

01-23-2001 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., January 23, 2001.

Members present: Mayor G. Michael Shelton; Councilman Larry D. Brookshier; Councilwoman Mary L. Flood; Councilman Thomas M. Padgett; Councilman W. D. Tharp; and Councilman Robert T. Wandrei.

Members absent: Vice Mayor E. Thomas Messier.

Staff present: City Manager F. Craig Meadows; 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 the January 9, 2001, regular Council meeting were approved as distributed.

City Manager Meadows reported on the following:

VML Legislative Day – due to a changed format in the meeting, the City will probably not be represented

Proposed regional industrial park tour – possible dates: January 29 or February 5 – members of Council are to notify the City Manager's secretary if they would like to take the tour

City Engineering Department has a meeting scheduled with the Virginia Department of Transportation regarding the final plans for the East Main Street Widening Project

Letter from John Hicks, Principal of Bedford Elementary School (BES), notifying the City that BES and Body Camp Elementary School have been awarded a 21st Century Community Learning Center grant from the U. S. Department of Education - the grant, \$982,000 over a three year period, will be used to transform these two schools into community learning centers.

Mayor Shelton brought to Council's attention House Bill 2645, which would require those candidates nominated by a political party for any county, city, or town office to be identified by the political party on the ballot. The Mayor was not in favor of the House Bill.

Councilman Padgett indicated that he would have no objection to HB 2645. There were no other comments from members of Council.

The Clerk of Council read aloud the following public hearing notices:

NOTICE OF PUBLIC HEARING

On Tuesday, the 23rd of January, 2001, the Council of the City of Bedford, Virginia, will conduct a Public Hearing on the proposed issuance of general obligation water and sewer bonds of the City in the estimated maximum principal amount of \$4,666,300. The purpose of the proposed bonds is to finance capital projects to the City's wastewater collection system.

The Public Hearing will be conducted at 7:30 p.m. in City Council Chambers, Municipal Building, 215 East Main Street, Bedford, Virginia. Interested persons may appear at such time and place and present their views.

Teresa W.
Hatcher

Clerk of the
Council

City of
Bedford,
Virginia

NOTICE OF PUBLIC HEARING PURSUANT TO SUBMISSION OF T-21 GRANT APPLICATION

On Tuesday, January 23, 2001, the Council of the City of Bedford, Virginia, will conduct a Public Hearing for the purpose of considering the adoption of a Resolution regarding Transportation Enhancement Funding

for the siting, design and construction of a state certified local/regional Tourism Visitor's Center.

The Public Hearing will be conducted at 7:30 p.m. in City Council Chambers, Municipal Building, 215 East Main Street, Bedford, Virginia. Interested persons may appear at such time and place and present their views.

Teresa W.
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Clerk of the
Council

City of
Bedford,
Virginia

Mayor Shelton opened the public hearings at 7:40 p.m. As there were no comments on either public hearing, the Mayor closed the hearings at 7:41 p.m.

The Consent Agenda consisted of the following items: Reappointment of Ms. Michelle Pershinsky as the City Representative on the Central Virginia Disability Services Board, term expiring October 31, 2003; and the reappointment of Mr. Harris C. Gardner, Jr., to serve a four-year term on the Joint City/County Industrial Development Authority, said term to expire February 1, 2005.

City Manager Meadows stated that the Virginia Department of Environmental Quality is requiring many municipalities with old wastewater collection systems to make extensive repairs to their systems to address inflow and infiltration problems. The City is subject to a special order by consent requiring it to make such improvements. These improvements include repairs and renovations of collection systems and the upgrading of pumping stations. The City Manager indicated that the estimated cost for this mandated work is approximately \$4,666,300.

The City Manager reported the City is able to finance this principal amount at no interest through the issuance of bonds as part of a loan with the Virginia Resources Authority. The Authority requires that the bonds be secured both by the revenues of the project being financed and by the full faith and credit of the City. Such "double barrel" bonds are both revenue bonds and general obligation bonds.

City Manager Meadows stated that the Virginia Public Finance Act requires the City Council to enact an Ordinance approving issuance of the bonds and to adopt a bond resolution setting forth details for the proposed bond issue. In addition, the Council needs

to adopt a "reimbursement resolution" providing for the reimbursement to the City from the bond proceeds of certain expenses that will have been incurred in the period 60-days prior to the date of the resolution.

The City Attorney reported that the following ordinance is not required to be posted under a special provision of the Virginia Public Finance Act. The City Attorney stated there was an error in the information given to Council and under Virginia law such bonds do count against the limit of the City's bonded indebtedness.

Councilman Tharp moved that the ordinance authorizing the issuance of general obligation water and sewer bonds be adopted. The motion was seconded by Councilwoman Flood, voted upon and carried by the following roll call vote:

| | |
|-----------------------|--------|
| Councilman Brookshier | aye |
| Councilwoman Flood | aye |
| Vice Mayor Messier | absent |
| Councilman Padgett | aye |
| Councilman Tharp | aye |
| Councilman Wandrei | aye |
| Mayor Shelton | aye |

The Ordinance follows as adopted:

ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION WATER AND SEWER BONDS OF THE CITY OF BEDFORD, VIRGINIA, IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$4,666,300

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF BEDFORD, VIRGINIA:

1. It is determined to be necessary and expedient for the City of Bedford, Virginia (the "City"), to finance the construction of certain capital improvements to the City's wastewater collection system (the "Project"),

and to borrow money for such purpose and issue the City's general obligation water and sewer bonds therefor.

2. Pursuant to the Public Finance Act of 1991, and without reference to the City Charter, there are authorized to be issued general obligation water and sewer bonds of the City in a maximum principal amount not to exceed \$4,666,300 to provide funds, together with other available funds, to finance the Project.

3. The bonds shall bear such date or dates, mature at such time or times not exceeding 40 years from their date or dates, bear interest at such rate or rates, be in such denominations and form, be executed in such manner and be sold at such time or times and in such manner as the Council of the City may hereafter provide by appropriate resolution or resolutions.

4. The bonds shall be general obligations of the City for the payment of principal of and premium, if any, and interest on which its full faith and credit shall be irrevocably pledged. In addition, the revenues of the City's water and wastewater systems may be pledged for such payment.

5. The City Clerk, in collaboration with the City Attorney, is authorized and directed to see to the immediate filing of a certified copy of this ordinance in the Circuit Court of Bedford County, Virginia.

6. This ordinance shall take effect immediately.

On motion by Councilman Tharp, seconded by Councilman Brookshier, voted upon and carried by a roll call vote, the resolution providing for the issuance, sale and award of a general obligation water and Sewer bond was adopted. Roll call vote follows:

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|-----------------------|--------|
| Councilwoman Flood | aye |
| Vice Mayor Messier | absent |
| Councilman Padgett | aye |
| Councilman Tharp | aye |
| Councilman Wandrei | aye |
| Councilman Brookshier | aye |

Mayor Shelton

aye

The resolution follows as adopted:

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE
AND AWARD OF A GENERAL OBLIGATION
WATER AND SEWER BOND, SERIES OF 2001,
OF THE CITY OF BEDFORD, VIRGINIA,
IN THE MAXIMUM PRINCIPAL AMOUNT OF \$4,666,300,
HERETOFORE AUTHORIZED, AND PROVIDING FOR
THE FORM, DETAILS AND PAYMENT THEREOF**

WHEREAS, on January 23, 2001, the City Council (the "Council") of the City of Bedford, Virginia (the "City"), adopted an ordinance (the "Ordinance") authorizing general obligation water and sewer bonds in the maximum principal amount of \$4,666,300 to finance capital projects to the City's wastewater collection system (the "Project"); and

WHEREAS, the City has applied to the Virginia Water Facilities Revolving Fund (the "Fund"), which is administered by Virginia Resources Authority ("VRA"), for the purchase of such City bonds and VRA has agreed to direct SunTrust Bank (as successor to Crestar Bank), as trustee (the "Trustee"), under a Master Indenture of Trust dated as of October 15, 1999, with VRA, as previously supplemented and as supplemented and amended by a Second Supplemental Series Indenture of Trust dated as of November 1, 2000 (collectively, the "Indenture"), between the Trustee and VRA, to use a portion of the proceeds of VRA's \$106,685,000 Clean Water State Revolving Fund Revenue Bonds, Series 2000 (the "VRA Bonds"), to purchase such City bonds pursuant to the terms of a Financing Agreement between VRA and the City (the "Financing Agreement") and a Nonarbitrage Certificate and Tax Compliance Agreement between VRA and the City (the "Tax Compliance Agreement"), the forms of which have been presented to this meeting;

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

1. Issuance and Sale of Bonds. The Council determines that it is in the best interests of the City to issue the City's general obligation water and sewer bonds authorized by the

Ordinance in the maximum principal amount of \$4,666,300. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, the Council hereby provides for the issuance and sale of such bonds to provide funds, together with other available funds, to finance the Project and to pay costs of issuing such bonds.

2. Authorization of Financing Agreement. The form of the Financing Agreement is approved. The City Manager is authorized to execute the Financing Agreement in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the City Manager, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of such bonds to or at the direction of VRA shall be upon the terms and conditions of the Financing Agreement. All capitalized terms used but not defined herein shall have the same meaning as set forth in the Financing Agreement.

3. Bond Details. The bonds shall be issued as a single, registered bond and shall be designated as "General Obligation Water and Sewer Bond, Series of 2001" (the "Bond"). The Bond shall be dated the date of its delivery to or for the account of VRA, shall be numbered R-1 and shall mature no later than December 31, 2024. The Bond shall not bear interest, except Supplemental Interest, if any. The Bond shall provide for VRA or the Trustee to make principal advances from time to time in an aggregate amount not to exceed \$4,666,300 and to note such advances on the Bond as moneys are advanced by VRA thereunder. An authorized representative of the Trustee shall enter the amount and the date of each such principal advance on the Certificate of Principal Advances on the Bond when the proceeds of each such advance are delivered to the City. As set forth in the Financing Agreement, the City agrees to pay such late payment charges and other charges as provided therein.

The City Manager is authorized to approve the maturity schedule (including payment dates) for the Bond as provided by VRA. If the aggregate amount of principal advances on the Bond shall be less than the denomination of the Bond, the principal amount due shall be reduced to the extent thereof. All payments due on the Bond shall be payable as provided in the Financing Agreement in lawful money of the United States of America. Payments shall be made by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose by the City Treasurer, who is appointed registrar and paying agent (the "Registrar"), on the 15th day of the month preceding the payment date, except that the final payment is payable upon presentation and surrender of the Bond at the office of the Registrar.

4. Payment and Redemption Provisions. Subject to Section 3, the principal of and interest, if any, on the Bond shall be payable as set forth in the Bond and the Financing Agreement. The City may not prepay or refund the Bond without the written consent of VRA.

5. Execution and Form of Bond. The Bond shall be signed by the Mayor and the City's seal shall be affixed thereon and attested by the Clerk of Council. The Bond shall be

issued as a typewritten bond in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Mayor, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

6. Preparation of Printed Bonds. Upon request of the registered owner and upon presentation of the Bond at the office of the Registrar, the City shall arrange to have prepared, executed and delivered in exchange as soon as practicable Bonds in printed form in an aggregate principal amount equal to the unpaid principal of the Bond in typewritten form, in denominations of \$5,000 and multiples thereof (except that one Bond may be issued in an odd denomination of not less than \$5,000), of the same form and maturity and registered in such names as requested by the Trustee or its duly authorized attorney or legal representative. The printed Bonds may be executed by the facsimile signature of the Mayor with a facsimile of the City's seal printed thereon and attested by the facsimile signature of the Clerk of Council; provided, however, that if both of such signatures are facsimiles, no bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten Bond surrendered in any such exchange shall be canceled.

7. Pledge of Full Faith and Credit and Revenues. The full faith and credit of the City are hereby irrevocably pledged for the payment of principal of and interest, if any, on the Bond and the performance of its obligations under the Financing Agreement. Unless other funds are lawfully available and appropriated for timely payment of the Bond, the Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the City sufficient to pay when due the principal of and interest, if any, on the Bond. In addition, subject to the right of the City to apply Revenues to the payment of Operation and Maintenance Expense, the City irrevocably pledges the Revenues to the payment of principal of and interest, if any, on the Bond and the payment and performance of the City's obligations under the Financing Agreement. Such pledge of Revenues shall be on a parity with the pledge of Revenues securing the outstanding principal amounts of the City's Taxable Water and Sewer Revenue Bond, Series of 1991, its Taxable Water and Sewer Revenue Bond, Series of 1992, and its Taxable General Obligation Water and Sewer Bond, Series of 1998.

8. Registration and Transfer of Bond. Upon surrender of the Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the City shall execute and deliver in exchange a new Bond having an equal aggregate principal amount, of the same form and maturity and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the City's expense, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person or entity exclusively entitled to payment and the exercise of all other rights and powers of the owner, except that installments shall be paid to the person or entity shown as owner on the registration books on the 15th day of the month preceding each payment date.

9. Mutilated, Lost or Destroyed Bond. If the Bond has been mutilated, lost or destroyed, the City shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the City shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the City in connection therewith and, in the case of a lost or destroyed Bond, (a) has filed with the City evidence satisfactory to the City Treasurer that such Bond was lost or destroyed and (b) has furnished to the City Treasurer satisfactory indemnity.

10. Preparation and Delivery of Bond. The Mayor and the Clerk of Council are authorized and directed to take all proper steps to have the Bond prepared and executed in accordance with its terms and to deliver it to or for the account of VRA as the purchaser thereof upon receipt of the first principal advance thereunder. The Mayor and the Clerk of Council are further authorized and directed to agree to and comply with any and all further conditions and requirements of VRA not inconsistent with this Resolution in connection with its purchase of the Bond.

11. Arbitrage Covenants. The City covenants that it shall not take or omit to take any action the taking or omission of which will cause the VRA Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest on the VRA Bonds to be includable in the gross income of the registered owner thereof under existing law.

12. Tax Compliance Agreement. Such officers of the City as may be requested are authorized and directed to execute and deliver the Tax Compliance Agreement, which is hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers of the City executing such document, whose approval shall be evidenced conclusively by the execution and delivery thereof.

13. Limitation on Private Use. The City covenants that it shall not permit the proceeds of the Bond or the facilities financed with the proceeds of the Bond to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or the facilities financed with such proceeds being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if VRA and the City

receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the VRA Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the City need not comply with such covenants.

14. Other Actions. All other actions of City officials in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond are ratified, approved and confirmed. The City officials are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Bond pursuant to this Resolution and the Financing Agreement.

15. Effective Date. This resolution shall take effect immediately.

R-1

_____, 2001

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
CITY OF BEDFORD
General Obligation Water and Sewer Bond
Series of 2001

The **City of Bedford, Virginia** (the "City"), a political subdivision of the Commonwealth of Virginia, for value received, acknowledges itself in debt and promises to pay to

SunTrust Bank (successor to Crestar Bank), as trustee (the "Trustee"), under a Master Indenture of Trust dated as of October 15, 1999, with the Virginia Resources Authority (the "Authority"), as previously supplemented and as supplemented and amended by a Second Supplemental Series Indenture of Trust dated as of November 1, 2000 (collectively, the "Indenture"), between the Trustee and the Authority, or its registered assigns or legal representative, the principal sum equal to the sum of the principal advances shown on the Certificate of Principal Advances below, but not to exceed **FOUR MILLION SIX HUNDRED SIXTY-SIX THOUSAND THREE HUNDRED DOLLARS** (\$4,666,300). This bond shall not bear interest. Installments of \$_____ shall be payable on each _____ 1 and _____ 1, beginning _____ 1, _____, with a final installment of \$_____ due on _____, _____. If the aggregate amount of principal advances is less than \$4,666,300, then the installments due on this bond shall be reduced to the extent thereof, as provided in the Financing Agreement (as defined below). If not sooner paid, all amounts due under this bond shall be due and payable on _____, _____.

If any installment of principal of this bond is not paid within ten days of its due date, the City agrees to pay to the Authority on demand a late payment charge in an amount equal to 5% of the overdue installment. If any failure of the City to pay any required payment hereunder or of the principal of this bond results in a withdrawal from the Series 2000 Reserve Fund, the Series 2000 Debt Service Fund, the Series 2000 Debt Service Reserve Fund or the General Reserve Fund (as such terms are defined in the Indenture), the interest rate applicable to this bond shall be increased to an interest rate sufficient to reimburse such Funds for any foregone investment earnings thereon. The increment of interest payable pursuant to the increase in rate shall be referred to as "Supplemental Interest." The term "interest," as used in this bond shall include Supplemental Interest, when and if payable. Supplemental Interest shall be due and payable on the Authority's demand. The Authority shall deliver to the City a certificate as to the increase in interest rate and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in the interest rate and the manner of calculation of the increase and the amount of Supplemental Interest. The certificate shall be conclusive (absent manifest error) as to the interest rate increase and amount of Supplemental Interest set forth therein. In determining the interest rate increase and the amount of Supplemental Interest, the Authority may use any reasonable averaging and attribution methods.

All amounts due hereunder are payable in lawful money of the United States. Payments shall be made by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose by the City Treasurer, who has been appointed Registrar, on the 15th day of the month preceding the payment date, except that the final payment is payable upon presentation and surrender of this bond at the office of the Registrar.

No notation is required to be made on this bond of any payment or prepayment of principal. THEREFORE, THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING AND DUE HEREUNDER.

This bond has been authorized by an ordinance adopted by the Council on _____, 2001 (the "Ordinance"), and is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, a resolution adopted by the Council on _____, 2001 (such resolution together with the Ordinance, the "Resolution"), and a financing agreement dated as of _____, 2001, between the City and the Authority (the "Financing Agreement"), to finance, in part, certain improvements to the City's wastewater collection system. The City's obligations under this bond shall terminate when all amounts due and to become due pursuant to this bond and the Financing Agreement have been paid in full.

The full faith and credit of the City are irrevocably pledged for the payment of principal of and interest, if any, on this bond and the performance of the City's obligations under the Financing Agreement. In addition, subject to the City's right to apply Revenues (as defined in the Financing Agreement) to the payment of Operation and Maintenance Expenses (as defined in the Financing Agreement), Revenues are irrevocably pledged for the payment of principal and interest, if any, on this bond and the payment and performance of the City's obligations under the Financing Agreement. Such pledge of Revenues shall be on a parity with the pledge of Revenues securing the City's Taxable Water and Sewer Revenue Bond, Series of 1991, its Taxable Water and Sewer Revenue Bond, Series of 1992, and its Taxable General Obligation Water and Sewer Bond, Series of 1998.

This bond is subject to prepayment to the extent and under terms set forth in the Financing Agreement.

This bond is issued as a registered bond and may be transferred only in accordance with the provisions with respect thereto as provided in the Financing Agreement and the Resolution.

This bond may be exchanged without cost at the office of the Registrar for bonds in printed form in denominations of \$5,000 and multiples thereof (except that one bond may be issued in an odd denomination of not less than \$5,000) in an aggregate principal amount equal to the unpaid principal of this bond.

If an Event of Default (as defined in the Financing Agreement) occurs and is continuing, the principal of this bond may be declared immediately due and payable by the registered owner by written notice to the City.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed, and this bond, together with all other indebtedness of the City, is within every debt and other limitation prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City of Bedford, Virginia, has caused this bond to be signed by its Mayor and the City's seal to be affixed hereto and attested by the Clerk of Council.

(SEAL)

Mayor, City of
Bedford,
Virginia

ATTEST:

Clerk of Council, City of Bedford, Virginia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) unto

(Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER

IDENTIFYING NUMBER OF TRANSFEREE:

the within bond and all rights thereunder, hereby irrevocably constituting and appointing

Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association who is a member of a medallion program approved by The

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular,

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CERTIFICATE OF PRINCIPAL ADVANCES

The amount and date of principal advances not to exceed the face amount hereof shall be entered hereon by an authorized representative of the Trustee when the proceeds of each such principal advance are delivered to the City.

Amount

Date

Authorized Signature

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On motion by Councilman Brookshier, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted the resolution of official intent to reimburse expenditures with proceeds of a borrowing. Roll call vote follows:

Vice Mayor Messier absent

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| Councilman Padgett | aye |
| Councilman Tharp | aye |
| Councilman Wandrei | aye |
| Councilman Brookshier | aye |
| Councilwoman Flood | aye |
| Mayor Shelton | aye |

The resolution follows as adopted:

**RESOLUTION OF OFFICIAL INTENT TO REIMBURSE
EXPENDITURES WITH PROCEEDS OF A BORROWING**

WHEREAS, the City of Bedford, Virginia (the "Borrower"), intends to acquire, construct and equip capital improvements to its wastewater collection system (the "Project"); and

WHEREAS, plans for the Project have advanced and the Borrower expects to advance its own funds to pay expenditures related to the Project (the "Expenditures") prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds or taxable debt, or both;

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

1. The Borrower intends to utilize the proceeds of tax-exempt bonds or to incur other debt (the "Bonds"), in an amount not currently expected to exceed \$4,666,300 to pay the costs of the Project.

2. The Borrower intends that the proceeds of the Bonds be used to reimburse the Borrower for Expenditures with respect to the Project made on or after November 24, 2000, which date is no more than 60 days prior to the date hereof. The Borrower reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds or other debt.

3. Each Expenditure was or will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Borrower so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Borrower.

4. The Borrower intends to make a reimbursement allocation, which is a written allocation by the Borrower that evidences the Borrower's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Borrower recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction of at least five years.

5. The Borrower intends that the adoption of this resolution confirms the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

6. This resolution shall take effect immediately upon its passage.

The City Manager reported that in conjunction with Bedford County and the National D-Day Memorial Foundation, the City would like to apply to the Virginia Department of Transportation for a TEA-21 grant in an amount not to exceed \$290,000. The purpose of the grant would be to obtain funds to perform the following pre-construction functions for the joint City/County Tourist and Visitor's Center: architectural, engineering, legal, grading, storm water, erosion and sediment control, gateway planting, and decorative signage. The new Visitor's Center will be located in the vicinity of the Route 460/122 Burks Hill Road intersection, near the National D-Day Memorial. The City Manager recognized Jennie Martin for her efforts in putting together the grant application. The City Manager also recognized Elizabeth Berry-Moseley and Bart Warner.

City Manager Meadows stated that letters of support have been received from numerous agencies: Virginia Explore Park, Regional 2000 Board, and the Lynchburg Visitor's and Convention Bureau.

On motion by Councilman Tharp, seconded by Councilman Wandrei, voted upon and carried by a roll call vote, Council adopted the resolution regarding Transportation Enhancement Funding. Roll call vote follows:

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|-----------------------|--------|
| Councilman Padgett | aye |
| Councilman Tharp | aye |
| Councilman Wandrei | aye |
| Councilman Brookshier | aye |
| Councilwoman Flood | aye |
| Vice Mayor Messier | absent |
| Mayor Shelton | aye |

The resolution follows as adopted:

RESOLUTION

WHEREAS, in accordance with the Commonwealth of Virginia Transportation Board construction allocation procedures, it is necessary that a request by resolution be received from a local government or state agency in order for the Virginia Department of Transportation to program a transportation enhancement project in the Bedford Area,

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Bedford requests the Commonwealth Transportation Board establish a project for the siting, design, and construction of a State certified local/regional Visitors Center in the Bedford area, which will be a joint project of the City of Bedford and Bedford County in conjunction with the National D-Day Memorial Foundation; and,

BE IT FURTHER RESOLVED, that the City of Bedford and Bedford County hereby agree to pay a minimum twenty (20) percent of the total cost for planning and design, right-of way, and construction of this project, and that if the two jurisdictions subsequently elect to cancel this project they do hereby agree to reimburse the Virginia Department of

Transportation for the total amount of costs expended by the Department through the date the Department is notified of such cancellation.

City Manager Meadows stated the Board of Directors of the Central Virginia Community Services recently has gone through a process of reorganizing the agency to make its services more accessible, more efficient in its use of resources and more subject to continuous quality monitoring. In an effort to highlight these changes, the Board is requesting that City Council adopt a resolution to amend Section 1 of the June 15, 1970, Charter Agreement which would change the current charter name from "Community Mental Health and Mental Retardation Services Board of Central Virginia" to "Central Virginia Community Services Board" and at the discretion of the Board of Directors, allow use of the trade names "Central Virginia Community Services" and "OneSource CSB."

On motion by Councilman Padgett, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted the resolution regarding the Central Virginia Community Services Board. Roll call vote follows:

| | |
|-----------------------|--------|
| Councilman Tharp | aye |
| Councilman Wandrei | aye |
| Councilman Brookshier | aye |
| Councilwoman Flood | aye |
| Vice Mayor Messier | absent |
| Councilman Padgett | aye |
| Mayor Shelton | aye |

The resolution follows as adopted:

RESOLUTION

WHEREAS, pursuant to Section 37.1-194 et. Seq. of the *Code of Virginia* (Chapter 10 of Title 37.1), the Counties of Amherst, Appomattox, Bedford, and Campbell and the Cities of Bedford and Lynchburg adopted a Charter Agreement dated June 15, 1970, establishing a Chapter 10 Board to provide certain mental health and mental retardation services in the

Counties of Amherst, Appomattox, Bedford, and Campbell and the Cities of Bedford and Lynchburg.

WHEREAS, Section 1 of the Charter Agreement provided that the name of the Organization was "Community Mental Health and Mental Retardation Services Board of Central Virginia."

WHEREAS, subsequent to the establishment of this Chapter 10 Board, the services to be provided included not only mental health and mental retardation services but also drug treatment services.

WHEREAS, the Chapter 10 Board has, for a long period of time, traded under the shortened name "Central Virginia Community Services Board," and/or "Central Virginia Community Services," and now desires to formally change its name to Central Virginia Community Services Board. Further, it wishes to have the ability to use the names, and/or to operate certain of its programs and/or subdivision using the names of Central Virginia Community Services and/or the name of One Source CSB.

WHEREAS, the name of the organization can be amended by adoption by the Boards of Supervisors of the Counties of Amherst, Appomattox, Bedford, and Campbell and the City Councils for the Cities of Bedford and Lynchburg of a resolution amending Section 1 of the Charter Agreement.

BE IT THEREFORE RESOLVED that Section 1 of the June 15, 1970 Charter Agreement is amended in its entirety to be as follows:

"Section 1. The name of the Organization shall be Central Virginia Community Services Board. Central Virginia Community Services Board, its programs, and its subdivisions may, as determined by its board, trade under the names Central Virginia Community Services and/or OneSource CSB."

Mayor Shelton gave the City Manager a letter he received from Lee Drury, Attorney in Lynchburg representing a client who is raising questions regarding the Charter of the Community Services Board. The City Manager is to investigate the matter further.

The Clerk of Council read aloud the following resolution:

Resolution

Bedford Main Street Executive Director Victoria Feurer

For Her Contribution to the City of Bedford

WHEREAS, the City of Bedford was selected in 1985 as one of the State of Virginia's first Main Street Cities;

WHEREAS, Bedford Main Street has made a continuing contribution to the economic vitality, historic integrity and aesthetic appeal of the Centertown area of the City of Bedford;

WHEREAS, Bedford Main Street has also enlivened the community with special events ranging from the annual Centerfest Street Festival to the Christmas Parade, Memorial Day Commemoration and Go-Kart Races;

WHEREAS, Vikki Feurer has served well as Executive Director of Bedford Main Street since 1998; has strengthened the public/private partnership of the City of Bedford, the business community and the citizens; and has brought her special touch to all of the activities of Bedford Main Street;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BEDFORD, VIRGINIA, that Vikki Feurer be congratulated on her accomplishments as Executive Director of Bedford Main Street, thanked for her service on behalf of the City of Bedford, and given a key to the City of Bedford to symbolize our appreciation for her efforts and as a reminder that she and her family are valuable members of this community. We extend our sincere appreciation for her distinguished service and extend our very best wishes on her family's relocation to Florida.

On motion by Councilman Wandrei, seconded by Councilman Tharp, voted upon and carried by a roll call vote, Council adopted the resolution concerning Victoria Feurer. Roll call vote follows:

| | |
|-----------------------|--------|
| Councilman Wandrei | aye |
| Councilman Brookshier | aye |
| Councilwoman Flood | aye |
| Vice Mayor Messier | absent |
| Councilman Padgett | aye |

Councilman Tharp aye

Mayor Shelton aye

The Mayor presented Ms. Feurer a copy of the resolution and a "Key to the City."

Due to a possible conflict of interest concerning the next item on the agenda, "Closed Session pursuant to Section 2.1-344 (a)(7) consultation with legal counsel pertaining to pending litigation," Councilman Brookshier and Councilman Wandrei left the meeting at 7:55 p.m.

On motion by Councilman Padgett, seconded by Councilman Tharp, voted upon and carried by a roll call vote, Council adjourned into closed session pursuant to Section 2.1-344(a)(7) of the Code of Virginia, 1950, as amended, for consultation with legal counsel pertaining to pending litigation. Roll call vote follows:

Vice Mayor Messier absent

Councilman Padgett aye

Councilman Tharp aye

Councilman Wandrei absent

Councilman Brookshier absent

Councilwoman Flood aye

Mayor Shelton aye

Council adjourned into closed session at 8:05 p.m. after a recess declared by the Mayor. Non-Council members attending: City Manager Meadows, City Attorney Berry, City Treasurer Caldwell, Clerk of the Council Hatcher, and Dan Layman, of Woods, Rogers & Hazlegrove, P.L.C.

Council reconvened into open session at 8:25 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 (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (2) only such

public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Council.

On motion by Councilwoman Flood, seconded by Councilman Padgett, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

| | |
|-----------------------|--------|
| Councilman Padgett | aye |
| Councilman Tharp | aye |
| Councilman Wandrei | absent |
| Councilman Brookshier | absent |
| Councilwoman Flood | aye |
| Vice Mayor Messier | absent |
| Mayor Shelton | aye |

Mayor Shelton adjourned the meeting at 8:26 p.m.