



**Town Council  
Regular Council Meeting Minutes  
May 26, 2020**

The Town Council of Bedford, Virginia, held a regularly scheduled meeting on Tuesday, May 26, 2020 at 7:00 p.m. in the Council Chambers of the Town Municipal Building at 215 East Main Street, Bedford, Virginia.

**Town Council members present:**

Mayor Steve Rush, Vice Mayor Tim Black, Councilman Stacey Hailey, Councilman Bruce Johannessen, Councilman Bryan Schley, Councilman Darren Shoen, and Councilman C. G. Stanley

**Town Council members absent:**

None.

**Town Staff present:**

Town Manager Barrett Warner; Assistant Town Manager Sonia Jammes; Town Attorney William W. Berry, IV; Chief of Police Todd Foreman; Director of the Electric Department John Wagner; Director of Public Works D. W. Lawhorne; Clerk of Council Debra B. Anderson; and Recording Secretary Julia Peters

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

**APPROVAL OF MINUTES**

Mayor Rush declared that the minutes of the Regular Council Meetings held on April 14, 2020 and May 12, 2020 were approved as presented.

**REPORT OF TOWN MANAGER**

Town Manager Barrett Warner reported:

- Paving activity around the Centertown Area has been completed. Work on striping the lane markings is underway and it is expected to take approximately a week to finish dependant on the weather conditions.
- Due to complications presented by various health care directors, this year's offering of Cop Camp has been cancelled.
- Mr. McCormack has indicated that he will proceed with clean-up activity at Bedford Middle School. Clean-up personnel will be on the site within the next couple weeks.
- There are some citizens interested in pursuing a parade idea to honor the Liberty High School Class of 2020.

Mayor Rush responded that the date that is being looked at for the parade is June 12, 2020. He had spoken to Chief Foreman and suggested the parade take the form used for funeral processions where the parade is led and traffic is stopped as the cars come through town, avoiding street closures. Otherwise, blocking intersections and putting up barricades will take additional manpower. Mayor Rush asked for thoughts from Council members. Vice Mayor Black, Councilmen Schley and Stanley concurred with the Mayor noting this was a good idea but were not sure what the citizens were actually planning for this event. Mr. Warner said he would communicate to the organizers that if street closures were not needed, it could be handled administratively and would not need Council to take any action.

Mr. Warner deferred to Chief Foreman for his presentation.

Chief Foreman said he wanted to recognize some of his officers tonight. One point of accreditation is to make sure that recognition is given to those police officers who have done exceptional work.

This past month, Officer Brook was on patrol April 22, 2020, and stopped at the Shell Station to complete a security check while employees were closing up. He drove behind the building and observed a vehicle with an occupant who was drinking something from a can. As he approached the vehicle on foot, the driver backed up and drove away. Identifying some traffic violations, Officer Brook returned to his vehicle and pursued the vehicle but the driver did not yield for the officer. As the vehicle left the Town limits, it was traveling at 67 mph in a 45 mph zone. The Virginia State Police and the Bedford County Sheriff's Office assisted during the incident. The subject vehicle ran over point spike strips and deflated two tires. The Virginia State Police stopped the vehicle and the situation ended with an officer-involved shooting. Officer Brook's actions are to be commended. He acted in a manner that showed values of the department; courage, team work, and respect. It is unknown what criminal activity Officer Brook may have prevented or the lives he may have saved by taking action that night. Chief Foreman presented Officer Brook with a Chief's Coin that is enscribed with "Choose Character over Compromise".

Chief Foreman continued with saying on April 20, 2020 Officer Lawhorne took a larceny call regarding stolen license plates. During his investigation, a vehicle was identified and the information was shared with the Bedford County Sheriff's Office. Deputy Dougherty contacted

Officer Lawhorne on his day off because he may have identified possible suspects as well as the possible location of the suspect vehicle. On April 29, 2020, Deputy Dougherty and Officer Lawhorne briefed their sergeants on what information had developed. They were granted permission to work together to solve the case and met in Town to discuss the case. The suspects had ties to a known family involved in the distribution of narcotics. The officers responded to the address where the suspects and the vehicle were possibly located. After trying to elude Officer Lawhorne and Deputy Dougherty, the suspects were quickly apprehended without incident and multiple bags of methamphetamine and cocaine were recovered. Marijuana, crack cocaine, and a firearm were also seized. Although the stolen tags were not found, more information was provided and the investigation continues. Officer Lawhorne is to be commended for his excellent teamwork between the Town Police Department and the Bedford County Sheriff's Office. His actions demonstrated values of the Police Department; namely courage, innovation, and teamwork. He was presented with a Chief's Coin and thanked for his service to the community.

Chief Foreman continued, saying on May 14, 2020, Officer George responded to a call regarding an unresponsive 20 year old male, possibly due to a drug overdose. Officer George found the male to be barely breathing. Officer George assessed the situation and acted quickly, administering Naloxone to the man who was then transferred to the hospital. The drugs the male snorted were very dangerous, and included Fentanyl. Officer George saved the man's life and demonstrated the Police Department's values of respect, courage, and innovation. Officer George has saved several other lives as well in other incidents within the Town. He was thanked for a job well-done and given a Chief's Coin.

#### **APPEARANCES BEFORE COUNCIL**

None.

#### **COUNCIL COMMENTS**

Councilman Schley said the Graduation Garden has been a success and encouraged those that have not seen it to go by and visit. Mayor Rush thanked those that had worked on the garden which he thought was a great idea.

Councilman Hailey thanked Councilman Johannessen for putting all the nice looking flowers around Town.

Mayor Rush said that he did not want to get political but the Governor tried to tell everyone today that they need to wear masks. The Town Council runs the Town of Bedford and the Governor cannot tell localities how to run their offices. Each person has the choice of wearing a mask or not wearing a mask and it is not the Commonwealth's position to be dictating that.

## **REPORT OF COUNCIL COMMITTEES**

Vice Mayor Black said the Finance Committee met earlier that evening. The financial report looked pretty good and the Committee also talked about some revenue numbers that will be discussed during this evening's meeting.

## **REVISIONS TO AGENDA**

None.

## **PUBLIC HEARINGS**

None.

## **CONSENT AGENDA**

None.

## **OLD BUSINESS**

None.

## **NEW BUSINESS**

### **Budget Discussions**

Town Manager Warner said staff have submitted the proposed FY 2020-2021 budget and the Council can discuss and decide what it is comfortable with and how to move forward. Staff are available to answer questions.

Mr. Black noted the final budget must be passed by June 30, 2020, which gives the Council two more meetings after this one. He said Ms. Jammes gave out some tax analysis and revenue figures and he asked her to present the information to the Council.

Ms. Jammes stated that she completed an analysis on the Town's COVID-19 vulnerable taxes, the taxes that would be affected the most by the pandemic. Those taxes include the local sales and use tax, meals tax, and lodging tax. She provided Council with a snapshot of the current Fiscal 2020 Year to Date (YTD) by month, the previous Fiscal 2018-2019 YTD, and the previous Fiscal 2017-2018 YTD, to allow Council members to compare where the Town is in the ebb and flow of the particular tax categories every month for the past three fiscal years. Meals taxes lag a month behind and restaurants are allowed to pay their meals tax the month after those taxes are collected. Therefore, April 2020 figures show the meals tax collected for March. For half of March the restaurants were closed to indoor patron seating due to COVID-19. As a result, there is a dip in the amount of April 2020 meals tax but the Town has not fared too badly, considering this closure, with a collection of over \$96,000. It would have been a banner month in meals tax collections if not for the closure. In FY 2020 in the three categories YTD the Town has

collected approximately \$36,000 more than in the previous FY 2019 in the same three categories and \$47,404 more than those collections in FY 2018. Overall, the collections in these categories has stayed relatively strong. The unknown variable is what the May statistics will be, which will reflect a full month of closures for indoor seating for restaurants. The drive thru's and carryout meals are pretty strong and solid but until the restaurants submit their final numbers Ms. Jammes won't know how they fare. She will not have those figures until early June. She had hoped to offset any anxieties regarding these tax collections by providing these figures. Knowing that \$36,302.06 more was collected during a pandemic than what was collected in the same months in the prior fiscal year is a sense of relief. Hopefully, May will surprise and the revenues will not be as bad as anticipated and the Town will be able to offset any loss with other revenue categories.

Ms. Jammes continued by directing Council to the Year To Date report she prepared regarding General Fund taxes for Fiscal Years 2017-2018, 2018-2019, the budgeted 2020 and the April 2020 YTD amounts. She gave these figures to gauge where the Town was in the previous fiscal year in comparison with YTD in the current fiscal year. She noted that no transfers have been processed this year since it is only April, so there is expected income that has not been received within this fiscal year, which gives the Town two more months to generate revenues on those particular General Fund revenue lines. She is anticipating the Town to be on-target with the only unknown variable being the May meals tax. The sales and use tax has collected more than in the prior two fiscal years as of April 2020, so the Town has already hit its mark on that particular line. The lodging tax, transient occupancy tax is about where it was on the prior two fiscal years as well.

In response to Mr. Shoen's question regarding what transfers need to be done, Ms. Jammes said there is normally an Electric Fund transfer to the General Fund every year. There is \$400,000 budgeted this year, which is usually done before June 30, the end of the fiscal year. She stated the Electric Fund is actually stronger than was anticipated and there are some collection issues due to COVID-19 but during the month of April more was collected in revenues than was spent in expenditures. There has been a drop in electric collections but staff are working to devise ways to assist customers in paying what is owed. They will be allowing payment plans and are discussing what would work best for those customers. The amp bills have dropped slightly, which may be caused by the milder weather or less demand for commercial use, and other variables.

In response to Mayor Rush's question regarding a dollar amount for the past due bills, Ms. Jammes said she did not have the figures with her tonight, but it is a considerable amount of money that has not been collected. Reminder notices have been sent out to customers reminding them that the Town has already paid for that electricity the customer has used and to pay back what they can. Until the Governor lifts the ban on overdue utilities, not much more can be done to collect.

In response to Councilman Hailey's question regarding what type of repayment plans will be provided, Ms. Jammes said the utility billing system allows for the setting up of a payment plan. They have discussed a six month payment plan and taking the debt owed on the past due balance and dividing it by six months to be paid in installments in addition to their current bill they are accumulating. The criteria is not in place yet, but the means are available to establish the plans through the billing system.

In response to Mr. Johannessen's question regarding how many customers are involved with overdue bills, Ms. Jammes said she did not have the figures tonight, but it is in excess of 300 and she could provide the numbers to the Council in the next report. Vice Mayor Black asked her for a breakdown between commercial customers and residential customers as well.

Councilman Shoen asked Ms. Jammes if any local unemployment data could be provided. She stated that she could try, but since the reversion to a Town, they are no longer counted in the census separately and are considered a part of the county, making it difficult to obtain numbers specific to the Town.

Councilman Johannessen said the Virginia Employment Commission should have a breakdown of unemployment based on zip codes and also have a public data base that can be utilized.

Vice Mayor Black began the Council's discussion of the current financial situation. He said that according to the provided tax analysis, the Town of Bedford was doing very well until the April 2020 numbers, reflecting the partial month closing of March. In a year to year comparison, there is a decrease of close to \$30,000 in a two month period. No one can predict how long this downturn will last but the meals tax is the most vulnerable, and the second largest source of revenue, after real estate taxes. He felt the Council needs to be strategic in filling the proposed budget and should plan for things not to bounce back rather than plan for it all to come back and it doesn't.

Mayor Rush agreed with Mr. Black and said the Council needs to be conservative in its spending money and there are some areas of the budget that will need to be addressed. He thought the Town will be alright this year based on what Ms. Jammes presented, but \$28,000 lost in meals tax in two weeks is a pretty good hit on an important revenue. He understands some income is still provided with take-out meals but some restaurants are still closed. It is bad enough that the EDA had to help support 28 or 29 retail establishments just to keep their doors open. He hopes everything comes back gangbusters but he is not of the opinion that it will. With people not working, they do not have disposable income and that is what was great before the pandemic. He wants to seriously look at some line items in the budget and look at them as if it will continue to be terrible until the first of the new year and adjust the budget then if necessary. He wants to hold off on the bonuses, the COLA's, staff promotions, and funding of the outside agencies which would save approximately \$250,000 in the budget. If the revenues are available by the end of the year, a budget amendment could be done to address those issues.

Councilman Schley stated that there are negatives in this situation but there are also some positives. Overall revenue is not as terrible as expected and there are a couple months of this fiscal year left to see if it remains solid. He felt they put together a good budget and doesn't want to cut it even more. Capital improvements were not asked for, revenues have been solid, and money has not been spent crazily. It is a solid budget with no loose ends and he has faith in the Town and that it will rebound and grow. He understands that no one can predict how it will go but it also could go well rather than bad and he looks at the situation positively.

Councilman Shoen agreed with Mayor Rush and Vice Mayor Black. He felt that providing bonuses and COLA's, even though well-deserved, is not right when so many people have lost their jobs. These are unprecedented times and he thinks some cuts need to be made and the budget revised.

Councilman Stanley believed that some cuts need to be made but is opposed to cutting the COLA. The employees are the backbone of the Town and cutting the raise affects morale and puts a hardship on supervisors and management. Staff are weathering the storm and continue to do so while completing their normal duties. He agrees that the outside agency funds could be put off until the first of the new year as well as the bonuses. He remains optimistic that things will be fine in the long run but there are some bumps in the road that need to be crossed.

Councilman Johannesson agreed with Mr. Stanley that COLA's need to be funded. The bonuses could be put on hold for now until the Council can see how revenues stand. One problem he sees in regards to the outside agencies is that some are run like other businesses in Town and are hurting very badly right now. Some of the small businesses and restaurants have been helped with the EDA grants but some of these outside agencies may not be able to come back.

Councilman Hailey said there is uncertainty on where the Town is heading through this pandemic but agrees that the employees are the backbone of the Town and come to work everyday to keep services going for the citizens. He felt the outside agency funding and employee bonuses could be looked at or adjusted or possibly adjusting other budgeted funds that Council is overlooking at this moment. He did not want to take the employees' raise out of the equation.

Mayor Rush asked Ms. Jammes what was the expected total cost of the employee raises with benefits included. She stated the total for all funds would be \$95,118 including the increases in the benefits. Mayor Rush noted outside agency funds were \$45,000. She did not have the exact cost of the bonuses but for discussion purposes Mr. Black and Mayor Rush estimated an expense of \$60,000.

Vice Mayor Black reminded Council that a 2% COLA was given to employees last year, made adjustments several years ago when a salary survey was done, and adjustments were made in one department when it experienced heavy turnover. Increases in health insurance also continue to be covered. He looked at the Consumer Price Index yesterday and from April 2019 to April 2020 it only increased by .3%. He is willing to take a look at raises again at the end of the year and if revenues do come back, looking at an increase then but he is not willing to give raises in today's environment with so many unknowns.

Mr. Stanley said he wants to give employees what they deserve and staff expect raises regardless of what the economy is doing.

Mr. Black stated that he and other Council members have supported having a merit system for employee raises.

Mr. Stanley noted that Council just recently allotted \$300,000 to help small businesses but cannot give employees a 2% raise. He understands the reasons why but this is what will be thrown back at them.

Mr. Black stated that other localities in the area are freezing hiring and not funding pay raises. He doesn't see how Bedford's revenues and economy would not be affected when these other localities are affected.

Mr. Stanley said Bedford does not have to be like the other localities.

Mayor Rush said he worked in local and state government for 31 years and there were years they were not given raises. Raises were not expected but were based on the economy. People now expect raises and also the bonuses, which shouldn't be expected but are given as a sign of appreciation. It comes down to how to pay for them since revenues are still unknown. In March, a two week reduction in meals tax costs the Town \$28,000 and April's numbers are still unknown. To take that kind of a hit at a projection of \$200,000 or plus, how will they pay for COLA's and bonuses. He feels it is irresponsible to spend money he doesn't know the Town will get.

Mr. Schley responded that he feels it is irresponsible to take taxpayers' money and put it in a Rainy Day Fund and when the rainy day comes along, cut the budget. In a bad economy, if you have good help you better keep it because in a good economy you will wish you had it and the Town has good employees. He agreed with Mr. Stanley that Bedford doesn't have to be like the other localities. The program for the small businesses was not created because other localities were doing the same but because it was the right thing to do. The COLA will cost \$95,000 and he would rather look in other places than cut out employee raises. The Town has been very conservative in spending money and it comes from a staff that doesn't go out and spend a lot of money. They watch their pennies and do a great job for the Council and Town, especially in the capital improvement category. The last thing he wants to see is losing employees to other localities and Council try to figure out how to look like these other localities. He understands the budget may need to be cut but he doesn't want it to be cut on the backs of the employees.

Mr. Stanley concurred and said he wants to look at other ways to cut the budget.

Mayor Rush repeated that the Town does not know how much of a shortfall there will be, if any.

Vice Mayor Black projected that if the Town lost \$30,000 per month for six months, the total would roughly amount to \$200,000. In response to Mr. Schley's question regarding any budget lines forecasting in the positive, Mr. Black said no. The whole year cannot be looked at when the world changed in the middle of March. Mr. Schley responded that the whole pie cannot be looked at by the one negative piece either. Mr. Black said another month's worth of data is needed.

Councilman Shoen said that this pandemic has been the most major economic calamity in his lifetime and questioned how the Town could keep the same budget compiled beforehand. He agrees that if there are other places that rational cuts could be made, Council should look at them, but to be prudent and reasonable since the full effect of this crisis has not been realized yet. There is Great Depression level of unemployment across the nation and Bedford will be affected. Council doesn't even know how many unemployed are in the locality. Councilman Johannesson stated that nationwide, the unemployment is running around 25%. Mr. Shoen responded that it could turn around since it was a government shutdown and not a banking collapse but he doesn't think it is wise to keep the same budget that was made before this massive calamity. He had worked for the State in the past for seven years and there were years when he did not receive a raise.



Mr. Johannesson said he worked for the State a long time too and went for years without raises and the merit program is useless and doesn't work.

Mayor Rush asked the other Councilmembers what they wanted to do, and look at the budget and pass something since April revenue numbers won't be known until the first of June.

Ms. Jammes said the May numbers won't be available until the middle of June. She noted that if a budget is not adopted before June 30, 2020, the offices cannot open. The budget has to be loaded in order to use their financial management system. Mayor Rush assured her that there will be a budget before June 30, 2020.

Mr. Black questioned what is wrong with deferring employee raises for six months to see what happens.

Mr. Schley questioned what is wrong with leaving the raises in the budget. He thought removing them will have an adverse effect on employees.

Councilman Hailey suggested taking the budget and looking at the numbers throughout the summer and in October the budget could be amended if needed. The COLA's could be left in the budget but wait on the bonuses until October and decide then. Mr. Stanley and Mr. Schley agreed that the bonuses could be held off until October but thought the raises should stay.

Mr. Stanley suggested waiting until next meeting and with Ms. Jammes's assistance find the \$95,000 it will take to give the employees the raise. Mayor Rush said they will need to see what the revenues are. Mr. Stanley said that eventually people will start paying their electric bills and income will be received in that category at some point and may exceed the COLA figures. Mr. Black said that is why he is agreeable to deferring the raise. Mr. Stanley still feels deferring raises takes away from the backbone of the Town.

Mayor Rush said the revenues must be seen first and then how to make the money up if it is not in the revenues. The Town cannot balance the budget on a Rainy Day Fund.

Mr. Schley asked how should the Rainy Day Fund be used. Mayor Rush said for some of the projects Mr. Schley would like to do down the road. Mr. Schley said a Rainy Day Fund is created for situations that the Town is in currently, which is why it is called a Rainy Day Fund. It is used for an emergency. Both Mr. Black and Mr. Shoen asked if raises were an emergency. Mr. Schley responded that there is a loss of revenue in the largest economic calamity in a lifetime. Mr. Shoen said it is the reason why spending must be on essentials and he is not commenting on the quality of the employees, but if there has been ever a time to hold off on giving a raise, he thinks it is now.

Mr. Hailey asked Mr. Warner if the Town will receive any assistance from the State for this economic crisis. Mr. Warner said there is a pot of relief money that is allocated on a County basis and the Town is cooperating with the County in order to apply. The assistance is not guaranteed but it is possible and they are pursuing it.

**ADJOURNMENT:**

8:05 p.m.

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Steve Rush, Mayor

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Debra Anderson, Clerk of the Council