

August 12, 2008

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., August 12, 2008.

Members present: Mayor W. D. Tharp; Councilwoman Mary L. Flood; Councilman Jeffrey B. Hubbard; Councilman Thomas M. Padgett; Councilman C. G. Stanley, Jr.; 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 declared that the minutes of a regular Council meeting held on July 22, 2008, were approved as distributed.

City Manager Kolakowski reported on the following:

- Fourth Street storm sewer replacement project has been moving ahead smoothly – hopefully to be completed within a couple weeks
- Staff is monitoring the level of the reservoir daily due to the lack of rain
- Cop Camp is being held with 120 children participating in the program

Mayor Tharp commended Jimmy English, Building Official, for receiving a nice write-up in the *Virginia Town & City* magazine concerning the Bedford GIS program.

The City Manager stated that the staff has reviewed the Central Virginia Community Services (CVCS) Fiscal Year 2008-09 Performance Contract and agrees that it supports the mission of CVCS in providing mental health, retardation, substance abuse, and prevention services within the City. As part of its Fiscal Year 2008-09 budget, the City has appropriated \$5,604 for provision of the services provided by the contract.

On motion by Councilman Hubbard, seconded by Councilman Padgett, voted upon and carried by a roll call vote, Council approved the Central Virginia Community Services 2009 Performance Contract with the condition that the City's tax appropriation for services provided under the contract will not exceed \$5,604. 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

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The City Manager stated that Central Virginia Community Services would like to purchase and improve a group home facility in Altavista. To accomplish this, CVCS will borrow money under the VML/VACo Commercial Paper Program in an amount not to exceed \$290,000. The CVCS Board of Directors has adopted a resolution approving the purchase agreement and directed staff to seek the necessary approval from the six localities it serves for assuming new debt. Mr. Kolakowski stated that Council is requested to adopt the resolution authorizing the Central Virginia Community Services Board to acquire the necessary loan and to execute and deliver the documents and instruments related thereto in order to finance the acquisition and improvement of the Altavista Group Home.

On motion by Councilman Stanley, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted the resolution approving the issuance of debt by the Central Virginia Community Services Board. 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 resolution follows as adopted:

RESOLUTION

APPROVING THE ISSUANCE OF DEBT BY THE CENTRAL VIRGINIA COMMUNITY SERVICES BOARD AND RELATED MATTERS

WHEREAS, the Central Virginia Community Services Board (the Board) is a public body politic and corporate of the Commonwealth of Virginia duly created pursuant to Chapter 5, Subtitle II, Title 37.2 of the Code of Virginia of 1950, as amended (the Act), and is organized and operated in accordance with the Charter Agreement by and among the Counties of Amherst, Appomattox, Bedford and Campbell, and the Cities of Bedford and Lynchburg (collectively, the Member Jurisdictions);

WHEREAS, pursuant to the terms and conditions of the Act, the Board is authorized to accept loans as authorized by its Member Jurisdictions;

WHEREAS, the Board has previously issued, and the Member Jurisdictions have previously approved, the issuance of the Board's \$1,665,000 Public Improvement Note, Series 2006 (the Series 2006 Note) for the purpose of refinancing certain existing indebtedness of the Board

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with proceeds derived from the issuance of variable rate demand revenue bonds by the Industrial Development Authority of the County of Stafford and the City of Stanton, Virginia (the Authority) pursuant to the Virginia Municipal League/Virginia Association of Counties Commercial Paper Program, Series 2005A (the VML/VACo Commercial Paper Program); and

WHEREAS, the Board has approved, subject to the approval of the Member Jurisdictions, the borrowing of additional moneys under the VML/VACo Commercial Paper Program in an amount not to exceed \$290,000 (the Additional Loan) for the purpose of acquiring and improving the Altavista Group Home, the Additional Loan to be made under the same terms and conditions as the Series 2006 Note as summarized at the end of Exhibit A attached hereto;

NOW, THEREFORE, BE IT RESOLVED:

The Bedford City Council (the “Locality”) consents to the making of the Additional Loan and the execution and delivery of the documents and instruments related thereto in order to finance the acquisition and improvement of the Altavista Group Home and to pay related costs and expenses, upon terms and conditions as heretofore approved by the Board in its approving resolution with respect to the Additional Loan.

Each duly authorized officer of the Locality is hereby authorized to execute and deliver such additional instruments or to take such additional action as may be reasonably necessary to effectuate the purposes and intent of this resolution and the issuance of the Additional Loan by the Board. Under no circumstances, however, shall the payment of debt service on the Additional Loan constitute general obligation indebtedness or a pledge of the full faith and credit or taxing power of any of the Member Jurisdictions.

This resolution shall take effect immediately.

Exhibit A
to Consenting Resolution

DESCRIPTION OF THE LOAN

- (1) **Original Loan Commencement Date:** June 8, 2006

Loan Maturity Date: July 1, 2021

- (2) **Names and addresses of Loan Participants:**

Borrower

Central Virginia Community Services Board

Bank

Bank of America, N.A.

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2241 Langhorne Road

Lynchburg, Virginia 24501

Attention: Executive Director

Commercial Banking

VA2-300-18-02

1111 East Main Street

Richmond, Virginia 23219

Attention: John R. Dietrich,

Vice President

(3) **Loan Amount and Interest Rate:**

- (a) Maximum Amount Approved by Borrower: \$1,665,000
- (b) Principal Amount issued on original Loan Commencement Date: \$1,665,000
- (c) Outstanding principal balance of original Loan \$1,365,000
- (d) Principal Amount of Additional Loan approved by Program Administrator and the Bank: \$ 290,000
- (e) Interest Rate – A variable rate based on a term not exceeding 270 days; the current term being approximately 30 days; and the current interest rate being 1.65%. The average interest rate for the previous 12 monthly remarketing periods ending June 26, 2008, was 2.68%.

(4) **Description of the Project:**

The Project includes the refinancing of certain existing indebtedness of the Borrower, together with related costs and expenses, and with respect to the Additional Loan, the acquisition and improvement of the Altavista Group Home.

(5) **Letter of Credit Commitment:**

- (a) Letter of Credit Requirement:

Letter of Credit Requirement	Effective on Additional Loan Commencement Date	Total
Principal	\$1,655,000	\$1,655,000
Interest (calculated for 35 days at Maximum Rate of 10%, based on 360 day year)	\$ 16,091	\$ 16,091

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TOTAL \$1,671,091

- (b) Commitment Expiration Date: May 31, 2009, as it may be extended by the Bank in its sole discretion.
- (c) Annual Letter of Credit Fee (expressed as a percentage of the Letter of Credit Requirement as of the date of each calculation): 85 basis points (0.85%), The Annual Letter of Credit Fee shall be calculated on the basis of a 360-day year and the actual number of days elapsed.
- (d) Payment of Letter of Credit Fee: Monthly in arrears.
- (e) Amendments to the Letter of Credit: Changes to the Letter of Credit as a result of modifications in the Schedule of Advances, changes in the Loan Maturity Date or other actions taken by the Borrower may require amendments to the Letter of Credit, which shall be made at the Borrower's expense. Notwithstanding the foregoing, the Borrower is entitled to repay its Loan in full at no additional expense to the Borrower.

(6) **Costs of Issuance:**

Costs of Issuance payable on Additional Loan Commencement Date shall not exceed \$10,000

7) **Security Instruments:**

Credit Line Deed of Trust dated as of June 1, 2006 executed and delivered by the Borrower with respect to the real and personal property located at 2235 Landover Place and 2241 Langhorne Road in Lynchburg, Virginia, together with the Altavista Group Home at 101 Avoca Lane.

(8) **Estimated Periodic Principal Redemption Schedule:***

<u>Date</u>	<u>Amount</u>
December 1, 2008	\$ 65,000
June 1, 2009	65,000
December 1, 2009	65,000
June 1, 2010	65,000
December 1, 2010	65,000
June 1, 2011	65,000
December 1, 2011	65,000
June 1, 2013	65,000
December 1, 2013	65,000
June 1, 2014	65,000

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December 1, 2014	65,000
June 1, 2015	65,000
December 1, 2015	65,000
June 1, 2016	65,000
December 1, 2016	65,000
June 1, 2017	65,000
December 1, 2017	65,000
June 1, 2018	65,000
December 1, 2018	65,000
June 1, 2019	65,000
December 1, 2019	80,000
June 1, 2020	80,000
December 1, 2020	80,000
June 1, 2021	115,000

* Preliminary, subject to change

The City Manager stated that 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. Mr. Kolakowski stated 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.

City Manager Kolakowski stated that in order to participate in this program for the fiscal year ending June 30, 2009, 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. The staff recommends inclusion of the following project for participation in the revenue sharing program:

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

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1. Extend Ole Turnpike Drive to U S 460 (Blue Ridge Avenue) from Sword Beach Lane. The estimated cost of the improvement project is \$2,000,000.

Councilman Padgett moved that the resolution regarding the Virginia Department of Transportation revenue sharing program be adopted. The motion was seconded by Councilwoman Flood.

Vice Mayor Wandrei asked about the potential liability and cost of the project to the City.

The City Manager stated this matter was brought to the City at a late date by VDOT and the developer. The City Manager indicated that he did not have a breakdown on the cost of the study.

The Vice Mayor suggested that Council table this matter until the next meeting to get information on what the potential liability is, what the City's potential share is, what the developer's share is, and whether any contribution would be from the County of Bedford since the project is going to benefit the County.

Vice Mayor Wandrei moved that Council table this matter until the next meeting in order to get further information. The motion was seconded by Councilman Vest, voted upon and carried unanimously by the following roll call vote:

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 of Virginia, through the Virginia Sesquicentennial of the American Civil War Commission, is working to commemorate the 150th anniversary of Virginia's participation in the American Civil War. The State is strongly encouraging the formation of local committees to assist the State Commission in planning and promoting events from 2011 through 2015. The State encourages participation on the local committees of representatives from local government administration, the governing body, tourism industry organizations, chambers of commerce and economic development offices, the education community and other related and interested parties.

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

Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye

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

The resolution follows as adopted:

Resolution
Authorizing the Creation of a Local Bedford City/County
Sesquicentennial Committee and Naming a Local Liaison
to the State Commission

WHEREAS, the Commonwealth of Virginia, through the Virginia Sesquicentennial of the American Civil War Commission, is working to commemorate the 150th anniversary of Virginia's participation in the American Civil War; and

WHEREAS, the State is strongly encouraging the formation of local committees to assist the State Commission in planning and promoting events from 2011 through 2015; and

WHEREAS, local history is the foundation upon which programs will be built; and

WHEREAS, the State encourages participation on the local committees of representatives from local government administration, the governing body, tourism industry organizations, chambers of commerce and economic development offices, the education community and other related and interested parties;

NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Bedford does hereby authorize the creation of the Bedford City/County Sesquicentennial Committee to include such representation as recommended by the State as well as other interested suitable participants;

BE IT FURTHER RESOLVED, that the City Council of the City of Bedford does hereby appoint Mr. Sergei Troubetzkoy as the local designee to act as the liaison between the local committee and the State Commission.

Mayor Tharp adjourned the meeting at 7:46 p.m.