

An adjourned meeting of the Council of the City of Bedford, Virginia, from the regular meeting of November 14, 1997, was held at Avenel, on November 22, 1997, at 9:00 a.m.

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, Assistant City Manager Barry Thompson, and Clerk of the Council Teresa W. Hatcher.

Mayor Shelton called the meeting to order.

Councilman Tharp requested that the following item be added to the agenda: Privatization - discussion.

Mayor Shelton added "Privatization - Discussion" as the last item on the agenda.

City Manager Gross stated that before the first meeting of the Legislature, the following item will be brought before Council for consideration: a lease agreement between the City and Rubatex Corporation to provide basic telecommunications services. Mr. Gross reported that telecommunications provided by local governments is under scrutiny and bills may be introduced at this session of the General Assembly to restrict local governments' ability to provide those services.

Mayor Shelton suggested developing a similar lease agreement with the D-Day Memorial Foundation.

The City Manager indicated there is a legal question as to whether or not localities can provide telecommunications services in their charters.

Discussion ensued.

It was the consensus of Council that the City Manager proceed with the arrangements for the City providing telecommunications services with the infrastructure the City has in place.

The City Manager explained arbitrage.

Mr. Thompson explained the costs and possible financing methods for the following project:

Middle School Gymnasium with six classrooms - estimated cost -

1.5 million dollars; recommended using bridge financing until a Literary loan is obtained

Discussion ensued.

Mr. Gross and Mr. Thompson reviewed the maintenance items necessary for stabilization of the Grammar School building: painting, soffits, broken windows, steam cleaning, cleaning the inside of the building, etc. The cost of this maintenance is estimated at \$52,000.

Discussion ensued.

It was the consensus of Council to move forward with the maintenance for the Bedford Grammar School building to be done in this fiscal year, if funding is possible, otherwise it will be included in next year's

budget.

It was the consensus of Council to proceed with the bridge financing for borrowing 1.5 million dollars for the middle school gymnasium.

Council took a break from 10:05 a.m. until 10:15 a.m.

Mr. Thompson stated that a resolution will be presented for Council's consideration at the first regular meeting in December regarding the middle school gymnasium financing and expenses.

Mr. Thompson reported that a loan from the Virginia Revolving Loan Fund has been approved in the amount of \$4,677,000 at an interest rate of 2.5% for the Wastewater Treatment Plant.

Mr. Thompson stated the loan includes funds for the actual upgrade of the plant to meet the toxicity limit and to meet the requirements of the consent order and funds for I and I work, which is approximately \$850,000 above last year's figures.

The City Manager stated the industries have been notified that pre-treatment of wastewater is upcoming and will cause a very significant increase in fees.

Funds for this item will be included in next year's budget.

Discussion ensued regarding the following items: the library contract; the desire on the part of the Bedford County Board of Supervisors to change the membership representation on the Regional Library Board in order for the Board members to have representation from each one of their election districts; and locating a media center in the Central Library.

After the first of the year, the City/County Relations Committee, Finance Committee, and Library Committee will meet regarding the formulation of a plan which would address the structure of the Regional Library and funding. The committees are to report back to Council on this matter before meeting with the County.

Council took a break from 11:05 a.m. until 11:15 a.m.

Mayor Shelton reported on a meeting he attended with the Chamber of Commerce Board regarding the possibility of a having a visitor's center dissociated from the Chamber of Commerce office. The Mayor reviewed the following points which were discussed at the meeting:

- procurement of land or utilizing public land in the Rt. 460/122 area close to the D-Day Memorial location; City and County would work with the Chamber who would secure a loan for the purchase/construction/renovation of a visitor's center in that location; the loan would be in the name of the Chamber, and the City and County, on a per capita basis, would provide the funds to the Chamber for the payments for the loan; the visitor's center would be set up as more of a City/County type of operation rather than a Chamber governed organization
- the City Council, Board of Supervisors, and the Chamber Board would appoint two people from each organization to serve on a committee to look at this further as to what the possibilities are, to determine the funding that may be available, and to develop the capital and operations costs

Council discussed the concept of the visitor's center.

Councilwoman Kochendarfer and Councilman Tharp will serve on the Visitor's Center Concept Committee

and report back to Council.

City Attorney Berry explained that based on present statutes, neither the D-Day Memorial Foundation nor the Avenel Foundation is exempt from taxation. Mr. Berry reviewed the procedure for designation of tax exempt status as set up by the General Assembly: the governing body, by resolution, approves the exemption and then the General Assembly passes legislation. The City Attorney stated there is a provision that allows the jurisdiction to pass an ordinance which requires each exempt organization to submit every three years to the local Commissioner a report of the income from its activities. The ordinance provides a manner in which the governing body can take away the tax exempt designation of an organization and recommend to the General Assembly that the exemption be removed, which would give Council more flexibility in dealing with the situation of an organization becoming very successful and making money.

The City Attorney recommended the Council adopt an ordinance which would allow for removing the tax exempt designation before Council considers exempting any organizations. The City Manager is to check into public hearing requirements.

Mayor Shelton referred the matter to the Finance Committee which is to recommend a proposed ordinance dealing with requests for tax exempt status.

Council took a break for lunch.

Mayor Shelton gave a report regarding the Virginia Municipal League's (VML) position on proposed legislation to eliminate the personal property tax. The Mayor stated that VML's position on legislation, taken at the conference in Hampton, opposed any effort that would reduce or eliminate local government's ability to generate revenue for services. The VML Legislative and Executive Committees met together on November 21 and discussed what approach the VML may use to determine the best plan to insure that localities will get the replacement of funds.

The Mayor reported the Virginia Municipal League will not oppose elimination of the personal property tax and will call for revenue substitution.

Discussion ensued.

The City Manager reported that in the Report from the Commission on Local Government on the proposed Joint Economic Development and Growth Sharing Agreement between the City and County, the Commission made the following recommendation: that the language in the report be amended to clearly state that if the City were to revert to a town, the agreement would have to be reconsidered. The Commission suggested the City balance the sewer and water fund. Mr. Gross stated this is already required when the money for Wastewater Treatment Plant is borrowed.

City Manager Gross stated the next step is for both the City and the County to each hold separate public hearings and readopt the agreement, and have the City and County attorneys ask that a three-judge panel be appointed.

The City Manager stated the following concern: the agreement was approved with the understanding that the County would have a new sort of zoning system already in place so that if this takes effect July 1, 1998, the property within the growth sharing areas in the County would be zoned commercial and industrial. Mr. Gross reported without that agreement on July 1, developers could buy property in any of these growth sharing areas and put up apartment houses. The City Manager stated the City needs some sort of agreement, understanding, or protection that the zoning issue will be taken care of prior to the City's commitment in this agreement. The agreement will have to be amended to cover that issue.

City Manager Gross indicated the City/County Relations Committee has been assured by the County

Administrator that zoning would already be in place by July 1. The Committee recommends that at the next meeting with the County on November 25, the City offer the suggestion that the County zone these areas before July 1 and make the agreement contingent upon the zoning being in place.

Mayor Shelton spoke about his concern that the Board of Supervisors will not vote for the agreement.

Discussion ensued.

A resolution is to be prepared for Council's consideration which will cancel the December 23, 1997, regular meeting.

Councilman Tharp spoke regarding Council's decision to raise cemetery fees to the point that the fees support the cemetery operations ( the increase in grave opening fees increased from \$275 to \$710, which is the second highest in the area).

Discussion ensued concerning privatization of some or all of the cemetery operations.

Council directed the City Manager to move forward with the bid process for privatizing the cemetery operations for the active cemeteries which could be implemented on July 1, 1998.

The Mayor reported that the Bedford County Administrator is in favor of moving the Court House out of the City and constructing a new Court House facility on a site near the new Sheriff's office and dispatcher center. Mayor Shelton stated this move would have a significant effect on the City.

The City Manager suggested that Council not change the tax rate when the new reassessment of real estate is completed due to financial reasons.

Mayor Shelton adjourned the meeting at 2:00 p.m.