

5-8-01 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., May 8, 2001.

Members present: Mayor G. Michael Shelton (arrived at 7:35 p.m.); Vice Mayor E. Thomas Messier; Councilman Thomas M. Padgett; Councilman W. D. Tharp; and Councilman Robert T. Wandrei.

Members absent: Councilman Larry D. Brookshier and Councilwoman Mary L. Flood

Staff absent: City Manager F. Craig Meadows

Staff present: Chief of Police and Acting City Manager Milton Graham; City Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher.

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

Vice Mayor Messier declared that the minutes of the April 24, 2001, regular Council meeting and the minutes of the April 30, 2001, adjourned Council meeting were approved as distributed.

Chief Graham stated that the City Manager is out of town attending the American Public Power Association Executive Management Institute in Wisconsin.

The Chief gave the following report of the City Manager:

- Final interviews for the Human Resources Director have been held
- Reminder – Council budget retreat – Friday, May 18, at 8:30 a.m. in the Bedford Central Library Tharp Room
- Relay for Life – the City had two teams that participated

- As of 5:00 p.m. Lake Drive was reopened
- June 8 – five new police officers will graduate from the Cardinal Criminal Justice Academy in Salem – members of Council are invited to attend the graduation ceremony

Mayor Shelton arrived at the meeting at 7:35 p.m. and the Vice Mayor turned the meeting over to him.

The Clerk of Council read aloud the Public Hearing Notice.

NOTICE OF PUBLIC HEARING

On Tuesday, the 8th day of May, 2001, the Council of the City of Bedford, Virginia, will conduct a public hearing on the proposed issuance of general obligation waste management bonds of the City in the estimated maximum principal amount of \$550,000. The purpose of the proposed bonds is to finance the costs of expanding the City's existing landfill facilities.

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

Mayor Shelton opened the public hearing at 7:37 p.m.

As there were no comments, the Mayor closed the public hearing at 7:38 p.m.

On motion by Councilman Padgett, seconded by Councilman Tharp, voted upon and carried, the following item was added to the agenda:

Presentation – Common Ground Garden Club

The Consent Agenda consisted of the following items:

- Reappointment of Ms. Edna Hayden and Mr. Jimmy Holdren to serve on the Redevelopment and Housing Authority, said terms to expire October 13, 2003, and appointment of Mr. Raymond Holland to the Board, said term to expire October 13, 2004.
- Request by the Chief of Police to close Tiger Trail and Vine Street, south of Jeter Street, on June 6, 2001, for security reasons. Residents and their guests will have egress, but no on-street parking will be allowed on the street from 6:00 a.m. until after the D-Day Ceremonies. No one will be allowed to enter the site from Vine Street unless authorized by D-Day staff and security officials.

Ms. Marian Morrison, Common Ground Garden Club, spoke regarding problems occurring with children damaging the Wharton Garden. Ms. Morrison indicated the Garden Club suggests the use of a surveillance camera and police presence during the hours after school dismisses. Ms. Morrison stated these children are in need of intervention and have no respect for authority.

City Attorney Berry, a member of the Wharton Foundation Board, stated that the Foundation is also concerned about this problem with the children.

Discussion ensued.

Mayor Shelton referred this matter to the Public Safety Committee and the Property Committee, along with the City Manager, the Police Chief and the City Attorney.

Further discussion ensued.

On motion by Councilman Wandrei, seconded by Vice Mayor Messier, voted upon and carried, Council waived the reading of the proposed ordinance authorizing the issuance of general obligation waste management bonds as it had been properly posted.

On motion by Councilman Wandrei, seconded by Councilman Padgett, voted upon and carried by a roll call vote, Council adopted the ordinance authorizing the issuance of general obligation waste management bonds. Roll call vote follows:

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

The ordinance follows as adopted:

ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION WASTE MANAGEMENT BONDS OF THE CITY OF BEDFORD, VIRGINIA, IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$525,000

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 expansion of the City's existing landfill facilities (the "Project"), and to borrow money for such purpose and issue the City's general obligation waste management bonds therefor.
2. Pursuant to the City Charter and the Public Finance Act of 1991, there are authorized to be issued general obligation waste management bonds of the City in a maximum principal amount not to exceed \$525,000 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 net revenues of the City's landfill facilities 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.

1. This ordinance shall take effect immediately.

On motion by Councilman Padgett, seconded by Councilman Tharp, voted upon and carried by a roll call vote, Council adopted the resolution regarding a waste management general obligation and refunding bond. Roll call vote follows:

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

The resolution follows as adopted:

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT OF, A WASTE MANAGEMENT GENERAL OBLIGATION AND REFUNDING BOND, SERIES OF 2001, OF THE CITY OF BEDFORD, VIRGINIA, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,600,000, HERETOFORE AUTHORIZED, AND PROVIDING FOR THE PREPAYMENT OF THE CITY'S WASTE MANAGEMENT GENERAL OBLIGATION BONDS, SERIES OF 1992, AND RELATED OBLIGATIONS

WHEREAS, on November 12, 1992, the City of Bedford, Virginia (the "City"), issued its \$2,875,000 Waste Management General Obligation Bonds, Series of 1992 (the "1992 Bonds"), in accordance with the terms of an ordinance adopted by the City Council (the "Council") on October 27, 1992, and a Loan Agreement dated as of October 1, 1992 (the "1992 Loan Agreement"), between the Virginia Resources Authority ("VRA") and the City, the proceeds of which were used to finance the costs of opening a new landfill; and

WHEREAS, the City can effect considerable savings by prepaying all or a portion of the outstanding amounts due under the 1992 Bonds and the 1992 Loan Agreement (together, the "1992 Obligations"); and

WHEREAS, by ordinance adopted on May 8, 2001, the Council authorized the issuance of waste management general obligation bonds in the maximum principal amount of \$525,000 to finance the expansion of the City's existing landfill facilities; and

WHEREAS, the City has determined to issue as a single issue waste management general obligation and refunding bonds to finance the expansion of the City's existing landfill facilities and to prepay the 1992 Obligations; and

WHEREAS, the City has applied to VRA for the purchase of the City's waste management general obligation and refunding bonds in a principal amount not to exceed \$2,600,000, and VRA has indicated its willingness to purchase such bonds from the proceeds of its Infrastructure Revenue Bonds (Pooled Loan Bond Program), Series 2001A (the "VRA Bonds"), in accordance with the terms of a Financing Agreement to be dated the date of the VRA Bonds, between VRA and the City (the "2001 Financing Agreement"), a Local Bond Sale Agreement to be dated the date of sale of the VRA Bonds, between VRA and the City (the "Local Bond Sale 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;

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

1. **Issuance of Bonds and Use of Proceeds.** Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991, the City authorizes the issuance and sale to VRA of waste management general obligation and refunding bonds of the City in a principal amount not to exceed \$2,600,000 to provide funds to (a) expand the City's existing landfill facilities, (b) prepay the 1992 Obligations and (c) pay issuance and financing costs incurred in issuing such bonds and prepaying the 1992 Obligations. Such bonds shall be delivered to or upon the order of VRA upon VRA's payment of the purchase price set forth in the Local Bond Sale Agreement.

2. **Authorization of 2001 Financing Agreement.** The form of the 2001 Financing Agreement submitted to this meeting is approved. The City Manager is

authorized to execute the 2001 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 the City's waste management general obligation and refunding bonds to VRA shall be upon the terms and conditions of the 2001 Financing Agreement. The proceeds of such bonds shall be applied in the manner set forth in the 2001 Financing Agreement. All capitalized terms used but not otherwise defined herein shall have the same meaning as set forth in the 2001 Financing Agreement.

3. **Bond Details.** The bonds shall be issued as a single, registered bond and shall be designated "Waste Management General Obligation and Refunding Bond, Series of 2001" (the "Bond"), shall be numbered R-1, shall be dated the date of its delivery, shall be in a principal amount not to exceed \$2,600,000 and shall mature no later than December 31, 2013. The Council authorizes the issue and sale of the Bond to VRA on terms as shall be satisfactory to the City Manager; provided, however, that the Bond shall have a "true" interest cost not to exceed 7.0% (exclusive of "supplemental interest" as provided in the 2001 Financing Agreement), shall be sold to VRA at a price not less than 94% of the aggregate principal amount of the Bond, and shall be subject to optional redemption upon the terms set forth in the Financing Agreement. Subject to the preceding terms, the Council further authorizes the City Manager to (a) determine the final principal amount of the Bond and (b) establish the amortization schedule (including the principal installment dates and amounts) for the Bond in such manner as the City Manager shall determine to be in the best interest of the City.

Following the pricing of the corresponding VRA Bonds, the City Manager shall evidence his approval of the final terms and purchase price of the Bond by executing and delivering to VRA the Local Bond Sale Agreement, which shall be in substantially the form presented to this meeting, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the City Manager. The actions of the City Manager in determining the final terms and the purchase price of the Bond shall be conclusive, and no further action shall be necessary on the part of the City.

As set forth in the 2001 Financing Agreement, the City agrees to pay such "supplemental interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish the Capital Reserve Fund. The principal of and premium, if any, and interest on the Bond shall be payable in lawful money of the United States of America.

4. **Payment and Redemption Provisions of the Bond.** The principal of and premium, if any, and interest on the Bond shall be payable as set forth in the Bond and the 2001 Financing Agreement. The City may, at its option, redeem, prepay or refund the Bond upon the terms set forth in the Financing Agreement.

5. **Execution and Form of the Bond.** The Bond shall be executed by the Mayor, the City's seal shall be affixed thereon and attested by the Clerk of Council. The Bond shall be 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 officers signing the Bond, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

6. **Pledge of Full Faith and Credit and Revenues.** The full faith and credit of the City are irrevocably pledged for the payment of principal of and premium, if any, and interest on the Bond. 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, without limitation as to rate or amount, on all locally taxable property in the City sufficient to pay the principal of and premium, if any, and interest on the Bond, as the same becomes due and payable. 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 for the payment of principal of and premium, if any, and interest on the Bond.

7. **Preparation of Printed Bond.** The City shall initially issue the Bond in typewritten form. Upon request of the registered owner and upon presentation of the Bond at the office of the Registrar (as hereinafter defined), the City shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Bond 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, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Bond may be executed by manual or facsimile signature of the Mayor, the City's seal affixed thereto and attested by the Clerk of Council; provided, however, that if both 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.

8. **Registration and Transfer of the Bond.** The City appoints the City Treasurer as paying agent and registrar (the "Registrar") for the Bond. If deemed to be in its best interest, the City may at any time appoint a qualified bank or trust company as successor Registrar. 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 the Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates 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 expense of the City, 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 of principal, premium, if any, and interest, 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 interest 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 that such Bond was lost or destroyed and (b) has furnished to the City satisfactory indemnity.

10. **Preparation and Delivery of the Bond.** The Mayor and 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 the Bond to VRA as the purchaser thereof upon receipt of the Purchase Price from VRA as set forth in the 2001 Financing Agreement and the Local Bond Sale Agreement.

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 Bond to be an "arbitrage bond," within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, including regulations applicable to the Bond (the "Code"), or otherwise cause interest on the Bond to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of law that may require the City at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bond, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bond from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The City shall pay any such required rebate from Revenues or other legally available funds.

12. **Tax Compliance Agreement.** Such officers of the City as may be requested are authorized and directed to execute the Tax Compliance Agreement, which is hereby approved, with such completions, omissions, inserts 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 by the execution and delivery thereof.

13. **Private Activity Bond Covenant.** The City covenants that it shall not permit the proceeds of the Bond to be used in any manner that would result in (a) 5% or more of such proceeds or facilities being financed or refinanced with such proceeds being used in any 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 facilities being financed or refinanced 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 or facilities being financed or refinanced with such proceeds being used directly or indirectly to make or finance loans to any person other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City receives an opinion of nationally recognized bond counsel that compliance with any such covenant is not required to prevent the interest on the Bond 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 covenant.

14. **Official Statement.** The City authorizes and consents to the inclusion of information with respect to the City contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds.

15. **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 and the prepayment of the 1992 Obligations 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 and the prepayment of the 1992 Obligations pursuant to this Resolution, the 2001 Financing Agreement and the Local Bond Sale Agreement.

16. **Effective Date.** This Resolution shall take effect immediately.

(Exhibit A follows below)

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UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
CITY OF BEDFORD
WASTE MANAGEMENT GENERAL OBLIGATION AND
REFUNDING BOND, SERIES OF 2001

The City of Bedford, Virginia (the "City"), a political subdivision of the Commonwealth of Virginia, for value received, acknowledges itself indebted and promises to pay to pay to First Union National Bank, or registered assigns or legal representative, as trustee (the "Trustee") under a Master Indenture of Trust dated as of March 1, 2000, as supplemented and amended, and as further supplemented by a Third Supplemental Indenture of Trust dated as of June 1, 2001, with the Virginia Resources Authority ("VRA"), solely from the sources hereinafter described and pledged to the payment of this bond the principal sum of _____ DOLLARS (\$_____). Principal of this bond shall be payable in annual installments in the amounts and on the dates set forth in Schedule I attached hereto. Interest on this bond shall be payable on each _____ and _____, commencing _____, 200__, computed on the basis of a 360-day year of twelve 30-day months at the rates set forth in Schedule I.

Subject to the provisions of the Financing Agreement dated as of _____ 1, 2001 (the "Financing Agreement"), between VRA and the City, so long as this bond is held by VRA or the Trustee, interest is payable by check or draft mailed to the registered owner of this bond at the address that appears on the 15th day of the month preceding each interest payment date on the registration books kept by City Treasurer, who has been appointed registrar and paying agent, or any successor bank or trust company (the "Registrar"). Principal of and premium, if any, and interest on this bond shall be payable in lawful money of the United States of America. In case the maturity date of the principal of this bond or the date fixed for the payment of interest on or the redemption of this bond shall not be a Business Day (as defined below), then payment of principal, premium, if any, and interest need not be made on such date, but may be made on the next succeeding Business Day, and, if made on such next succeeding Business Day, no additional interest shall accrue for the period after such maturity date or date fixed for the payment of interest or redemption. "Business Day" means any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banking institutions generally are open for business in New York and Virginia.

This bond was authorized by an ordinance adopted by the Council of the City on May 8, 2001 (the "Resolution"), and is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991, a resolution adopted by the Council of the City on May 8, 2001, and the Financing Agreement. Proceeds of this bond will be used to provide funds to (a) prepay its obligations due under the City's \$2,875,000 Waste Management General Obligation Bonds, Series of 1992, and under a Loan Agreement dated as of October 1, 1992, between VRA and the City (together, the "1992 Obligations"), (b) pay the

costs of expanding the City's existing landfill facilities and (c) pay issuance and financing costs incurred in issuing this bond and prepaying the 1992 Obligations.

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 of and premium, if any, and interest on this bond and the payment and performance of the City's obligations under the Financing Agreement.

If any failure of the City to pay all or any portion of any required payment of the principal of or premium, if any, or interest on this bond results in a withdrawal from the Capital Reserve Fund and/or a drawing on any CRF Credit Facility (each as defined in the Financing Agreement), the interest rates applicable to this bond shall be increased to interest rates sufficient to reimburse the Capital Reserve Fund for any foregone investment earnings on the funds withdrawn therefrom and/or pay any interest, fees or penalties assessed by the CRF Credit Provider as a result of the drawing on the CRF Credit Facility. The increment of interest payable pursuant to the increase in rates shall be referred to as "Supplemental Interest." The City's obligation to pay Supplemental Interest shall commence on the date of VRA's withdrawal of funds from the Capital Reserve Fund or the drawing on the CRF Credit Facility occasioned by the City's failure to pay a required payment or portion thereof as described above (the "Supplemental Interest Commencement Date"). The City's obligation to pay Supplemental Interest shall terminate on the date on which the City remedies such failure to pay by making all payments required by outstanding since the date of such failure to pay (the "Supplemental Interest Termination Date"). From the Supplemental Interest Commencement Date to the Supplemental Interest Termination Date, Supplemental Interest shall be due and payable on the regularly scheduled interest payment dates provided for in this bond. As soon as reasonably possible after the Supplemental Interest Commencement Date and before the next regularly schedule interest payment date provided for in this bond, VRA shall deliver to the City a certificate as to increase in interest rates and the amount of Supplemental Interest. The certificate shall set forth in reasonable detail the basis for the increase in interest rates and the manner of calculation of the increase and the amount of Supplemental Interest. Such 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, VRA may use any reasonable averaging and attribution methods.

This bond may be redeemed, prepaid or refunded at the option of the City upon the terms set forth in the Financing Agreement.

This bond is issuable as a fully registered bond. Upon surrender of this bond at the Registrar's office, together with an assignment duly executed by the registered owner or such owner's duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the City shall execute, and the Registrar shall authenticate and deliver in exchange, a new bond or bonds in the manner and subject to the limitations and conditions provided in the Resolution, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rates and in the same manner, and registered in such names as requested by the then registered owner of this bond or such owner's 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 to it.

The City shall treat the registered owner of this bond as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers

of the owner, except that interest payments shall be made to the person shown as owner on the 15th day of the month preceding each interest payment date.

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 hereby sell(s), assign(s) and transfer(s) unto

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

this Bond and all rights hereunder, and hereby irrevocably constitutes and appoints _____

_____, attorney to transfer said Bond on the books kept for the registration, with full power of substitution.

Dated: _____ Tax I.D. No.: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor 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 Securities Transfer Association, Inc. (Signature of Registered Owner) (NOTE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.)

SCHEDULE I

SCHEDULE I TO
CITY OF BEDFORD, VIRGINIA
AND REFUNDING BOND
SERIES OF 2001

Principal Principal Principal

Installment	Installment	Installment	Interest
Number	Amount	Due Date	Rate

Chief of Police Graham and the City Attorney explained that in the ordinance dealing with traffic laws and motor vehicle operation, the date it becomes effective had been left out.

On motion by Vice Mayor Messier, seconded by Councilman Wandrei, voted upon and carried, Council waived the reading of the proposed ordinance dealing with traffic laws and motor vehicle operation.

On motion by Councilman Tharp, seconded by Councilman Wandrei, voted upon and carried by a roll call vote, Council adopted the ordinance as posted with the additional wording: In Section 2. This Ordinance shall become effective **on July 1, 2001** ...

Roll call vote follows:

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

The ordinance follows as adopted:

AN ORDINANCE TO READOPT AND REENACT SECTION 13.2 OF THE CITY CODE INCORPORATING BY REFERENCE CURRENT PROVISIONS OF THE CODE OF VIRGINIA DEALING WITH TRAFFIC LAWS AND MOTOR VEHICLE OPERATION

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

Section 1. Sec. 13-2 of the City Code is hereby readopted and re-enacted as follows:

Pursuant to the authority of Section 46.2-1313 of the Code of Virginia, the provisions and requirements of the laws of the Commonwealth of Virginia contained in Title 46.2 in Article 9 (Sec. 16.1-278 et seq) of Chapter 11 of Title 16.1, and in Article 2 (Sec. 18.2-266 et seq) of Chapter 7 of Title 18.2, of the

Code of Virginia, except those provisions and requirements the violation of which constitute a felony, and except those provisions and requirements which by their very nature can have no application to or within the City, are hereby adopted and incorporated herein by reference and made applicable within the City.

References to "Highways of the State" contained in such provisions and requirements hereby adopted, shall be deemed to refer to streets, highways and other public ways within the City. Such provisions and requirements are hereby adopted, mutatis mutandis, and made a part of this Chapter as fully as those set forth at length herein, and it shall be unlawful for any person, within the City, to violate or fail, neglect or refuse to comply with any provision of Title 46.2 or of Article 9 of Chapter 11 of Title 16.1 or of Article 2 of Chapter 7 of Title 18.2 of the Code of Virginia, which are adopted by this Section; provided, that in no event shall the penalty imposed for the violation of any provision or requirement hereby adopted exceed the penalty imposed for a similar offense under such titles of the Code of Virginia.

Section 2. This Ordinance shall become effective on July 1, 2001, upon publication one time, immediately following its passage, in some newspaper published in the City or upon posting at three or more public places in the City for one week, as required by Section 19 of the City Charter.

On motion by Councilman Tharp, seconded by Vice Mayor Messier, voted upon and carried by a roll call vote, Council adopted the resolution regarding Business Appreciation Week 2001. Roll call vote follows:

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

The resolution follows as adopted:

RESOLUTION

BUSINESS APPRECIATION WEEK 2001

WHEREAS, the City of Bedford is pleased to have a thriving base of business and industry to support the local economy; and

WHEREAS, these businesses provide essential employment opportunities for the citizens of the City of Bedford; and

WHEREAS, these businesses provide local revenues from which the entire local citizenry benefit; and

WHEREAS, these businesses also make significant contributions in our communities to promote educational opportunities for our children and promote a variety of activities which increase the quality of life of the area; and

WHEREAS, as we recognize and appreciate these businesses;

NOW, THEREFORE BE IT RESOLVED, we the City Council of the City of Bedford, hereby recognize our existing businesses, and by virtue of this proclamation give notice to our citizens that the businesses of the City of Bedford are "Setting the Prosperity Standard."

BE IT FURTHER RESOLVED that the week of May 13 – 19, 2001, is Business Appreciation Week in the City of Bedford.

Mayor Shelton stated that the City Attorney requested a closed session pursuant to the Code of Virginia of 1950, as amended, Section 2.1-344(a)(7) for Consultation with Legal Counsel regarding pending legal issues.

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 the Code of Virginia of 1950, as amended, Section 2.1-344(a)(7) for Consultation with Legal Counsel regarding pending legal issues. Roll call vote follows:

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

Councilman Wandrei left the meeting before the closed session began.

Council adjourned into closed session at 7:55 p.m. Non-Council members attending: Chief of Police Graham, City Attorney Berry, Rosie Jordan, and Don Layman.

Council reconvened into open session at 8:19 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 Vice Mayor Messier, seconded by Councilman Tharp, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

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

Mayor Shelton adjourned the meeting at 8:20 p.m. until May 18, 2001, at 8:30 a.m. in the Tharp Room at the Bedford Central Library.