

An adjourned meeting of the Council of the City of Bedford, Virginia, from the called meeting of April 15, 1997, was held in the Council Hall of the Municipal Building at 7:30 p.m., April 29, 1997.

Members present: Mayor G. Michael Shelton; Councilman H. Davis Ballard; Vice Mayor Larry D. Brookshier; Councilwoman Mary L. Flood; Councilwoman Linda Kochendarfer; Councilman W. D. Tharp; and Councilman Robert T. Wandrei.

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 called Council meeting held on April 15, 1997, were approved as distributed.

Vice Mayor Brookshier gave the City Manager a petition he received regarding surface treatment of streets in the City. The City Manager is to address the issue stated in the petition and give copies of it to Council.

Councilwoman Kochendarfer reminded Council of the Local Government Day activities scheduled for the first regular meeting in May and explained that the topic for the student's Council meeting will be the feasibility of a mentoring program for students in local businesses and industries.

Councilman Tharp recognized visiting Russian municipal officials who are studying the format of local government.

Mayor Shelton stated that members of Council have been invited to participate in a dedication ceremony for the new home constructed by Habitat for Humanity on Edmund Street. The ceremony is scheduled for May 17 at 10:00 a.m.

It was the concurrence of Council that the final agenda item, Presentation of Budget for Fiscal Year 1997-98, be moved to the second item under New Business.

Mr. Robert Carson spoke regarding the need for quality entertainment for the young people in the Bedford community. Mr. Carson suggested the following entertainment facilities: bowling alley, theater, skating rink, and a gym and teen center. Mr. Carson asked Council to make this need a priority.

The Vice Mayor and Mayor spoke regarding the efforts of the Director of Planning & Community Development and Bedford Main Street, Inc., in recruiting new businesses to the area.

The Mayor stated that private sector involvement is necessary and that Council will take this need under consideration during the budgeting process and afterwards.

City Manager Gross stated that a draft of the preliminary budget for Fiscal Year 1997-98 was being submitted for Council's review. This annual financial plan proposes the balanced revenues and expenditures for the next fiscal year. The City Manager stated that compared to the present fiscal year, the 1997-98 budget has \$633,370 of additional expenditures. The City has no control over most of the new and increased expenditures. Mr. Gross stated that in order to fund these new expenditures, revenue sources have been increased and operational expenditures have been decreased.

The City Manager indicated the proposed budget could be generally categorized as a "maintenance" budget

which provides for the identified projects while sustaining necessary fiscal stability. The proposed budget provides for the continuation of all of the City's ongoing projects and services.

The City Manager reviewed various highlights of the proposed budget.

Mr. Barry Thompson, Assistant City Manager, reviewed the proposed budget. Figures in the proposed budget included:

Cash carry over \$ 1,662,400

Revenues 25,493,027

\$27,155,427

Expenditures \$25,776 038

Contingency 1,379,389

\$27,155,427

Council scheduled a work session on the budget for May 13, 1997, as the last item on the agenda of the regular meeting. The Public Hearing on the budget was scheduled for May 13 also.

The City Manager reported that the present wholesale power service agreement between the City and American Electric Power will expire June 30, 1998. The Blue Ridge Power Agency employed GDS Associates to assist in the process of issuing a request for proposals and evaluating the responses. Twenty-one companies submitted proposals. On March 27, 1997, the Blue Ridge Power Agency, based on the responses to the RFP, selected Cinergy Corporation, of Cincinnati, Ohio, as the recommended supplier of wholesale electric power to five of its members, including the City of Bedford, beginning July 1, 1998.

City Manager Gross explained that the proposed contract with Cinergy is for seven years, through June 2005. The City's savings in power costs are conservatively estimated to exceed 14.5 million dollars over the life of the contract. The City would continue to purchase transmission services from AEP for delivery of the Cinergy power. Mr. Gross indicated that the Cinergy contract will allow Bedford to continue providing competitive rates as the electric industry restructures.

Mr. Duane Dahlquist, General Manager of Blue Ridge Power Agency, gave a brief history of the Blue Ridge Power Agency.

Mr. Jack Madden, GDS Associates, reviewed information regarding power supply acquisition and information regarding the proposed contract with Cinergy.

Mr. Gregory E. Wagoner, Manager, Strategic Marketing, Cinergy Corporation, reviewed information concerning Cinergy's power supply package for the Bedford Electric Department.

Discussion ensued.

The City Manager recommended approval of the proposed contract.

Vice Mayor Brookshier moved that Council approve the contract with Cinergy Corporation for wholesale

electric power beginning July 1, 1998, and authorize the City Manager to sign the contract. The motion was seconded by Councilwoman Kochendarfer, voted upon and carried unanimously.

City Manager Gross stated that Council is being asked to consider an agreement with Blue Ridge Power Agency (BRPA) for billing and power supply services during the term of the contract with Cinergy Corporation for wholesale power. Under the terms of the agreement, BRPA will act as collection agent to receive and pay the bills for electric service delivered under the Cinergy contract. The Blue Ridge Power Agency will also have responsibility for negotiating and contracting for transmission. Mr. Gross indicated the BRPA has been performing these duties under its current agreement with the City in connection with American Electric Power's billings.

Councilman Tharp moved that Council approve the agreement between Blue Ridge Power Agency and the City of Bedford for billing and power supply services and partial assignment of contract, and authorize the City Manager to sign the agreement. The motion was seconded by Councilman Ballard, voted upon and carried unanimously.

The City Manager reported the City has received a check from the Commonwealth of Virginia Department of Health, Division of Emergency Medical Services, in the amount of \$2,135. This represents the City's portion of the "Two-for-Life" funds for the fiscal year ended June 30, 1995. Mr. Gross indicated that these funds need to be appropriated from revenue account No. 100160.0902 to the Life Saving Crew expenditure account, No. 103225.3415.

Councilwoman Kochendarfer moved that the appropriation be approved as requested. The motion was seconded by Councilman Ballard, voted upon and carried unanimously by the following roll call vote:

Councilman Ballard aye

Vice Mayor Brookshier aye

Councilwoman Flood aye

Councilwoman Kochendarfer aye

Councilman Tharp aye

Councilman Wandrei aye

Mayor Shelton aye

Mayor Shelton adjourned the meeting at 9:34 p.m.