

May 22, 2012

An adjourned meeting of the Council of the City of Bedford, Virginia, from the May 16, 2012, adjourned meeting was held in the Council Hall of the Municipal Building at 5:30 p.m., May 22, 2012.

Members present: Mayor W. D. Tharp; Councilwoman Mary L. Flood; Councilman Guy E. Murray, Jr.; Councilman Steve C. Rush; 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.

The purpose of the meeting was for a work session on the budget for FY 2012-13.

City Manager Kolakowski reviewed the Electric Rate Comparison report. The report is a projection of the comparison between APCO and the City's rates utilizing a proposed increase that APCO has made which would be effective July 1. The City Manager said APCO has proposed an increase of 7%. The City Manager said the electric rate increase is included in the proposed budget.

Director of Finance Jordan explained the use of prior year reserves for the proposed budget in the amount of \$884,000. Ms. Jordan and Mr. Kolakowski said that \$500,000 is anticipated to be used for economic development projects for the contingency fund, which is not specifically earmarked to be spent except for emergency or for possible economic development. The City Manager said the one purpose the funds would be used for if needed would be for economic development purposes for applying for state grants where a matching portion from the City would be required.

Mayor Tharp expressed his concerns that in the last year as a city, that money is being cut into which may have an expanded use, better use, or unanticipated use later.

Councilman Vest said the way it was explained to him was if this money is not used then the real estate rate will have to be raised.

The City Manager said the only area where any significant portion of this could be saved would be the use of the real estate tax, which is the biggest separate or individual revenue producer for the City.

Ms. Jordan stated if the real estate rate was raised four cents that would generate approximately \$170,900. Ms. Jordan said if the personal property rate was raised one cent that would generate approximately \$8,200.

Councilman Vest said he would prefer to go with the budget as presented, using the \$884,303. Mr. Vest said that electric rates and water and sewer rates are being raised.

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Councilman Rush agreed with Councilman Vest. Mr. Rush asked if all of the capital improvement projects were necessary.

The City Manager said all of the CIP's included in the 2012-13 proposed budget are absolutely necessary.

Councilman Stanley said he would like to keep the real estate tax rate down if at all possible.

The Mayor expressed his concern that the capital improvement projects have been pushed back for several years and said it would be a good thing to have additional funds in the contingency.

Councilwoman Flood indicated that she was not in favor of raising real estate taxes.

It was the consensus of Council to move forward with the proposed budget without any change in the tax rate.

Councilman Vest asked if the funds have been put in the proposed budget for a May election and the City Manager said the funds have been included.

City Manager Kolakowski stated if the City reverts to a town a May election will be held. He said the subsequent elections are still subject to population estimates and possible special legislation. The City Manager said there was special legislation for one of the other reversion situations where they extended the time period for the initial town council to hold office until the next election.

The City Manager said one of his concerns is employees who have been hired at the low end of the scale. He said some employees have been basically frozen at the low end of the scale affecting police, utilities, and some public works officials. The City Manager said that salaries could possibly be raised within the budget.

Vice Mayor Wandrei asked if unused funds from vacant positions could be used to compensate those employees on the lower end of the scale.

City Manager Kolakowski said that is what is anticipated to be done.

Councilman Vest suggested planning a retreat for early September to talk about how the town is going to look.

The City Manager gave members of Council a policy to review for the Police Department regarding taking City vehicles home. Mr. Kolakowski said the policy for non-uniformed employees is basically the same. He said this item will be on the agenda for discussion or comments at the next meeting.

City Manager Kolakowski said that a draft of an Urban Archery Ordinance had been distributed to Council for review – it would not have a significant impact on the budget.

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Vice Mayor Wandrei questioned restating the existing hunting laws in the proposed ordinance.

A brief discussion ensued.

Chief of Police Day said the draft ordinance is being reviewed by the Department of Game and Inland Fisheries and the City is awaiting their response. Chief Day said a lot urban archery ordinances from around the state were reviewed in preparing this draft ordinance.

Ms Jordan said there has been a request by some employees that the City offer The Local Choice Advantage 65 Plan. Ms. Jordan stated this plan is for retirees only when they become Medicare eligible. She said that when an employee retires at age 50 or 55 they are allowed to carry the health insurance the City has at their own expense. She reviewed the available plan through Local Choice: when the employee becomes Medicare eligible, the employee would have to pick that supplement plan – the rate is currently \$160 per person – the only thing the City would have to do is bill and collect the payments. She said that Council would have to adopt a resolution in order to offer this plan, which would become effective July 1, 2012.

Councilman Vest and Councilman Stanley said this was a good idea.

The Mayor said for the staff to have the resolution prepared so it could be adopted with the budget.

The City Manager and Ms. Jordan mentioned resolutions that will need to be prepared regarding the Virginia Supplemental Retirement System and potentially the Line of Duty Act.

The City Manager said the staff will meet regarding the Line of Duty Act Insurance Program and all the alternatives, and hopefully make a recommendation at the next meeting.

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

Councilwoman Flood	aye
Councilman Murray	aye
Councilman Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Mayor Tharp	aye

Council adjourned into closed session at 6:42 p.m.

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Council reconvened into open session at 7:00 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 Murray, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Murray	aye
Councilman Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Mayor Tharp	aye

After a recess, the Mayor closed the meeting at 7:09 p.m.