and the regular session reconvened.

Kim Alexander, Assistant to the City Manager, presented for Council's consideration approval of Amendments to the FY 2008 Action Plan. Ms. Alexander said that \$139,223 was set aside in the 2008 Action Plan for Public Works sidewalk improvements. This originally included four projects. Of the original four projects, only one will require use of this funding (approximately \$45K to \$50K). Two have been postponed and the need for one of them will be met by the Streetscape project. Staff requests that Council put the remaining funding towards replacing/improving the traffic lights at the intersection of East Market Street and Mason Street. The immediate need for this project recently presented itself when one of the traffic poles fell due to deterioration/corrosion. The exact amount of funding to be transferred shall not be known

until completion of the sidewalk project (East Water Street from South Main Street to Mason Street), but will likely be between \$89,000 and \$95,000. A public hearing was held on February 26th, followed by a 30 day public comment period. The comment period has ended, and the City received only one comment – from a citizen who does not think that sidewalk funds should be used to repair the traffic light. Staff requests final approval of this amendment. Council Member Chenault offered a motion to approve the amendment to the FY 2008 Action Plan. The motion was seconded by Council Member Byrd and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

City Manager Hodgen presented for Council's consideration a single bid received for the sale of two lots on Central Avenue. The City received a single bid of \$240,073 for approximately 3 acres on Central Avenue and also a total of \$360,073 for both the 5 acre and 3 acre parcels. Mr. Hodgen recommended that the City reject this bid. Council Member Chenault offered a motion to reject the bid. The motion was seconded by Vice-Mayor Pace and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

City Manager Hodgen presented the proposed 2008-2009 budget. Mr. Hodgen reported that the City's population is 44,707 and tied for third having the lowest real estate rate at 59 cents among all independent cities. Primary emphasis is placed on **EDUCATION, PUBLIC SAFETY, TRANSPORTATION, and PUBLIC UTILITIES**. The total proposed budget represents a 26% decrease in net expenditures for the current fiscal revised net budget. It is recommended that the real estate tax rate remain at \$0.59 per 100 dollars, sewer rates be increased by \$0.29 per 100 gallons, water rates be increased by \$0.03 per 1000 gallons and that a new recycling fee of \$10.00 per month be imposed on those receiving recycling collection services but who are not City refuse collection customers. The budget does include a 3% pay adjustment. Premiums for health insurance will increase 5%. The School Board's proposed 2008-2009 budget remains unchanged as presented by Superintendent Donald Ford. State funds will be reduced by approximately \$200,000. It is suggested that the public hearing and first reading of the budget be held on April 22, 2008, and that the final adoption of the budget occur

on May 13, 2008. The General Fund budget is balanced; however, the use of approximately \$4.7 million from the unappropriated fund balance will be required.

Vice-Mayor Pace said, "Next year it will not be necessary to withdraw as much as \$4.7 million from the City's reserve to balance the budget. It is assumed that at July 1st, the City will be at full employment; however, through retirement or turnover there will be openings, which will allow some savings to help reduce the fund balance issue of \$4.7 million. There also should be a significant surplus at the end of the year in the school budget. It is understood that the schools will need some reserves for operational and financial commitments." Mr. Pace also suggested that the City should sell all the surplus property and use the monies to pay down existing debt and use the funds for capital projects.

Public Utilities Director Mike Collins presented a request for a supplemental appropriation for the Public Utilities Department. Mr. Collins said these funds will be used for several Water Capital projects. Council Member Frank offered a motion to approve this request for a first reading, and that:

\$100,000.00 chge. to: 2011-31010 Fund Balance
100,000.00 chge. to: 1321-34220 Transfer from Water Fund
\$100,000.00 approp. to 2011-392061-49216 Transfer to capital projects
100,000.00 approp. to: 1321-910161 -48634 Over sizing & extensions

\$130,000.00 chge. to: 2011-31010 Amount from fund balance
130,000.00 chge. to: 1321-34220 Transfer from water fund

\$130,000.00 approp. to: 2011-392061-49216 Transfer to capital projects
130,000.00 approp. to: 1321-910161 -48635 Water Main upgrades

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

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

Parks and Recreation Director Lee Foerster presented a request for a supplemental appropriation for the Parks and Recreation Department. He said these funds are a reimbursement to the Blacks Run restoration project. The funds are monies from the Zane Showker Blacks Run endowment. Council Member Chenault offered a motion to approve this request for a first reading, and that:

\$10,000.00 chge. to: 1000-31824 Donations – Zane Showker Fund

\$10,000.00 approp. to: 1000-710971-46140 Other operating

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

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

Parks and Recreation Director Lee Foerster presented a request to reserve Parks and Recreation funds. The Parks and Recreation Department is requesting to reserve \$138,000 in unexpended funds designated for the Frazier Quarry water connection in the FY 07-08 budget which will not be expended this year. Additional study of the feasibility and cost efficiency of the project is needed. Council Member Chenault offered a motion to approve the reservation of these funds. The motion was seconded by Council Member Byrd and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

Police Chief Harper presented a request for a supplemental appropriation for the Police Department. He said that these funds were received from state and Federal asset seizures and will be used to purchase a new filing system and bar code tracking system for the Records Department. The funds will also be used to continue work at the new training grounds for the department. Council Member Byrd offered a motion to approve this request for a first reading, and that:

\$13,000.00 chge. to: 1000-31010 Amount from fund balance

\$ 9,000.00 approp. to: 1000-31041-46010 Office supplies

4,000.00 approp. to: 1000-310231-48234 Police training facility

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

Vote: Yes - Council Member Byrd
Council Member Chenault

Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

At 9:00 p.m., Council Member Chenault offered a motion that Council enter into a closed session for discussion and consideration of the acquisition and disposition 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 Frank and approved with a recorded roll call vote taken as follows:

Vote: Yes - Council Member Byrd
Council Member Chenault
Vice-Mayor Pace
Council Member Frank
Mayor Eagle

Absent – None

At 9:59 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 10:00 p.m., there being no further business and on motion adopted, the meeting was adjourned.

CITY CLERK

MAYOR