

December 10, 2013

A regular meeting of the Council of the Town of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:00 p.m., December 10, 2013.

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

Members absent: Councilman W. D. Tharp

Staff present: Town Manager Charles P. Kolakowski and Clerk of the Council Teresa W. Hatcher

Staff absent: Town Attorney W. W. Berry, IV

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 November 26, 2013, were approved as distributed.

Town Manager Kolakowski reported on the following:

- The weather cooperated for the annual Christmas Parade.
- Public Works, Electric Utility, and Public Safety employees worked during the recent storm.
- Upcoming events: Bedford Christmas Station – dedication ceremony on December 11 at its new location; Bowyer Center – reception and free Christmas concert on December 13 with the Roanoke Brass; Court House - swearing in of Bedford County Supervisors on December 20

Mayor Wandrei read aloud the following Proclamation honoring Blue Ridge Optics:

PROCLAMATION

WHEREAS, Blue Ridge Optics was formed in 2006 by current company President Walter Siehien with two employees and a plan; and

WHEREAS, Blue Ridge Optics was founded with the intent of becoming the industry's premier designer, manufacturer and supplier of thin film coatings and laser optics. Their products are manufactured and services rendered with the intent of providing their customers with a premium product at a reduced cost and lead time as compared to both industry standards and direct; and

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WHEREAS, Blue Ridge has since grown to become an industry leader in the manufacturing of precision thin films (UV-MWIR) and fabrication of high end laser components and twenty employees; and

WHEREAS, the worlds most leading researchers turn to Blue Ridge's experienced engineers for solutions to their most challenging problems; and

WHEREAS, the mission of Blue Ridge Optics is to provide their customers with industry leading high quality thin film coatings and optical components with an unparalleled customer service experience; and

WHEREAS, when confronted by the 2008 recession and Federal budget cuts, Blue Ridge Optics adapted their plans and operations to sustain and grow their business; and

WHEREAS, the University of Virginia Darden School of Business' Institute for Business in Society (IBiS) 2013 Tayloe Murphy Resilience Award was presented to Blue Ridge Optics in the manufacturing/wholesale sector; and

WHEREAS, the Resilience Awards recognizes small businesses that do things the right way, foster innovation, strengthen communities and create jobs.

NOW THEREFORE, by virtue of the authority vested in me as Mayor, I call upon the citizens of Bedford to recognize Blue Ridge Optics for their accomplishments, commitment and its positive impact on the Bedford community.

The Town Manager asked that a Closed Session be added to the agenda pursuant to Section 2.2-3711(a) (3), of the Code of Virginia of 1950, as amended, for the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position. Mr. Kolakowski said there is a substitute resolution concerning the electric refunding.

The Mayor said that the Elks Home will turn on its lights on December 13 at 5:30 p.m.

Vice Mayor Vest, Chairman of the Finance Committee, reported that the committee met earlier in the evening and reviewed the financial statement – the Electric Department's revenues are not meeting expectations and the staff is reviewing whether or not a rate increase is necessary. Recommendations will be presented to Council in January.

Town Manager Kolakowski reviewed the following Notice of Public Hearing:

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PUBLIC HEARING NOTICE

Notice is hereby given of a public hearing to be held by the Town Planning Commission at 5:30 p.m. on Thursday, December 5, 2013 and by the Town Council at 7:00 p.m. on Tuesday, December 10, 2013 at the Town Municipal Building, Council Hall, 215 E. Main Street for the following purpose:

- To consider rezoning Tax Map #109-A-39T (CITY-CO LINE), from M-1, Manufacturing to R-1, Single Family Residential. The request is made by Betty J. Parker, 1919 Three Otters Road, Bedford, VA 24523.
- To consider rezoning Tax Map #110-A-17AT (NR Bedford), from R-1, Single Family Residential, to PRD, Planned Residential Development. The request is made by Oakwood Villas Retirement Home LLC, 1822 Oakwood Street, Bedford, VA 24523.
- To consider rezoning Tax Map #129-A-5AT (LOT OFF ROBERTS LANE) and Tax Map #129-A-5CT (CITY/COUNTY LINE), from R-1, Single Family Residential to B-2, General Business. The request is made by Donald A. & Betty Jean Owen, 816 Helm Street, Bedford, VA 24523.
- To consider rezoning Tax Map #146B-A-2T, #146B-1-10T and #146B-1-9AT (DICKERSON MILL RD) from B-2, General Business to R-1, Single Family Residential. The request is made by Peggy A. Murray, 1049 Dickerson Mill Road, Bedford, VA 24523.

Information regarding these rezonings is on file in the office of Planning & Community Development.

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

By the Authority of the Planning Commission
and Town Council of the Town of Bedford

Mayor Wandrei opened the public hearing at 7:07 p.m. As there were no comments the Mayor closed the public hearing at 7:07 p.m.

On motion by Councilman Stanley, seconded by Councilman Hailey, voted upon and carried by a roll call vote, Council adopted the Proclamation to recognize the Liberty Masonic Lodge #95 AF & AM for its Bicentennial anniversary celebration December 21, 2013. Roll call vote follows:

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Councilman Carson	aye
Councilman Hailey	aye
Councilman Rush	aye
Councilman Stanley	aye
Councilman Tharp	absent
Vice Mayor Vest	aye
Mayor Wandrei	aye

The Proclamation follows as adopted:

PROCLAMATION

WHEREAS, Liberty Masonic Lodge #95 AF & AM was chartered December 14, 1813, in Liberty, Virginia, by the Grand Lodge of Virginia; and

WHEREAS, Liberty Lodge met in various members homes until the construction of its first Lodge building on East Main Street in 1895; and

WHEREAS, the Lodge initiated its first new member, Joseph Flood, on September 28, 1813, and many have received the degrees of Freemasonry since that time; and

WHEREAS, the Lodge used the Lodge building on Main Street for its meetings, renting the lower floors for business to operate out of until 1979; and

WHEREAS, the building was sold and the Bedford Museum has operated out of it since that time; and

WHEREAS, the Lodge, despite wars, economic hardship, natural disasters, and other national and world unrest, has met on every stated meeting night since its beginning; and

WHEREAS, the membership has included men of many walks of life, not because of their stature in society but their commitment to the tenant of Freemasonry; and

WHEREAS, Liberty Masonic Lodge #95 AF & AM has enjoy a rich 200-year history of commitment and service to the Bedford area through their Allegiance to their country, Duty to God, Their Neighbors and their families;

NOW THEREFORE, by virtue of the authority vested in me as Mayor, I call upon the citizens of Bedford to recognize the Liberty Masonic Lodge #95 AF & AM for their Bicentennial anniversary celebration December 21, 2013, and recognize their commitment to making the Bedford community a better place to work and live.

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IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Town of Bedford to be affixed this 10th day of December 2013.

Robert T. Wandrei, Mayor

Town Manager Kolakowski stated that the Public Hearing on the proposed zoning amendments had been held. He said this is related to the reversion to Town status. The property owners have requested the changes to the original assigned zoning. Hearings by the Planning Commission have been held.

Mr. Warner, Assistant Town Manager, reported that the Planning Commission unanimously recommended the rezonings in total with all the requested changes being approved.

On motion by Vice Mayor Vest, seconded by Councilman Carson, voted upon and carried by a roll call vote, Council adopted the ordinance affirming the zoning action. Roll call vote follows:

Councilman Hailey	aye
Councilman Rush	aye
Councilman Stanley	aye
Councilman Tharp	absent
Vice Mayor Vest	aye
Councilman Carson	aye
Mayor Wandrei	aye

The Ordinance follows as adopted:

Ordinance No. 13-22

**AN ORDINANCE CHANGING THE ZONING MAPS
FOR THE TOWN OF BEDFORD
BY REZONING CERTAIN PARCELS WITHIN
THE PHASE I BOUNDARY ADJUSTMENT AREA**

WHEREAS, the Planning Commission of the Town of Bedford held a public hearing on December 5, 2013; and

WHEREAS, the Town Council held a public hearing on December 10, 2013 after notice was given in the *Bedford Bulletin* once a week for two successive weeks as required by Virginia Code 15.2-2204;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BEDFORD, VIRGINIA:

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- Section 1. The zoning action taken by Town Council on June 25, 2013 with respect to the Phase I Boundary Adjustment areas is hereby affirmed with the following exceptions as requested by the owners of the following tax parcels:
- a. 109-A-39 T shall be rezoned from M-1, Manufacturing to R-1, Single Family Residential;
 - b. 110-A-17A T shall be rezoned from R-1, Single Family Residential to PRD, Planned Residential Development;
 - c. 129-A-5A T shall be rezoned from R-1, Single Family Residential to B-2, General Business;
 - d. 129-A-5C T shall be rezoned from R-1, Single Family Residential to B-2, General Business;
 - e. 146B-A-2 T shall be rezoned from B-2, General Business to R-1, Single Family Residential;
 - f. 146B-1-10 T shall be rezoned from B-2, General Business to R-1, Single Family Residential; and
 - g. 146B-1-9A T shall be rezoned from B-2, General Business to R-1, Single Family Residential.

Section 2. The Zoning Map of the Town of Bedford is hereby amended accordingly.

Section 3. This ordinance is effective upon enactment.

Town Manager Kolakowski reported that the Town's Financial Advisor, Davenport & Company LLC ("Davenport") periodically reviews the Town's existing debt portfolio for refunding opportunities. In the course of their review Davenport has identified the Electric System Revenue Refunding Bonds, Series 2005 and the Electric System Revenue Refunding Bonds, Series 2005B to be refunding opportunities that merit Town Council review and consideration. Davenport's recommendation is to do a Bank Refunding RFP option that offers the Town a "riskless" opportunity to secure firm funding commitments from banks via a competitive RFP process. With a refunding transaction, the existing loan would be paid-off with loan proceeds from a new loan that carries a lower interest rate. This Resolution authorizes and directs the Town Manager to execute the Third Supplemental Trust Agreement based on the Bond Details and Pricing Parameters set forth by Town Council. The Town Manager requested that Council approve the Resolution and the Third Supplemental Trust Agreement for the Electric System Revenue Bond Refunding.

The Mayor said Council had copies of the revised resolution. Members of Council had no questions regarding the revision.

On motion by Vice Mayor Vest, seconded by Councilman Rush, voted upon and carried by a roll call vote, Council approved the Resolution and the Third Supplemental Trust Agreement for the Electric System Revenue Bond Refunding. Roll call vote follows:

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Councilman Rush	aye
Councilman Stanley	aye
Councilman Tharp	absent
Vice Mayor Vest	aye
Councilman Carson	aye
Councilman Hailey	aye
Mayor Wandrei	aye

The resolution follows as adopted:

**. RESOLUTION OF THE TOWN OF BEDFORD,
VIRGINIA, TO PROVIDE FOR THE ISSUANCE AND
SALE OF AN ELECTRIC SYSTEM REVENUE
REFUNDING BOND, SERIES 2013, IN A PRINCIPAL
AMOUNT NOT TO EXCEED \$10,000,000,
PROVIDING FOR THE FORM, DETAILS, AND
PAYMENT THEREOF, AUTHORIZING THE
EXECUTION AND DELIVERY OF CERTAIN
DOCUMENTS RELATED TO SUCH FINANCING,
AND PROVIDING FOR THE REFUNDING OF
CERTAIN OUTSTANDING BONDS**

WHEREAS, the Council (the “Council”) of the Town of Bedford, Virginia (the “Town”), has established a program for financing improvements and extensions to its electric system (the “System”) by the issuance of bonds pursuant to an Agreement of Trust dated as of August 1, 2005 (the “Master Agreement”), between the Town and First Citizens Bank & Trust, Raleigh, North Carolina, as trustee (succeeded in interest by U.S. Bank National Association) (the “Trustee”), such bonds to be payable from revenues of the System and other moneys pledged thereto;

WHEREAS, the Town issued its \$12,560,000 Electric System Revenue Refunding Bonds, Series 2005 (the “2005 Bonds”), on August 4, 2005, and its \$2,064,710 Electric System Revenue Bond, Series 2005B (the “2005B Bond”), on November 30, 2005;

WHEREAS, the Town Manager and Davenport & Company LLC, the Town’s financial advisor (the “Financial Advisor”), have recommended to the Council that the Town may be able to realize debt service savings by refunding all or a portion of the 2005 Bonds and the 2005B Bond (the refunded portions of the 2005 Bonds and the 2005B Bond hereinafter referred to as the “Refunded Bonds”);

WHEREAS, the Council desires to authorize the issuance of an additional series of electric system revenue bonds in a principal amount not to exceed \$10,000,000 (the “Bond”) under the terms set forth in the Master Agreement and within the parameters set forth in this resolution;

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WHEREAS, the Town Manager and the Financial Advisor have recommended that the Town solicit proposals from banking and other financial institutions for the private placement of the Bond;

WHEREAS, there has been presented to this meeting a draft of a Third Supplemental Agreement of Trust, draft dated December 3, 2013 (the “Third Supplemental Trust Agreement”), which supplements the Master Agreement, as previously supplemented (collectively, the “Trust Agreement”), pursuant to which the Bond is to be issued;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF BEDFORD, VIRGINIA:

1. Issuance of Bond. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, but without regard to any provisions of the Town Charter, the Council hereby authorizes the Bond to be issued as an additional series of electric system revenue bonds of the Town under the terms of the Trust Agreement and the proceeds from the sale thereof to be used to refund all or a portion of the Refunded Bonds and to pay the issuance and financing costs incurred in connection with issuing such Bond and refunding the Refunded Bonds.

2. Authorization of Third Supplemental Trust Agreement. The Town Manager is hereby authorized and directed to execute the Third Supplemental Trust Agreement and deliver it to the Trustee. The Third Supplemental Trust Agreement shall be in substantially the form submitted to this meeting, which is hereby approved, with such completions, omissions, insertions, and changes not inconsistent with this Resolution as may be approved by the Town Manager, his execution to constitute conclusive evidence of his approval of any such completions, omissions, insertions, and changes.

3. Bond Details and Pricing Parameters. The Bond shall be issued as a single, registered bond, shall be designated “Electric System Revenue Refunding Bond, Series 2013” or such other designation as selected by the Town Manager, shall be numbered R-1, and shall be dated the date of its delivery. The Council authorizes the issuance and sale of the Bond on terms as the Town Manager, in collaboration with the Financial Advisor, shall find to be in the best interests of the Town; provided, however, that the Bond shall (a) be issued in a principal amount not exceeding \$10,000,000, (b) bear interest at a true interest cost not exceeding 3.75%, (c) be sold at a price not less than 98% of the par amount thereof, and (d) mature no later than December 31, 2026. The Council further authorizes the Town Manager to determine the principal and interest payment dates and the principal amortization schedule of the Bond, subject to the preceding parameters.

4. Redemption Provisions. The Town may redeem, prepay, or refund the Bond upon terms decided by the Town Manager and in accordance with the provisions set forth in the Master Agreement and the Third Supplemental Trust Agreement. Such redemption, prepayment or refunding provisions may include the payment of a call premium not to exceed 5% of the par amount of the Bond (or portion thereof) to be redeemed, prepaid or refunded, and/or may include a “make-whole” payment based on

market conditions, all as the Town Manager may determine to be in the best interests of the Town.

5. Sale of Bond. The Bond shall be sold through a private placement with one or more banking or financial institutions that propose terms that conform to the pricing parameters set forth in this Resolution and are otherwise determined by the Town Manager, in collaboration with the Financial Advisor, to be in the best interests of the Town. Following the determination of the final pricing terms of the Bond, the Town Manager shall execute a certificate setting forth such final pricing terms and shall file the certificate with the records of the Council. The actions of the Town Manager in selling the Bond shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Council.

6. Pledge of Security. The Bond shall be a limited obligation of the Town, payable solely from Revenues (as defined in the Trust Agreement) and the funds created by the Trust Agreement and pledged to the payment of the Bond. Nothing in the Bond or the Trust Agreement shall be deemed to create or constitute an indebtedness or pledge of the Commonwealth of Virginia or any political subdivision thereof, including the Town.

7. Preparation and Delivery of Bond. The Bond shall be executed and delivered to the Trustee in accordance with the provisions of the Master Agreement and the Third Supplemental Trust Agreement.

8. Non-Arbitrage Certificate and Elections. The officers of the Town are hereby authorized and directed to execute, deliver, and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bond, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bond to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), and regulations thereunder, applicable to "arbitrage bonds," (b) making any elections that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the Bond, and (c) filing Internal Revenue Service Form 8038-G. The foregoing shall be subject to the advice, approval, and direction of bond counsel.

9. Qualified Tax-Exempt Obligations. The Town Manager is hereby authorized to designate the Bond (or a portion thereof) as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code if the Town Manager determines that it is in the best interests of the Town to do so and that the Town can satisfy the requirements of Section 265(b)(3) of the Code. Before designating the Bond as a "qualified tax-exempt obligation," the Town Manager must determine as follows:

(a) The Town will in no event designate more than \$10,000,000 of obligations as qualified tax-exempt obligations in calendar year 2013, including the Bond, for the purpose of such Section 265(b)(3);

(b) The Town, all its "subordinate entities," within the meaning of such Section 265(b)(3), and all entities which issue tax-exempt obligations on behalf of the Town and

its subordinate entities have not issued, in the aggregate, more than \$10,000,000 of tax-exempt obligations in calendar year 2013 (not including “private activity bonds,” within the meaning of Section 141 of the Code, other than “qualified 501(c)(3) bonds,” within the meaning of Section 145 of the Code), including the Bond;

(c) Barring circumstances unforeseen as of the date of delivery of the Bond, the Town will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the Town and such other entities in calendar year 2013, result in the Town and such other entities having issued a total of more than \$10,000,000 of tax-exempt obligations in calendar year 2013 (not including private activity bonds other than qualified 501(c)(3) bonds), including the Bond; and

(d) The Town has no reason to believe that the Town and such other entities will issue tax-exempt obligations in calendar year 2013 in an aggregate amount that will exceed such \$10,000,000 limit; provided, however, that if the Town receives an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (a) or (c) above is not required for the Bond to be a qualified tax-exempt obligation, the Town need not comply with such covenant.

10. Escrow Deposit Agreement. The Town Manager and either the Town Treasurer or the Director of Finance, either of whom may act, are authorized and directed to execute an escrow deposit agreement (the “Escrow Agreement”) providing for the defeasance and redemption of the Refunded Bonds. The Escrow Agreement shall be in a form approved by the Town Manager, in collaboration with the Town Attorney and the Town’s bond counsel, the execution thereof by the Town Manager to constitute conclusive evidence of his approval of the Escrow Agreement. The Escrow Agreement shall provide for the irrevocable deposit of a portion of the proceeds of the Bond in an escrow fund which shall be sufficient, when invested in noncallable, direct obligations of the United States Government (the “Government Obligations”), to provide for payment of principal of and premium, if any, and interest on the Refunded Bonds to and including their respective redemption dates; provided, however, that such Bond proceeds shall be invested in such manner that the Bond will not be an “arbitrage bond” within the meaning of Section 148 of the Code. The Trustee is authorized and directed, on behalf of the Town, to execute an initial and final subscription form for the purchase of the Government Obligations.

11. Redemption of the Refunded Bonds. The Town Manager is authorized and directed to determine which principal installments or maturities (or portions thereof) of the 2005 Bonds and the 2005B Bond, if any, shall constitute the Refunded Bonds, to take all proper steps to call for redemption of the Refunded Bonds (including the determination of the appropriate redemption dates) and to prepare and deliver any such notices and correspondence necessary therefor. The Mayor, Vice-Mayor, and the Town Manager, any of whom may act, are authorized to approve changes to the Refunded Bonds and related financing documents, including the execution and delivery of replacement bonds or allonges to the 2005 Bonds and the 2005B Bond, as may be necessary to provide for the unrefunded portion(s), if any, of such bonds. The Clerk of

Council or the Deputy Clerk of Council is authorized to affix the Town's seal on any such documents and attest the same.

12. Substitution of 2005 Debt Service Reserve Surety Policy. If, in connection with the refunding of the 2005 Bonds, the Town Manager determines that it is in the Town's best interests to purchase a substitute debt service reserve surety policy from a different provider to secure the unrefunded 2005 Bonds, the Town Manager is hereby authorized to take such actions as may be necessary to purchase such substitute policy, including (without limitation) the selection of the applicable Rating Agencies (as defined in the Master Agreement) pertinent to such different provider, the payment of any necessary premium and related costs and the approval, execution and delivery of any amendments to the Master Agreement and to the First Supplemental Agreement of Trust dated as of August 1, 2005, between the Town and the Trustee.

13. Other Actions. All other actions of Town officers in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond are ratified, approved, and confirmed. The Town officers are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale, and delivery of the Bond.

14. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

15. Effective Date. This Resolution shall take effect immediately.

The Town Manager said the City of Bedford and Bedford County both have had ordinances providing certain exemptions from real estate taxes for elderly and disabled persons. However, as a result of the reversion to town status, the County Commissioner of the Revenue will be assessing taxes on real estate on behalf of the Town, and the provisions for such exemptions in the Town are different than those from the county.

Town Manager Kolakowski recommended that the Town adopt the same standards and conditions as are applicable in the county. Major differences center around the qualifications for such exemptions. The Town presently makes such exemptions available only for owners having a gross combined income not exceeding \$15,000; whereas, the County exemption provides for an exemption for combined incomes of owners of not more than \$37,500. The Town requires that the owners financial worth not exceed \$40,000; whereas, the County ordinance requires that the combined financial worth of the owner and spouse shall not exceed \$100,000. Under the current Town criteria there are eighteen homeowners who are eligible for relief. If the Town adopts the County's criteria, there will probably be an increase in the number of individuals who are eligible for such relief and who apply.

Mr. Kolakowski said the proposed ordinance adopting the County criteria and following all the administrative procedures in the County that govern the Bedford County Commissioner of the Revenue had been posted in accordance with the Town Code

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requirements. The Town Manager recommended that the Council by proper motion approve adoption of the proposed ordinance.

On motion by Councilman Stanley, seconded by Councilman Hailey, voted upon and carried by a roll call vote, Council adopted the ordinance providing exemption from real estate taxes for elderly and disabled persons. Roll call vote follows:

Councilman Stanley	aye
Councilman Tharp	absent
Vice Mayor Vest	aye
Councilman Carson	aye
Councilman Hailey	aye
Councilman Rush	aye
Mayor Wandrei	aye

The Ordinance follows as adopted:

ORDINANCE NO. 13-23

**AN ORDINANCE AMENDING AND RE-ENACTING
THE SECTION OF THE TOWN CODE THAT
PROVIDES EXEMPTION FROM REAL ESTATE TAXES
FOR ELDERLY AND DISABLED PERSONS**

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

Section 1. Division 2, Article II, Chapter 54 of the Code of the Town of Bedford (Sections 54-40 through 54-48) is amended as follows:

**DIVISION 2. EXEMPTIONS FOR CERTAIN ELDERLY AND DISABLED
PERSONS**

Sec. 54-40. Purpose.

The purpose of this division is to provide relief to certain elderly or disabled persons who are subject to a real estate tax burden that is extraordinary in relation to their income and financial worth.

Sec 54-41. Granted; Administration.

The following tax exemptions for real estate and manufactured homes, as defined in Code of Virginia § 36-85.3, shall be granted unto persons not less than sixty-five (65) years of age and to persons permanently and totally disabled, who own and occupy said real estate as their sole dwelling, on the following terms and conditions, and subject to the restrictions set forth in this article.

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The provisions of this article shall be administered by the Commissioner of Revenue of the County of Bedford, Virginia, according to the terms, conditions, and restrictions set forth herein, and said Commissioner is hereby authorized and empowered to prescribe, adopt and enforce rules and regulations, for the administration of this article.

Sec. 54-42 Basis for Qualifying for Exemptions: Cap on Exemption.

Said real estate tax exemption will be granted to persons qualifying on the following basis:

(a) Exemptions granted under this article from real estate taxes shall be on a qualifying dwelling and land not exceeding one (1) acre.

(b) Subject to subsection (c) of this section, the total combined income received from all sources during the preceding calendar year by (1) owners of the dwelling who use it as their principal residence and (2) owners' relatives who live in the dwelling, shall not exceed thirty-seven thousand five hundred dollars (\$37,500.00). Any amount up to four thousand dollars (\$4,000.00) of income of each relative who is not the spouse of an owner living in the dwelling and who does not qualify for the exemption shall be excluded from the total combined income calculations.

(c) Notwithstanding subsection (b) of this section, if a person has already qualified for an exemption under this article, and if the person can prove by clear and convincing evidence that after so qualifying the person's physical or mental health has deteriorated to the point that the only alternative to permanently residing in a hospital, nursing home, convalescent home or other facility for physical or mental care is to have a relative move in and provide care for the person, and if the relative does then move in for that purpose, then none of the relative's income shall be counted towards the income limit, provided the owner of the residence has not transferred assets in excess of \$10,000 without adequate consideration within a three-year period prior to or after the relative moves into such residence.

(d) The net combined financial worth, including the present value of all equitable interests, as of December 31 of the immediately preceding calendar year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land, not exceeding one (1) acre, upon which it is situated shall not exceed one hundred thousand dollars (\$100,000.00). Also excluded shall be furnishings; such furnishings shall include furniture, household appliances and other items typically used in a home.

(e) Notwithstanding the above provisions, any tax exemptions limited to \$1,000.00.

Sec 54-43 Application

(a) A person claiming such exemption shall file annually with the Commissioner of the Revenue no later than the twenty-eighth day of February of each year an affidavit setting forth (i) the names of the related persons occupying such real estate and (ii) that the total combined net worth, including equitable interests and the combined income from all sources, of the persons specified in section 54-42 do not exceed the limits prescribed in this article.

(b) if such person is under sixty-five (65) years of age such form shall have attached thereto a certification by the Social Security Administration, the Department of Veterans or the Railroad Retirement Board, or if such person is not eligible for certification by any of these agencies, a sworn affidavit by two (2) medical doctors who are either licensed to practice medicine in the commonwealth or are military officers on active duty who practice medicine with the United States Armed Forces, to the effect that the person is permanently and totally disabled, as defined in section 54-57; however, a certification pursuant to U.S.C. 423(d) by the Social Security Administration, so long as the person remains eligible for such social benefits, shall be deemed to satisfy such definition in section 54-57. The affidavit of at least one (1) of the doctors shall be based upon a physical examination of the person by such doctor. The affidavit of one (1) of the doctors may be based upon medical information contained in the records of the Civil Service Commission which is relevant to the standards for determining permanent and total disability as defined in section 54-47.

(c) The Commissioner of Revenue shall also make any other reasonably necessary inquiry for persons seeking such exemption requiring answers under oath, to determine qualifications as specified herein, including qualification as permanently and totally disabled as defined in section 54-42. The Commissioner of Revenue may, in addition, require the production of certified tax returns or any other records to establish the income or financial worth of any applicant for tax relief or deferral.

Sec. 54.44 Notice.

The treasurer shall enclose written notice, in each real estate tax

bill, of the terms and conditions contained herein. The treasurer shall also employ any other reasonable means necessary to notify residents of the Town about the terms and conditions of the real estate tax exemption for elderly and handicapped residents of the county.

Sec. 54-45 Absence from Residence.

The fact that persons who are otherwise qualified for tax exemption are residing in hospitals, nursing homes, convalescent homes or other facilities for physical or mental care for extended periods of time shall not be construed to mean that the real estate for which tax exemption is sought does not continue to be the sole dwelling of such persons during such extended periods of other residences so long as such real estate is not used by or leased to others for consideration.

Sec. 54-46 Effective Date; Change in Circumstances.

An exemption shall be granted for any calendar year following the date that the qualifying individual occupying such dwelling and owning title or partial title thereto reaches the age of sixty-five (65) years or for any year following the date the disability occurred. Changes in income, financial worth, ownership or property or other factors occurring during the taxable year for which an affidavit is filed and having the effect of exceeding or violating the limitations and conditions provided herein shall nullify any exemption for the remainder of the current taxable year and the taxable year immediately following.

Sec. 54-57 Permanently and Totally Disabled.

For purposes of this article, the term “permanently and totally disabled” shall mean unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment or deformity which can be expected to result in death or can be expected to last for the duration of such person’s life.

Sec. 54-48 Tax Exemption.

Irrespective of the amount of the real estate tax, the amount of taxation that is exempt from taxation is limited to \$1,000.00.

Sec. 54-49 Violation and Penalty

Any person falsely claiming an exemption hereunder shall be guilty of a Class 3 misdemeanor punishable as provided in Code of Virginia, § 58.1-33916.1.1

Section 2. This ordinance shall be effective and in force as of January 1, 2014. Town Manager Kolakowski said that over the last two years, the Governor’s Task Force for Local Government Mandate Review has examined in great detail mandates on local governments and the means through which they are enacted. What has emerged from this work is a clear understanding and recognition that the local government fiscal impact

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review process needs to be improved. As we have seen over the last two years, the focus on the fiscal impact of mandates has had a positive result in recent General Assembly sessions, and the number of bills referred for fiscal review has increased.

The Town Manager stated that prior to 2010, a first day introduction requirement was in place to ensure that any bill enacting a local mandate would be sufficiently analyzed by the Commission on Local Government prior to its being considered by the General Assembly. Unfortunately, in 2010 this provision was removed and now only bills pertaining to the Virginia Retirement System must meet this requirement. Under the current system of review, there are not enough resources for bills to be properly reviewed for fiscal impact within the given time constraints imposed by the current filing deadlines. The Task Force believes that the magnitude of the problems caused by a lack of adequate review of local mandate bills prior to their passage necessitates the reinstatement of the first day filing requirement. They believe proper fiscal impact analysis will result in fewer bills with local fiscal mandates making it through the General Assembly.

Town Manager Kolakowski said the Task Force has made the reinstatement of the first day introduction requirement for all bills with a local fiscal impact its primary recommendation this year. Going into the 2014 General Assembly Session, the Task Force is asking local governments to include their support for this change in their legislative agendas as well as the passage of resolutions by Boards of Supervisors, and City and Town Councils in favor of the change. Together, Governor McDonnell, the Task Force and local governments have made historic progress in the repeal of dozens of local mandates, creating a new awareness of the impact of local mandates, and eliminated numerous additional “mandates” via discussion with state agencies and executive action. Council members had been given a proposed Resolution supporting the reinstatement of the first day introduction requirement, which will go a long way to reducing the burden of mandates placed on the Commonwealth’s 324 local governments. Mr. Kolakowski said that Council was requested to adopt the proposed Resolution supporting the reinstatement of the first day introduction requirement.

On motion by Vice Mayor Vest, seconded by Councilman Hailey, voted upon and carried by a roll call vote, Council adopted the resolution supporting the reinstatement of the first day introduction requirement. Roll call vote follows:

Councilman Tharp	absent
Vice Mayor Vest	aye
Councilman Carson	aye
Councilman Hailey	aye
Councilman Rush	aye
Councilman Stanley	aye
Mayor Wandrei	aye

The resolution follows as adopted:

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RESOLUTION

**FIRST DAY INTRODUCTION REQUIREMENT FOR BILLS
WITH LOCAL FISCAL IMPACTS**

WHEREAS, many local governing bodies in Virginia have an ever-growing concern about the impact on localities of state mandates and cost shifting; and

WHEREAS, Section 30-19.03 of the Code of Virginia states that the Commission on Local Government shall prepare and publish a statement of fiscal impact for “any bill requiring a net additional expenditure by any county, city, or town, or...any bill requiring a net reduction of revenues by any county, city, or town, is filed during any session of the General Assembly”; and

WHEREAS, numerous bills fitting this criteria have been submitted and gone through the legislative process without review for local fiscal impacts due to limited time and resources to review these bills during the General Assembly session; and

WHEREAS, it is also recognized that a need exists for additional time and resources to provide such information during the tight procedural confines of the current legislative process; and

WHEREAS, we believe it is critical that lawmakers have better and timelier information on the fiscal impact to localities when they consider bills and budget items; and

NOW, THEREFORE, BE IT RESOLVED THAT THE TOWN OF BEDFORD HEREBY:

Requests that the General Assembly support measures that require its members to file bills with local fiscal impacts as early as possible and no later than the first day of session.

Vice Mayor Vest moved that Council adjourn into closed session pursuant to Section 2.2-3711(a)(3), of the Code of Virginia of 1950, as amended for disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position. Councilman Stanley seconded the motion. The motion was voted upon and carried by the following roll call vote:

Vice Mayor Vest	aye
Councilman Carson	aye
Councilman Hailey	aye
Councilman Rush	aye
Councilman Stanley	aye

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Councilman Tharp	absent
Mayor Wandrei	aye

Council adjourned into closed session at 7:16 p.m. The following non-council members attended: Town Manager Kolakowski and Assistant Town Manager, Barrett Warner

Council reconvened into open session at 7:26 p.m.

The Clerk of Council read aloud the following resolution:

BE IT RESOLVED that the Council of the Town 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 Vest, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council adopted the resolution. Roll call vote follows:

Councilman Carson	aye
Councilman Hailey	aye
Councilman Rush	aye
Councilman Stanley	aye
Councilman Tharp	absent
Vice Mayor Vest	aye
Mayor Wandrei	aye

Mayor Wandrei adjourned the meeting at 7:27 p.m.