

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., September 28, 2004.

Members present: Mayor E. Thomas Messier; Councilwoman Mary L. Flood; Councilman Thomas M. Padgett; Councilman C. G. Stanley, Jr.; Vice Mayor W. D. Tharp; and Councilman Robert T. Wandrei.

Members absent: Councilman Jeffrey B. Hubbard

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 a called Council meeting held on September 9, 2004, and the minutes of a regular Council meeting held on September 14, 2004, were approved as distributed.

The City Manager reported on the following:

- commended City employees for their hard work today – the City received 4.2 inches of rain during the morning, three of which came within about 1 ½ hours causing localized flooding
- he will be attending the Virginia Municipal League Conference in Alexandria October 3-5
- City Council Retreat – November 5 at the Welcome Center
- The Welcome Center should be open the week of October 18 – official grand opening sometime in November.
- Bass Masters Tournament – Smith Mountain Lake – October 11-16
- NAACP Annual Freedom Banquet – October 16 at 6:00 p.m.
- The department heads hosted a luncheon for City employees on September 23.
- The City employee health fair will be held on October 26 from 12:30 p.m. until 3:30 p.m. at the Municipal Building. Council members are invited to participate.
- The Automated Meter Reading project continues to move ahead very slowly; all new meters should be installed by the end of October.
- The City has entered into a one-year wholesale power supply contract with Appalachian Power that will become effective July 1, 2005. The City is facing a significant wholesale rate increase and the plan is to discuss the retail rates with Council within the next sixty days.
- A new electric substation is being constructed behind the existing electric department on Depot Street; when complete, it should greatly improve the reliability for the downtown area.
- The retrofit of the shell building on Independence Boulevard is nearly complete. Central Virginia Community College should be moving into its space in early

October, and East Coast Fabricators/Rhino Coat should be moving from Salem by the end of October.

- Centerfest was very successful.

Councilman Wandrei reported that Bedford Main Street, Inc, received approximately \$10,000 as a result of Centerfest and a great deal of thanks should go to the City employees for their work.

Mayor Messier asked about the status of the recommendations regarding the survey on downtown parking. The City Manager stated that there have been discussions between the Executive Director of Main Street and the Planning Department. The City Manager will check on the status of the survey recommendations.

The Mayor reported that there is no lease for the Bedford Museum building between the Museum and the City and Bedford County. City Manager Meadows stated there is a draft lease prepared that needs to be reviewed. The Mayor asked that the draft be reviewed.

Councilman Tharp complemented the staff for its proactive approach regarding electric deregulation and planning for the future.

City Manager Meadows stated the City Attorney recommends that Council readopt an ordinance adopted at the September 14, 2004, regular Council meeting regarding a guaranty agreement for the account of Blue Ridge Power Agency, Inc. The City Manager requested that the readoption of the ordinance be added to the agenda.

It was the consensus of Council to add the following item to the agenda under Old Business: Ordinance – Guaranty Agreement – Blue Ridge Power Agency, Inc.

The City Manager stated the Guaranty Agreement is part of the City's participation in the PJM Interconnection, which will be the wholesale transmission company being used to bring the wholesale power from Cinergy effective October 1.

The Public Hearing Notice follows:

NOTICE OF PUBLIC HEARING

On Tuesday, the 28st day of September 2004, at 7:30 p.m., the City Council of Bedford, Virginia will conduct a public hearing on the proposed execution and delivery by the City of Bedford of a guaranty agreement in the estimated maximum amount of \$263,000.00, to which the City will pledge its full faith and credit. The purpose of the guaranty agreement is to facilitate the securing of electric transmission system services to transmit wholesale electricity from the supplier(s) to the City by providing a partial loan guaranty on behalf of the Blue Ridge Power Agency, Inc. in connection with its membership in the PJM Interconnection, LLC. which provides the subject services.

The public hearing will be conducted at 7:30 p.m. in the Council Chambers, at 215 E. Main Street, Bedford, Virginia. Interested persons may appear at such time and place and present their views.

Mayor Messier opened the public hearing at 7:45 p.m.

As there were no comments, the Mayor closed the public hearing at 7:46 p.m.

The Mayor stated that next public hearing was regarding General Obligation Public Improvement Bonds – Automated Meter Reading System.

The City Manager stated this public hearing is required as part of the proposed issuance of General Obligation Public Improvement Bonds in an estimated maximum amount of \$1,200,000.

The Notice of Public Hearing follows:

NOTICE OF PUBLIC HEARING

On Tuesday, the 28th of September, 2004, the Council of the City of Bedford, Virginia, will conduct a public hearing on the proposed issuance of general obligation public improvement bonds of the City in the estimated maximum principal amount of \$1,200,000. The purpose of the proposed bonds is to finance the costs of acquiring, constructing and equipping a new automated meter reading 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 Hatcher, Clerk of the Council
City of Bedford, Virginia

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

Mr. David Thomas, 1615 Shady Knoll Avenue, asked about the equipment needed for the new automated meter reading system.

The City Manager stated that all equipment has been obtained. Mr. Meadows explained the financing of the project.

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

The Consent Agenda consisted of the following item: Request by the Bedford Area YMCA to hold its Annual Peaks of Otter Christmas Classic Foot Race on December 4, 2004, and to block the following streets from 8:30 a.m. to 11:30 a.m. – Peaks Street, Whitfield Drive, Oakwood Street, Longwood Avenue, Hampton Ridge Avenue, and Elm Street.

On motion by Vice Mayor Tharp, seconded by Councilman Wandrei, voted upon and carried, the Consent Agenda was approved.

On motion by Vice Mayor Tharp, seconded by Councilman Padgett, voted upon and carried by a roll call vote, Council adopted the ordinance authorizing the execution of a guaranty agreement, in the maximum amount of \$263,000 for the American National Bank account of the Blue Ridge Power Agency, for the purpose of making electric transmission service payments to PJM Interconnection, LLC, on the City of Bedford's behalf. Roll call vote follows:

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

The ordinance follows as adopted:

ORDINANCE NO. 04-17

**AN ORDINANCE AUTHORIZING THE EXECUTION
AND DELIVERY BY THE CITY OF BEDFORD, VIRGINIA,
OF A GUARANTY AGREEMENT IN A MAXIMUM AMOUNT
OF \$263,000, FOR THE ACCOUNT OF
BLUE RIDGE POWER AGENCY, INC.**

WHEREAS, the City of Bedford, Virginia (the "City"), and the Cities of Danville, Martinsville and Salem and the Town of Richlands, are members of the Blue Ridge Power Agency, Inc. ("Blue Ridge"); and

WHEREAS, Blue Ridge has advised its constituent members, including the City of Bedford and the above listed members, that to obtain electric transmission service in the future, the members must either become members of PJM Interconnection, LLC ("PJM"), or have an agent act on their behalf; and

WHEREAS, at the request of its constituent members, Blue Ridge has agreed to act as their agent and itself to become a member of PJM; and

WHEREAS, the credit requirements of PJM require that Blue Ridge obtain an irrevocable stand-by letter of credit to secure payments due from Blue Ridge to PJM; and

WHEREAS, Blue Ridge has obtained a commitment from American National Bank and Trust Company (the "Bank") to provide the necessary irrevocable stand-by letter of credit provided that each constituent member of Blue Ridge secures such letter of credit with a loan guaranty covering such member's respective share of Blue Ridge's total credit commitment to PJM; and

WHEREAS, the City of Bedford's respective share is an amount not greater than Two Hundred Sixty Three Thousand Dollars (\$263,000); and

WHEREAS, there has been presented to this meeting a form of loan guaranty agreement (the "Guaranty") provided by the Bank.

THEREFORE, BE IT ORDAINED by the Council of the City of Bedford, Virginia;

Section 1. Authorization of Guaranty. The Council hereby authorizes the City of Bedford to provide a loan guaranty for the account of Blue Ridge to secure the full and prompt repayment by Blue Ridge for draws made under an irrevocable stand-by letter of credit to be issued by the Bank; provided, however, that the loan guaranty from the City of Bedford shall not be in excess of Two Hundred Sixty Three Thousand Dollars (\$263,000) and shall be for a term extending not longer than December 31, 2006. Such guaranty shall constitute an indebtedness authorized to be issued pursuant to Section 28 of the City Charter. To evidence such arrangement, the Mayor, is hereby authorized and directed to execute and deliver to the Bank the Guaranty for the account of Blue Ridge. The Guaranty shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this Ordinance as may be approved by the Mayor, the execution thereof by the Mayor to constitute conclusive evidence of such officer's approval of such completions, omissions, insertions or changes. It is further authorized that up to two additional current Blue Ridge constituent municipal members may be added to this Guaranty with the sum of guaranty coverage for these members not to exceed Nine Hundred Sixty One Thousand Dollars (\$961,000) upon the condition there be no increase in the amount of the City of Bedford's loan guaranty.

Section 2. Pledge of Full Faith and Credit. The full faith and credit of the City of Bedford is irrevocably pledged for the payments due under the Guaranty. Unless other funds are lawfully available and appropriated

for timely payment under the Guaranty, 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 of Bedford sufficient to pay when due the payments under the Guaranty.

Section 3. Effective Date. This Ordinance shall take effect immediately upon its passage.

The Clerk of Council read aloud the following proposed resolution:

**RESOLUTION HONORING
ELLEN WANDREI
FOR HER CONTRIBUTIONS
TO THE CITY OF BEDFORD**

WHEREAS, Ellen Wandrei has served the City of Bedford with distinction as the Executive Director of the Bedford City/County Museum for over thirteen years; and

WHEREAS, under her leadership the Museum has prospered, as well as gained recognition beyond its borders and internationally; and

WHEREAS, Ellen Wandrei has proven herself to be a good leader, an able communicator and lobbyist, in addition to being an all around good person; and

WHEREAS, Ellen Wandrei has been directly responsible for the financial stability of the museum, the renovation and expansion of the museum, the creation of professional exhibits and the high quality of the museum's community outreach; and

WHEREAS, Ellen Wandrei has become one of the foremost authorities on local history, has brought the history of the Bedford community to life for countless area school children and has shared the joys of genealogy with residents and visitors alike; and

WHEREAS, Ellen Wandrei has worked diligently and persistently to bring attention to the Bedford stories and has consistently supported the establishment of the National D-Day Memorial in Bedford; and

WHEREAS, the members of Bedford City Council wish to state and reflect their deep respect for and their pleasure at having had an opportunity to work with Ellen Wandrei;

NOW THEREFORE, BE IT RESOLVED, that the City Council adopts this Resolution in honor of Ellen Wandrei on this 28thth day of September 2004. Likewise, the Council calls upon its citizens to honor and thank Ellen Wandrei and her family for their tremendous contribution to the well being of the City of Bedford.

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

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

Mayor Messier presented the resolution to Mrs. Wandrei and expressed appreciation to Mrs. Wandrei for her service.

Councilman Wandrei expressed his thanks to each member of Council for adopting the resolution honoring his wife. Councilman Wandrei stated that he is most proud of Mrs. Wandrei for the financial condition of the Museum, which has improved tenfold, going from about \$14,000 in savings to close to \$100,000 as of the end of the last fiscal year.

City Manager Meadows stated it has been determined to be necessary to finance the acquisition, construction, and equipping of a new automated meter reading system and to borrow money in the maximum principal amount of \$1,200,000 as general obligation public improvement bonds. The bonds will be general obligations of the City for the payment of principal and interest. The City Manager stated the proposed ordinance was drafted by the City's bond counsel and has been properly posted in accordance with Section 2-30 of the City Code.

On motion by Vice Mayor Tharp, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted the ordinance to finance the acquisition, construction, and equipping of a new automated meter reading system. Roll call vote follows:

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

The ordinance follows as adopted:

ORDINANCE NO. 04-18

**ORDINANCE AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION PUBLIC IMPROVEMENT
BONDS OF THE CITY OF BEDFORD, VIRGINIA, IN A
PRINCIPAL AMOUNT NOT TO EXCEED \$1,200,000**

WHEREAS, the City of Bedford, Virginia (the “City”), desires to finance the acquisition, construction and equipping of a new automated meter reading system (the “Project”);

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

1. It is determined to be necessary and expedient for the City to finance the costs of the Project, to borrow money for such purpose and to issue the City’s general obligation public improvement bonds therefor.
2. Pursuant to the Public Finance Act of 1991 and the City Charter, there are authorized to be issued general obligation public improvement bonds of the City in a principal amount not to exceed \$1,200,00 to provide funds, together with other available funds, to finance the costs of 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.
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.

City Manager Meadows stated Council had been given a resolution that was drafted by the City's bond counsel providing for the issuance, sale and award of the general obligation improvement bonds, Series of 2004, to finance the acquisition, construction, and equipping of a new automated meter reading system.

On motion by Vice Mayor Tharp, seconded by Councilman Wandrei, voted upon and carried, Council waived the reading of the proposed resolution.

On motion by Vice Mayor Tharp, seconded by Councilman Padgett, voted upon and carried by a roll call vote, Council adopted the resolution providing for issuance, sale and award of the general obligation improvement bonds, Series of 2004. Roll call vote follows:

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

The resolution following as adopted:

**RESOLUTION AUTHORIZING THE ISSUANCE
AND SALE OF A \$1,200,000 GENERAL
OBLIGATION PUBLIC IMPROVEMENT BOND,
SERIES 2004, OF THE CITY OF BEDFORD,
VIRGINIA, AND PROVIDING FOR THE FORM,
DETAILS AND PAYMENT THEREOF**

WHEREAS, on September 28, 2004, the Council (the "City Council") of the City of Bedford, Virginia (the "City"), adopted an ordinance authorizing the issuance of general obligation public improvement bonds in a principal amount not to exceed \$1,200,000 to finance the acquisition, construction and equipping of a new automated meter reading system and related costs (the "Project"); and

WHEREAS, the City's administration has recommended to the City Council that the City issue and sell a single general obligation public improvement bond through a private placement with SunTrust Bank, Lynchburg, Virginia (the "Bank");

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

1. Issuance of Bonds. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance

Act of 1991, there shall be issued and sold to the Bank a general obligation public improvement bond of the City (the "Bond") to provide funds, together with other available moneys of the City, to finance the Project and to pay costs of issuing the Bond.

2. Bond Details. The Bond shall be in the form of a single, typewritten bond, designated "General Obligation Public Improvement Bond, Series 2004," shall be in registered form, shall be dated the date of its delivery and shall be numbered R-1. The Bond shall be issued in the principal amount of \$1,200,000, shall bear interest at the annual rate of 3%, calculated on the basis of a 360-day year of twelve 30-day months, and shall be sold to the Bank at a price of \$1,199,750. Equal installments of combined principal and interest in the amount of \$64,836.76 shall be payable quarterly on each January 1, April 1, July 1 and October 1, beginning January 1, 2005, until maturity on October 1, 2009.

If the date on which any payment is due with respect to the Bond is not a Business Day (as hereinafter defined), the payment shall be made on the next succeeding Business Day. "Business Day" shall mean a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia.

Principal and interest shall be payable by the Registrar (as hereinafter defined) by check or draft mailed to the Bank, as the registered owner, at the address as it appears on the registration books kept by the Registrar on the last Business Day of the month preceding each interest payment date. Principal and interest shall be payable in lawful money of the United States of America.

3. Prepayment Provisions. The Bond is subject to prepayment prior to maturity at the option of the City, in whole or in part, at any time on or after October 1, 2007, upon payment of 100% of the principal to be prepaid plus interest accrued to the prepayment date.

4. Execution and Form of Bond. The Bond shall be signed by the manual signature of the Mayor or Vice Mayor and the City's seal shall be affixed thereon and attested by the City Clerk or any Deputy City Clerk. 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 or Vice Mayor, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

5. Pledge of Full Faith and Credit. The full faith and credit of the City are irrevocably pledged for the payment of principal of and interest on the Bond. Unless other funds are lawfully available and appropriated for timely payment of the Bond, the City 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 on the Bond.

6. Registration, Transfer and Owners of Bond. The Bond shall be issued in registered form without coupons, payable to the registered holders or registered assigns. The City Treasurer is hereby appointed paying agent and registrar for the Bond (the "Registrar"). The City may in its discretion appoint at any time a qualified bank or trust company as successor Registrar. The Registrar shall maintain registration books for the registration and registration of transfers of Bond. Upon presentation and surrender of the Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or his 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 or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or his 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 exclusively entitled to payment of principal 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 registration books on the last Business Day of the month preceding each interest payment date.

7. Preparation and Delivery of Bond. The officers of the City 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 the Bank upon payment therefor.

8. 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, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest on the Bond to be includable in the gross income of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of law which 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 includable in the gross income of the registered owners thereof under existing law. The City shall pay any such required rebate from its legally available funds.

9. Non-Arbitrage Certificate and Elections. Such officers of the City as may be requested are authorized and directed to execute an appropriate certificate setting forth the expected use and investment of the proceeds of the Bond in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code, and any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the City.

10. 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 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 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 covenants.

11. Qualified Tax-Exempt Obligations. The City designates the Bond as a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Code. The City represents and covenants as follows:

(a) The City will in no event designate more than \$10,000,000 of obligations as qualified tax-exempt obligations in calendar year 2004, including the Bond and the City’s \$356,273 allocated portion of the \$712,546 Public Facility Revenue Note, Series 2004A (the “Note”), issued by the Bedford Joint Industrial Development Authority, for the purpose of such Section 265(b)(3);

(b) The City, all its “subordinate entities,” within the meaning of such Section 265(b)(3), and all entities which issue tax-exempt obligations on behalf of the City and its subordinate entities have not issued, in the aggregate, more than \$10,000,000 of tax-exempt obligations in calendar year 2004 (not including “private activity bonds,” within the meaning of Section 141 of the Code, other than “qualified 501(c)(3) bonds,” within the meaning of Section 145 of the Code), including the Bond and the Note;

(c) Barring circumstances unforeseen as of the date of delivery of the Bond, the City will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the City and such other entities in calendar year 2004, result in the City and such other entities having issued a total of more than \$10,000,000 of tax-exempt obligations in calendar year 2004 (not including private activity bonds other than qualified 501(c)(3) bonds), including the Bond and the Note; and

(d) The City has no reason to believe that the City and such other entities will issue tax-exempt obligations in calendar year 2004 in an aggregate amount that will exceed such \$10,000,000 limit; provided, however, that if the City receives an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (a) or (c) above is not required for the Bond to be a qualified tax-exempt obligation, the City need not comply with such covenant

12. SNAP Investment Authorization. The City Council has heretofore received and reviewed the Information Statement (the “Information Statement”) describing the State Non-Arbitrage Program of the Commonwealth of Virginia (“SNAP”) and the Contract Creating the State Non-Arbitrage Program Pool I (the “Contract”), and

the City Council has determined to authorize the City Treasurer to utilize SNAP in connection with the investment of the proceeds of the Bond, if the Mayor, in consultation with the City Treasurer, determine that the utilization of SNAP is in the best interest of the City. The City Council acknowledges the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the City in connection with SNAP, except as otherwise provided in the Contract.

13. Provision of Financial Information. The Director of Finance of the City is hereby authorized and directed to provide a copy of the City's comprehensive annual financial report to the Bank for each fiscal year in which the Bond remains outstanding.

14. Other Actions. All other actions of officers of the City in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond are approved and confirmed. The officers of the City are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bond.

15. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

Resolution continued:

**REGISTERED
REGISTERED**

**No. R-1
1, 2004**

October

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
CITY OF BEDFORD**

**General Obligation Public Improvement Bond
Series 2004**

The City of Bedford, Virginia (the "City"), for value received, promises to pay, to **SUNTRUST BANK**, Lynchburg Virginia, or registered assigns or legal representative, the principal sum of **ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000)**, together with interest on the unpaid principal at the rate of 3% per year, calculated on the basis of a 360-day year of twelve 30-day months. Equal installments of combined principal and interest in the amount of \$64,836.76 shall be payable quarterly on each January 1, April 1, July 1 and October 1, beginning January 1, 2005, until maturity on October 1, 2009.

If the date on which any payment is due with respect to this bond is not a Business Day (as hereinafter defined), the payment shall be made on the next succeeding Business Day. "Business Day" shall mean a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia. Principal and interest are payable in lawful money of the United States of America by the City Treasurer, who has been appointed paying agent and registrar for the bonds (the "Registrar").

This bond is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991. This bond has been authorized and issued pursuant to an ordinance and a resolution adopted by the City Council on September 28, 2004, to provide funds to finance the acquisition, construction and equipping of a new automated meter reading system and related costs.

This bond may be prepaid in whole or in part, at any time on or after October 1, 2007, at the option of the City upon payment to the holder hereof of 100% of the principal to be prepaid plus interest accrued to the date of prepayment.

The full faith and credit of the City are irrevocably pledged for the payment of principal and interest on this bond. Unless other funds are lawfully available and appropriated for timely payment of this bond, the City 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 taxable property within the City sufficient to pay when due the principal of and interest on this bond.

Resolution continued:

The City has designated this bond as a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Registrar shall treat the registered owner of this bond as the person exclusively entitled to payment of principal of and interest on this bond and the exercise of all rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the last Business 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, together with all other indebtedness of the City, is within every debt and other limit 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 to be signed by its Mayor or Vice Mayor, its seal to be affixed hereto and attested by the City Clerk or Deputy Clerk, and this bond to be dated the date first written above.

(SEAL)

Mayor, City of Bedford, Virginia

(ATTEST)

City Clerk, City of Bedford, Virginia

Resolution continued:

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)

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 registered owner as it appears on the medallion program approved by The Securities Transfer Association, Inc.

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

Resolution continued:

TRANSFER OF BOND

Transfer of this bond may be registered by the registered owner or its duly authorized attorney upon presentation hereof to the Registrar who shall make note of such transfer in books kept by the Registrar for that purpose and in the registration blank below.

<u>Date of Registration</u> <u>Registrar</u>	<u>Name of Registered Owner</u>	<u>Signature of</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

City Manager Meadows stated that at the August 10 Council meeting, Ms. Victoria Johnson and Ms. Camille Steepleton with the Bedford Red Cross made a presentation on the Safe Haven program, and requested additional funding for the program in the amount of \$5,000. The Finance Committee met on August 24 and recommended restoring \$2,500 to Safe Haven.

Councilman Padgett moved that Council approve the Finance Committee's recommendation and appropriate an additional \$2,500 to Safe Haven from the unappropriated contingency in the General Fund. Councilwoman Flood seconded the motion.

Councilman Stanley stated that he was not opposed to Safe Haven, but was concerned about changing the process for appropriations by approving additional funding at this time and the fairness to the other agencies that asked for funding during the budget process.

Councilman Wandrei indicated that he had serious reservations about giving tax money to charity, but would support the request as he felt it was a good cause.

The motion was then voted upon and carried by the following roll call vote:

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

Mayor Messier aye



Mayor Messier adjourned the meeting at 8:00 p.m.