

April 26, 2016

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., April 26, 2016.

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

Members absent: None

Staff present: Town Manager Charles P. Kolakowski; Town 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.

The Mayor welcomed Boy Scout Jalem Kaufman from the Daleville Troop 211.

Upon a motion by Vice Mayor Rush and seconded by Councilman Hailey, Mayor Wandrei declared that the minutes of a regular Council meeting held on April 12, 2016, were approved as distributed.

Town Manager Kolakowski reported on the following:

- Council members had been given a list of upcoming events - he encouraged Council members to attend the Bedford Area Chamber of Commerce fourth annual Job Fair at the Central Virginia Community College Building Bedford Campus.

Diane Wilson, Bedford Main Street Promotions Committee, spoke about the upcoming visit of a representative of Main Street America and the activities planned during her visit to Bedford. She said the recent Cruise-In was very well attended. Ms. Wilson reviewed upcoming events: 2<sup>nd</sup> Fridays, Centerfest, and Main Street Boot Camp.

Mayor Wandrei spoke about the recent successful Keep Bedford Beautiful Commission Cleanup Day. There were seventy-one volunteers who participated.

Vice Mayor Rush thanked Bedford Main Street for having the Cruise-In.

Councilman Black said the Farmer's Market will be opening on May 7 and asked that people support the Farmer's Market.

Vice Mayor Rush, Chairman of the Economic Development Committee, reported that the committee met and the Town Manager reviewed the items discussed at the previous work session.

Mayor Wandrei added the following item to the agenda: Transfer Funds to Pay Off the Middle School Debt.

April 26, 2016

Town Manager Kolakowski stated that Mr. Michael Payne has expressed a willingness to serve on the Redevelopment and Housing Authority, if appointed by Council. The vacancy has been advertised in the local newspaper, and no other citizens have volunteered to serve. Council was requested to appoint Mr. Michael Payne to serve on the Redevelopment and Housing Authority, said term to expire October 13, 2019.

On motion by Vice Mayor Rush, seconded by Councilman Hailey, voted upon and carried unanimously by a roll call vote, Council appointed Mr. Michael Payne to serve on the Redevelopment and Housing Authority, said term to expire October 13, 2019. Roll call vote follows:

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

The Town Manager reported that Section 58.1-3840 of the Code of Virginia of 1950, as amended, states any city or town having general taxing powers established by charter pursuant to or consistent with the provisions of §15.2-1104 may impose excise taxes on meals. The proposed ordinance establishes a tax rate for Fiscal Year 2016-2017 of 5.5% on meals. The ordinance has been posted in accordance with § 2-54 of the Town Code. Mr. Kolakowski stated that Council was requested to adopt the ordinance establishing a meals tax rate of 5.5% for Fiscal Year 2016-2017.

Vice Mayor Rush moved that Council adopt the ordinance establishing a meals tax rate of 5.5% for Fiscal Year 2016-2017. The motion was seconded by Councilman Black.

Councilman Hailey moved that the ordinance be amended where the rate will be effective until July 1, 2019, unless Council shall provide otherwise and will go back to 5%, and all the money that will be collected from the meals tax will be only for economic development and shall be put in an account for economic development for that purpose only.

The Town Manager asked that it be clarified that the amount of money on the increase would go towards economic development.

Councilman Hailey agreed that the amount of money on the increase would go towards economic development.

Town Attorney Berry said he had written an amendment that would carry out what Councilman Hailey said and suggested that Council adopt that language.

April 26, 2016

The Town Attorney read aloud the proposed amendment that would amend Section 54-225(a) as follows:

(a) There is hereby imposed and levied by the town on each person a tax at the rate of five and one-half percent (5 ½%) on the amount paid for meals purchased from any food establishment, whether prepared in such food establishment or not, and whether consumed on the premises or not. The rate of tax shall be reduced to five percent (5) effective July 1, 2019, unless the Council shall provide otherwise. For such period of time, while the rate of tax is five and one-half percent (5 ½%), the excess of collections over five percent (5%) shall be designated and spent solely for economic development, and the treasurer shall deposit such funds in a separate economic development fund to be expended on economic development projects as are approved by the Council.

Vice Mayor Rush seconded the motion to amend the meals tax ordinance.

A lengthy discussion ensued with members of Council speaking about why they were or were not supporting the increase of the meals tax and reducing the time the increase is effective to July 1, 2018.

Councilman Black moved that Council amend the amended motion to end July 1, 2018. The motion was seconded by Councilman Hailey.

Council members discussed establishing a plan for the economic development funds.

Councilman Black's motion to amend the amended motion to end July 1, 2018, was then voted upon and carried by the following roll call vote:

Councilman Rush	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Black	aye
Councilman Stanley	aye
Councilman Vest	nay
Mayor Wandrei	aye

The amended section of the Meal Tax Ordinance, Section 54-225(a) follows:

(a) There is hereby imposed and levied by the town on each person a tax at the rate of five and one-half percent (5 ½%) on the amount paid for meals purchased from any food establishment, whether prepared in such food establishment or not, and whether consumed on the premises or not. The rate of tax shall be reduced to five percent (5) effective July 1, 2018, unless the Council shall provide otherwise. For such period of time, while

April 26, 2016

the rate of tax is five and one-half percent (5 ½%), the excess of collections over five percent (5%) shall be designated and spent solely for economic development, and the treasurer shall deposit such funds in a separate economic development fund to be expended on economic development projects as are approved by the Council.

Councilman Hailey's amendment (as amended by Councilman Black) to the meals tax ordinance that the ordinance be amended where the rate will be effective until July 1, 2018, unless Council shall provide otherwise and will go back to 5%, and all the money that will be collected from the meals tax increase (the excess of collections over five percent (5%)) will be only for economic development and shall be put in an account for economic development for that purpose only was voted upon and carried by the following roll call vote:

Councilman Rush	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Black	aye
Councilman Stanley	nay
Councilman Vest	nay
Mayor Wandrei	aye

Council members continued to discuss the meals tax increase offering alternative solutions to not increase the taxes, the budget, and economic development needs for the town.

Vice Mayor Rush's motion to adopt the ordinance establishing a meals tax rate of 5.5% for Fiscal Year 2016-2017 was then voted upon and carried by a roll call vote as follows:

Councilman Rush	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Black	aye
Councilman Stanley	nay
Councilman Vest	nay
Mayor Wandrei	aye

The ordinance follows as adopted:

**ORDINANCE NO 16-6**

**AN ORDINANCE AMENDING AND RE-ENACTING ARTICLE VIII (MEALS TAX ON PREPARED FOODS AND BEVERAGES), CHAPTER 54 OF THE TOWN CODE INCREASING THE RATE OF TAX FROM FIVE PERCENT**

April 26, 2016

**TO FIVE AND ONE-HALF PERCENT AND CORRECTING REFERENCES TO THE CITY AND TO THE COMMISSIONER OF THE REVENUE**

**WHEREAS**, the tax upon prepared foods and beverages within the Town was set forth in Chapter 54, Article VIII of the Code of the City of Bedford which was adopted in 2006 and which remains in force as part of the Bedford Town Code pursuant to Section 56 of the Town Charter which went into effect on July 1, 2013; and

**WHEREAS**, the meals tax on prepared foods and beverages under Bedford Town Code Section 54-225 is set at the rate of five percent on the amount paid for meals prepared from any food establishment; and

**WHEREAS**, the Town Council held a public hearing on March 22, 2016 after having published a “Notice of Public Hearing – Proposed Tax Increases” (including an increase in meals tax from five percent to five and one-half percent), which appeared in the Bedford Bulletin, a newspaper of general circulation, at least seven days prior to the hearing; and

**WHEREAS**, the Town Council has determined that Article VIII, Chapter 54 of the Town Code should be amended and re-enacted to set the rate of levy at five and one-half percent in Section 54-225 and to correct any references in Article VIII to the “Commissioner of the Revenue” and to the “City of Bedford,” respectively, to the “Town Treasurer” and to the “Town of Bedford”;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF BEDFORD AS FOLLOWS:**

**Section 1.** Chapter 54 (Taxation), Article VIII (Meals Tax on Prepared Food and Beverage) is amended and re-enacted to read as follows:

*Article VIII*

Meals Tax on Prepared Foods and Beverages

**Sec. 54-224. Definitions.**

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Caterer: A person who furnishes or delivers meals on or to the premises of another, for compensation.

Treasurer The treasurer of the town and any duly authorized deputies or agents.

April 26, 2016

Food: All food, beverages or both, including alcoholic beverages, purchased in or from a food establishment, whether prepared in such food establishment or not, and whether consumed on the premises or not, and without regard to the manner, time or place of service.

Food establishment: Any place in or from which food or food products are prepared, packaged, sold or distributed in the town, including but not limited to, any food establishment, dining room, grill, coffee shop, cafeteria, cafe, snack bar, lunch counter, convenience store, movie theater, delicatessen, confectionary, bakery, eating house, eatery, drugstore, ice cream/yogurt shops, lunch wagon or truck, pushcart or other mobile facility from which food is sold, public or private club, resort, bar, lounge, or other similar establishment, public or private, and shall include private property outside of and contiguous to a building or structure operated as a food establishment at which food or food products are sold for immediate consumption.

Meal: Any prepared food or drink offered or held out for sale by a food establishment for the purpose of being consumed by any person to satisfy the appetite and is ready for immediate consumption. All such food and beverage, unless otherwise specifically exempted or excluded herein shall be included, whether intended to be consumed on the seller's premises or elsewhere, whether designated as breakfast, lunch, snack, dinner, supper or by some other name, and without regard to the manner, time or place of service.

Person: Any individual, corporation, company, association, firm, partnership or any group of individuals acting as a unit.

Purchaser: Any person who purchases a meal from a food establishment or from a caterer.

Seller:

(1) Where the food establishment or catering business is a corporation, the president of the corporation.

(2) Where the food establishment or catering business is an unincorporated partnership or association, the general partner or the managing agent of such unincorporated partnership or association.

(3) Where the food establishment or catering business is a sole proprietorship, the owner of the proprietorship.

(4) Where the food establishment or catering business is a nonprofit organization, the organization or its executive director.

April 26, 2016

(5) In any of the above organizations, such other person as has been duly designated and authorized as an agent for the purpose of collecting the tax herein.

Treasurer: The treasurer of the town and any duly authorized deputies or agents.

*(Code 1984, § 22-60; Ord. of 12-12-2000, § 1(22-60))*

**Sec. 54-225. Levy.**

(a) There is hereby imposed and levied by the town on each person a tax at the rate of five and one-half percent (5 ½%) on the amount paid for meals purchased from any food establishment, whether prepared in such food establishment or not, and whether consumed on the premises or not. The rate of tax shall be reduced to five percent (5%) effective July 1, 2018 unless the Council shall provide otherwise. For such period of time, while the rate of tax is five and one-half percent (5 ½%), the excess of collections over five percent (5%) shall be designated and spent solely for economic development, and the treasurer shall deposit such funds in a separate economic development fund to be expended on economic development projects as are approved by the Council.

(b) The tax imposed by this article applies to all sales of meals by a food establishment or caterer whose place of business is located within the town, without regard to the locality of delivery or possible use by the purchaser. The term "sale of meals" means a final sale to the ultimate consumer.

(c) All tax collections shall be deemed to be held in trust for town.

*(Code 1984, § 22-61; Ord. of 12-12-2000, § 1(22-61))*

**Sec. 54-226. Exemptions.**

(a) The tax imposed under this article shall not be levied on the following items when served exclusively for off-premises consumption:

(1) Factory-prepackaged candy, gum, nuts and other items of essentially the same nature.

(2) Factory-prepackaged donuts, ice cream, crackers, nabs, chips, cookies and items of essentially the same nature.

(3) Food sold in bulk. For the purposes of this provision, a bulk sale shall mean the sale of any item that would exceed the normal, customary and usual portion sold for on-premises consumption (e.g., a whole cake, a gallon of ice cream); a bulk sale shall not include any food or beverage that is catered or delivered by a food establishment for off-premises consumption.

April 26, 2016

(4) Alcoholic and nonalcoholic beverages sold in factory seal containers.

(5) Any food or food product purchased with food coupons issued by the United States Department of Agriculture under the Food Stamp Program or drafts issued through the Virginia Special Supplemental Food Program for Women, Infants, and Children.

(6) Any food or food product purchased for home consumption as defined in the Federal Food Stamp Act of 1977, 7 USC 2012, as amended except hot food or hot food products ready for immediate consumption. For the purposes of administering the tax levied hereunder, the following items whether or not purchased for immediate consumption are excluded from the said definition of food in the Federal Food Stamp Act; sandwiches, salad bar items sold from a salad bar, prepackaged single-serving salads consisting primarily of an assortment of vegetables, and nonfactory sealed beverages. This subsection shall not affect provisions set forth in subsection (d) of this section.

(b) A grocery store, supermarket or convenience store shall not be subject to the tax except for any portion or section therein designated as a delicatessen or designated for the sale of prepared food and beverages.

(c) The tax imposed hereunder shall not be levied on the following purchases of food and beverages:

(1) Food and beverages furnished by food establishments to employees as part of their compensation when no charge is made to the employee.

(2) Food and beverages sold by day care centers, public or private elementary or secondary schools or food sold by any college or university to its students or employees.

(3) Food and beverages for use or consumption and which are paid for directly by the commonwealth, any political subdivision of the commonwealth or the United States.

(4) Food and beverages furnished by a hospital, medical clinic, convalescent home, nursing home, home for the aged, infirm, handicapped, battered women, narcotic addicts or alcoholics, or other extended care facility to patients or residents thereof.

(5) Food and beverages furnished by a public or private nonprofit charitable organization or establishment or a private establishment that contracts with the appropriate agency of the commonwealth to offer meals at concession prices

April 26, 2016

to elderly, infirm, blind, handicapped or needy persons in their homes or at central locations.

(6) Food and beverages sold on an occasional basis, by a nonprofit educational, charitable or benevolent organization, church, or religious body as a fundraising activity, the gross proceeds of which are to be used by such organization exclusively for nonprofit educational, charitable, benevolent or religious purposes.

(7) Food and beverages sold through vending machines.

(d) In addition, as set forth in Code of Virginia, § 51.5-98, no blind person operating a vending stand or other business enterprise under the jurisdiction of the state department for the blind and vision impaired and located on property acquired and used by the United States for any military or naval purpose shall be required to collect and remit meals taxes.

*(Code 1984, § 22-62; Ord. of 12-12-2000, § 1(22-62))*

*State Law reference— Exemptions, Code of Virginia, § 58.1-3840.*

**Sec. 54-227. Tips and service charges.**

(a) Where a purchaser provides a tip for an employee of a seller and the amount of the tip is wholly in the discretion of the purchaser, the tip is not subject to the tax imposed by this article, whether paid in cash to the employee or added to the bill and charged to the purchaser's account, provided, in the latter case, the full amount of the tip is turned over to the employee by the seller.

(b) An amount or percentage, whether designated as a tip or a service charge, that is added to the price of a meal by the seller, and required to be paid by the purchaser, is a part of the selling price of the food and beverage and is subject to the tax imposed by this article.

*(Code 1984, § 22-63; Ord. of 12-12-2000, § 1(22-63))*

**Sec. 54-228. Duty to collect tax; collection of tax by seller.**

(a) Every person receiving any payment for food with respect to which a tax is levied hereunder shall collect and remit the amount of the tax imposed by this article from the person on whom the same is levied or from the person paying for such food at the time payment for such food is made; provided, however, no blind person operating a vending stand or other business enterprise under the jurisdiction of the department for the

April 26, 2016

visually handicapped and located on property acquired and used by the United States for any military or naval purpose shall be required to collect or remit such taxes.

(b) All amounts collected as taxes by the seller under this article shall be deemed to be held in trust until remitted to the town as provided in this article. If the amounts collected as taxes are not paid as and when due, they shall thereafter become a debt of the seller due to the town.

*(Code 1984, § 22-64; Ord. of 12-12-2000, § 1(22-64))*

**Sec. 54-229. Reports and remittances and compensation of sellers.**

(a) All sellers in the town shall register as such with the treasurer for collection of the tax imposed in this article.

(b) Every seller required to collect such tax shall file a report with the treasurer within 20 days after the last day of each calendar month on forms prescribed by the treasurer, signed by the seller, reporting the meal charges collected and the amount of taxes due thereon for the preceding month. Each such report shall be accompanied by the remittance of the amount of the taxes to the town, payable to the treasurer.

(c) All remittances received by the Town shall be transmitted immediately to the town treasurer.

(d) For the purpose of compensating any seller for accounting for and remitting the tax levied under this article, the seller shall be allowed a commission of two percent of the amount of tax due and accounted for in the form of a deduction of that amount in submitting his monthly report and remittance; provided the amount paid was not delinquent at the time of payment.

*(Code 1984, § 22-65; Ord. of 12-12-2000, § 1(22-65))*

**Sec. 54-230. Interest and penalties for failure to file a report or make remittance.**

(a) When any seller shall fail to make any report or remit the tax required by this article, there shall be imposed, in addition to any other penalties herein provided, a specific penalty to be added to the tax in the amount of ten percent; provided, however, in no case shall the penalty be less than \$10.00, and such minimum penalties shall apply whether or not any tax is due for the period for which the report was required.

(b) Interest shall accrue at a rate of ten percent per annum, which shall be computed on the taxes and penalty commencing 30 days from the date, the report or remittance is due.

April 26, 2016

(c) If the failure to make any report is due to good cause shown to the satisfaction of the treasurer, such report with or without remittances may be accepted exclusive of penalties.

*(Code 1984, § 22-66; Ord. of 12-12-2000, § 1(22-66))*

**Sec. 54-231. Records to be kept.**

Every seller required to make a report or to pay and collect any tax under this article shall keep and preserve, for a period of three years, such suitable records of revenues taxable pursuant to this article and such other records of account as may be reasonably necessary to determine the amount of taxes due pursuant to this article. The treasurer may inspect such records at reasonable times.

*(Code 1984, § 22-67; Ord. of 12-12-2000, § 1(22-67))*

**Sec. 54-232. Obligations upon going out of business.**

Whenever any person required to collect and pay to the town a tax under this article shall cease to operate or otherwise dispose of this business, any tax payable hereunder to the town shall become immediately due and payable through such date, and the person shall make a report and remittance thereof within ten days of such date.

*(Code 1984, § 22-68; Ord. of 12-12-2000, § 1(22-68))*

**Sec. 54-233. Assessments by treasurer for failure to report tax properly.**

(a) If any seller fails to make a report, or makes a grossly inaccurate report, or a report that is false or fraudulent, the treasurer shall make an estimate for the taxable period of the revenue of the seller subject to the tax imposed hereby and shall assess the tax plus penalties and interest.

(b) In such case, the treasurer shall give the seller ten days' notice to appear before the treasurer or the designee of the treasurer, with such books, records and papers as the treasurer may require relating to the seller's business for the taxable period in question. The treasurer may require that such seller or its agent and employees give testimony or answer interrogatories under oath administered by the treasurer or his designated agent respecting the service provided and revenues therefrom which are or may subject to the tax imposed hereby, or the failure to make a report thereof as herein provided.

April 26, 2016

(c) If any seller fails to make any such report, or refuses to permit an examination of its records, books or paper, or to appear and answer questions within the scope of such an investigation relating to revenues subject to the tax herein imposed, the treasurer is authorized to make the necessary assessment based upon such information as may be available, and he shall notify such person by registered mail sent to his last known place of address of the amount of such tax, interest and penalty, and the total thereof shall be payable within ten days from the date of mailing of such notice. The assessment so made shall be deemed prima facia correct.

*(Code 1984, § 22-69; Ord. of 12-12-2000, § 1(22-69))*

**Sec. 54-234. Civil warrant for collection of delinquent tax.**

The treasurer is authorized, when any tax becomes delinquent under this article, to cause a civil warrant to be issued for the collection of the tax, penalty and interest as soon as the tax becomes delinquent against the seller or person liable for payment of the same.

*(Code 1984, § 22-70; Ord. of 12-12-2000, § 1(22-70))*

**Sec. 54-235. Advertising payment or absorption of tax prohibited.**

No seller shall advertise or hold out to the public in any manner, directly or indirectly, that all or any part of the tax imposed under this article will be paid or absorbed by the seller or by anyone else, or that the seller or anyone else will relieve any purchaser of the payment of all or any part of the tax.

*(Code 1984, § 22-71; Ord. of 12-12-2000, § 1(22-71))*

**Sec. 54-236. Promulgation of regulations.**

(a) The treasurer shall monitor and oversee the accuracy, timeliness and completeness of the filing of reports and payment of taxes levied under this article. The treasurer shall adopt and promulgate such rules and regulations and such forms not inconsistent with the provisions of this article as deemed necessary for the effective administration of this article.

(b) In administering the provisions of this article, the treasurer may give any seller ten days' notice to appear before the treasurer or the designee of the treasurer, with such books, records and papers as the treasurer may require relating to the sellers business for the taxable period in questions. The treasurer may require that such seller or its agents and employees give testimony or answer interrogatories under oath respecting the sales provided and the revenues therefrom which are or may be subject to the tax imposed hereby, or the failure to make a report thereof as herein provided.

April 26, 2016

*(Code 1984, § 22-72; Ord. of 12-12-2000, § 1(22-72))*

**Sec. 54-237. Issuing bad check in payment of taxes.**

(a) If any check tendered for any amount due under this chapter is not paid by the bank on which such check was drawn, the person for whom such check was tendered shall remain liable for the payment of such amount the same as if such check had not been tendered.

(b) Any person who shall make, draw, utter or deliver a check tendered for any amount due under this chapter, knowing, at the time of such making, drawing, uttering or delivery, that the account upon which such check, draft or order is drawn has not sufficient funds or credits with such bank, banking institution, trust company, or other depository for the payment of such check, draft or order, although no express representations is made in reference thereto, shall be guilty of a Class 1 misdemeanor. The word "credit" as used herein shall be construed to mean any agreement or understanding with the bank, banking institution, trust company, or other depository for the payment of such check, draft or order.

(c) If such person shall fail to pay to the treasurer the amount due together with interest within five days after receiving written notice that such check, draft or order has not been paid to the holder thereof, then in any prosecution under this section the making or drawing or uttering or delivery, payment of which is refused by the drawee because of lack of funds or credit, shall be prima facie evidence of intent to defraud or of knowledge of insufficient funds. Notice mailed by certified or registered mail, evidenced by return receipt, to the last known address of the maker or drawer, shall be deemed sufficient and equivalent to notice having been received by the maker or drawer, and all other provisions of Code of Virginia, § 18.2-183 shall be applicable to such prosecution.

(d) In addition to the criminal penalty set forth herein, such person shall be personally liable in any civil action brought upon such check, draft or order.

*(Code 1984, § 22-63; Ord. of 12-12-2000, § 1(22-73))*

**Sec. 54-238. Criminal penalties for violation.**

Any corporation or partnership officer, as defined in Code of Virginia, § 58.1-2906, or any other person subject to the provisions of this article failing or refusing to collect the full amount of the tax levied hereby, failing to make payment thereof to the

April 26, 2016

town, failing or refusing to furnish any report herein required to be made, failing or refusing to furnish supplemental or other data required by the treasurer, making a false or fraudulent claim for refund, or violating any other provisions of this article shall be guilty of a Class 1 misdemeanor. Each failure, refusal, neglect or violation, and day's continuance thereof, shall constitute a separate offense. Convictions of such violations shall not relieve such person from the liability for taxes, penalties and interest or from the duty of collection and remittance of the tax provided for herein. An agreement by any person to pay the taxes provided for in this article by a series of installment payments shall not relieve any person of criminal liability for violation of this article until the full amount of taxes agreed to be paid by such person is received by the treasurer.

*(Code 1984, § 22-63; Ord. of 12-12-2000, § 1(22-74))*

**Secs. 54-239—54-269. Reserved.**

**Section 2.** This ordinance involves a penalty for its violation, and pursuant to Section 19 of the Town Charter, the Ordinance shall not become effective unless it has been published or posted after enactment as required by that section of the Charter.

**Section 3.** This Ordinance shall be effective on July 1, 2016, subject to compliance with the requirements of Section 2 hereinabove.

Town Manager Kolakowski said that Section 58.1-3840 of the Code of Virginia of 1950, as amended, states any city or town having general taxing powers established by charter pursuant to or consistent with the provisions of §15.2-1104 may impose excise taxes on transient room rentals. Mr. Kolakowski stated the proposed ordinance establishes a tax rate for Fiscal Year 2016-2017 of 7.0% on transient occupancy. The ordinance has been posted in accordance with § 2-54 of the Town Code. He said that Council was requested to adopt the ordinance establishing a transient occupancy tax rate of 7.0% for Fiscal Year 2016-2017.

Vice Mayor Rush moved that Council adopt the ordinance establishing a transient occupancy tax rate of 7.0% for Fiscal Year 2016-2017. The motion was seconded by Councilman Carson. After a brief discussion the motion was voted upon by a roll call vote and did not pass. Roll call vote follows:

Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	nay
Councilman Vest	nay
Councilman Black	nay
Mayor Wandrei	aye

April 26, 2016

The Town Manager stated the Fiscal Year 2016-2017 Budget is a document that has resulted from a very structured and formal development process. Council conducted work sessions to further refine it on March 1 and March 22. He said a public hearing on the budget was conducted on March 22 and interested parties were given an opportunity to publicly voice their opinions of its contents. Mr. Kolakowski said that having gone through this process, the staff feels that the Fiscal Year 2016-2017 Budget in its current form is a policy document that is adequate to serve as the Town's work plan for the coming year. He requested that Council adopt the budget for Fiscal Year 2016-2017.

Vice Mayor Rush moved that the budget for Fiscal Year 2016-2017 be adopted. The motion was seconded by Councilman Carson.

Councilman Black said that as Council did not adopt the transient occupancy tax, he moved that Council adjust the General Fund by \$21,366. The motion was seconded by Councilman Carson.

Discussion ensued regarding how to accomplish this in the budget.

Councilman Black moved that the motion to adopt the budget be amended by adding: "and take the funds out of the tourism line." The motion was seconded by Councilman Hailey. The motion was then voted upon and carried by a roll call vote as follows:

Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	nay
Councilman Black	aye
Councilman Carson	aye
Mayor Wandrei	aye

On motion by Councilman Hailey, seconded by Councilman Black, voted upon and carried by a roll call vote, Council approved the budget with the reduction of \$21, 600 to be taken from the tourism budget. Roll call vote follows:

Vice Mayor Rush	aye
Councilman Stanley	nay
Councilman Vest	nay
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Mayor Wandrei	aye

The Town Manager stated that Section 58.1-3005 of the Code of Virginia of 1950, as amended, requires that Council shall, on a regular basis, make an appropriation of funds for expenditure by the Town. The proposed ordinance directs that the funds as set out in the budget for Fiscal Year 2016-2017 be appropriated and set aside to the appropriate

April 26, 2016

funds, and authorizes the Town 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 Town Code. Mr. Kolakowski said that Council was requested to adopt the ordinance appropriating funds as set out in the budget for Fiscal Year 2016-2017 and authorize the Town Manager to expend the funds in accordance with said budget.

On motion by Vice Mayor Rush, seconded by Councilman Black, voted upon and carried by a roll call vote, Council adopted the ordinance appropriating funds as set out in the budget for Fiscal Year 2016-2017 and authorized the Town Manager to expend the funds in accordance with said budget. Roll call vote follows:

Councilman Stanley	nay
Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Mayor Wandrei	aye

The Ordinance follows as adopted:

#### **ORDINANCE NO 16-7**

**BE IT ORDAINED** that the Town Council of the Town of Bedford, Virginia, hereby directs that the funds as set out in the budget for Fiscal Year 2016-2017 for the Town of Bedford are appropriated and set aside to the General Fund, to the Solid Waste Fund, to the Electric Fund, to the General Capital Projects Fund, to the Solid Waste Capital Projects Fund, and to the Electric Capital Projects Fund, as shown in said budget, and that the Town Manager is authorized to expend the funds in the General Fund, Solid Waste Fund, Electric Fund, General Capital Projects Fund, Solid Waste Capital Projects Fund, and Electric Capital Projects Fund in accordance with said budget and in accordance with prior appropriations.

Town Manager Kolakowski said the Virginia Department of Highways and Transportation, under the Code of Virginia, Section 33.1-41.1, make street payments annually per lane mile for use in maintenance, construction, and reconstruction of the streets located in the Town of Bedford. In order for the streets to be eligible for Virginia Department of Transportation maintenance payments, they first need to be accepted into the Town's Street System by Town Council, then approved and accepted by the Virginia Department of Transportation for maintenance payments. Mr. Kolakowski said the Town Engineering Department has prepared a resolution to be passed by the Town Council

April 26, 2016

authorizing the formal approval and acceptance of the streets into the Town of Bedford's Street system. The Town Manager recommended that Council pass the resolution approving and accepting the list of streets to be added to the Town's Street System.

On motion Vice Mayor Rush, seconded by Councilman Hailey, voted upon and carried unanimously, Council adopted the resolution approving and accepting the list of streets to be added to the Town's Street System. Roll call vote follows:

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

The resolution follows as adopted:

### RESOLUTION

**WHEREAS**, the Town of Bedford has accepted into the Town street system the following streets or portions thereof:

ACORN RUN LANE, from OAKWOOD STREET west to the Proposed End of State Maintenance, 0.10 centerline miles and 0.20 lane miles; VILLA OAK CIRCLE, from ACORN RUN LANE south to the Proposed End of State Maintenance, 0.12 centerline miles and 0.24 lane miles.

**WHEREAS**, the Town wishes to receive payment from the Virginia Department of Transportation for assistance in maintaining these streets;

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the Town of Bedford, Virginia, that the Town requests that the Virginia Department of Transportation add for payment those portions of the aforementioned streets.

The Town Manager said that the staff has solicited proposals for conducting a feasibility study for a business class hotel in the Town. The staff has determined the study can be done for \$8,500 by Hospitality Appraisal, Inc. Mr. Kolakowski stated that Council was requested to approve the conducting of a hotel feasibility study.

Councilman Black moved that Council approve the conducting of a hotel feasibility study. The motion was seconded by Councilman Stanley. After a brief discussion the motion was voted upon and carried by the following roll call vote:

April 26, 2016

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

Vice Mayor Rush moved that Council direct the Town staff to pay off the Literary Loan debt as expediently as possible. The motion was seconded by Councilman Stanley. After a brief discussion, the motion was voted upon and carried unanimously by the following roll call vote:

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

The resolution follows as adopted:

**RESOLUTION  
BEDFORD TOWN COUNCIL  
TO FUND A HOTEL FEASIBILITY STUDY**

**WHEREAS**, be it hereby resolved by the Bedford Town Council that it supports the conducting of a feasibility study for a business class hotel.

**NOW, THEREFORE**, the Town Council approves the use of up to \$8,500.00 from the Economic Development Fund to pay for the feasibility study.

Mayor Wandrei adjourned the meeting at 8:04 p.m.