

11-9-93 Minutes

A regular meeting of the Council of the City of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:30 p.m., November 9, 1993.

Members present: Mayor G. Michael Shelton; Councilman Larry D. Brookshier; Councilwoman Joanne A. Grahame; Councilman Payton M. Otey; Councilman Ronnie C. Rice; Councilman W. D. Tharp; and Vice Mayor James A. Vest.

Members absent: None.

Staff present: City Manager Jack A. Gross; City Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher.

Mayor Shelton opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Shelton declared that the minutes of a regular Council meeting held on October 12, 1993, were approved as mailed.

City Manager Gross reported that there will be a demonstration at the landfill of a tub grinder, which turns brush into mulch, on November 17. Mr. Gross stated this would save space in the new landfill.

Councilman Rice stated that the Solid Waste Committee has met regarding recycling and will report back to Council on November 23 with recommendations.

Councilwoman Grahame thanked the Keep Bedford Beautiful Commission (KBBC) for the awards banquet they had, and expressed appreciation for what the KBBC continues to do for the community.

Councilman Brookshier asked about the schedule for the new dog impoundment.

City Manager Gross reported that cages, heat and air conditioning need to be installed; and the impoundment should be ready shortly after the first of the year.

Mayor Shelton stated that the Christmas lights are scheduled to be turned on the Friday after Thanksgiving.

Mayor Shelton read aloud the following statement regarding the consolidation issue:

Recently, news media coverage of Bedford has highlighted a movement for the consolidation of the city and county into a large city in order to prevent possible annexation of the Forest area by the City of Lynchburg and to protect the western portion of Bedford County from the Roanoke area. A large number of City residents have inquired about what they perceive to be positions taken by City Council on the consolidation issue.

In the spring of 1990, City Council studied financial and economic data on the effects of

consolidation of Bedford and Bedford County into a large city. The study reflected that there were differing levels of service presently provided in the city and the county, that there were differing sources of revenue, and that there would be projected increases in the cost of providing urban services throughout the new consolidated city.

In the final analysis, consolidation resulting in a larger combined city, from the vantage point of city residents would be financially disadvantageous.

The citizens of the City of Bedford and of Bedford County should be aware that consolidation is only one of several options available to address the problems that the public perceives as arising from suburban growth and the related demand for governmental services, including education and public utilities. These include the tier city concept, revenue sharing, reversion of the City of Bedford to town status, alternatives to annexation and additional ideas which are being developed by a large committee representing counties, towns, and cities working under the Virginia Municipal League's guidance in the preparation of legislation to be considered by the Virginia General Assembly.

The cost of developing a consolidation plan will be very expensive. Several years ago a citizens' petition for merging Greensville County with the City of Emporia cost the City of Emporia taxpayers over a quarter of a million dollars, and the Greensville County taxpayers expended approximately \$350,000. That plan ultimately failed at the polls.

Before the Bedford City Council takes a position on any request for a consolidation study, certainly its citizens would want the City Council to consider the available options and the accompanying costs.

The City Council can only act as a collective body as a result of voting on specific issues. Only the City Council can take official actions for the City on the issue of consolidation and on any other matters which may arise from time to time.

Quotations in news stories which may indicate a position on consolidation are expressly those of the quoted individuals and do not represent the position of the City of Bedford or its governing body.

The City Council, after it has a full picture of the alternatives including the various options, the costs of each, and after consultation with its citizens, will take a position on consolidation which, in its collective opinion, will be based on what is in the best interest of the citizens and taxpayers of the city. Any decision upon governmental structures will have significant impacts upon whether existing services in specific areas will be reduced or increased, and will have impacts upon the taxes that will be paid by the individuals to pay for such services. Decisions which have potentially significant implications for citizens and taxpayers in terms of potential changes in services and taxes will be analyzed by the Bedford City Council in a thoughtful and careful manner as we have examined past issues.

Councilman Brookshier asked the City Manager to provide a monthly update on the actual price of the study as of today, if the plan moves forward.

Mayor Shelton asked Council to consider the following during the scheduled executive session: Consultation with legal counsel and staff on consolidation.

City Manager Gross stated that the City's financial advisors, Scott & Stringfellow, Inc., have indicated that

the City could realize an approximate annual savings of \$120,000-\$125,000 through refunding its electric system revenue refunding bonds at this time.

Mr. Gross reported that the Finance and Electric Committees met on October 26 and recommended that the City proceed with the refunding and that the savings be directed to the Electric Fund to be used for upgrading the electric system. The Code of Virginia now requires that refunding of bond issues be approved by the State Council on Local Debt. The City's bond counsel, Hunton & Williams, prepared a resolution authorizing the filing of an application with the State Council on Local Debt for approval for the issuance of the bonds.

The Clerk of Council read aloud the following proposed resolution:

**RESOLUTION AUTHORIZING THE FILING OF  
AN APPLICATION WITH THE STATE COUNCIL ON  
LOCAL DEBT FOR THE ISSUANCE AND SALE OF  
ELECTRIC SYSTEM REFUNDING BONDS OF  
THE CITY OF BEDFORD, VIRGINIA**

**WHEREAS**, the City of Bedford, Virginia (the "City"), has issued its Electric System Revenue Refunding Bonds, Series 1986, (the "Bonds"), in the aggregate outstanding principal amount of \$14,875,000;

**WHEREAS**, the City, in conjunction with its financial advisor, has determined that it is in the best interest of the City to refund all or a portion of the Bonds maturing on or after June 1, 1997 (the "Callable Bonds"), to take advantage of current lower interest rates; and

**WHEREAS**, the City must obtain the approval of the State Council on Local Debt to issue bonds to refund the Outstanding Bonds;

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BEDFORD, VIRGINIA:**

1. The City Manager, the Director of Finance and the City Attorney, any of whom may act, are authorized and directed to pursue the necessary requirements for the issuance and sale of bonds (the "Bonds") to refund the Callable Bonds.

2. The City Manager, the Director of Finance and the City Attorney, any of whom may act, are hereby authorized and directed to apply to the State Council on Local Debt for approval for the issuance of the bonds. The Bonds shall not be issued until their issuance shall have been approved by the State Council on Local Debt, as required by the Section 15.1-227.46 of the Code of Virginia of 1950, as amended.

Councilman Rice moved that the resolution be adopted. The motion was seconded by Vice Mayor Vest.

Councilman Rice stated that he would like his motion to include that the money stay in the Electric Department and not have any bearing on what the Electric Department requests in the CIP budget.

The City Manager stated that the Electric Committee made that recommendation and asked him to check with the bond attorney to see whether language could be inserted into the refunding agreement which might specifically speak to that. Mr. Gross indicated that the bond counsel is researching this.

Mayor Shelton made the following clarification regarding Councilman Rice's suggested change to his motion: that the resulting savings from the reissuance of the bonds be retained in the Electric Department and that be made a part of this resolution.

After discussion, Councilman Rice withdrew the suggested change to his original motion.

Mayor Shelton and City Manager Gross indicated that, if possible, the language would be built into the bond resolution.

The original motion was voted upon and carried unanimously by the following roll call vote:

Councilman Brookshier	aye
Councilwoman Grahame	aye
Councilman Otey	aye
Councilman Rice	aye
Councilman Tharp	aye
Vice Mayor Vest	aye
Mayor Shelton	aye

City Manager Gross stated that the City Attorney has prepared a Supplemental Agreement for Library Improvements. This agreement will be read in concert with the agreement dated May 15, 1993, if approved. Mr. Gross indicated the agreement lays out the sources and uses of funds for the new library construction. The low bid received was from C. L. Lewis & Company on the project, which was more than funds available. The City Manager explained that the total budget for the project is \$2,037,172.

Councilwoman Grahame stated that the Library and Finance Committees recommend that this amendment be approved.

Councilman Tharp moved that Council approve the Amendment to the Agreement for Library Improvements

and direct the City Manager to sign a contract for construction of the library, subject to Council's consideration of the item. The motion was seconded by Vice Mayor Vest. The motion was then voted upon and carried unanimously by the following roll call vote:

Councilwoman Grahame	aye
Councilman Otey	aye
Councilman Rice	aye
Councilman Tharp	aye
Vice Mayor Vest	aye
Councilman Brookshier	aye
Mayor Shelton	aye

On motion by Councilwoman Grahame, seconded by Vice Mayor Vest, voted upon and carried unanimously by a roll call vote, Council adjourned into executive session for: discussion of personnel matters and consultation with legal counsel and staff on consolidation, pursuant to 2.1-344(a)(1) and 2.1-344(a)(7) of the Code of Virginia of 1950, as amended. Roll call vote follows:

Councilman Otey	aye
Councilman Rice	aye
Councilman Tharp	aye
Vice Mayor Vest	aye
Councilman Brookshier	aye
Councilwoman Grahame	aye
Mayor Shelton	aye

Council adjourned into executive session at 7:58 p.m. Non-council members attending were: City Manager Gross, City Attorney Berry, and Clerk of the Council Hatcher. (Gross, Berry, and Hatcher left the executive session at 8:50 p.m.)

Council reconvened into open session at 9:30 p.m. The Clerk of Council read aloud the following proposed resolution:

BE IT RESOLVED that the Council of the City of Bedford hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (2) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Council.

Councilman Rice moved that the resolution be adopted as read. The motion was seconded by Councilman Otey, voted upon and carried unanimously by the following roll call vote:

Councilman Rice	aye
Councilman Tharp	aye
Vice Mayor Vest	aye
Councilman Brookshier	aye
Councilwoman Grahame	aye
Councilman Otey	aye
Mayor Shelton	aye

Mayor Shelton adjourned the meeting at 9:31 p.m.