



City of Harrisonburg

409 S. Main Street
Harrisonburg, VA 22801

Meeting Minutes - Draft City Council

Thursday, April 22, 2021

5:00 PM

Council Chambers

Budget Work Session

1. Roll Call

Note: Meeting was held virtually by all participants

Present: 4 - Mayor Deanna R. Reed, Vice Mayor Sal Romero, Council Member George Hirschmann and Council Member Laura Dent

Absent: 1 - Council Member Christopher B. Jones

Also Present: 3 - City Manager Eric Campbell, City Attorney Chris Brown and City Clerk Pam Ulmer

2. Discussion on Budget for FY 21/22

2.a. Discussion on the proposed 2021-2022 Budget

Mayor Reed opened the meeting. She stated another work session is planned for May 6, 2021 and any questions not answered today can be answered at that next work session. Mayor Reed asked why there is a proposed increase under the festivals line item of the Department of Parks and Recreation budget considering that there may not be festivals this year. Ande Banks, deputy city manager, stated the increase was due to the newly proposed holiday light display at A Dream Come True Playground. Mayor Reed asked why there is a proposed increase of \$15,531 under the athletics division of the Department of Parks and Recreation budget. Mr. Banks stated he thinks the increase is due to enhanced program offerings such as youth soccer, youth football, and youth basketball, but that he will confirm with Luanne Santangelo, director of Parks and Recreation. Mayor Reed stated she thought it was a big increase. Mayor Reed asked why there is a proposed increase of \$9,624 under the golf course clubhouse division of the Department of Parks and Recreation budget. Mr. Banks stated it is \$9,000 out of an overall golf course clubhouse budget of \$341,000 and the overall clubhouse budget decreased by \$110,000 from FY19-20 actuals. Larry Propst, director of Finance, stated that there are aspects of departments budgets that are outside of the control of directors, such as cost-of-living adjustments. Mr. Propst stated that the increase in the clubhouse division budget is due to the need to increase the number of work hours for part-time staff, which was partially offset by reductions elsewhere in the clubhouse budget. Mayor Reed asked why there is a proposed increase of \$11,546 to Massanutten Regional Library. Mr. Propst stated it is due to a 2% increase in contributions requested of the City of Harrisonburg, Rockingham County, and Page County that appears to be driven by the

elimination of the library fines they previously used as revenue and by a 2% salary increase for their employees.

Council Member Dent asked why the budget summary tab shows a big blank in the sewer capital projects and asked if this is an area where the city manager intends to recommend using American Rescue Plan Act (ARPA) funds. Mr. Campbell stated capital projects were cut back in the proposed budget and ARPA funds will be revisited as we look to make up that difference with utilities and sewer funds as one area we will be looking at. Mr. Propst stated that water and sewer revenues have been substantially impacted by the pandemic and that the revenues are projected not to be there for capital projects, but that if revenues are stronger than projected then staff will come back to City Council to ask for those funds to be appropriated. Council Member Dent asked if the special operations division of the Police Department budget looks like it is proposed to increase 50% this year because they are moving people in. Mr. Propst stated the entire department increase is around \$373,000 which is driven by the second half of the 1.5% cost of living increase, increase in parts and labor costs for the fleet, increases in worker's compensation and other liability insurances, increases in separation pay for planned retirements, and an increase in capital outlay primarily due to protective vests, computers, and servers. Council Member Dent stated we are obligated to pay the increase in contributions to Middle River Regional Jail (MRRJ), although she would prefer \$100,000 be moved out of its budget and into contributions to the community. Council Member Dent stated she questioned why the City of Harrisonburg share of the MRRJ costs increased when the incarceration rate in the City is so low, but this is due to back paying for the transfer of female inmates from the downtown jail to MRRJ during the recent HVAC repairs Council Member Dent stated the MRRJ board passes and approves the operations costs of the jail, which the City of Harrisonburg is then obligated to pay. Council Member Dent stated she thinks the Community Services Board (CSB) should have additional funding. Mr. Propst stated the amount in the proposed budget is the amount the CSB requested, and that this budget also has additional funding to pay for the costs of the construction of the CSB's new facility. Mr. Campbell stated city staff meets with outside agencies like the CSB and health district annually to discuss their needs. Council Member Dent stated the total golf course budget of \$830,000 astonished her. Council Member Dent asked why the joint operations budget for jails and courts increased by \$470,000. Mr. Propst stated this is due to an increase in employee salaries and some facility improvements and maintenance around the courthouse. Council Member Dent stated she would like the school and transit busses to go electric, and she asked if the newer diesel busses are more efficient. Mr. Campbell stated he will find out the answer from the director of Public Transportation.

Vice-Mayor Romero stated he also had questions about the jail that have been answered. Vice-Mayor Romero asked when the golf course study recommendations will be coming forward and how it will fit in the budget timeline. Mr. Campbell stated the golf

management study will be completed by the end of April and the Urban Land Institute panel will begin its assessment of the golf course from a land use perspective with recommendations anticipated in late May, and this is not parallel with the budget.

Mayor Reed asked if the increase in golf course salaries and wages is because part-time employees were brought back. Mr. Propst stated that the director of Parks and Recreation determined she needed additional hours from the employees.

Vice-Mayor Romero asked when the city manager anticipates receiving guidance on the eligibility of ARPA funding and when city staff will have a recommendation for use of these funds. Mr. Campbell stated like with the CARES Act funds he envisions a process where once guidance is received from the U.S. Treasury and the official allocation is known, city staff will determine what it can and can't be used for and bring City Council a prioritized funding recommendation. Mr. Campbell stated it is estimated to be \$13 million split over two years. Mr. Propst stated we will get the funding in two tranches with half likely by mid-May and then the other 50% in a year's time. Vice-Mayor Romero shared the decision of the City School Board related to its ARPA funds and re-starting the construction of the second high school. Vice-Mayor Romero stated it is hard to think about placing an additional burden on people after what they have endured during the pandemic, but we cannot hide that we need a new high school. Vice-Mayor Romero stated City Council may need to commit to a bond over the next 4-6 months if the School Board uses its ARPA funds to restart construction and there may be a need to raise taxes at some point. Vice-Mayor Romero asked if the tax increase at any point or if it has to wait until the next fiscal year. Mr. Campbell stated that City Council can raise taxes at any time. Vice-Mayor Romero requested information on tax increases at different increments, the impact on a household depending on home value, and the bond market.

Mayor Reed requested the city manager to bring to the next work session the tax increase increments and the benchmarks for restarting the second high school project.

Vice-Mayor Romero stated pursuant to Sections 2.2-3112(B)(1) and 2.2-3115(H) of the Conflict of Interest Act of Virginia, he declared for the minutes of this meeting that as a result of his employment with the Harrisonburg City Public Schools he has a personal interest in the transaction of the City's budget as a member of a business, profession, occupation, or group of three or more person the members of which are affected by the transaction. He further affirmed that he is able to participate in this Council's consideration of the City's budget fairly, objectively, and in the public interest.

Mayor Reed stated pursuant to Sections 2.2-3112(B)(1) and 2.2-3115(H) of the Conflict of Interest Act of Virginia, she declared for the minutes of this meeting that as a result of her employment with the On the Road Collaborative, which has a contract with the Harrisonburg City Public Schools, she has a personal interest in the transaction of the City's budget as a member of a business, profession, occupation, or group of three or more person the members of which are affected by the transaction. She further affirmed that she is able to participate in this Council's consideration of the City's budget fairly,

objectively, and in the public interest.

Mayor Reed stated she thinks the community contributions process has been looked at hard and has a new application process and committee that she is pleased with because it is more inclusive. Mayor Reed stated she would like another step in the process for this budget year and future budget years that groups the organizations that apply so that organizations that are similar have similar funding.

Council Member Dent stated she agreed with grouping organizations and lowering some in the same category to bring them into similar funding proportion to others in the same category. Mr. Campbell stated the funding on the recommended list is based on the application requests, rather than on function. There was continued discussion among Council Members about grouping and funding based on function. It was decided to discuss this further at the next budget work session.

Vice-Mayor Romero stated the evaluation process should include contacting organizations that do not have a complete application or correct documents to let them update the application before it is evaluated.

Council Member Hirschmann stated it sounds like a wonderfully socialistic plan to make sure everyone gets the same thing.

Vice-Mayor Romero stated he thinks the evaluation process should consider how the organization utilized prior award funds and if they did what they stated on the application. Mr. Campbell stated this is incorporated into the process including an annual report on use of the funds. Mayor Reed asked staff to please share the reports with City Council.

Mayor Reed asked if there were any other discussions. She stated the next budget work session will be virtual Thursday, May 6 at 5pm

3. Adjournment

At 6:04 p.m., there being no further business and on motion adopted, the meeting was adjourned.