

June 11, 2013

A regular meeting of the Council of the City of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:00 p.m., June 11, 2013.

Members present: Mayor Robert T Wandrei; Councilwoman Mary L. Flood; Councilman Stacey L. Hailey; Councilman Steve C. Rush; Councilman C. G. Stanley, Jr.; Councilman W. D. Tharp; and Vice Mayor James A. Vest

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 Wandrei opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Wandrei declared that the minutes of a regular Council meeting held on May 28, 2013, were approved as distributed and the minutes of an adjourned Council meeting held on May 31, 2013, were approved as corrected.

City Manager Kolakowski reported on the following:

- June 14 is “Second Friday” with events all through the downtown area with music and artist’s shows – encouraged everyone to support the local businesses
- Bedford County Economic Development Office received an award from the from the Virginia Economic Developer’s Association for its Outreach Program to businesses and the community

Mayor Wandrei announced that Peggy Bias, Library Director, will be retiring as of June 30, expressed appreciation for her service to the City, and presented her with a gift.

Vice Mayor Vest, Chairman of the Finance Committee, reported the Committee met earlier in the evening and the projections are on line for most of the departments with the exception of the Solid Waste Department which is below projections. The Vice Mayor said the City Manager is checking on that.

The City Manager reviewed the following Public Hearing Notice:

### **PUBLIC HEARING NOTICE**

Notice is hereby given of a public hearing to be held by City Council at 7:00 p.m. on Tuesday, June 11, 2013 at the City Municipal Building, Council Hall, 215 East Main Street pursuant to Virginia Code Section 15.2-1800 for the purpose of considering the following conveyances of real estate by the City of Bedford under the Voluntary Settlement of Transition to Town Status and Other Related Issues Between the City of Bedford and the County of Bedford dated August, 2012 as approved by the Special Court by Order entered in Circuit Court of Bedford County on December 18, 2012;

June 11, 2013

- a. Transfer to the Bedford County School Board of the Elementary School property consisting of the Bedford Elementary School and recreation fields south of the D-Day road. The City shall retain the buffer area surrounding the D-Day Memorial property on the south, west and north beginning at the end of the Tiger Trail Cul-de-sac (part of tract 211-A-2 and all of 211-A-5 and tract 211-A-21). The real estate to be conveyed to the School Board shall include the recreation fields south of the D-Day entry road, but shall not include any City properties lying north of the road, including the lot fronting on Burks Hill Road.
- b. Transfer to Bedford County of the Bedford Central Library and parking lot to include all City property line north of the new line which will run from North Bridge Street westerly along the south edge of the sidewalk to the east edge of the sidewalk along the parking lot and thence along the west edge of the Wharton Garden to the north terminus of Robinson Way. The real estate to be conveyed shall include the parking area and the sidewalks, and all improvements, including buildings, streetlights, and utility lines leading from the public right of way serving the library improvements.
- c. Transfer to Bedford County of the half interest owned by the City of Bedford in the Bedford Welcome Center, Tax Parcel 232-3-2.

Anyone who is in favor of or opposed to these requests will have an opportunity to express his or her views at this hearing.

By the Authority of the City of Bedford City Council

Mayor Wandrei opened the Public Hearing at 7:08 p.m. As there were no comments, the Mayor closed the Public Hearing at 7:08 p.m.

City Manager Kolakowski said the Fiscal Year 2013-2014 Budget is a document that has resulted from a very structured and formal development process. Council conducted work sessions to further refine it on April 23<sup>rd</sup>, May 2 and May 31, 2013. A public hearing on the budget was conducted May 28, 2013, and interested parties were given an opportunity to publicly voice their opinion of its contents. Mr. Kolakowski said having gone through this process, staff feels that the Fiscal Year 2013-2014 Budget in its current form is a policy document that is adequate to serve as the City's work plan for the coming year. He said that City Council was requested to adopt the budget for Fiscal Year 2013-2014.

Councilman Tharp moved that the FY 2013-14 budget be adopted. The motion was seconded by Councilman Stanley.

On motion by Vice Mayor Vest, seconded by Councilman Tharp, voted upon and carried by a roll call vote, the motion to adopt the budget was amended to include an additional

June 11, 2013

\$5,000 for Bedford Main Street and an additional \$1,000 for the Wharton Garden. Roll call vote follows:

Councilwoman Flood	nay
Councilman Hailey	aye
Councilman Rush	nay
Councilman Stanley	aye
Councilman Tharp	nay
Vice Mayor Vest	aye
Mayor Wandrei	aye

The motion to adopt the budget as amended was then voted upon and carried by the following roll call vote:

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

City Manager Kolakowski said that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that the City Council annually levy a tax on all real estate located within the City. The City for many years has assessed real estate taxes on a fiscal year basis. As a result of the reversion proceedings, real estate taxes for the Town will be assessed by the Commissioner of the Revenue of Bedford County. Real estate taxes in Bedford County are assessed on a calendar year basis. The City Manager said that as a result of the fact that the City of Bedford has a fiscal year real estate tax year, and the County has a calendar tax year for real estate taxes, the parties agreed that the Town and County real estate taxes should be assessed on the same basis, namely a calendar year, and that Town taxes should be payable in two installments per year as is done by Bedford County rather than in quarterly installments.

The City Manager reported that at the request of the parties, legislation was passed by the General Assembly in 2013 providing a mechanism for the change in City real estate tax years. This legislation calls for a short tax year from July 1, 2013 through December 31, 2013; thereafter, the Town tax years will be on the same calendar tax year basis as are the County's. An ordinance has been posted establishing the tax rate for fiscal year 2013-2014 of \$0.30 per one hundred dollars of assessed valuation. The ordinance has been revised to conform to the new state legislation calling for a short tax year beginning July 1, 2013 through December 31, 2013, with the real property taxes levied by the Town of Bedford to be at the real property rate of \$0.30 to be in effect on July 1, but the amount of tax due shall be reduced by one-half to reflect the tax year beginning July 1, 2013 through December 31, 2013. Mr. Kolakowski said that Council was requested to adopt the revised ordinance establishing the tax rate for the short tax year beginning July 1, 2013, through December 31, 2013, at \$0.30 per one hundred dollars of assessed evaluation.

June 11, 2013

On motion by Councilman Tharp, seconded by Vice Mayor Vest, voted upon and carried unanimously by a roll call vote, Council adopted the ordinance establishing the real estate tax rate – short tax year 7/1/2013 – 12/31/2013. Roll call vote follows:

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

The Ordinance follows as adopted:

**ORDINANCE NO. 13-6**

**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, 2013**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF  
BEDFORD, VIRGINIA**

**Section 1.** There is hereby levied for a period covering a short tax year beginning July 1, 2013 through December 31, 2013, a tax rate of \$0.30 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 amount of the tax due shall be reduced by one-half to reflect the short tax year beginning July 1, 2013, through December 31, 2013.

**Section 2.** Real estate taxes levied for the short tax year beginning July 1, 2013 through December 31, 2013 shall be made by the Commissioner of the Revenue of Bedford County, shall be due on December 5, 2013, and shall be owed and payable to the Town of Bedford, which shall have the right to collect all such taxes.

**Section 3.** This ordinance shall be effective and in force upon enactment.

June 11, 2013

City Manager Kolakowski reported that Section 58.1-3005 of the Code of Virginia, 1950, as amended, requires that the City Council shall annually levy a tax on tangible personal property located within the City. Legislation was passed by the General Assembly in 2013 providing that the City of Bedford shall levy and impose property taxes on tangible personal property located in the City of Bedford for the tax year beginning January 1, 2013 based on the assessment of such property made by the Commissioner of Revenue of the City of Bedford as of January 1, 2013. Any supplements or changes to such assessments as may be required after July 1, 2013 shall be made by the Commissioner of Revenue of Bedford County. The taxes on tangible personal property shall be due on such date as may be established by the City of Bedford, and, if the due date is later than July 1, 2013, then the taxes shall be owed and payable to the Town of Bedford, which shall have the right to collect all such taxes.

The City Manager said an ordinance has been posted establishing a tax rate for calendar year 2013 of \$2.43 per one hundred dollars of 100% of assessed value on all tangible personal property with certain exceptions. Due to the fact that tangible personal property taxes are due on December 5, 2013, the ordinance as posted has been revised to conform to the new state legislation in order to clarify that the taxes will be due on December 5, 2013 and shall be made payable to the Town of Bedford which shall collect them.

The City Manager said the tax rates for calendar year 2013 are the same as in the posted ordinance: \$2.43 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; cattle, sheep and goats, farm machinery and farm implements 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) machinery and tools as separately classified in Section 58.1-3507; and (b) motor carriers as separately classified in Section 58.1-3506. The following items are taxed as a rate of \$0.000001 per one hundred dollars of one hundred per centum (100%) as assessed value on taxable tangible personal property, separately classified in Section 58.1-3506 (a) one vehicle owned by disabled veterans, of the Code of Virginia 1950, as amended.

City Manager Kolakowski stated that mobile homes, which are affixed to the real estate, are taxed as part of real estate at the rate set for real estate taxes. Provision is made in the State tax laws for mobile homes which are not affixed to real estate to be classified as a separate classification of tangible personal property to be taxed at the same rate as real estate in order to put all tax payers owning mobile homes, whether affixed to the real estate or otherwise, on the same tax basis. Bedford County is not authorized to tax tangible personal property which is located in the Town for calendar year 2013. Consequently the special tax rate for mobile homes at \$0.80 per one hundred dollars of

June 11, 2013

assessed value shall be assessed against mobile homes in the Town which are taxed as tangible personal property in order to equalize the tax rates as required by state statute. The City Manager said that Council was requested to adopt the revised ordinance establishing the personal property tax rate for calendar year 2013 in the City/Town of Bedford.

On motion by Vice Mayor Vest, seconded by Councilman Hailey, voted upon and carried unanimously by a roll call vote, Council adopted the ordinance establishing the personal property tax rate for calendar year 2013. Roll call vote follows:

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

The ordinance follows as adopted:

**ORDINANCE NO. 13-7**

**AN ORDINANCE LEVYING TAX UPON TANGIBLE PERSONAL PROPERTY  
AND ESTABLISHING THE TAX RATES THEREON FOR THE CALENDAR  
YEAR BEGINNING JANUARY 1, 2013**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF  
BEDFORD, VIRGINIA**

**Section 1.** There is hereby levied for calendar year 2013 a tax rate of \$2.43 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; cattle, sheep and goats, farm machinery and farm implements as such items are classified in Section 58.1-3505 are exempted in whole form 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) machinery and tools as separately classified in Section 58.1-3507; and (b) motor carriers as separately classified in

June 11, 2013

Section 58.1-3506. The following items are taxed as a rate of \$0.000001 per one hundred dollars of one hundred per centum (100%) as assessed value on taxable tangible personal property, separately classified in Section 58.1-3506 (a) one vehicle owned by disabled veterans, of the Code of Virginia 1950, as amended.

**Section 2.** Pursuant to Virginia Code Section 58.1-3506, vehicles without motive power, used or designed to be used as manufactured homes as defined in Section 36-85.3, shall be taxed at a rate of \$0.80 per one hundred dollars of assessed value.

**Section 3.** The tangible personal property hereby levied for the calendar year 2013 shall be based upon the assessment of such property made by the Commissioner of the Revenue of the City of Bedford as of January 1, 2013. Any supplements or changes of such assessment after July 1, 2013 shall be made by the Commissioner of the Revenue of Bedford County. The taxes on tangible personal property shall be due on December 5, 2013 and shall be owed and payable to the Town of Bedford, which shall have the right to collect all such taxes.

**Section 4.** This ordinance shall be effective upon enactment.

The City Manager stated the Virginia General Assembly in 1998 passed the Personal Property Tax Relief Act with the philosophy that relief would be gradually implemented to eliminate personal property tax on personal use motor vehicles. By 2004, the Virginia General Assembly had revised its philosophy and capped the contribution from the Commonwealth to localities for reimbursement for personal property taxes. As a result, the City Council, on November 22, 2005, in accordance with state statutes, adopted an ordinance which provided that the funds to be reimbursed to the City of Bedford by the Commonwealth would 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 the Council would set, annually by resolution, a percentage of relief in respect to assessed values of more than \$1,000 as applied to the first \$20,000 in value of each such qualifying vehicle so as to exhaust fully the PPTRA funds provided to the City by the Commonwealth.

City Manager Kolakowski said the Commissioner of Revenue and the Interim Finance Director have been advised that the State has allocated \$280,647.01 toward personal property tax relief in the City of Bedford for fiscal year 2013-2014. Based upon projected personal property tax valuations, staff recommends that the reimbursement relief rate be set at 50%. The net effect of the resolution is to provide that the state relief funds will be allocated in such a way that for fiscal year 2013-2014, (a) personal property taxation upon qualifying vehicles with an assessed value of \$1,000 or less will be eliminated; (b) in respect to that portion of assessed value over \$1,000 and no more than \$20,000, 50% of the applicable tax will be relieved, and (c) the applicable tax rate shall apply to all assessed values over \$20,000 and to all non-qualifying vehicles. The City

June 11, 2013

Manager stated that Council was requested to adopt the resolution as recommended by City staff.

On motion by Councilman Tharp, seconded by Councilman Stanley, voted upon and carried unanimously by a roll call vote, Council adopted the resolution setting percentage tax relief. Roll call vote follows:

Councilman Tharp	aye
Vice Mayor Vest	aye
Councilwoman Flood	aye
Councilman Hailey	aye
Councilman Rush	aye
Councilman Stanley	aye
Mayor 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:**

June 11, 2013

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, 2013, 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 50% tax relief;
- Personal use vehicles valued at \$20,001 or more shall only receive 50% 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, 2013.

City Manager Kolakowski 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. The proposed ordinance directs that the funds as set out in the budget for Fiscal Year 2013-2014 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 ordinance denoting the original appropriations has been posted in accordance with §2-54 of the City Code. Mr. Kolakowski said that Council was requested to adopt the ordinance appropriating funds as set out in the budget for Fiscal Year 2013-2014 and authorize the City Manager to expend the funds in accordance with said budget.

On motion by Vice Mayor Vest, seconded by Councilman Hailey, voted upon and carried unanimously by a roll call vote, Council adopted the ordinance appropriating funds as set out in the budget for Fiscal Year 2013-2014 and authorized the City Manager to expend the funds in accordance with said budget. Roll call vote follows:

June 11, 2013

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

The ordinance follows as adopted:

**ORDINANCE NO. 13-8**

**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 2013-2014 for the City of Bedford are appropriated and set aside to the General Fund, to the Solid Waste Fund, to the Water and Sewer Fund, to the Electric Fund, to the General Capital Projects Fund, to the Solid Waste Capital Projects Fund, to the Water and Sewer Capital Projects Fund and to the Electric Capital Projects 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, General Capital Projects Fund, Solid Waste Capital Projects Fund, Water and Sewer Capital Projects Fund and Electric Capital Projects Fund in accordance with said budget and in accordance with prior appropriations.

City Manager Kolakowski stated that the Building Official (Jimmy English) retired in September 2012. As part of his position, he was responsible for administration of the Statewide Fire Prevention Code within City limits, which essentially means that he functioned as the local enforcement branch of the State Fire Marshal's Office. Council members were provided with correspondence with the State Fire Marshal's Office advising them of Mr. English's retirement and the City's subsequent inability to continue to provide this service. The City Code still references our responsibility for enforcement of the Statewide Fire Prevention Code. In order for the City to fully rescind enforcement of the code and transfer such responsibility to the state, those references need to be deleted.

The City Manager said this is a practical matter for several organizations within the City (primarily day cares) which are required to have an inspection certification from the State Fire Marshal's Office for their operations. Repeal of the language in the City Code would resolve some existing confusion on behalf of local personnel in the Fire Marshal's office and expedite the provision of this service for the City's citizens who require it. He said that Council was requested to adopt the proposed ordinance amending Article II of Chapter 22 of the City of Bedford Code.

The City Manager said the issue of fire inspections has been under discussion within City staff, particularly with the Fire Chief, for a number of years. The staff will continue to

June 11, 2013

look at the issue and will probably be revisiting this and bringing it back to Council for discussion in the future.

Councilman Hailey moved that the ordinance be adopted. The motion was seconded by Councilwoman Flood.

There was a discussion regarding a fee being charged for this service. The staff explained that a fee was also charged when the Building Official performed this service.

The motion was then voted upon by roll call vote and carried unanimously as follows:

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

The ordinance follows as adopted:

**ORDINANCE NO. 13-9**

**AN ORDINANCE AMENDING ARTICLE II OF CHAPTER 22  
OF THE CITY OF BEDFORD CODE**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF  
BEDFORD, VIRGINIA:**

1. The following Sections of the City of Bedford Code are officially repealed:

- 22-31 Enforcement of Statewide Fire Prevention Code.
- 22-32 Enforcement authority.
- 22-33 Permits and fee.
- 22-34 Board of appeals.
- 22-35 Penalty for violation.

2. Section 22

This ordinance is effective upon enactment.

City Manager Kolakowski said that at the next Council meeting the staff will be making proposals concerning the BPOL tax and a number of other ordinances, which will be distributed to Council for consideration in line with changes that are the effect of the transition to town status. Mr. Kolakowski, on behalf of the City staff expressed appreciation for Council's consideration and the adoption of the budget.

Mayor Wandrei adjourned the meeting at 7:29 p.m.