



City of Harrisonburg

409 S. Main Street
Harrisonburg, VA 22801

Meeting Minutes - Final City Council

Mayor Christopher B. Jones
Vice-Mayor Richard Baugh
Council Member Ted Byrd
Council Member Kai Degner
Council Member Abe Shearer

Wednesday, February 3, 2016

7:00 PM

Council Chambers

City Council Planning Work Session

1. Roll Call

Present: 5 - Mayor Christopher B. Jones, Vice-Mayor Richard Baugh, Council Member Ted Byrd, Council Member Kai Degner and Council Member Abe Shearer

Also present: City Manager Kurt D. Hodgen; Assistant City Manager Anne C. Lewis; City Attorney G. Chris Brown; and Finance Director Larry Propst.

2. Major Expenditures on the Horizon

2.a. Council Work Session Outline

Mayor Jones called the work session to order at 7:00 p.m.

City Manager Hodgen reviewed the major expenditures list highlighting the notes on the agenda attachment. Specifically, he mentioned the following:

- City Manager Hodgen commented that based on the school board's decision last night the estimate for the THMS HVAC replacement can be changed to \$3.3M-\$4.4M.
- The RFP is being issued for the architectural study of the high school annex.
- The \$1M-\$2M for data management system is the city's share of the project.
- The completion of the Eastern Raw Water Line is dependent on DEQ permit. Council Member Shearer asked about the construction timeline. City Manager Hodgen said he would follow up with this information.
- Council Member Shearer asked about the final cost to close the steam plant. City Manager Hodgen said he would follow up with this information.
- City Manager Hodgen reported the rule of thumb for parking deck construction is \$15,000 per parking space. Other things to consider include if a deck is built on the existing location, it will displace parkers. Ideally a second location will be secured and the current space would be sold. City

Manager Hodgen noted that when we build a new deck, parking in it will not be free.

- City Manager Hodgen said when we fund for the completion of Smithland and Ramblewood Parks we would look to the Parks and Recreation Commission to set priorities.
- City Manager Hodgen reported we still have right-of-way issues to overcome in the Northend Greenway Project.
- City Manager Hodgen reported we had matching state funds for the Stonespring Erickson project but we moved the funds to the Reservoir Street project.
- City Manager Hodgen said we have a list of MS4 projects/estimates and the numbers get big about the 5th year out. Ideally these projects are funded by the stormwater management fee.
- City Manager Hodgen said we know the courthouse/courtroom expansion is coming but we do not know when. This is a shared cost with Rockingham County at 50/50.
- City Manager Hodgen said the pay plan will be discussed later under the general operations discussion.
- City Manager Hodgen provided additional information on the streetscape/sidewalk improvements noting we have received transportation enhancement grants in the past. He noted that this does not address Market Street in either direction and does not address sidewalks from the 7-11 store to Mount Clinton Pike.
- City Manager Hodgen said Build Our Park is estimated at \$5.3M the timing of which is yet to be determined. Mr. Hodgen reminded council that we need to consider impact on parking that the park will present particularly as we get uses in the Eastham House and the Municipal Building. He noted that parking will be a challenge when the Farmers Market is back in use on Tuesdays in the spring.
- City Manager Hodgen reported the Chicago Ave Mount Clinton Pike timing to be determined.
- City Manager Hodgen reported the South Main Street improvements project is waiting for new development in that corridor.

City Manager Hodgen reviewed the challenges listed.

City Manager Hodgen reported we added another 1000 people between 2014 and 2015 (which means at least 100 kids in the school system). The newly hired Assistant Economic Director will start on February 16th. The Economic Development Advisory Committee is developing leads as well. City Manager Hodgen noted we need balance of industries as we continue to get service industry type jobs and that is good.

City Manager Hodgen said Harrisonburg has a relative scarcity of land so from a planning and community development perspective we need to think of building higher or over some things or removing buildings and building new. Mr. Hodgen

said we've discussed generally speaking of a committee to address the issue of what buildings are worth preserving and what buildings are not. Mayor Jones noted we have an abundance of pervious space downtown and in his opinion we need to work with them with incentives of how to have them build. Council Member Byrd noted Urban Exchange and Ice House projects were provided incentives.

City Manager Hodgen said discussed staffing and COLA/CPI adjustments and the impact of insurance increases and pay adjustments or lack thereof. He asked council their preference of doing a pay raise or covering health insurance? They agreed that a pay raise is the best way to recognize employees. Finance Director Larry Propst noted fringe benefits are 28-30%. Council Member Byrd asked what percent of employees do not opt on the health insurance plan. Mr. Propst reported that we have not quite 10% that do not have city insurance.

City Manager Hodgen said he would follow up with spreadsheets that show what impact in shift for health insurance plans.

City Manager Hodgen reviewed the specific challenges listed.

City Manager Hodgen reported that we do not have school board budget yet because the Superintendent is presenting it to the school board the first part of next month. Mr. Hodgen reported that the Superintendent has indicated he would like to be in top 25% in the state in pay with ultimate goal of top 10%. City Manager Hodgen noted that is okay as long as an adjustment is made for cost of living. We can't compare to Loudoun County unless we adjust for Loudoun County cost of living.

Council Member Byrd asked what our income level is compared to statewide. It was noted that we have to account for the college students' impact on the income.

City Manager Hodgen said schools will see a slight increase in their Virginia Retirement System rate. On our end it dropped 1%.

What are the preliminary numbers on state funding for schools?

Think about directions or limits that you want Kurt to convey to school board or we can wait and react to what they present.

Council Member Byrd asked for the amount of our natural revenue growth. Mr. Propst reported our natural growth is \$2.3M-\$2.5M (2.3%-2.5% of general fund).

City Manager Hodgen reported the superintendent concerned with increases in labor costs related to the elementary school construction. Bids will be opened on February 25th. There is a potential six cent impact on the tax rate. If the cost is over what has been discussed, the architect can go back and determine what opportunities exist to reduce the cost.

City Manager Hodgen said FY21-22 is the “best time” for high school annex.

Regarding the City’s budget, City Manager Hodgen reviewed the following:

City Manager Hodgen reported the health insurance costs will increase approximately \$154,000 for city employees. The impact on schools would be more.

City Manager Hodgen highlighted a few of the other known “add-on expenses” to next budget:

- ☐ City Manager Hodgen reported a \$40M bond issue equals \$2.4M-\$2.6M annual debt service payment.
- ☐ Drop \$64,800 off CSB cost because schools are requesting the position.

The add-ons total \$3.5M to \$3.7M range.

Council Member Byrd asked what savings in the current year budget would carry forward including efficiencies for providing services in a more cost effective way. As example, the price of gasoline has decreased or decreased heating costs for milder winter. City Manager Hodgen also suggested position vacancies and retirements versus new hires and the differential.

Council Member Shearer questioned the match from the state for road and bike/pedestrian projects and what the back-up plan would be for \$1.5M if it does not come to fruition. City Manager Hodgen said our back up plan is that we only have \$1.5M to spend on trails noting that we would reprioritize and shift. He suggested we could move dollars from North End Greenway into matching funds for school trails.

City Manager Hodgen asked council members to think about the comprehensive plan and how we implement the plan. Vice Mayor Baugh stated the comprehensive plan itself is a five year document but by its own term we won't get it all done in five years. It has terms in it that are 20-25 years. Council Member Byrd reminded council that we are part of an MSA and we are part of another plan. Mayor Jones said the comprehensive plan is a vision document and should not be used as a cannon or used to hold staff as a hostage. Mayor Jones further stated that the spirit of the document is be a vision and used as a framework. Council Member Byrd confirmed with Vice Mayor Baugh that we are scheduled to re-do it this year.

Vice Mayor Baugh suggested that for anyone who hasn't been thinking about it is under appreciated when you have an issue that comes forward and the big question is where does it stand in relation to our planning. He said it doesn't mean we can't do it. He encouraged the public to talk to him, staff, or show up at public hearings. Vice Mayor Baugh said we have input on environmental, architectural review stuff that may go up in priority. As example, he asked if we want to be more of an advocate for impermissible rentals in areas. Should we spend more time on looking at it? We looked at it in 2003. We are getting to the point that any of us

have vision of what should we tweak? Since the 2004 plan, we have priorities in there. Does it need to be adjusted?

Council Member Byrd would like to see what is required to be in a comprehensive plan. He asked if it has grown over and above what is required to be included. Vice Mayor Baugh gave an example that there is a mandate to address affordable housing issues but state code doesn't tell you how to address it. We are mandated to have a plan and it is mandated for Planning Commission to be responsible for the plan. Council Member Byrd would like to see what we are required to include and review to determine if we have mission creep. City Attorney Brown commented that he's found that things get dragged over from one plan to another.

Council Member Degner said it is a great opportunity to have this listening process to create a vision for the city. He suggested that we hold meetings at different times, weeks, formats, etc. to discuss how do we prioritize the list? Are our constituents organized? What are the bike and pedestrian needs? How is sustainability incorporated?

Vice Mayor Baugh suspected we will get something to approve in 2017 from Planning Commission.

Council Member Degner said there are some things in the plan that are policy and some that open dialogue and that takes time but does not take a ton of money to do things that we haven't taken time to do.

City Manager Hodgen said five of you could tell him five different things to do in the comprehensive plan. What particular part of plan do you want? Council Member Degner said not to wait on council to get votes on things.

Vice Mayor Baugh suggested council focus on what is the meaning of the far reaching stuff. He further suggested that some things we are reporting on are things we are already doing. Council Member Degner suggested council take a chapter every month, i.e. at the second meeting of every month, and review.

Council Member Byrd asked if the Bike and Pedestrian Plan is better than what we have in the Comprehensive Plan. He wondered if it has been spun off and therefore should we take it out of the Comprehensive Plan. Furthermore, Chapter 17 could be reduced for the recycling changes that have occurred. Council Member Byrd inquired if Chapter 17 is required.

Council Member Degner asked if are council would be having a work session with Planning Commission. He said that we are a complex city with lots of values. If we are adopting the plan and staff wants to take the lead on it, then let's do it. He said furthermore if things that are in the plan that are not prioritized, council should vote and prioritize.

City Manager Hodgen stated a lot of what is in the plan is an outgrowth of things

we are doing. He asked of what we are not doing, what is priority.

Mayor Jones said regarding the sustainability coordinator piece pitons to the ambiguity of the comprehensive plan, He said if staff feels they are making headway, then staff should show how they are doing that and suggested that we do not do a good job of marketing ourselves. If staff is in a position of handling the duties, they staff needs to make it plainly obvious and clear of what we are doing by using direct mail, TV, etc. If then the citizens are not happy, or if specific advocacy groups can prove there are strong ways and means that we can improve, then we are selling ourselves short.

City Manager Hodgen asked Council about their vision for the city. He asked if there are there any areas of emphasis.

Council Member Degner stated he would like to see bike paths to the new school but understands it is included in bonds/grants.

Council Member Byrd asked for consistency. He was what we are seeing from our joint agencies. City Manager Hodgen said we will share our budgets with the county soon.

Council Member Byrd would like to minimize the increase in taxes.

Council Member Degner asked when we could have the ambiguous conversation of how we end up this year.

Council Member Byrd stated that we still need to pay for FFE. Council Member Shearer asked what the pot is now up to for FFE.

Council Member Byrd said we cash funded architectural and engineering (A&E) and will have the reimbursement coming back to us. City Manager Hodgen said we spent \$2M for A&E.

Council Member Byrd asked that if we are building for proposed increase in students, that we be sure that is budgeted for the increase from the state.

City Manager Hodgen stated insofar as there is any fund balance at the end of the year, we are going to need a healthy fund balance when we go to the bond market for \$50M.

Mayor Jones said he would like the sidewalk constructed on the north end.

City Manager Hodgen reminded council there may or may not be three new council members at the end of this year and encouraged a more focused strategic planning effort facilitated by a consultant.

2.b. Outside Agency Summary of Requests

City Manager Hodgen distributed the first draft of outside agency requests. He said what is in green indicated which agencies had a change in their request.

Council Member Degner asked if "On the Road Collaborative" is school funded. City Manager Hodgen said he is unsure if it is a new request in addition to what schools provides.

Council Member Shearer pointed out that the library number is actually state mandated which will be offset by loan repayment.

Council Member Byrd would like staff to look at marketing the city (special events coordinator) and the possibility to bring it back under tourism. Mayor Jones stated that tourism needs a person desperately.

A Council Member inquired about the tax exemption on Free Clinic. City Manager Hodgen said he would get the information from the Commissioner of the Revenue. He reminded council that we paid the bill for the half of the facility (the county paid the other half).

Mayor Jones asked about the presentation from Karen Thomas. Council Member Degner said he was missing the scope and the budget in his handout. They agreed to look at their copy and if it has dollar amount to send it to City Manager Hodgen.

Council Member Shearer asked if the RRF is going off line. Council Member Byrd asked if we are doing away with a department. He suggested that Central Stores predominant user is just one department. City Manager Hodgen said we are ordering more using "just in time" delivery. He said we can often get items via an emergency call or within a day or two.

3. Adjournment

There being no other business, the meeting adjourn at 9:09 p.m.

CLERK PRO TEMPORE

MAYOR