

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., March 14, 2006.

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: Acting City Manager Barrett F. Warner; 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 regular Council meeting held on February 28, 2006, were approved as distributed.

Acting City Manager Warner spoke regarding the following:

- Reminded Council that the budget retreat is usually held during the first week in May and asked members of Council to contact the City Manager's office regarding dates for the retreat
- City Health Fair will be held on March 16

Paul Sherman, on behalf of the City School Board, presented Council with a graphite drawing from the Bedford Middle School, and asked that it be displayed in the Municipal Building for a period of time, on loan from the School Board.

Councilman Wandrei stated that the Bedford Main Street Gala would be held on April 1.

Vice Mayor Tharp, Chairman of the Streets Committee, reported that the Committee met earlier in the evening and reviewed the paving schedule for the upcoming fiscal year and also reviewed a traffic situation and made proper recommendations to staff on how to deal with that.

The following individuals gave presentations regarding FY 2006-07 budget requests for their organizations:

- The ARC of Central Virginia, Karen Wilder, Executive Director - \$2,510
- CASA of Central Virginia, Lacy Ward, Executive Director - \$5,000
- Central Virginia Area Agency on Aging, Dan Farris, Executive Director, \$9,000
- Central Virginia Community Services, Wade Trent, \$10,939

A representative from the Lynchburg Center for Independent Living was scheduled to appear before Council to present the Center's budget request of \$2,000; however, the representative was not present.

Mr. Warner stated the Virginia Fire Services Board has awarded the City a grant for the new construction of a burn building as a prop to assist in training the fire services. The grant award is allocated as up to \$400,000 for the construction and up to \$30,000 for A/E services, totaling \$430,000. Mr. Warner reported that the City has until June 30, 2007, to submit a valid building permit and begin construction. Following such date, the City will have an additional twelve (12) months to complete construction and collect the balance of the award.

On motion by Vice Mayor Tharp, seconded by Councilman Stanley, voted upon and carried, Council authorized the Acting City Manager to execute the grant agreement from the Virginia Fire Services Board for the new construction of a burn building as a prop to assist in training the fire services.

Mr. Warner stated that historically in Virginia exemptions from local real estate taxation have been granted by the General Assembly. In 2003 the Constitution of Virginia was amended and legislation was enacted by the General Assembly which provides that local governing bodies may grant exemptions from real property taxation for property owned by non-profit organizations that use their properties for certain activities.

Mr. Warner reported that the City has not addressed the question of whether to grant exemptions and what procedures should be followed upon receipt of a request for such exemptions. City Council has received a request and anticipates that additional requests, pursuant to the new legislation, will come forward from time to time.

Mr. Warner reported the Council Property Committee, at a meeting on February 28, 2006, discussed this matter. The Committee concluded that there was a substantial amount of tax exempt property already in Bedford, that the City faces budgetary pressures, and that non-profit organizations do receive considerable municipal services. The Committee recommends that Council adopt a policy of not granting any further exemptions, and that the Council not establish any procedures for such purposes. The Committee further directed the staff to prepare an appropriate resolution for consideration by Council.

Mayor Messier waived the reading of the proposed resolution regarding exemption of non-profit organizations from real estate taxation.

On motion by Councilman Wandrei, seconded by Vice Mayor Tharp, voted upon and carried by a roll call vote, Council adopted the proposed resolution regarding exemption of non-profit organizations from real estate taxation. Roll call vote follows:

Councilwoman Flood	aye
Councilman Hubbard	absent
Councilman Padgett	aye
Councilman Stanley	aye

aye
Vice Mayor Tharp
Councilman
Wandrei
aye
Mayor Messier
aye

The resolution follows as adopted:

**A RESOLUTION ESTABLISHING A POLICY
CONCERNING REQUESTS
BY NON-PROFIT ORGANIZATIONS FOR EXEMPTION
FROM REAL ESTATE TAXATION**

WHEREAS, historically in Virginia, exemptions from local real estate taxation have been granted by the General Assembly; and

WHEREAS, in 2003, the Constitution of Virginia was amended and Section 58.1-3651 of the Code of Virginia was enacted to provide that a local governing body of any county, city or town, by ordinance, may grant exemptions from real property taxes for the real property owned by a non-profit organization that uses such properties for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes; and

WHEREAS, the City of Bedford has not addressed the question of whether to grant exemptions and what procedures should be followed upon receipt of requests for exemption; and

WHEREAS, the City Council has received one request and anticipates additional requests from time to time by religious, charitable and patriotic or benevolent organizations seeking exemption from real estate taxes; and

WHEREAS, the City Council continues to face increasing costs as a result of citizen demands for services and as a result of projects mandated by other governments, while at the same time there are efforts on the state and federal level to reduce or restrict local taxing powers; and

WHEREAS, non-profit organizations which own real estate receive valuable services such as police protection and fire fighting from the local government; and

WHEREAS, the City Council considers that the further granting of real estate tax exemptions to non-profit organizations which are receiving municipal services will only erode the real estate tax base of the City, thereby increasing the tax burden on the remaining taxpayers;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BEDFORD that, while it recognizes the worthwhile community purposes served by such organizations, the City Council declares that it will no longer support the granting of real estate tax exemptions for such organizations and elects not to establish procedures for granting exemptions under Section 58.1-3651 of the Code of Virginia, 1950, as amended.

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