



City of Harrisonburg

409 S. Main Street
Harrisonburg, VA 22801

Meeting Minutes - Draft City Council

Mayor Deanna R. Reed
Vice-Mayor Richard A. Baugh
Council Member Ted Byrd
Council Member George Hirschmann
Council Member Christopher B. Jones

Tuesday, February 28, 2017

7:00 PM

Council Chambers

1. Roll Call

Present: 5 - Mayor Deanna R. Reed, Vice-Mayor Richard Baugh, Council Member Ted Byrd, Council Member Christopher B. Jones and Council Member George Hirschmann

Also Present: 5 - City Manager Kurt Hodgen, Deputy City Manager Ande Banks, City Clerk Erica Kann, City Attorney Chris Brown and Police Chief Stephen Monticelli

2. Invocation

Council Member Jones offered the invocation.

3. Pledge of Allegiance

Mayor Reed led the Pledge of Allegiance.

4. Special Recognition

Mayor Reed proclaimed March as Red Cross Month and presented a proclamation to a Red Cross volunteer

5. Consent Agenda (any item placed on the consent agenda shall be removed and taken up as a separate matter, if so requested by any member of Council, otherwise all items will be voted on with one (1) motion)

A motion was made by Vice-Mayor Baugh, seconded by Council Member Byrd, to approve the consent agenda as presented. The motion carried with a recorded roll call vote taken as follows:

Yes: 5 - Mayor Reed, Vice-Mayor Baugh, Council Member Byrd, Council Member Jones and Council Member Hirschmann

No: 0

5.a. Minutes

These minutes were approved on the Consent Agenda.

5.b. Joint City Council and School Board Minutes

These minutes were approved on the Consent Agenda.

- 5.c. Consider a supplemental appropriation for the General Capital Projects Fund in the amount of \$720,511.82

This supplemental appropriation was approved on second reading.

6. Public Hearings

- 6.a. Consider real estate tax exemption status for Shenandoah Valley Post 188 American Legion Inc located at 350 Waterman Drive

Karen Rose, Commissioner of the Revenue, reviewed the tax exemption request process and stated Shenandoah Valley Post 188 American Legion Inc is requesting a real estate exemption. Mrs. Rose stated this post was chartered in 1982 and has owned the building where they are currently located since 2004. Mrs. Rose stated this post is in good standing with the national organization and highlighted a few things the post does for the community. Mrs. Rose stated the property is assessed at \$473,900 for 2017 and the current assessment is \$3,696.42. Mrs. Rose stated the committee recommended approval of the real estate exemption.

At 7:09 p.m., Mayor Reed closed the regular session and called the first public hearing to order. A notice appeared in the Daily News-Record on Wednesday, February 22, 2017.

James "Bucky" Berry, 30 West Washington Street, stated he was in favor of the request as he is from a military family.

Daniel Mead, Chaplin for the Sons of the American Legion, stated Post 188's service to our veterans and their families is valuable and by approving the request it will help them to continue that service. Mr. Mead requested council to approve the request.

Bill Hamblin, Adjutant of Post 188, stated the post does a lot for veterans, but they also do a lot for the community and reviewed those programs. Mr. Hamblin requested council to approve the request.

Wayne Rothery stated he wasn't a member of this post but is of another post, but he was in favor of the request as this post sponsor a lot of special events within the city. Mr. Rothery requested council to approve this request and support other veterans organizations.

At 7:14 p.m., Mayor Reed closed the public hearing and the regular session reconvened.

A motion was made by Council Member Jones, seconded by Council Member Hirschmann, to approve real estate tax exemption status for Shenandoah Valley Post 188 American Legion Inc. The motion carried with a recorded roll call vote taken as follows:

Yes: 5 - Mayor Reed, Vice-Mayor Baugh, Council Member Byrd, Council Member Jones and Council Member Hirschmann

No: 0

6.b. Receive Planning Commission's recommendation for the 2017-2018 through 2021-2022 Capital Improvement Program

Adam Fletcher, director of planning and community development, explained that the projects in the Capital Improvement Plan (CIP) are those higher than \$50,000. Mr. Fletcher reviewed the process for this year's CIP, which began last July. Mr. Fletcher stated Planning Commission endorsed the plan and reminded everyone that this plan is not a budget, but a guideline. Mr. Fletcher stated that there are more city needs than funds available.

City Manager Hodgen noted that this plan shows projects that are priorities one, two, and three.

At 7:18 p.m., Mayor Reed closed the regular session and called the second public hearing to order. A notice appeared in the Daily News-Record on [insert date] and [insert date].

Wayne Rothery stated it looked like the \$52M is the most expensive project in the plan. Mr. Rothery shared his thoughts on the expansion and choice of new school option in the city. Mr. Rothery shared his concern with the expansion option due to making the sports teams travel further as they would become a 4A or 5A high school. Mr. Rothery suggested if a new school was built that the dividing line should be either Route 11 or Interstate 81. Mr. Rothery shared how the school system worked in Arlington and is in favor of friendly rivalry.

James "Bucky" Berry, 30 West Washington Street, is in favor of a new high school because he fears going to a bigger school the sports teams wouldn't do as well. Mr. Berry suggested bringing in private security officers into the schools. Mr. Berry hoped approval for a new school would move forward when the School Board met with City Council in June.

At 7:25 p.m., Mayor Reed closed the public hearing and the regular session reconvened.

A motion was made by Vice-Mayor Baugh, seconded by Council Member Byrd, to approve the CIP as presented. The motion carried with a recorded roll call vote taken as follows:

Yes: 5 - Mayor Reed, Vice-Mayor Baugh, Council Member Byrd, Council Member Jones and Council Member Hirschmann

No: 0

7. Regular Items

7.a. Blue Ridge Community College annual update

Dr. John Downey, president of Blue Ridge Community College (BRCC), shared his appreciation for the support from council and for appointing members to the local advisory board and also thanked the exceptional city employees that work so hard. Dr. Downey presented an update of BRCC's annual report and fact sheet of the college. Dr. Downey stated last year out of the 5,834 students enrolled 1,002 were from the city of Harrisonburg. Dr. Downey stated another 132 city residents were also served in the continuing education, workforce and personal enrichment courses and is proud to announce that last year over 21% of Harrisonburg High School graduates continued their education at BRCC. Dr. Downey stated one of those students, Yennifer Valera-Sabino, was one out of six community college students that were awarded the American Association for Women in Community Colleges National Scholarship and is enrolled in the BRCC's Human Service Program. Dr. Downey stated 2017 marks the 50th anniversary of BRCC, which began on October 2nd, 1967. Dr. Downey stated he appreciates working with Brian Shull and Peirce Macgill, Economic Development Department for the city, as they work hard to build economic development in the city, and Dr. Downey stated he is the chair-person of the Regional Economic Development Partnership - the Shenandoah Valley Partnership and with the help of Brian Shull critical work force development needs are being addressed and attracting companies and business to the region. Dr. Downey stated for every future job that requires a master's degree or higher, there are two that will require a bachelor's degree, and seven that will require some form of post secondary training or associates degree, and BRCC is the premier provider for those types of opportunities to fill the skills gap. Dr. Downey stated it has been a great year for BRCC, which won the Council for Advancement and Support of Education (CASE) award for most improved institution in terms of fundraising for community colleges, the foundation concluded an \$8.5M major gifts campaign, received the honorable ranking for great colleges to work for, recognized in Victory Media's 2017 Military Friendly School, ranked fourth in the nation of midsize colleges as digital savvy, and BRCC Program Transfer Coordinator, Ms. Shore, received the Bonita C. Jacobs Transfer Champion Rising Star Award. Dr. Downey stated the college is working towards establishing new programs, such as child care and a new transfer degree in fine arts. Dr. Downey stated BRCC is attempting renewed efforts in outreach to the community, especially with adult students, as statistics show that almost 67% of local adults age 25-65 have less than an Associate's Degree compared to over 54% in Virginia and 60% nationally. Dr. Downey stated the partnership with the local schools is highly valued and is proud of the dedicated staff, not only with BRCC but with the boards, commissions, the school staff and board members. Dr. Downey noted this is the first full year of implementation of funding for non-credit certification training programs given by the Commonwealth, allowing local students to enroll in high demand, short term, career training for one-third the normal cost in programs such as welding, machining, truck driving and a variety of healthcare professions.

Mayor Reed stated that Yennifer is one of her team leaders for On the Road Collaborative and Blue Ridge provided her with the opportunity to accomplish her dream of being a social worker, and thanked BRCC for providing that for her and

doing the great work they do.

This Presentation was received and filed.

7.b. Consider approving a permanent art display at City Hall created by a program called Faces of Diversity

J. R. Snow, representative of Any Given Child of Harrisonburg, which is an initiative partnership with the John F. Kennedy Center for the Performing Arts, to insure access and equity for all students grades K through 8, in the Harrisonburg school system, focusing on artistic growth opportunities for youth. Mr. Snow stated this particular project is in collaboration with the Arts Council of the Valley and Harrisonburg City Public Schools, to bring Charlotte based artists, Edwin Gill, to the city to work with 1000 students and in every elementary school for one week of artist residency. Mr. Snow stated normally the art created during this residency would be showcased at an elementary school, however with so many schools participating and after consulting with Mr. Ande Banks and Jenny Burdon, they feel the city hall would be appropriate so that the community could see the work of the students and the artist. Mr. Snow is suggesting the art work, which consists of one thousand fingerprints of students from the city, be placed behind the volunteer desk in the main lobby of City Hall. Mr. Snow stated the art piece is approximately eight feet square and the artist will be in the area from April 17th, 2017 through April 24th, 2017. Mr. Snow is requesting council approve the location requested for the placement of this art piece.

Council Member Jones asked if there would be a possibility of this art piece being permanent which would hinder additional art from students or artists to be displayed.

Mr. Snow stated it will be permanent, but could be removed if council feels it is needed after a certain time frame.

Council Member Jones stated that due to our huge community of artistic citizens, the permanency of this request is a bit hindering.

Mayor Reed asked if the artist creates the actual design. Mr. Snow stated the artist will meet up with the students and evaluate what represents our community and what type of face of diversity would represent the community the best.

Council Member Byrd stated he believes this is a great program but does share the same concern as Council Member Jones with the permanency of the art piece.

Mr. Snow stated he would be happy to speak with the artist to see if there is an

opportunity to make the art piece less permanent and can return to council with his findings.

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7.c. Report from Financial Advisors

Ted Cole, financial advisor with Davenport & Company presented a report, after working with city staff over the last several weeks, that was developed to provide the city with a perspective on where the city stands as it relates to debt, bond rating, and things of that nature, particularly as the city starts future capital projects planning. Mr. Cole reviewed the March 17, 2016 credit rating for the city and comparisons with other localities in Virginia and the nation. Mr. Cole reviewed a high level overview of Moody's and Standard and Poor's approach to local government ratings, with a new score card that is quantitatively driven, and based on tax base, finances, management and debt/pension liabilities. Mr. Cole noted the indicative score for the city has been trending upwards since FY 2013, keeping in mind the lower the numbers of this score the better. Mr. Cole noted that although the quantitative rating has placed the city consistently in the Aa3 rating, there are qualitative factors, Moody's has adjusted the city up one-notch to the Aa2 rating. Mr. Cole also noted the S&P score placed the city directly in the middle of the AA range under their methodology.

Mr. Cole reviewed the city's credit worthiness and the cost of borrowing and how a reduction in a bond rating could increase the cost of borrowing for the city based on current market estimates and suggests the city try to improve the bond rating in the near future. Mr. Cole reviewed the city's current debt profile and key debt ratios on its existing debt which included debt to assessed value, debt service to expenditures and 10 year payoff ratio. Mr. Cole suggested the city may want to consider adopting a minimum 10-year Payout ratio policy of at least 50% or greater which will assist in reducing the annual payment and establish a parameter for good debt management that could allow the city some structuring to try to make the debt work in the budget more affordably.

Mr. Cole reviewed capital funding scenarios based on a \$50M bond issuance and a \$100M bond issuance for FY 2018, with a planning interest rate at 4%, a 25 year maturity and level debt service amortization as well as how it would affect the city's debt to assessed value, debt service to expenditures and 10-Year payout. Mr. Cole also reviewed how these capital funding scenarios would reflect the tax rate in order to afford the new debt.

Council Member Byrd asked if these funding scenarios reflect any operational expenditures or city projects. Mr. Cole stated no element of the operating budget or assumption of any capital project funds were added to these scenarios.

Council Member Jones asked if the 6% and the 15% cap count as qualitative factors. Mr. Cole noted the fact that the city has a policy for those caps are positive and the fact they may eclipse for a few years is not a problem, provided there is

some discussion regarding being out of compliance for a few years, as long as those things are being done as part of a planning process, it will go along way for the rating analysts.

Vice-Mayor Baugh asked Mr. Cole to verify that the city would be better off keeping the policies in place, even if the city borrowed where it happened to violate the policy, particularly if it was a near term thing, than to eliminate or to make policies less stringent. Mr. Cole said that was correct.

Mr. Cole noted there is more detail on the debt; bond ratings, rating reports etc are located in the appendix of the report.

Council Member Byrd asked if both scenarios puts the city at the limit and does it allow any capacity for anything else that may occur. Mr. Cole stated the borrowing funds shown are not for any specific project, but to simply show the impact on the cities budget and borrowing ratings.

7.d. Garber's Church Road Share Use Path Project Update

Tom Hartman, assistant director of Public Works, shared with the new council members the background of the Garber's Church Road Shared Use Path, including the VDOT Revenue sharing grants awarded and conceptual plans broken down into 5 segments, which included probable costs per segment. Mr. Hartman noted a public information meeting was held, in which over 75 citizens attended and 80 written comments were received. Mr. Hartman noted the citizens were questioned as to what segment would be a priority to them. The first priority was the Garber's Church Road to Hillandale Park path, and the second priority was to get out to the park onto Windham. Mr. Hartman noted that due to these comments, the first Phase will be the path on Garbers Church road between the elementary schools, however it will not go to Erickson Avenue. Mr. Hartman reviewed the additional paths expected under Phase 1.

Mr. Hartman reviewed the next steps, which include design development, public hearing, right of way acquisition, utility relocations (if needed), bid, and construction beginning in 2019.

Council Member Jones noted a group of constituents have commented to him regarding Phase 2 being included in Phase 1, and asked if that was possible. Mr. Hartman stated they would love to have Phase II however conceptual alignments, retaining walls, additional right of way, stormwater concerns, etc. make it too expensive to add Phase 2 at this time. The cost is growing to do just Phase 1, and he hopes that once the design and development is completed they might be able to add some of Phase II.

Council Member Jones asked if this has been communicated to those constituents. Mr. Hartman stated not yet, because it is still being pulled together fairly quickly and to fast track to get it done.

City Manager Hodgen asked what the rule of thumb was for a conventional mile of street versus the million per mile for the bike/pedestrian path. Mr. Hartman was not sure, but he believes Reservoir Street was 3-4 thousand a foot.

City Manager Hodgen stated the message is we want to fully complete the project but circumstances have changed and it won't happen as quickly as was initially intended. City Manager Hodgen noted that for each mile of path and trail that is installed 100% of the maintenance is on city, and we need to carefully plan these projects accordingly.

The Public Works Department will provide an update on the Garbers Church Road Shared Use Path project, and discuss phasing options for project implementation.

7.e. Consider approval of the Broker for Voluntary Benefits resolution

City Attorney Brown presented on behalf of the director of Human Resources, regarding procurement law. Attorney Brown stated the director of Human Resources would like to offer optional long term disability insurance benefits to employees, however, under procurement law, the city would have to issue an RFP, and hope the insurance companies would respond. Attorney Brown stated the problem with that process is there would be a very limited number of employees that would be interested in the product, and most likely not be worth the time and effort for the reputable insurance companies to respond to such an RFP, therefore, the director of Human Resources would like to procure the services of a broker to secure those resource. Attorney Brown stated the insurance broker could solicit bids from different insurance companies and help compare and negotiate for the lowest price. Attorney Brown stated in order for this to be done, the Public Procurement Act states the local governing body must make a finding that competitive negotiation for the product is neither practicable nor fiscally advantageous. Attorney Brown presented a resolution which shows that using a broker is the best way to secure the greatest options and the best price for this type of service. Attorney Brown noted that finding a broker would have to go through competitive negotiation or use a cooperative procurement agreement.

City Manager Hodgen and Council Member Byrd asked if these benefits would be at 100% of the cost of the employee, Attorney Brown confirmed.

A motion was made by Council Member Byrd, seconded by Vice-Mayor Baugh, that this Resolution be adopted. The motion carried with a recorded roll call vote taken as follows:

Yes: 5 - Mayor Reed, Vice-Mayor Baugh, Council Member Byrd, Council Member Jones and Council Member Hirschmann

No: 0

8. Supplementals

- 8.a.** Consider a supplemental appropriation for the General Capital Projects Fund in the amount of \$499,100.00

City Manager Hodgen stated the city has been awarded just under half a million dollars to use towards the Pleasant Valley Road Bridge Replacement project through a new VDOT program called the State of Good Repair Fund . City Manager Hodgen asked approval from council to move these funds into the appropriate line item. City Manager Hodgen stated the city has already funded this project, since this was a revenue sharing project, the funds can be transferred into another city revenue sharing project subject to VDOT approval.

A motion was made by Council Member Byrd, seconded by Vice-Mayor Baugh, that this Supplemental Appropriation be adopted. The motion carried with a recorded roll call vote taken as follows:

Yes: 5 - Mayor Reed, Vice-Mayor Baugh, Council Member Byrd, Council Member Jones and Council Member Hirschmann

No: 0

9. Other Matters

- 9.a. Comments from the public, limited to five minutes, on matters not on the regular agenda.
(Name and address are required)

James "Bucky" Berry, 30 West Washington Street, stated there are 40M people in poverty and 50M people on food stamps, hunger isn't going to stop and the food pantry will become more important than ever. Mr. Berry stated the Brent Berry Food Drive started in 2009, with the help of Harrisonburg Public Transportation and Reggie Smith, the next food drive will be held from March 6th, through March 12th, 2017, with the help of Harrisonburg Fire Department, Harrisonburg Police Department and Rockingham County Sherriff's department. Mr. Berry noted there is a need for more police doing community policing and is concerned the city does not have the appropriate staffing in the police department.

- 9.b. City Council and Staff

City Manager Hodgen noted that this was Erica's last meeting and he wished her well and the best of luck on her new endeavors.

Mayor Reed thanked Erica personally for helping her into her new position. Mayor Reed also wished Erica luck on her new career.

Council Member Jones thanked Erica for her service. Council Member Jones stated with public comment being moved to the end of the meeting and meetings not beginning until 7:00 p.m., he is going to host meetings for citizens to speak about their concerns and/or ideas from noon until 1:00 every second and fourth Tuesday of each month in Council Chambers. Council Member Jones stated he would then bring those concerns to council.

Mayor Reed reminded business owners that business licenses are due tomorrow, Wednesday, March 1.

Mayor Reed stated she signed a proclamation declaring March as Governmental Purchasing Month to recognize those professionals and the role they play in fostering efficient, transparent, ethical, and accountable government.

Mayor Reed announced March 18, 2017 will be the Pot of Gold Fun Run and the Shamrock 5K Trail Run hosted by Parks and Recreation.

Mayor Reed stated Blacks Run and Downtown Clean Up Day will be held on Saturday, April 8, 2017, and pre-registration for the event is now open and additional information is available at CleanStream.org.

10. Closed Session

At 8:38 p.m., a motion was made by Vice-Mayor Baugh, seconded by Council Member Jones, to enter into closed session as authorized by the Virginia Freedom of Information Act, Virginia Code Section 2.2-3711(A), under: Subsection 1 for the discussion of personnel mainly the consideration of perspective candidates for employment; Subsection 3 for discussion of acquisition of real estate for a public purpose; and, 4 for discussion and consideration of the disposition of publicly owned real estate. The motion carried with a recorded roll call vote taken as follows:

12. Adjournment

At 9:03 p.m., the closed session ended and the regular session reconvened. City Attorney Brown read the following statement, which was agreed to with a unanimous recorded vote of Council: I hereby certify that to the best of my knowledge (1) only public business matters lawfully exempted from open meeting requirements under Chapter 37 of Title 2.2 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 meeting was convened were heard, discussed or considered in the closed meeting by the City Council.

At 9:04 p.m., there being no further business and on motion adopted, the meeting was adjourned.

DEPUTY CITY CLERK

MAYOR

