

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., June 10, 2003.

Members present: Mayor E. Thomas Messier; Councilwoman Mary L. Flood; Councilman Jeffrey B. Hubbard; Councilman Thomas M. Padgett; Councilman C. G. Stanley, Jr.; Vice Mayor W. D. Tharp (arrived at 7:40 p.m.); and Councilman Robert T. Wandrei.

Members absent: None

Staff present: City Manager F. Craig Meadows; City Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher.

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

Mayor Messier declared that the minutes of an adjourned Council meeting held on May 27, 2003 and the minutes of a regular Council meeting held on May 27, 2003 were approved as distributed.

The City Manager reported on the following items:

- Upcoming visit to the City of Franklin (Bedford's Sister City) – June 12-13
- Rolling Thunder, Inc., Virginia Chapter 3 and others are sponsoring an event in the City of Bedford on June 14, 2003 with proceeds from the event to be donated to the National D-Day Foundation and the Salem Veterans Administration Hospital.
- Police Officer Tim Stanley finished first in his class at the Cardinal Police Academy – he extended congratulations to Officer Stanley.

The Mayor asked Chief of Police Graham to extend Council's congratulations to Officer Stanley.

City Manager Meadows asked Council to add the following item to the agenda:

Budget Work Session

Mayor Messier reported that the City had received a proclamation from the City of St. Augustine and St. Johns County, Florida, to honor the D-Day victims.

Councilman Wandrei, Chairman of the Solid Waste Committee, reported that the Committee met earlier in the evening to consider two items and recommended the following:

- Elimination of the annual “Fall Cleanup”, which would save the City a considerable amount of money
- Dumpsters – put up signage reminding citizens of what is permissible to be placed in the dumpsters and that illegal dumping would be a misdemeanor; the committee also discussed the possibility of putting up security cameras

The Clerk of Council read aloud the following Public Hearing Notice:

**NOTICE
SYNOPSIS OF BUDGET FOR FISCAL YEAR
JULY 1, 2003 TO JUNE 30, 2004
CITY OF BEDFORD, VIRGINIA**

Notice is hereby given that a public hearing will be held by the City Council, June 10, 2003 at 7:30 p.m. in the Council Hall of the City Municipal Building in relation to the budget for the City of Bedford for Fiscal Year 2003-04, at which time any citizen of the City shall have the right to attend and state his or her views. Detailed copies of the budget are available for inspection during normal office hours in the office of the City Manager and the Office of the Clerk of Council.

Mayor Messier opened the public hearing at 7:35 p.m.

Mr. James A. Vest, 980 Ashland Avenue, member of the Bedford Industrial Management Council’s Executive Committee, asked that Council not raise the water rate 3.5% as has been advertised. Mr. Vest stated the Committee is also asking Council to consider other revenue streams to offset the \$94,500 increase.

Councilman Tharp arrived at 7:40 p.m.

Mr. John Vaeth, Sam Moore Furniture, expressed appreciation from Sam Moore Furniture for the Economic Development Grant it received last year. Mr. Vaeth asked Council to reevaluate the need for the water rate increase by analyzing other revenue streams.

Ms. Victoria Johnson, American Red Cross, asked Council to reconsider the budget cut it made to the Safe Haven Program.

As there were no further comments, the Mayor closed the public hearing on the proposed budget at 7:45 p.m.

The Clerk of Council read aloud the following Public Hearing Notice:

NOTICE OF PUBLIC HEARING

Notice is hereby given that, pursuant to Section 22.1-29.1 of the Code of Virginia of 1950, as amended, the City Council of the City of Bedford will hold a public hearing at 7:30 p.m. on June 10, 2003, in the Council Hall of the Municipal Building, for the purpose of receiving the views of citizens on the appointment of members to the City School Board.

Any citizens who wish to be considered for appointment to the City School Board should notify the office of the City Manager, P. O. Box 807, Bedford, VA 24523, phone 587-6001, no later than May 30, 2003.

Mayor Messier opened the public hearing at 7:46 p.m.

Mr. Steve Rush and Mr. Frank Mills have submitted their names for appointment to the City School Board.

As there were no comments, the Mayor closed the public hearing at 7:47 p.m.

Mayor Messier announced that the conditional use request was withdrawn by the applicant and therefore, there would be no public hearing on the request.

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

Budget Work Session

The Chief of Police introduced a new police officer, James Scott Stephenson, Jr.

Clerk of Council Hatcher administered the Oath of Office to Officer Stephenson.

Mr. Bill Gillespie, Executive Director of the Region 2000 Regional Commission, gave an overview and update of the proposed regional health insurance consortium.

The City Manager stated that Council had previously approved funding for the design of a new public safety facility, and the architectural firm of Wiley & Wilson has been engaged for this project. Once the design is complete, the City intends to borrow funds to finance the construction of the facility to serve the City's Police and Fire Departments and Life Saving Crew. Mr. Meadows stated that in connection with a borrowing, Council would need 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 Clerk of Council read aloud the following proposed resolution:

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

WHEREAS, the City of Bedford, Virginia (the “Borrower”), intends to construct a Public Safety Facility to serve the City’s Police and Fire departments, and Life Saving Crew (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 (the “Bonds”) or to incur other debt, in an amount not currently expected to exceed \$4,000,000 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 April 11, 2003, 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.

On motion by Vice Mayor Tharp, seconded by Councilman Stanley, voted upon and carried unanimously by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Hubbard	aye
Councilman Padgett	aye
Councilman Stanley	aye
Vice Mayor Tharp	aye
Councilman Wandrei	aye
Councilwoman Flood	aye
Mayor Messier	aye

City Manager Meadows stated that in discussions recently, the Mayor and Vice Mayor asked if the City had ever challenged Virginia’s system of governing localities, commonly known as “Dillion’s Rule.” Dillion’s Rule basically restricts localities to performing activities or functions that the local governments are granted specific approval from The General Assembly to do. Virginia is only one of a handful of states that still adhere to this 19th century rule. A draft resolution was given to Council for review and discussion and a copy has been forwarded to the Virginia Municipal League (VML) for their comments and review.

The City Manager recommended that Council receive comments and suggestions from the VML prior to adoption of any resolution. Mr. Meadows indicated that he had not yet received any comments from the VML.

It was the consensus of Council to defer this item to a future Council meeting until feedback is received from the VML.

Council proceeded to hold a work session on the proposed FY 2003-04 budget.

Councilman Padgett moved that Council leave \$3,000 in the budget for Habitat for Humanity to use as they see fit, such as water hookups, tipping fees. The motion was seconded by Councilwoman Flood.

Vice Mayor Tharp asked for a clarification of the motion.

Councilman Padgett indicated that his intention in the motion was for the \$3,000 to be applied toward City fees. Councilwoman Flood, who seconded the motion, agreed with the clarification.

The motion was then voted upon and carried, four members voting aye, three members voting nay (Hubbard, Tharp, Wandrei).

On motion by Vice Mayor Tharp, seconded by Councilman Padgett, voted upon and carried unanimously, Council retained in the budget the Safe Haven Program administered by the Bedford Red Cross Chapter at the previous funding level of \$20,000.

Discussion ensued regarding Councilman Wandrei's suggestion that Council defer any action on Water & Sewer rates for a given amount of time.

Councilman Wandrei moved that Council defer the increase of Water and Sewer rates for a period of time not to exceed 180 days with the understanding that after new information is available Council will revisit the issue. Councilman Padgett seconded the motion, which was then voted upon and carried, six members voting aye, one member voting nay (Tharp).

Mayor Messier adjourned the meeting at 8:40 p.m. until June 18, 2003, at 5:30 p.m.