

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 13, 2006.

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; and Councilman Robert T. Wandrei.

Members absent: None

Staff present: City Manager Charles P. Kolakowski; 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 May 23, 2006, were approved as distributed.

City Manager Kolakowski reported on the following:

- The basketball courts at Liberty High School are being resurfaced.
- The asphalt repaving throughout the City has been completed.

Councilman Wandrei, Solid Waste Committee Chairman, reported that the Committee met earlier in the evening regarding the Region 2000 Solid Waste Management Initiative.

It was the consensus of Council to add the following item to the Consent Agenda:

- Appointment of Members to the City School Board

Mayor Messier opened the public hearing regarding the Region 2000 Hazard Mitigation Plan at 7:37 p.m.

### **PUBLIC HEARING NOTICE**

Notice is hereby given of a public hearing to be held by Council at 7:30 p.m. on Tuesday, June 13, 2006, at the City Municipal Building, Council Hall, 215 East Main Street for the purpose of:

- Consideration of adoption of the Region 2000 Hazard Mitigation Plan

Information regarding this request is on file in the office of Planning & Community Development and can be viewed online at <http://www.cgit.vt.edu/region2000/resources.asp>.

By the Authority of the City Council of the  
City of Bedford

Bart Warner, Director of Planning & Community Development, stated the Disaster Mitigation Act of 2000 requires that local governments develop and adopt natural hazard mitigation plans in order to receive grant funds in the future. For communities to be eligible for the Flood Mitigation Assistance they must develop and adopt flood mitigation plans. Adoption of regional mitigation plans will satisfy the requirements for localities and accordingly, the City has participated in the development of the Region 2000 All Hazards Mitigation Plan/Flood Mitigation Plan.

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

Mayor Messier opened the public hearing regarding the proposed Real Property Tax Increase at 7:38 p.m.

The Notice of Public Hearing follows:

### **NOTICE OF PROPOSED REAL PROPERTY TAX INCREASE**

Pursuant to Section 58.1-3321, Code of Virginia (1950), as amended, notice is hereby given that the City of Bedford proposes to increase property tax levies.

1. Assessment Increase: The total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last year's total assessed value of real property by 20 percent.
2. Lowered Rate Necessary to Offset Increased Assessment: The tax rate which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$.69 per \$100 of assessed value. This rate will be known as the "lowered tax rate".
3. Effective Rate Increase: The City of Bedford proposes to adopt a tax rate of \$.83 per \$100 of assessed value. The difference between the lowered tax rate and the proposed tax rate would be \$.14 per \$100, or 20 percent. The difference will be known as the "effective tax rate increase". Individual property taxes may, however, increase at a percentage greater than or less than the above percentages.
4. Proposed Total Budget Increase: Based on the proposed real estate tax rate and changes in other revenues, the total general fund budget of the City of Bedford will exceed last year's by 10.7 percent.

A public hearing on the "effective tax rate increase" will be held on Tuesday, June 13, 2006, at 7:30 p.m., or as soon thereafter as the matter may be heard, in the Council Hall of the City Municipal Building. All

persons desiring to be heard shall be accorded an opportunity to present oral testimony within such reasonable time limits as shall be determined by City Council.

Teresa W. Hatcher  
Clerk of Council  
City of Bedford

The City Manager explained the purpose of the public hearing. The real property tax increase is a result of the reassessment of real estate.

The Consent Agenda consisted of the following item:

- Appointment of Mr. Steve C. Rush and Mrs. Betsy Klein to the City School Board

On motion by Councilman Wandrei, seconded by Councilman Stanley, voted upon and carried unanimously by a roll call vote, Council approved the Consent Agenda. Roll call vote follows:

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

The City Manager stated that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council annually levy a tax on all real estate located within the City. Council had received a proposed ordinance that establishes a tax rate for Fiscal Year 2006-07 of \$0.81 per one hundred dollars of assessed valuation. Mr. Kolakowski stated that the ordinance had been posted in accordance with Section 2-30 of the City Code.

Mayor Messier waived the reading of the proposed ordinance establishing the FY 2006-07 real estate tax rate.

On motion by Vice Mayor Tharp, seconded by Councilman Stanley, voted upon and carried unanimously by a roll call vote, Council adopted the ordinance establishing the real estate tax rate for Fiscal Year 2006-07. Roll call vote follows:

Councilman Hubbard	aye
Councilman Padgett	aye
Councilman Stanley	aye
Vice Mayor Tharp	aye
Councilman Wandrei	aye



The resolution follows as adopted:

**A RESOLUTION ESTABLISHING A  
PERCENTAGE TAX RELIEF RATE  
PURSUANT TO THE VIRGINIA PERSONAL  
PROPERTY TAX RELIEF ACT**

**WHEREAS**, the Virginia General Assembly in 1998 passed the Personal Property Relief Act based upon a philosophy that in passing the Act the personal property tax on personal motor vehicles would be eliminated; and

**WEHREAS**, in 2001, the Virginia General Assembly set the reimbursement rate to localities for personal property taxes for personal vehicles at seventy percent (70%) of the personal property tax amount; and

**WHEREAS**, in 2004, the Virginia General Assembly enacted statutes which drastically changed the philosophy of the Act and capped the contribution of the Commonwealth to localities for reimbursement for personal property taxes; and

**WHEREAS**, on November 22, 2005 the City Council of the City of Bedford passed an ordinance (Ordinance No. 05-24) which provided, among other things, that the allocation of personal property tax relief be allocated in such a manner as to eliminate personal property taxation on each qualifying vehicle with an assessed value of \$1,000 or less and that with respect to qualifying vehicles with assessed values of more than \$1,000 the City Council, by resolution, would set annually a percentage to be applied to the first \$20,000 in value of each such qualifying vehicle that based upon estimates of assessments would use up all remaining available state personal property tax relief; and

**NOW, THEREFORE, BE IT RESOLVED BY THE  
COUNCIL OF THE CITY OF BEDFORD AS FOLLOWS:**

Section 1. In accordance with the requirements set forth in Section 58.1-3524(C) (2) and Section 58.1-3912(E) of the Code of Virginia, as amended by Chapter 1 of the Acts of Assembly (2004 Special Session 1) and as set forth in item 503.E (Personal Property Tax Relief Program) of Chapter 951 of the 2005 Acts of Assembly any qualifying vehicle having a situs within the City commencing January 1, 2006, shall receive personal property tax relief in the following manner:

- Personal use vehicles valued at \$1,000 or less will be eligible for 100% tax relief;

- Personal use vehicles valued at \$1,001 to \$20,000 will be eligible for 65% tax relief;
- Personal use vehicles valued at \$20,001 or more shall only receive 65% tax relief on the first \$20,000 of value; and
- All other vehicles which do not meet the definition of “qualifying”(business use vehicles, farm use vehicles, motor home, etc.) will not be eligible for any form of tax relief under this program.
- In accordance with Item 503.D.1, the entitlement to personal property tax relief for qualifying vehicles for tax year 2005 and all prior tax years shall expire on September 1, 2006. Supplemental assessments for tax years 2005 and prior that are made on or after September 1, 2006 shall be deemed ‘non-qualifying’ for purposes of state tax relief and the local share due from the taxpayer shall represent 100% of the tax assessable.

Section 2. Any amount of Personal Property Tax Relief Act relief not used within and the City’s fiscal year shall be carried forward and used to increase the funds available for personal property tax relief in the following fiscal year.

Section 3. This Resolution shall take effect on July 1, 2006.

City Manager Kolakowski stated that Council is requested to adopt the ordinance establishing the personal property tax rate for calendar year 2006. The City Manager stated that the ordinance had been posted in accordance with Section 2-30 of the City Code.

Mayor Messier waived the reading of the proposed ordinance establishing the personal property tax rate for calendar year 2006.

On motion by Councilman Stanley, seconded by Councilman Hubbard, voted upon and carried unanimously by a roll call vote, Council adopted the ordinance establishing the personal property tax rate for calendar year 2006. Roll call vote follows:

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

The ordinance follows as adopted:

**Ordinance No. 06-11**

**AN ORDINANCE LEVYING TAX UPON  
TANGIBLE PERSONAL PROPERTY AND  
ESTABLISHING THE TAX RATES THEREON  
FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2006**

**ORDINANCE**

**BE IT ORDAINED** by the City Council of the City of Bedford, Virginia, that there be, and is hereby levied, for the calendar year 2006, a tax rate of \$1.80 per one hundred dollars of one hundred per centum (100%) of assessed value on all taxable tangible personal property, including property separately classified in Section 58.1-3503 of the Code of Virginia of 1950, as amended, unless exempted from taxation or subject to a different rate under this ordinance. All tangible personal property employed in a trade or business other than that described in subdivisions 1 through 18 of Section 58.1-3503 is taxed at a levy of \$1.50 per one hundred dollars of one hundred per centum (100%) of the assessed valuation. Household goods and personal effects as classified in Section 58.1-3504 and horses, mules and other kindred animals, hogs, poultry, grains and other feeds used for the nurture of farm animals, grain and tobacco as such items are classified in Section 58.1-3505 are exempted in whole from tangible personal property taxation. The following items are taxed at a rate of \$1.30 per one hundred dollars of one hundred per centum (100%) of the assessed valuation: (a) cattle, sheep and goats, and farm machinery and farm implements as separately classified in Section 58.1-3505; and (b) machinery and tools as separately classified in Section 58.1-3507; and (c) motor carriers as separately classified in Section 58.1.3506.

The City Manager stated as part of the budget process for Fiscal Year 2007, City staff has recommended an increase in refuse collection rates of \$2.00 per month for residential customers and a 15% increase per month for commercial customers. This increase will be effective for billing on and after July 1, 2006.

On motion by Vice Mayor Tharp, seconded by Councilman Padgett, voted upon and carried unanimously by a roll call vote, Council approved the new monthly refuse collection rate schedule effective with billings on and after July 1, 2006. Roll call vote follows:

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

Councilman Stanley aye  
Mayor Messier aye

The City Manager stated as part of the budget process for Fiscal Year 2007, City Council was presented with an increase in the cost of purchased wholesale electric power of approximately 23%. In order to balance the proposed budget, an increase in electric rates of 20% was proposed. This increase will be effective for all tariff classes as of July 1, 2006.

On motion by Vice Mayor Tharp, seconded by Councilman Wandrei, voted upon and carried unanimously by a roll call vote, Council approved the new electric rate tariffs effective with billings on and after July 1, 2006. Roll call vote follows:

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

The City Manager stated that Councilman Tom Padgett's wife is Chief Financial Officer of the Bedford County School Board. The Commonwealth's Attorney on June 17, 2003, ruled that under the Virginia Conflict of Interest Act, Mr. Padgett should not vote on the City budget if it contained an appropriation for the schools. There have been no pertinent changes in the State legislation. Accordingly, as was done last year, the schools appropriation will be treated as a separate agenda item so that Councilman Padgett can vote on the remainder of the budget.

Mayor Messier waived the reading of the proposed ordinance establishing funds for public schools.

On motion by Councilman Stanley, seconded by Councilman Hubbard, voted upon and carried, Council adopted the ordinance establishing funds for public schools. Roll call vote follows:

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

The ordinance follows as adopted:

**Ordinance No. 06-12**

**ORDINANCE**

**BE IT ORDAINED** that the City Council of the City of Bedford, Virginia, hereby directs that the funds as set out in the budget for Fiscal Year 2006-2007 for Share of County Public Schools in the General Fund as shown in said budget are hereby appropriated, and that the City Manager is authorized to expend the funds in accordance with said budget and in accordance with prior appropriations.

The City Manager stated the Fiscal Year 2006-07 budget is a document that has resulted from a very structured and formal development process. It was presented publicly at the Council meeting on April 25. Council conducted a daylong work session to further refine it on May 5. A public hearing on the budget was conducted on May 23, and interested parties were given an opportunity to publicly voice their opinions of its contents. Mr. Kolakowski stated that the staff feels that the proposed budget in its current form is a policy document that is adequate to serve as the City's work plan for the coming year.

On motion by Vice Mayor Tharp, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council adopted the budget for Fiscal Year 2006-07. 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

The City Manager stated that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council shall, on a regular basis, make an appropriation of funds for expenditure by the City. Mr. Kolakowski stated that Council had received a proposed ordinance that directs that the funds as set out in the budget for Fiscal Year 2006-07 be appropriated and set aside to the appropriate funds, and authorizes the City Manager to expend the funds in accordance with said budget and in accordance with prior appropriations. The City Manager reported that the ordinance denoting the original appropriations had been posted in accordance with Section 2-30 of the City Code.

Mayor Messier waived the reading of the proposed ordinance appropriating funds.

On motion by Councilman Stanley, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted the ordinance appropriating funds as set out in the budget for Fiscal Year 2006-07 and authorized the City Manager to expend the funds in accordance with said budget. Roll call vote follows:

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

The ordinance follows as adopted:

**Ordinance No. 06-13**

**ORDINANCE**

**BE IT ORDAINED** that the City Council of the City of Bedford, Virginia, hereby directs that the funds as set out in the budget for Fiscal Year 2006-2007 for the City of Bedford are appropriated and set aside to the General Fund (except for the appropriation for the Share of County Public Schools, which shall be considered separately), to the Solid Waste Fund, to the Water and Sewer Fund, to the Electric Fund, and to the E911 Fund as shown in said budget, and that the City Manager is authorized to expend the funds in the General Fund, Solid Waste Fund, Water and Sewer Fund, Electric Fund, and E911 Fund in accordance with said budget and in accordance with prior appropriations.

City Manager Kolakowski stated the Disaster Mitigation Act of 2000 (DMA2K) requires that local governments develop and adopt natural hazard mitigation plans in order to receive hazard mitigation grant funds in the future. For communities to be eligible for the Flood Mitigation Assistance (FMA) program they must develop and adopt flood mitigation plans in order to receive funding for flood mitigation funds. Adoption of regional mitigation plans by localities will satisfy the requirements of the Disaster Mitigation Act. The City has participated in the development of the Region 2000 All Hazards Mitigation Plan/Flood Mitigation Plan, and the document contains provisions that are specific and germane to the City. The Plan, which was developed on a multi-jurisdictional basis, has been approved by the Federal Emergency Management Agency (FEMA) contingent on the adoption of the Plan by each of the 11 local governments in Region 2000.

Mayor Messier waived the reading of the proposed resolution regarding the Regional Hazard Mitigation Plan.

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 Stanley	aye
Vice Mayor Tharp	aye

Councilman Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Padgett	aye
Mayor Messier	aye

The resolution follows as adopted:

**RESOLUTION OF THE  
CITY COUNCIL OF THE CITY OF BEDFORD  
ADOPTING THE REGION 2000 ALL HAZARDS MITIGATION  
PLAN/FLOOD MITIGATION PLAN**

**WHEREAS**, the City of Bedford, Virginia (the “City”) is a political subdivision of the Commonwealth of Virginia exercising public and essential governmental functions pursuant to the Constitution and laws of the Commonwealth of Virginia; and

**WHEREAS**, the Disaster Mitigation Act of 2000, as amended, requires that local governments develop and adopt natural hazard mitigation plans in order to receive certain federal assistance; and

**WHEREAS**, the Region 2000 Steering Committee representing the City of Bedford, as well as the remaining 10 localities of the Region 2000 Regional Commission, was convened in order to study the Region’s risks from and vulnerability to natural hazards, and to make recommendations on mitigating the effects of such hazards on the Region; and

**WHEREAS**, the Steering Committee was provided staff support by the Region 2000 Regional Commission; and

**WHEREAS**, the efforts of the Steering Committee, the staff of the Region 2000 Regional Commission and Virginia Tech’s Center for Geospatial Technology as well as members of the public, private and nonprofit sectors, have resulted in the development of a Natural Hazards Mitigation Plan and Flood Mitigation Plan for the Region; and

**WHEREAS**, the City Council of the City of Bedford held a public hearing concerning the provisions of the Plan at its regular meeting on June 13, 2006;

**NOW THEREFORE BE IT RESOLVED** by the City Council of the City of Bedford, Virginia that the REGION 2000 ALL HAZARDS MITIGATION PLAN/FLOOD MITIGATION PLAN be formally adopted this 13<sup>th</sup> day of June 2006.

The City Manager stated the City has actively participated in the Regional Solid Waste Management Initiative sponsored by the Virginia's Region 2000 Partnership Local Government Council in conjunction with the Counties of Amherst, Campbell, and Nelson, and the City of Lynchburg. The Regional Solid Waste Management Initiative has undertaken an initial Regional Solid Waste Management Analysis, completed in April 2005, and a Regional Solid Waste Management Financial, Operational, and Regulatory Analysis, completed in May 2006. Both analyses describe a potential regional solid waste management structure that is financially advantageous and operationally sound.

Mr. Kolakowski reported that the next phase of the Regional Solid Waste Management Initiative is implementing the recommendations of the Regional Solid Waste Management Financial, Operational, and Regulatory Analysis to form the regional solid waste management entity. The Implementation Phase will involve significant effort to negotiate with DEQ, designate a solid waste management region, prepare a revised solid waste management plan, develop a detailed proof of concept technical proposal and transition plan, secure solid waste permit amendments, legally establish the regional entity, and hire initial staff. This activity will require a significant commitment of both staff time and financial resources, with a timeframe for the implementation expected to take approximately three years.

Mayor Messier waived the reading of the proposed resolution regarding the Region 2000 Solid Waste Management Initiative.

On motion by Councilman Wandrei, seconded by Councilman Padgett, voted upon and carried unanimously by a roll call vote, Council adopted the resolution regarding the Region 2000 Solid Waste Management Initiative. Roll call vote follows:

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

The resolution follows as adopted:

## **RESOLUTION**

**WHEREAS**, the City of Bedford has actively participated in the Regional Solid Waste Management Initiative sponsored by the Virginia's Region 2000 Partnership Local Government Council in conjunction with the Counties of Amherst, Campbell, and Nelson, and the City of Bedford; and

**WHEREAS**, the Regional Solid Waste Management Initiative has undertaken an initial Regional Solid Waste Management Analysis, completed in April 2005, and a Regional Solid Waste Management Financial, Operational, and Regulatory Analysis completed in May 2006; and

**WHEREAS**, both analyses describe a potential regional solid waste management structure that is financially advantageous and operationally sound; and

**WHEREAS**, the Implementation Phase will involve significant effort to negotiate with DEQ, designate a solid waste management region, prepare a revised solid waste management plan, develop a detailed proof of concept technical proposal and transition plan, secure solid waste permit amendments, legally establish the regional entity, and hire initial staff; and

**WHEREAS**, this activity will require a significant commitment of both staff time and financial resources, with a timeframe for the implementation expected to take approximately three years; and

**NOW THEREFORE BE IT RESOLVED**, the City of Bedford does hereby support the concept of implementing the Regional Solid Waste Management Initiative and directs staff to continue efforts to successfully form the regional solid waste management entity.

**BE IT FURTHER RESOLVED**, that the City Council of the City of Bedford does authorize its City Manager to sign any documents necessary for this effort short of the formal establishment of the entity.

The City Manager reported that by application filed with the City of Bedford on or about February 29, 2006, Charter Communications, LLC and Cebridge Acquisition Co, LLC have entered into an Asset Purchase Agreement dated February 27, 2006 under which Charter Communications, LLC and Cebridge Acquisition Co, LLC agree to transfer to Cebridge “substantially” all of its assets involved in operating cable systems in a number of franchises including the City of Bedford. The City reviewed the transfer request and investigated the financial and technical ability of the purchasing company to operate a cable television franchise.

City Manager Kolakowski stated that the City staff had two major concerns regarding the transfer. These were:

- The actual holder of the franchise would be Cebridge Acquisition, L.L.C d/b/a Suddenlink Communications. This corporate entity lacked material assets and proved to be a poor recourse for the City in the event that the franchise was not managed correctly. The parent company, Cequel Communications, LLC f/k/a Cebridge III, LLC has substantially more assets. To resolve this concern the City negotiated for a guaranty of performance of the franchise agreement on the part of the parent company.

- Given this acquisition, “Suddenlink” would go from being a small cable company with approximately 350,000 subscribers to one with over 1.2 million subscribers. The City was concerned that Cebridge would not have the facilities required to provide adequate customer support to such a large customer base. To resolve this concern the City obtained written guarantees that additional call center facilities were being purchased to serve the new customers.

The City Manager stated that in addition to working out these specific issues, the City negotiated a very detailed and specific transfer resolution that codified many of the concerns of the City. With these guarantees and agreements from Cebridge, the transfer of the franchise is in the best interest of the City of Bedford.

Mayor Messier waived the reading of the proposed resolution regarding the Cable Television Franchise.

Councilman Wandrei moved that the resolution approving the assignment of the Cable Television Franchise be adopted. Councilman Stanley seconded the motion.

Vice Mayor Tharp explained the reasons he did not support the resolution and complimented the staff, especially James Ervin, for the work done in preparing the Franchise agreement. The Vice Mayor asked the staff to consistently and regularly monitor the cable company and report immediately to Council on any deviations from the contract.

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

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

The resolution follows as adopted:

**RESOLUTION OF THE APPROVING THE ASSIGNMENT OF  
THE CABLE TELEVISION FRANCHISE**

**WHEREAS**, Interlink Communications Partners, LLC (the “Franchisee”) owns, operates, and maintains a cable television system (“System”) serving the City of Bedford, Virginia pursuant to the Bedford Cable Television Ordinance (the “Ordinance”) and a franchise agreement (the “Franchise”) issued by the City of Bedford, Virginia (the “City”), and Franchisee is the duly authorized holder of the Franchise; and

**WHEREAS**, Charter Communications Operating, LLC has entered into an Asset Purchase Agreement (the “Agreement”) with Cebridge Acquisition Co. LLC in which, among other things, the Franchisee proposes to sell and assign to Cebridge Acquisition Co. LLC certain of the assets, including the Franchise, used by Franchisee in the operation of the System (the “Transaction”); and

**WHEREAS**, Cebridge Acquisition Co. LLC will assign, among other things, its right to acquire the Franchise and System under the Agreement to Cebridge Acquisition, LLC. d/b/a Suddenlink Communications (“Suddenlink”) prior to the closing of the Transaction and Cebridge Connections Holdings, LLC will be the ultimate parent of Cebridge Acquisition, LLC.; and

**WHEREAS**, Cequel Communications, LLC f/k/a Cebridge III, LLC a parent of Cebridge Acquisition, LLC, will hold an equity interest in Cebridge Acquisition, LLC and upon the closing of the Transaction, will be the recipient and holder of the debt funds and working capital for the Transaction and will be the financial reporting entity for Cebridge Acquisition, LLC; and

**WHEREAS**, Cequel Communications, LLC f/k/a Cebridge III, LLC certified that it has sufficient financial resources to assure that Cable Acquisition, LLC perform in accordance with the Ordinance, Franchise, and this Resolution and Cebridge Holdings LLC acknowledges Cequel Communications, LLC f/k/a Cebridge III, LLC guaranty; and

**WHEREAS**, Suddenlink will acquire Charter’s West Virginia Call Center which currently provides call services to the City of Bedford; and

**WHEREAS**, Franchisee and Suddenlink have requested the consent of the City for the assignment of the Franchise in accordance with the requirements of the Franchise and applicable law and have filed with the City a franchise assignment application on FCC Form 394 that includes relevant information concerning the Transaction and the legal, technical and financial qualifications of Suddenlink and a letter dated April 12, 2006 (collectively, the “Application”); and

**WHEREAS**, the City has determined that it is appropriate to grant its consent to the transfer of the Franchise and System pursuant to the Transaction described in the Application, and the City’s rights will be adequately protected.

**NOW THEREFORE BE IT RESOLVED BY THE CITY AS FOLLOWS:**

**SECTION 1.** The foregoing recitals are incorporated herein by reference.

**SECTION 2.** The City hereby approves the Transaction and consents to the assignment of the Franchise and System to Suddenlink pursuant to the conditions described in the Application, that such consent to transfer is granted subject to the following conditions all of which have been agreed to by Suddenlink and Franchisee.

**SECTION 3.** The City hereby consents to and approves (a) the pledge or grant of a security interest to any lender(s) in Suddenlink's assets, including, but not limited to, the Franchise, or of interests in Suddenlink, for purposes of securing any indebtedness.

**SECTION 4.** The City confirms that the Franchise was properly granted or assigned to Franchisee and is in full force and effect.

**SECTION 5.** Upon the close of the Transaction, Cebridge Acquisition, LLC the legal entity holding the Franchise and the System, shall assume all obligations and liabilities of the Franchisee under the Franchise, the Ordinance, and this Resolution, including, without limitation, all obligations, if any, of the Franchisee as are currently required to have been performed, but have not been performed.

**SECTION 6.** The City's approval of the Transaction and its consent to the assignment of the Franchise and System to Suddenlink shall be effective upon the closing of the Transaction, and Suddenlink shall notify the City upon the closing of the Transaction (the "Closing Date") and shall provide the City with a family tree of the final organizational structure, including but not limited to, all parent companies to Cebridge Acquisition, LLC, and indicate what entities hold the Franchise, the employees and the System.

**SECTION 7.** Cebridge has agreed to and shall maintain at least the same level and quality of cable system technical operations, cable services, and customer service as Interlink Communications Partners, LLC provided in the City the year prior to the effective date of this Resolution consistent with any Franchise obligations.

**SECTION 8.** Cequel Communications, LLC f/k/a Cebridge III, LLC has agreed to and signed a guaranty regarding the performance of Cebridge under the terms and conditions of the Ordinance, Franchise, and this Resolution and Cebridge Holdings LLC as holding company for Cequel Communications, LLC f/k/a Cebridge III, LLC has acknowledged Cequel Communications, LLC f/k/a Cebridge III, LLC guarantee.

**SECTION 9.** Suddenlink will deliver to the City the performance bond required by the Franchise within thirty (30) days of Closing.

**SECTION 10.** Prior to the City Council's approval of this Resolution, Cebridge Acquisition, LLC shall submit its written acceptance indicating agreement with all the provisions of this Resolution and shall submit a signed copy of the guaranty and Cebridge Holdings, LLC's acknowledgement of Cequel Communications, LLC f/k/a Cebridge III, LLC guaranty referenced above. In the event that the guaranty and the Cebridge Holdings LLC acknowledgement letter are not received by the City by the close of the Transaction, the transfer request shall be considered denied.

**SECTION 11.** These consents shall not in any way waive, diminish or otherwise affect adversely any right that the City has, may have, or may at any time or in any manner subsequently acquire, with respect to any matter, including without limitation, the right of the City to require compliance with the terms of the Ordinance, the Franchise, and this Resolution and to conduct any franchise fee audit or review and order payment of unpaid franchise fees.

**SECTION 12.** The City's approval of the Transaction and its consent to the assignment of the Franchise and System to Suddenlink is contingent upon the faithful performances by Suddenlink of its obligation under this Resolution.

**SECTION 13.** This Resolution shall have the force of a continuing agreement with Franchisee and Suddenlink, and the City, so long as Suddenlink is in compliance with all of the terms and conditions hereof, shall not revoke, amend or otherwise alter this Resolution without the consent of the Franchisee and Suddenlink.

**SECTION 14.** This Resolution shall take effect and be in force upon adoption.

The City Manager stated that at the November 22, 2005, meeting, Council adopted a resolution to finance the acquisition of equipment by means of lease/purchase financing. A total of \$720,000 was borrowed and \$126,100 of the funds borrowed was for the acquisition and installation of a generator to serve the Municipal Building. Mr. Kolakowski stated the funds borrowed must be appropriated prior to being used by the City.

On motion by Vice Mayor Tharp, seconded by Councilman Stanley, voted upon and carried unanimously by a roll call vote, Council appropriated \$126,100 in funds in the budget for Fiscal Year 2005-06 to account number 10044340-581136 for the purpose of purchasing a generator. Roll call vote follows:

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

Vice Mayor Tharp	aye
Councilman Wandrei	aye
Mayor Messier	aye

The City Manager stated the City intends to borrow funds to finance the upgrade of the Stoney Creek Reservoir in order to meet current Virginia Department of Conservation and Recreation (“VADCR”) criteria for a Class I structure. The price of the engineering services to be provided by Thompson & Litton prior to the construction phase of the project is estimated to be \$500,000. This project has been approved as part of the Fiscal Year 2006-07 budget. Mr. Kolakowski stated that in connection with the borrowing, Council needs to adopt a “reimbursement resolution” providing for the reimbursement to the City from the bond proceeds of certain expenses that will have been incurred in the period 60-days prior to the date of the resolution, as required under certain technical Internal Revenue Code provisions.

Mayor Messier waived the reading of the proposed reimbursement resolution.

On motion by Councilman Stanley, seconded by Councilman Hubbard, voted upon and carried unanimously by a roll call vote, Council adopted the reimbursement 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

The resolution follows as adopted:

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

**WHEREAS**, the City of Bedford, Virginia (the “Borrower”), intends to upgrade the Stoney Creek Reservoir in order to meet current Virginia Department of Conservation and Recreation (“VADCR”) criteria for a Class I structure (collectively, 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 \$500,000 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 the date that is 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.

Vice Mayor Tharp moved that Council adjourn into closed session pursuant to Section 2.2-3711(a)(7) of the Code of Virginia of 1950, as amended, to discuss litigation and pursuant to Section 2.2-3711(a)(1) of the Code of Virginia of 1950, as amended, for discussion of personnel matters. Councilman Stanley seconded the motion. The motion was voted upon and carried by the following roll call vote:

Councilman Padgett	aye
Councilman Stanley	aye

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

Council adjourned into closed session at 8:06 p.m. The following non-council members attended the first closed session: City Manager Kolakowski, City Attorney Berry, Assistant to the City Manager Warner, and Public Works Director Gibson.

Council reconvened into open session at 8:28 p.m.

The Clerk of Council read aloud the following 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 Tharp, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

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

Mayor Messier adjourned the meeting at 8:29 p.m.