



Town Council
Regular Meeting Minutes
August 27, 2019

The Bedford Town Council of the Town of Bedford held a regularly scheduled meeting Tuesday, August 27, 2019, at 7:00 p.m. in the Town Municipal Building Council Hall.

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 Robert Wandrei.

Town Council members absent:

None.

Town Staff present:

Town Manager Bart Warner, Assistant Town Manager Sonia Jammes, Town Attorney William W. Berry, IV, Director of Public Services D. W. Lawhorne, Electric Director John Wagner, Sargent Joe Dooley, Clerk of Council Debra Anderson and Mary Boone Recording Secretary.

Town Staff absent:

None.

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 Meeting held on August 13, 2019, were approved as distributed.

REPORT OF TOWN MANAGER:

Town Manager Bart Warner reported:

- The Electric Department is finishing work on overhead power lines near Longwood and Forest Road. There will be a scheduled outage on the morning of September 3rd related to switching work there. The intent is to have minimal impact on our customers.

- The Snowden Hydro Electric Plant is currently down so work can commence on the turbine rebuilding project there.
- The Building Official reports that the property located at 1508 Longwood Avenue is now in compliance with all applicable Town regulations.
- Public Works is awaiting price quotes in order to begin work on security improvements to the Municipal Building.
- Our auditors are currently on site and working closely with finance staff. The Finance Department is also updating our fixed asset inventory process in conjunction with department heads.
- Design suggestions for the bike racks and benches associated with the Loop Project are due by Wednesday.
- Town offices will be closed Monday September 2nd for the Labor Day holiday.
- Also, at this time I do need to address my responsibility involvement in the Civic Sign issue and I wanted to do that publicly by way of explanation.

The issue related to the Town-owned civic sign structures on East Main Street and Blue Ridge Avenue actually has its roots in the state championship won by the Liberty High School softball team in early June and the desire to appropriately commemorate not only that team's accomplishment, but the fact that it is the fourth different sport in which the school has claimed a title.

1. June 25th. Bryan Schley and I discussed replacing the small LHS state champion signs with an alternate that would be larger in scale. He asked if we could have them installed in time for the August 9th event scheduled to honor the softball team. I advised that the deadline might be difficult to meet but we would try.
2. July 1st. D.W. Lawhorne advised that a vendor could produce two new LHS signs at a cost of \$2,100 each with a target date of August 5, 2019 for delivery. I advised him to proceed.
3. July 22nd. D.W. Lawhorne advised me that the signs likely would be ready by August 5th and we discussed possible sites for installation of the new signs. Given their size and the timeframe involved, I directed him to replace the Town-owned civic structures on Blue Ridge Avenue and East Main Street with the new LHS signs. We did not discuss a schedule for the replacement, but Public Works removed the civic sign structure on East Main Street at the end of that work week.
4. July 29th. D.W. Lawhorne confirmed that the new LHS signs would be ready for installation prior to the August 9th event. He also told me that he had received a request to keep them covered until one could be unveiled as part of the event itself.
5. Saturday, August 3rd. I received contact information for all organizations that had their logos on the Town-owned signs.

6. August 5th. D.W. Lawhorne advised me that the new LHS sign would be installed shortly at the East Main Street site, and that it would be covered per the request to have them unveiled as part of the August 9th event. That same day I mailed letters to all impacted organizations explaining the course of events and my responsibility for it.

My direction to remove the Town-owned structures on East Main Street and Blue Ridge Avenue was based on the following considerations:

7. I felt an obligation to have the new signs installed by August 9th and did not receive information that it was actually possible to meet the deadline until July 22nd;
8. Given the increased size of the new signs I determined that it would not be appropriate for them to be placed within the street right-of-way;
9. I assumed that the Town had rights or permission for the existing Town-owned structures to be placed in their existing locations but that we had no similar rights elsewhere (or the time to negotiate such prior to August 9th); and
10. I underestimated the value of the existing Town-owned structures to the community as well as their specific locations on East Main Street and Blue Ridge Avenue.

The only motivating factor behind these actions was a desire to support, recognize, and honor the school that serves our community. It certainly was not my intent to do so at the expense of any other organization or institution, although I now understand how such a perception was formed. Ultimately I made an error in coming to a quick decision without considering all factors involved which I regret and for which I apologize.

APPEARANCES BEFORE COUNCIL:

Lucie Garrett – on behalf of Liberty High School Student Council Association

Good evening. My name is Lucie Garret and I am the current head of the Liberty High School Student Council Association. I am here tonight to request the street closings on October 11, 2019 from 4:30 p.m. to 5:45 p.m. for the annual LHS Homecoming Parade. This parade is a tradition for both the High School and the Bedford community. This is because three years ago our track received a new upgrade to be a rubber track and we were unable to have our annual parade on our track. We are grateful the Town has allowed us to have this tradition for the last two years and we hope to continue it from now on. Thank you.

Genny Humphreys – 1803 Oakwood Street Bedford, Virginia 24523 (Bedford County)

Town Manager and Board Members I am here to discuss the sign of Bedford Elks Lodge and that is in the Town. I can remember like yesterday when our sign went up on the boards and Michael Haynes, who is deceased now, he was our secretary of the Lodge and I have never seen anyone more proud than Michael Haynes was and his enthusiasm just bounced off on all of us. I want to remind the Board how much money the Elks Lodge brings into the community for young children, high schools, last year Nancy Owen is our ER and she works so hard and she got \$8,000 in money for Bedford from the grand lodge. That was a first for us, we usually get \$4,000 -

\$5,000 but we got \$8,000. I'm very proud of that and I just want you to know that we work hard and it is for veterans, children, it is all for a good cause, it is all for our Town. I think I understand what you are saying Bart and I appreciate you sharing with us so it can be explained. I sound like I'm begging, I want you to know that I am begging that the signs go back up because we are proud of them and proud of our Town. My husband says however that sometimes when I beg I sound like I'm demanding so forgive me if I sound demanding.

Leslie Mehaffey – 1517 Woodland Road Bedford, Virginia 24523 (Town of Bedford)

Town Manager Warner and Council members. My concern tonight is several things. First of all the WBLT welcome signs. The handling of that in my opinion was wrong and Mr. Warner you have already admitted to that and I thank you for your explanation to everyone tonight for that. The first thing that I saw was a tarp placed over the sign. That tarp unfortunately to me spoke of another incident several years ago in a town northeast of here that a monument was covered with a tarp. That is not the message that I think our citizens need to have seen or received and continue to talk about. As you all know this is a huge topic on Facebook, some good, some not good. I have commented on some of those hopefully in a positive manner and not in a negative way. I am not a member of any of the organizations that are on the welcome sign but I do support them and I think speak highly of our community and our Town to let everyone know what we are about. Not all organizations are on their but there are quite a few and it is very diverse and I think it is important that anyone visiting Bedford, whether they are citizens of the County, Town or outside of the community should see that Bedford is proud of the different organizations. I plead with you to replace them in a manner that is appealing and pleasant to everyone. The other item that I would like to bring to your attention to and my concern of is the banners that are on the street signs/lamp posts. The Bedford Main Street organization which is now defunct as you all know had a number of signs made that have had a rotation schedule and they are placed on our lamp posts at various times. The D-Day Veteran signs have been very well received and it brings great pride and honor to every citizen to see those men on these banners. Recently the historical signs have been placed and these range from people like Jimmy Steptoe all the way up to Carl Overstreet so they cover a wide variety of doctors, nurses, politicians, past presidents, they are very wonderful signs. The majority of the signs that I have seen on the streets have normally been on West and East Main Streets and that is where the historical signs were originally placed when they first went up. If I am incorrect please correct me D.W. I know you team places these signs up. Within about one week, maybe two, these signs were taken down and moved to North and South Bridge Street. I believe there are eighteen of those signs and the D-Day Veteran signs were put back onto East and West Main Street which is fine, I have no objections to both of them being there. However, my question is since the Bedford Main Street footed the bill for these banners and they were taken down, the other signs put up, now you have two sets of signs out. Is there money budgeted to replace these signs because there is more wear and tear on the D-Day signs. I personally feel like these signs were put up at the request of a business owner in Town, I may be totally wrong on that. It bothers me and I'm just one to think this I can't say for anyone else but did this business owner insist the D-Day signs be put back up to enhance his business. If these signs wear and tear are you looking into your budget to replace these signs in the near future. I do not know how much they cost but

I expect it is more than \$100 each. Just wanted you to know some of my concerns. Thank you for hearing me.

John Owen – 1516 Woodland Road Bedford, Virginia 24523

Thank you Mayor and Town Manager for allowing us to come up and talk to you for a few minutes tonight. I am here for the civic signs and the thought that they were taken down. I understand the reason why but I think the Liberty team should be commemorated in an appropriate manner. I have often said to Town staff about the sign it was a postage stamp and really needed to be replaced and that has been down but it is at the expense of the civic organizations who put in a lot of money, blood, sweat and tears because they love this community. It is important for people who are looking to come, to move to Bedford either become a resident or to relocate a business or a standard business that they see this community has an active support system with the community organizations within the Town and outside of Town. They are there because they believe that Bedford in fact is the World's Best Little Town and that should be displayed prominently as people come into the Gateways, not only on Main Street here and Blue Ridge Avenue here but also on 221, 122, here and here and 43 here and here. As you deliberate what to do with these civic signs and to re-establish those we should have an appropriate message to people coming to and through our community of what Bedford is all about. I appreciate your time tonight.

Mayor Rush said typically we do not respond on public comments but I will say that Council has heard you and we will be discussing this issue heartedly.

Kandy Shackelford

Manager Warner, Town Council I think you all know who I am. I have talked to a few of you. As far as the civic sign I'm glad you are hearing us and taking a look at it. No one has mentioned the Gateway sign and the artwork on it. Is there anymore looking into that? I have a real big concern about that, I hope it is not too late to go back. We have so many local talents that could give us some wonderful ideas. I commend you on the loop project, the benches and bike racks, that is awesome and you did reach out to the community to give ideas. So, could you please go back and look at that artwork on the Gateway signs? I agree with John that World's Best Little Town needs to be everywhere.

Bruce Hartwick – 418 W. Franklin Street Bedford, Virginia 24523

I have had several people approach me about the signs and you look at the slogan and I'm thinking to myself why did we spend thousands of dollars just to get life, liberty and happiness when we already have a slogan. We are the World's Best Little Town. I like the old signs better with all the organizations on it. I believe this is a way we could also perhaps honor the Liberty High School softball team at the same time. Thank you.

COUNCIL COMMENTS:

Councilman Schley – I would like to take a chance to reiterate that we do have a current project where citizens can put their input on benches and bike racks that was discussed earlier. I did talk to Economic Development Coordinator Mary Zirkle earlier and we had zero entries to date on the designs. Please, you are all here, get ideas in and talk to Ms. Zirkle about that.

REPORT OF COUNCIL COMMITTEES:

Streets Committee – Councilman Bruce Johannessen

We had a Street Committee meeting tonight and we spoke of the sidewalks from the Welcome Center to Liberty Lake Park and we are still in the process of making decisions about those sidewalks.

Finance Committee – Vice Mayor Black

Finance Committee met yesterday. There is not a whole lot to report being the first month of the fiscal year. We did spend a good amount of time going over the answers to the request for proposals for financing the fire truck. That is an agenda item for later and will have a recommendation on which on to choose for that. We got some pretty good interest rates on that.

Electric Committee – Councilman Bryan Schley

Electric Committee met today to take up discussions on a contract and recommendations were made to move forward to Council for approval.

REVISIONS TO THE AGENDA:

Add recommendation on negotiations for financing.

PUBLIC HEARINGS:

None.

CONSENT AGENDA:

Request to Close Streets – Liberty High School Student Council Association

Liberty High School Student Council Association is requesting that Council authorize the closing of the following streets for the Liberty High School Homecoming Parade on October 11, 2019. The parade is scheduled for 5:00 p.m.

From 4:30 p.m. to 5:45 p.m., College Street from Ashland Avenue to Peaks Street

From 5:00 p.m. to 5:45 p.m., Peaks Street from College Street to North Bridge Street, North Bridge Street from Longwood Avenue to East Main Street, East Main Street from North Bridge Street to Otey Street.

They will notify the Fire Department, Police Department and Bedford County Fire & Rescue of the street closings. The residents of the affected streets will also be notified and will have ingress and egress to their homes.

ACTION REQUESTED:

Town Council is requested to close the above streets for Liberty High School’s Homecoming Parade on October 11, 2019, from 4:30 p.m. to 5:45 p.m.

On a motion by Councilman Hailey, seconded by Councilman Schley, discussion ensued that D.W. did receive the proper paperwork, voted upon and carried by a roll call vote, Council approved to close the above streets for Liberty High School’s Homecoming Parade on October 11, 2019, from 4:30 p.m. to 5:45 p.m. Roll call vote follows:

Vice Mayor Black	aye
Councilman Hailey	aye
Councilman Johannessen	aye
Councilman Schley	aye
Councilman Shoen	aye
Councilman Wandrei	aye
Mayor Rush	aye

The motion carries with all members voting aye.

OLD BUSINESS:

None.

NEW BUSINESS:

Approval of Hydroelectric Purchase Power Contract

Town staff and representatives of Holcomb Rock Company and Coleman Falls Company have been meeting for the last several weeks to discuss a voluntary purchase power agreement between the two entities. The Electric Director indicates that he and the representative of Holcomb Rock/Coleman Falls have reached a verbal agreement about the terms of the document. It has been reviewed by personnel from McCarter & Williams (legal counsel provided through the Blue Ridge Power Agency) and submitted to Holcomb Rock/Coleman Falls for their review.

ACTION REQUESTED:

Town Council is requested to approve the voluntary purchase power agreement.

On a motion by Councilman Schley, seconded by Councilman Hailey, discussion ensued, Vice Mayor Black would like to thank the Electric Committee, John Wagner and staff. This has been a contract we have been trying to renegotiate for a good bit of months and it was a contract that needed to be renegotiated. This is going to benefit our customers and I just wanted to say thank you for all the hard work negotiating on our behalf, I appreciate that. Councilman Schley echoed that it has been long hard work and you did a phenomenal job on this John to make sure we are getting the best possible deal for the customers. It was a win/win for everybody, voted upon and carried by a roll call vote, Council approved the voluntary purchase power agreement. Roll call vote follows:

Councilman Hailey	aye
Councilman Johannessen	aye
Councilman Schley	aye
Councilman Shoen	aye
Councilman Wandrei	aye
Vice Mayor Black	aye
Mayor Rush	aye

The motion carries with all members voting aye.

Request for proposals on the proposed financing to purchase the fire truck and apparatus for Solid Waste

We received a bid from an entity offering a rate of 1.98% and we would like your permission to enter negotiations with them to bring that forward to you for action with a possible closing date of October.

On a motion by Vice Mayor Black to accept the proposal from SunTrust Bank for 1.976 fixed rate for seven years for the \$860,000 to purchase the fire truck and tractor for Solid Waste, seconded by Councilman Hailey, discussion ensued regarding the following:

- It has been discussed in committee meetings before the interest on it and would the Volunteer Fire Department pick up the interest on it. Is there a calculation on the total interest?

- Yes, you have before you the amortization table on both the fire truck and the tractor for Solid Waste and they are split up how much the interest is per actual asset that we would be acquiring.
- The \$725,000 for the fire truck the total interest over the seven years is \$58,400, that is pretty close. One thing is we know at the very beginning of this financing we are going to pay at least \$125,000 almost immediately because we are going to get that payment from Bedford County. Hence we can have another \$100,000 from the sale of a fire truck that we can pay down which obviously if we pay \$225,000 down almost right after closing that is going to knock down that interest.
- The recommendation that we are looking at there is no penalty for early payoff.
- There was some prepayment penalty and we talked about that in Finance Committee. With the SunTrust loan there is a 3% prepayment penalty based on the amount you prepay the first year, 2% the second year and 1 % the third year. We felt that 3% of \$725,000 is not going to make up the difference between the second interest rate which was about 2.5% . That \$3,000 of prepayment penalty potentially you still are going to be behind because you have to pay a lot more interest over the seven years on the second option we had. 2.45% the total interest on that was like \$84,000 on that one verses like \$60,000 something on the other one.
- The question moving forward is is that something we have to lock down before we vote on this or is this something we discuss later.
- The winning rate bank will need to be notified by the 30th or we lose that rate.
- Whether or not this is tied to the decision to ask the Volunteer Fire Department.
- Direction from Council is needed on who negotiation can be started with.
- Not at this point.
- The decision whether or not the fire department pays or not.
- That is not tonight.
- As long as it is not tied up to this I'm ready to move forward but if it is we need to discuss it.
- Looking for a consensus tonight, not an action item. For us to go out to debt we have to have a public hearing and advertise several times for that. Looking for a consensus from council to go ahead and negotiate and finalize these details with the winning bank. If we commit on our end, yes, we might as well have that discussion and get it out of the way. If you are going to commit to the bank to negotiate with them I think we need to be pretty sure we are going to, but, I mean it is not a vote obviously.
- On May 14th when we talked about the budget at a Council meeting. We talked about this \$725,000 and financing \$600,000. We asked who was going to pay the interest and Council basically said that we would want to ask the Volunteer Fire Company to cover the interest so they would have some skin in the game. The numbers we had at the time were considerably less as far as interest than what we have now. We were going to pay for this fire truck and then felt like to was better to use someone else's money, a lot cheaper than using our own. Mr. Black in his financial world suggested that we finance it for that very reason. I think Mr. Black also said they ought to pay interest. When we passed the budget back on May 14th it referred to the comments that we made in our work session. I'm not against the fire company, but, you know how I felt about the Town buying apparatus every year or every other year or every three years. The Town tax

payers are paying for 35% of the calls and the other 65% are going to the County. I think we need to support our fire department and I think we have one of the better fire departments in the County. I have talked to supervisors about helping us out and I think the County is going to give us \$125,000 on a \$725,000 truck. We are catching the brunt of it. Do we really need it? I don't know, Brad says we do. I know it is the job of government to provide public safety but I what point do you over stock.

- In the agenda budget process we did talk about do we want to use our prior year reserves which we were taking a big chunk of our prior year reserves or our unrestricted fund balance. I think we made the determination that financing made sense. Some of our general fund money is earning 2 – 2.5% so do you take money that is earning 2.5% out and pay for something when you can borrow it at 2%. That is not a very good business decision. Talking to Chief Creasy we have a potential if we pay 100% of the price of the fire truck the day we sign the contract we can save \$25,000. That is half of your interest right there. I know we had that discussion, I think it was more of a consensus item in that meeting. There is no vote on that particular topic that require them to pay the interest. I think we should move ahead and finance it.
- Will the fire department pay \$25,0000.
- No they will save \$25,000 by paying for the fire truck when they sign the contract.
- How much are we asking the Volunteer Fire Department to pay?
- Mr. Black is not in favor of asking them to pay for anything.
- Total interest on that loan would be \$58,424.93 paid over seven years and that would be if we did not pay anything down.
- If we get flushed with some cash before seven years and wanted to pay it off early we can also do that the same way.
- I think we made the right decision when going through our budget not to take that much money out of our unrestricted funds for one year when money is so cheap.
- We made the decision to go forward with the purchase of the truck and then you decided it would be best to lease it. Okay, that is fine and dandy but I think you have two proposals and I think the recommendation is do you want to go with SunTrust. The only thing we seem to be discussing is getting the fire department is to pay part of the interest. In my thinking, ultimately, the fire department pay the interest that is going to come from us anyway and the other thing about it is I don't know if the fire department had a voice in this thing as to whether or not they are willing to pay the interest. I think what we ought to do is go forward now and go ahead and say we are going to lease and we are going to lease it through SunTrust and then if you want to go ahead and see if you can get the fire department to pay some of the interest let's do that another day. Let's go ahead with the lease of the fire truck.

Mayor Rush stated we need a consensus to move forward and we can continue to discuss this.

The consensus of Council to move forward with the proposals on the proposed financing to purchase the fire truck and apparatus for Solid Waste is as follows:

Councilman Johannessen	aye
Councilman Schley	aye
Councilman Shoen	aye
Councilman Wandrei	aye
Vice Mayor Black	aye
Councilman Hailey	aye
Mayor Rush	aye

Town Council directed staff to move forward on negotiating with SunTrust Bank for the financing of a Fire Truck and a Tractor for Solid Waste.

ADJOURNMENT:

Mayor Rush adjourned the meeting at 7:38 p.m.