

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 12, 2007

Members present: Mayor W. D. Tharp; Councilwoman Mary L. Flood; Councilman Jeffrey B. Hubbard; Councilman C. G. Stanley, Jr.; Councilman Thomas M. Padgett; Councilman James A. Vest; and Vice Mayor 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 Tharp opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Tharp stated that agenda item "Adoption of Budget for Fiscal Year 2007-2008" will be moved to be the first item under New Business.

Mayor Tharp declared that the minutes of a regular Council meeting held on May 22, 2007, were approved as distributed.

City Manager Kolakowski reported on the following:

- "Tasty Tuesdays" at the Farmer's Market has commenced with a number of vendors selling fresh vegetables, plants, etc.
- The City has received notice from the developers of the Oakwood Villas Retirement Homes requesting to have the Public Hearing in front of Council moved until the July 10 Council meeting in order to better accommodate the various requests brought to them at the hearing in front of the Planning Commission.
- Several new businesses have opened up in the City: Whitten's Café, Helmick Sub Shop, Alta Shoe Store, and Papa Johns Pizza

On motion by Councilman Padgett, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council appointed Tim Childress and John Owen to the City of Bedford Industrial Development Authority for terms expiring November 30, 2010. Roll call vote follows:

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

On motion by Councilman Stanley, seconded by Councilman Vest, voted upon and carried by a roll call vote, Council granted permission to block the following streets as requested by Bedford Main Street, Inc., for the following activities:

“Libertyfest” – July 4, 2007, block Center Street at the Farmer’s Market from 3:00 p.m. to 11:30 p.m. for a concert

“Centerfest” – September 28 and September 29 as follows:

Friday, September 28: Centerfest Kick-off Concert – closure of Center Street from 3:00 p.m. to 11:30 p.m.

Saturday, September 29: 26th Annual Bedford Centerfest – closure of the following streets from 6:00 a.m. to Midnight:

- East Main Street from Otey Street to Bridge Street
- West Main Street from Bridge Street to Ballard Street
- South Street from East Main Street to County Admin Parking lot
- Court Street from Museum lot to East Main Street
- South Bridge Street from Main to Washington
- North Bridge from Main to City lot south of Railroad Bridge
- West Depot from North Bridge Street to Ballard Street, Market Square (all)

Roll call vote follows:

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

On motion by Councilman Vest, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council reappointed Paul Sherman and Debra Bond to the City School Board for terms expiring June 30, 2010. Roll call vote follows:

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

The City Manager stated the Fiscal Year 2007-08 Budget is a document that has resulted from a very structured and formal development process. The budget was presented publicly at the regular City Council meeting on April 24, 2007. Council conducted a daylong work session to further refine it on May 2, 2007. A public hearing on the budget was conducted May 22, 2007, and interested parties were given an opportunity to publicly voice their opinion of its contents. Mr. Kolakowski stated that having gone through this process, the staff feels that the FY 2007-08 budget in its current form is a policy documents that is adequate to serve as the City's work plan for the coming year.

Councilman Stanley moved that Council adopt the budget for Fiscal Year 2007-08. Councilman Vest seconded the motion.

Vice Mayor Wandrei questioned the title of the "Special Projects" item in the budget under Storm Drainage.

The City Manager stated those funds are designated for improvements to storm drainage in the Fourth Street area, most primarily the collapsed pipe on the Saunders property.

The City Manager stated the funds would be used for the Fourth Street storm project and if any funds were left over, the funds would be for improvements to other storm drains in that immediate area.

Vice Mayor Wandrei stated if the funds were designated in the budget for "Fourth Street Drainage," he would accept that.

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

Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Padgett	aye
Mayor Tharp	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. Members of Council have received a proposed ordinance establishing a tax rate for Fiscal Year 2007-08 of \$0.81 per one hundred dollars of assessed valuation. Mr. Kolakowski stated the ordinance had been posed in accordance with Section 2-54 of the City Code.

On motion by Councilman Padgett, 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 2007-08. Roll call vote follows:

Councilman Vest	aye
Vice Mayor Wandrei	aye

Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Padgett	aye
Councilman Stanley	aye
Mayor Tharp	aye

The Ordinance follows as adopted:

Ordinance No. 07-7

**AN ORDINANCE LEVYING TAX UPON REAL ESTATE
AND CERTAIN TANGIBLE PERSONAL PROPERTY OF
PUBLIC SERVICE CORPORATIONS AND ESTABLISHING
THE TAX RATE THEREON FOR THE FISCAL YEAR
BEGINNING JULY 1, 2007**

BE IT ORDAINED by the City Council of the City of Bedford, Virginia, that there be, and is hereby levied for the Fiscal Year 2007-2008, a tax rate of \$0.81 per one hundred dollars of assessed valuation on all taxable real estate located in the City, the respective levy hereby ordered being also applicable to the real estate and tangible personal property of public service corporations within the limitations specified by Section 58.1-2606 of the Code of Virginia of 1950, as amended, based upon the assessment thereof fixed by the State Corporation Commission and duly certified.

The City Manager stated that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council shall annually levy a tax on tangible personal property located within the City. Mr. Kolakowski stated the proposed ordinance had been posted in accordance with Section 2-54 of the City Code.

On motion by Councilman Vest, seconded by Councilman Stanley, voted upon and carried unanimously by a roll call vote, Council adopted the ordinance establishing the personal property tax rate for Calendar Year 2007. Roll call vote follows:

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

The ordinance follows as adopted:

Ordinance No. 07-8

**AN ORDINANCE LEVYING TAX UPON
TANGIBLE PERSONAL PROPERTY AND
ESTABLISHING THE TAX RATES THEREON
FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2007**

BE IT ORDAINED by the City Council of the City of Bedford, Virginia, that there be, and is hereby levied, for the calendar year 2007, 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.

City Manager Kolakowski stated the Commissioner of the Revenue and the Finance Director have been advised that the Commonwealth of Virginia has allocated \$280,647.01 toward personal property tax relief in the City for fiscal year 2007-08. They recommend, based upon projected personal property tax valuations, that the reimbursement relief rate be set at 63%. The City Manager explained the net effect of the proposed resolution.

On motion by Councilman Vest, seconded by Councilman Padgett, voted upon and carried unanimously by a roll call vote, Council adopted the resolution establishing a percentage tax relief rate. Roll call vote follows:

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

Councilman Vest	aye
Vice Mayor Wandrei	aye
Mayor Tharp	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

WHEREAS, 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, 2007, 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 63% tax relief;

- Personal use vehicles valued at \$20,001 or more shall only receive 63% 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.

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, 2007.

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 expenditures by the City. The ordinance denoting the original appropriations has been posted in accordance with Section 2-54 of the City Code.

On motion by Councilman Hubbard, seconded by Councilwoman Flood, voted upon and carried unanimously, Council adopted the ordinance appropriating funds as set out in the budget for Fiscal Year 2007-08 and authorized the City Manager to expend the funds in accordance with said budget. Roll call vote follows:

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

The ordinance follows as adopted:

Ordinance No. 07-9

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 2007-2008 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, and to the Electric 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, and Electric Fund, in accordance with said budget and in accordance with prior appropriations.

The City Manager reported that during Fiscal Year 2007, the City has incurred costs for the Blue Ridge Regional Jail and the Shared Costs – Juvenile Detention that exceed the budgeted amounts. As of June 1, 2007, the estimated shortfall for the two items is approximately \$161,415. Of this amount, \$52,315 has been found within the General Fund. The remaining balance of \$109,200 has been found within the Water and Sewer Fund and the Electric Fund. Mr. Kolakowski stated the City staff is requesting a transfer from Water & Sewer and Electric Funds in the following amounts:

• W&S Gen Admin Compensation (18974410 511000)	
\$10,100	
• W&S Gen Admin VRS-Retire (18794410 522100)	5,000
• Regional Water Supply Plan (18974410 531409)	5,000
• W&S Expert Services Engineering (18974430 531400)	20,000
• W&S Compensation - Temp (18974450 514000)	5,500
• Elect Super & Engineering Comp (19981910 511000)	20,000
• Elect Super & Engineering VRS-Retire (19981910 522100)	4,000
• Elect Super & Engineering Hosp Ins (19981910 523000)	4,000
• Elect Super & Engineering Pmt to Joint IDA (19981910 538136)	<u>35,600</u>
 Total Transfer	 \$109,200

City Manager Kolakowski stated that of the total requested transfer, \$83,500 will be transferred to Share-Juvenile Secure Detention Center (10033330 538132) and \$25,700 will be transferred to Regional Jail Operations (10033320 570001).

Councilman Stanley moved that Council approve the transfer of \$109,200 from the various accounts listed previously by the City Manager to Juvenile Secure Detention Center and Regional Jail Operations for \$83,500 and \$25,700 respectively. Councilman Vest seconded the motion.

Discussion ensued regarding the increased costs of services received in the current year and estimates for cost of services in the next budget year.

The motion was then voted upon and carried unanimously by a roll call vote. Roll call vote follows:

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

City Manager Kolakowski stated the Commonwealth Transportation Board of the Virginia Department of Transportation (VDOT) has modified its revenue sharing program by opening it to all counties, cities, and towns in Virginia who maintain their own road system. Historically, the revenue sharing program has been available to counties for primary and secondary transportation projects within their boundaries on a one-to-one matching basis. The City Manager reported that the program has been opened to cities and towns via an appropriation by the General Assembly, and the funding is limited to \$1 million per locality. At least half of the available funding must be used for projects in VDOT's current Six Year Improvement Program. The other half may be utilized for new projects or other projects not included in the Six Year Program.

The City Manager stated in order to participate in this program for the fiscal year ending June 30, 2007, the City must adopt a resolution outlining its request to do so and support of the potential project identified for possible funding from the program. Staff recommends inclusion of the following project for participation in the revenue sharing program. The following improvement is not included in the FY 2006-2011 Six-Year Improvement Program: 1. Upgrade and synchronize signal lights city wide at an estimated cost of \$300,000.

On motion by Councilman Stanley, seconded by Councilman Hubbard, voted upon and carried unanimously by a roll call vote, Council adopted the resolution regarding the VDOT revenue sharing program. Roll call vote follows:

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

The resolution follows as adopted:

**RESOLUTION OF THE
CITY COUNCIL OF THE CITY OF BEDFORD
REGARDING VIRGINIA DEPARTMENT OF
TRANSPORTATION REVENUE SHARING PROGRAM**

WHEREAS, the Commonwealth Transportation Board of the Virginia Department of Transportation (“VDOT”) has modified its revenue sharing program by opening it to all counties, cities, and towns in Virginia maintaining their road system; now

THEREFORE BE IT RESOLVED, that the Council of the City of Bedford, Virginia, hereby requests to participate in the Commonwealth Transportation Board’s revenue sharing program, and submits the following list of potential projects identified for possible funding from the program, listed in terms of priority from highest to lowest, as follows:

The following improvements not included in the FY 2006-2011 Six-Year Improvement Program:

1. Upgrade and synchronize signal lights city wide at an estimated costs of \$300,000.

Any available funding through the program shall be allocated based on the priorities listed above. Projects shall be fully funded in order of priority until such time as the available funding pool is exhausted. Once projects are fully funded according to their priority, any remaining funds shall be allocated toward the next remaining project on the priority list.

BE IT FURTHER RESOLVED, that the Council of the City of Bedford hereby agrees to pay its share of the total cost for preliminary engineering, right of way and construction of these projects in accordance with Section 33.1-44 of the Code of Virginia, and that, if the City of Bedford subsequently elects to cancel these projects, the City of Bedford hereby agrees to reimburse the Virginia Department of Transportation for the total amount of the costs expended by the Department through the date the Department is notified of such cancellation.

Mayor Tharp complimented the City Manager, staff, and Department Heads on their work in preparing the budget. The Mayor stated it was particularly noteworthy that the budget shows very little increase in user fees across the board and no tax increases and shows a lot of creativity and hard work went into the preparation of the budget.

Councilman Hubbard moved that Council adjourn into closed session pursuant to Section 2.2-3711(a)(7) of the Code of Virginia of 1950, as amended, for consultation with legal counsel regarding College Street lien; and Section 2.2-3711(a)(1) of the Code of Virginia of 1950, as amended, discussion of personnel matters. Councilwoman Flood seconded the motion. The motion was voted upon and carried by the following roll call vote:

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

Council adjourned into closed session at 7:57 p.m. The following non-council members attended: City Manager Kolakowski, City Attorney Berry, Assistant City Manager Warner, and Chief of Police Day.

Council reconvened into open session at 8:36 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 Wandrei, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

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

Mayor Tharp adjourned the meeting at 8:37 p.m.