



## **CHANGES TO THE AGENDA FOR February 8, 2021**

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- **Added documentation for Worksession #2** – Financial Condition Analysis by Davenport & Co.
- **Added Agenda Item #7** – Minutes from October 26, 2020



**WORKSESSION AGENDA**  
**BEDFORD COUNTY BOARD OF SUPERVISORS**  
**TOWN OF BEDFORD MUNICIPAL BUILDING**  
**FEBRUARY 8, 2021**

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**5:00 PM**

**WORKSESSION**

- (1) Call to Order
- (2) Financial Condition Analysis by Davenport & Co. *(added documentation)*
- (3) Recess the Board of Supervisors for a dinner break at 6:30 pm

# Bedford County, Virginia

## Comprehensive Financial Condition Analysis



February 8, 2021



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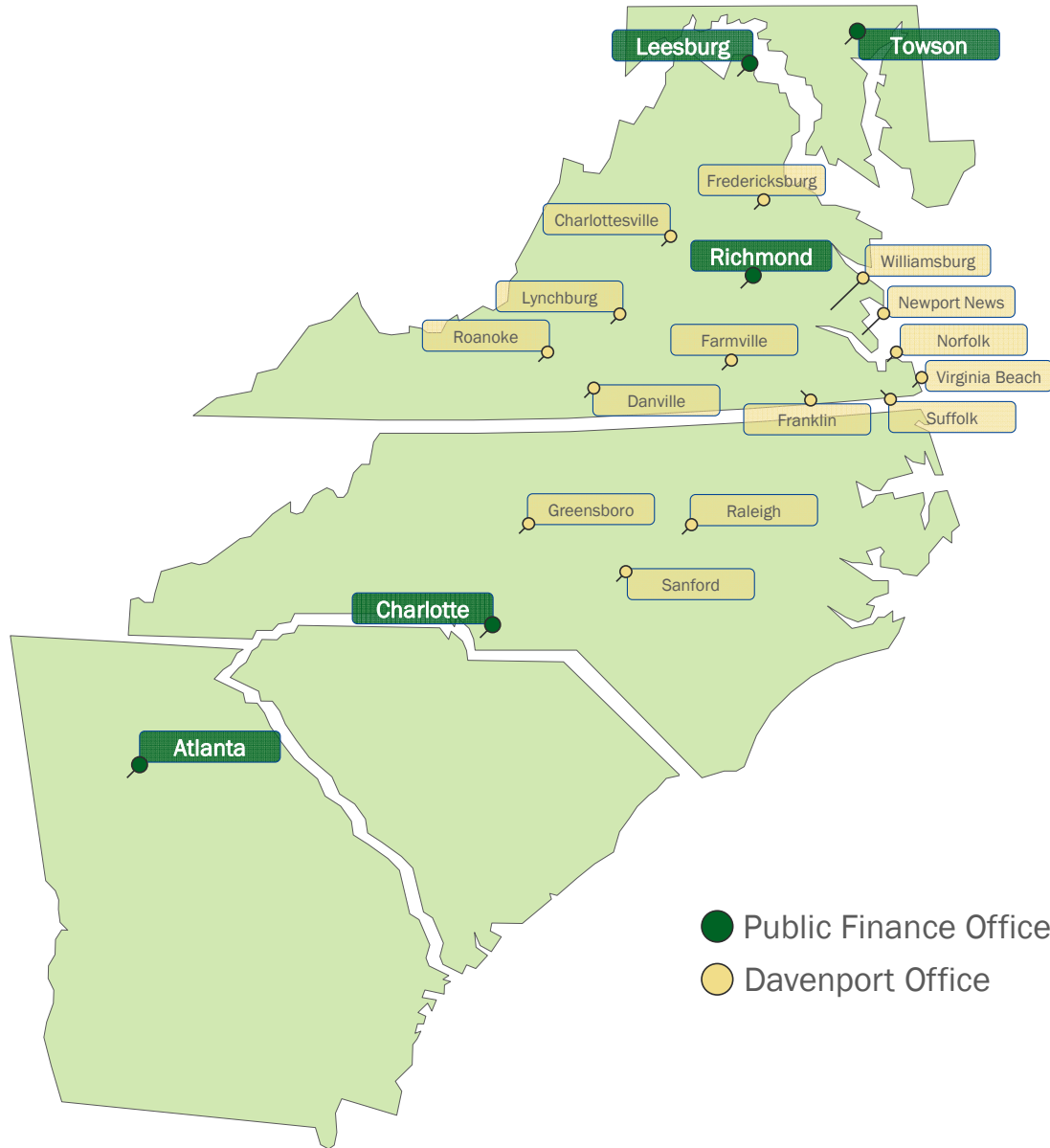


# Davenport Introduction

Bedford County, Virginia



# Overview | Davenport & Company LLC



*Founded in 1863 in Richmond, VA, Davenport recently celebrated its 158th anniversary. We are wholly owned by our Employees.*

## Key Statistics

- Employees: 400+
- Client Assets: \$25.7 Billion
- Firm Assets: \$124.3 Million
- Firm Capital: \$28.2 Million

## Major Business Concentrations

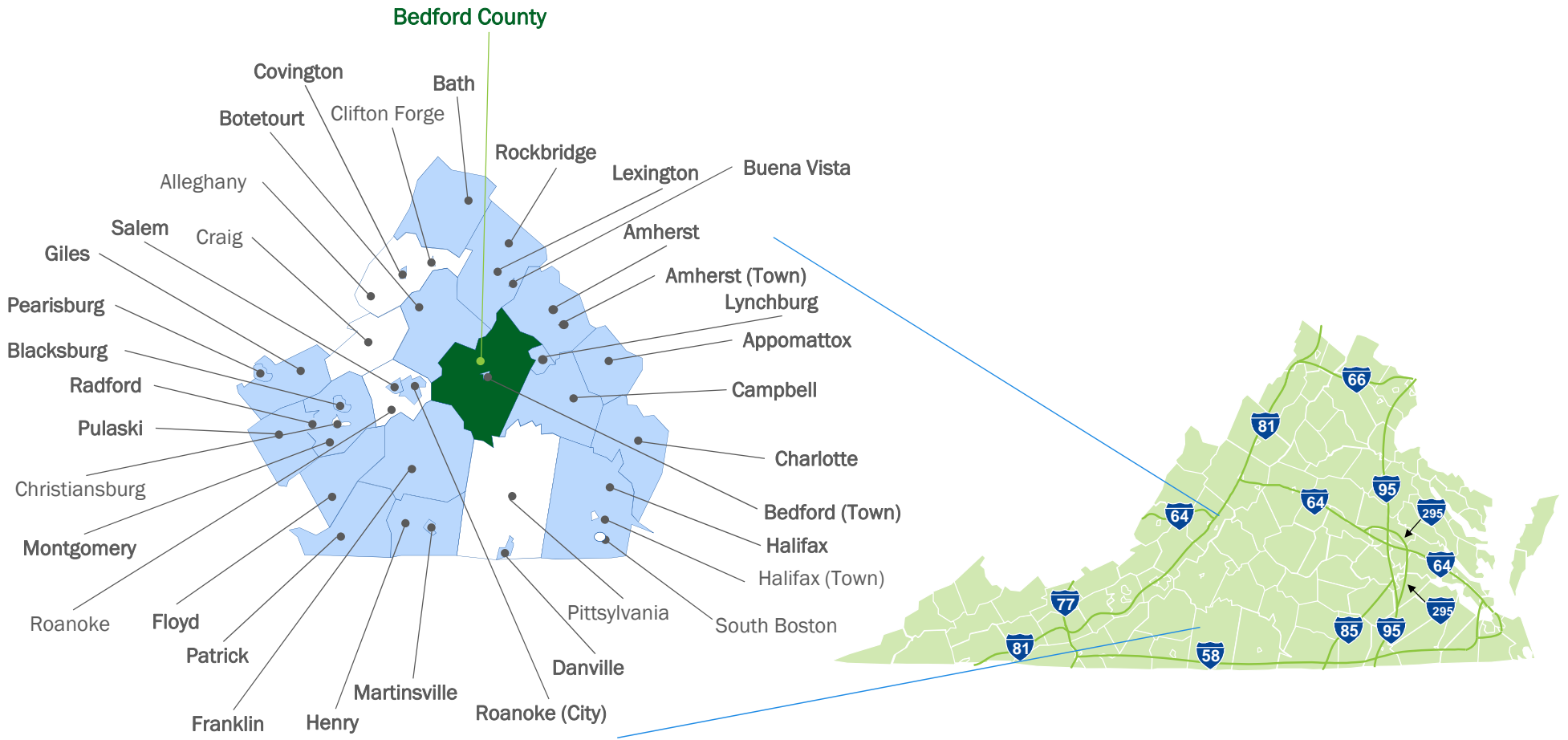
- Public Finance
- Asset Management
- Investment Consulting
- Retail Brokerage
- Equity Research



# Select Client Engagements in Central Virginia

Over the past two decades, Davenport has represented more Virginia local governments than any other firm. Below, we have provided a map of surrounding local government clients that Davenport currently serves.

In total, Davenport has over 200 Municipal Advisory clients in the Commonwealth of Virginia and more than 400 Municipal Advisory Clients in the Mid-Atlantic/Southeastern region as of December 31, 2020.



Note: Davenport client names are bolded/shaded.



# Background/Overview

Bedford County, Virginia





# Overview

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- Bedford County, Virginia (the “County”) is in the beginning stages of its budget process for Fiscal Year 2022.
- Davenport & Company (“Davenport”) was hired by the County to prepare and present a Comprehensive Financial Condition Analysis to serve as a starting point for its budgetary discussions.
- In this Comprehensive Financial Condition Analysis, Davenport will contextualize the County’s current financial position while also providing a framework to assist in decision-making related to the funding of current operations as well as capital planning in Fiscal Year 2022 and beyond.
- On the following page, Davenport has summarized the Approach we have used to complete the Comprehensive Financial Condition Analysis.



# Davenport Approach

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- As part of this Comprehensive Financial Condition Analysis, Davenport will address the following topics:

1. Peer Comparisons: In order to provide the County with perspective regarding its financial position, we have compared the County to other Virginia and Regional Peers which mirror its financial and demographic profile.
2. General Fund Operations: Reviewing and analyzing the Financial/Cash-Flow Structure of the County.
  - Identifying strengths and weaknesses within the County’s annual General Fund cash-flows and budgets through a multi-year trend analysis.
3. Assessment of General Fund Reserve Levels (i.e. Fund Balance): Understanding what appropriate/minimum levels of reserves the County should have for operations in the event of an economic downturn – without the need for a short-term borrowing.
  - Reviewing the County’s policy related to Fund Balance and evaluating consistency with “best practices” for local governments.



# Davenport Approach (cont.)

- As part of this Comprehensive Financial Condition Analysis, Davenport will address the following topics (cont.):
  5. Evaluation of the County's Debt Structure: Reviewing the County's Debt Profile in an effort to understand the cash flow requirements of current obligations.
  6. Debt Capacity Analysis: Evaluating the County's Debt Capacity (i.e. the amount of additional debt the County could incur while maintaining compliance with the County's established Financial Policies).
  7. Debt Affordability Analysis: Evaluating the County's Debt Affordability (i.e. the amount of additional debt the County could incur holding its cash flows constant).
  8. Solid Waste Operations: Reviewing and analyzing the County's cash flows related to Solid Waste.
    - Assessment of Cash Flow trends in light of implementing the Transfer Station program;
    - Estimating the additional cash flow burden that will result from landfill closure costs; and,
    - Projection of support required from the General Fund to fund operations and pay for future debt service.



# Executive Summary

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## 1. Peer Comparisons:

- Bedford County compares very favorably to its regional (Virginia) and national (i.e. Counties) peers.
- Although not rated by the credit rating agencies, Bedford County, if rated, would be considered highly ranked.

## 2. General Fund Operations:

- Over a multi-year period, the County routinely produces structurally balanced budgets.
- The County regularly funds considerable capital improvements using recurring annual revenue.

## 3. Assessment of General Fund Reserve Levels (i.e. Fund Balance):

- The County enjoys excellent fund balance levels.
- The County is well in excess of its various fund balance policies.
- Fund balance(s) is the most important credit rating criteria.



# Executive Summary (cont.)

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## 4. Evaluation of the County's Debt Structure:

- The County enjoys rapid debt repayment.
- The County debt levels are well below its existing debt policy(s).
- The County has potential for certain refinancing opportunities to save interest costs over the next several years.

## 5. Debt Capacity Analysis:

- The County has considerable debt capacity (well in excess of \$100 million over the next decade).

## 6. Debt Affordability Analysis:

- The County has substantial ability to incur new debt without adding additional annual burden to the General Fund (approximately \$50 to \$75 million over the next decade).



# Executive Summary (cont.)

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## 7. Solid Waste Operations:

- In this Fiscal Year (2021) the County is transitioning from closing its landfill operations permanently to a transfer operation model.
- Landfill Closure could require approximately \$10 million to close out the old operation.
- The new transfer operation could potentially cost the County several million additional dollars per year.

## 8. Additional Observations

- School Reversion will require the County make up approximately \$6 million in lost revenue in FY 2029 and beyond.
- In addition, financial support of the Solid Waste Fund could require approximately \$3.5 million per year within the next 2-3 fiscal years.
- The County has significant General Fund and Solid Waste Fund Reserves that will help soften the impact to the County.



# Executive Summary (cont.)

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## 9. Next Steps

- Davenport to update our presentation once audited FY 2020 information is available.
- Recognizing the unprecedented impact of the Pandemic on all local governments, move carefully in developing any long term plan with as much financial information as possible to rely on.
- Therefore, over the upcoming Summer Davenport and Staff to develop a updated multi-year plan of finance for identified capital needs and a long term strategy to incorporate the ultimate School and Solid Waste ongoing funding needs.



# Peer Comparative Analysis

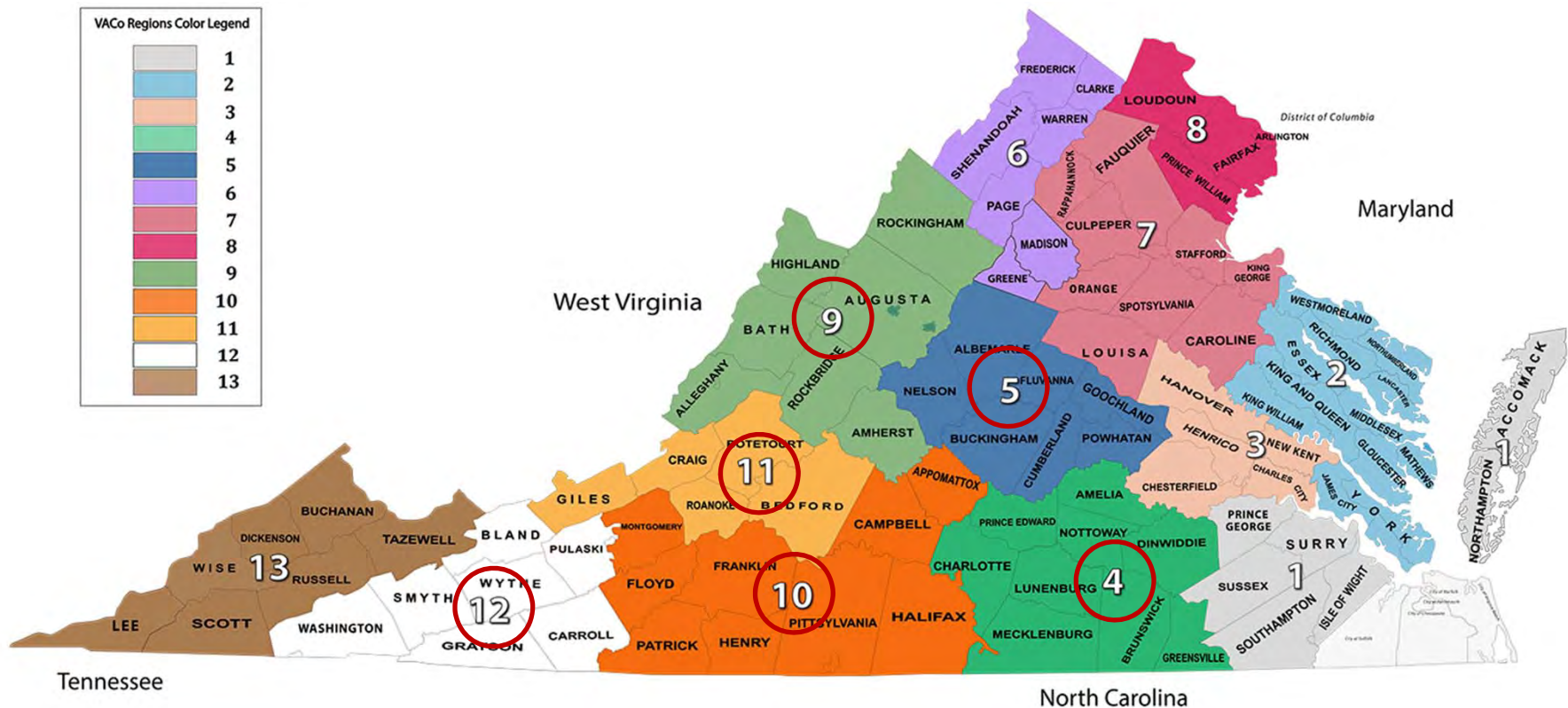
Bedford County, Virginia





# Selection of Peer Comparatives

- In developing the County’s Peer Comparative group, Davenport has selected localities that mirror the County’s demographic and credit profile.
- The peer group that Davenport has developed for the County consists of the following:
  - Virginia County Peers: Counties in VACo Regions 4, 5, 9, 10, 11, and 12 rated primarily in the “Aa” and “A” category by Moody’s
- In addition to the Virginia Counties that fall within these categories, Davenport has also compared the County to Virginia and National Medians.





# Peer Comparative Group

## VACo Regional County Neighbors | Regions 4, 5, 9, 10, 11, 12

VACo Regional County Neighbors					
Peer County	Region	Rating	Peer County	Region	Rating
Albemarle County	5	Aaa	Grayson County	12	Not Rated
Alleghany County	9	Not Rated	Greensville County	4	Not Rated
Amelia County	4	Not Rated	Halifax County	10	Not Rated
Amherst County	9	Not Rated	Henry County	10	Aa3
Appomattox County	10	Aa3	Highland County	9	Not Rated
Augusta County	9	Not Rated	Lunenburg County	4	Not Rated
Bath County	9	Not Rated	Mecklenburg County	4	Not Rated
Bedford County	11	Not Rated	Montgomery County	10	Aa1
Bland County	12	Not Rated	Nelson County	5	Not Rated
Botetourt County	11	Not Rated	Nottoway County	4	Not Rated
Brunswick County	4	Not Rated	Patrick County	10	Not Rated
Buckingham County	5	Not Rated	Pittsylvania County	10	Aa3
Campbell County	10	Aa2	Powhatan County	5	Aa3
Carroll County	12	Not Rated	Prince Edward County	4	Not Rated
Charlotte County	4	Not Rated	Pulaski County	12	Aa2
Craig County	11	Not Rated	Roanoke County	11	Not Rated
Cumberland County	5	Not Rated	Rockbridge County	9	Not Rated
Dinwiddie County	4	Not Rated	Rockingham County	9	Not Rated
Floyd County	10	Not Rated	Smyth County	12	A2
Fluvanna County	5	Not Rated	Washington County	12	Aa3
Franklin County	10	Aa2	Wythe County	12	Not Rated
Giles County	11	Not Rated			

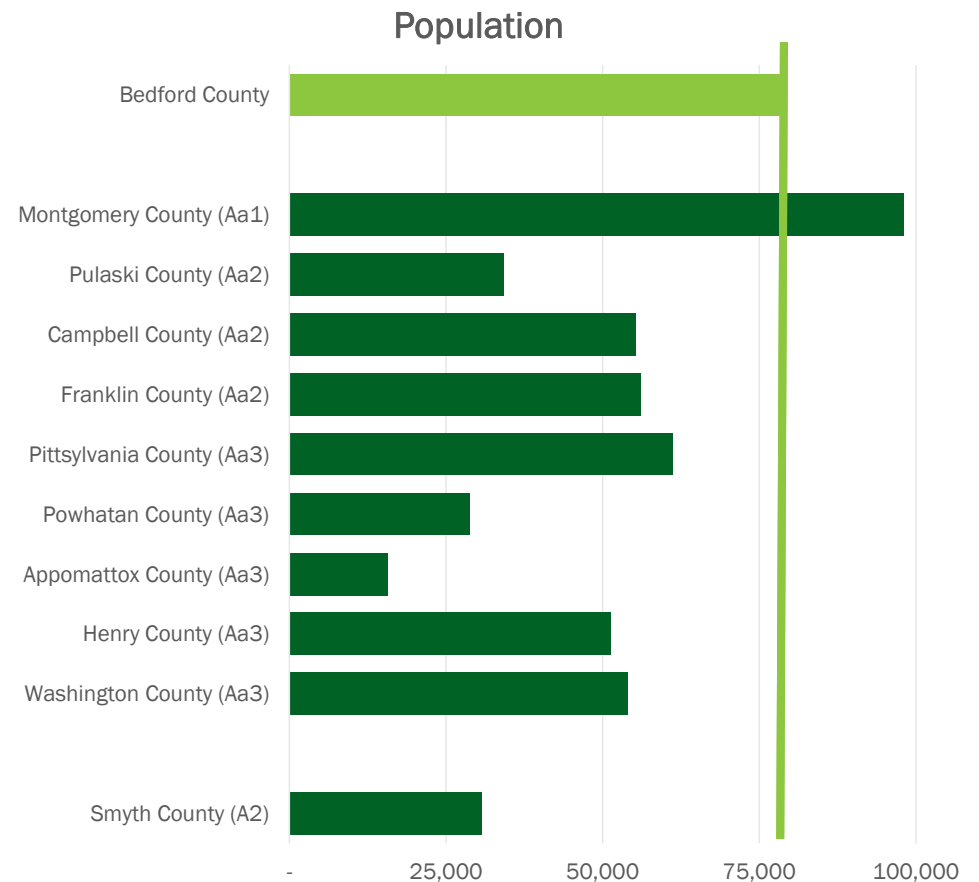
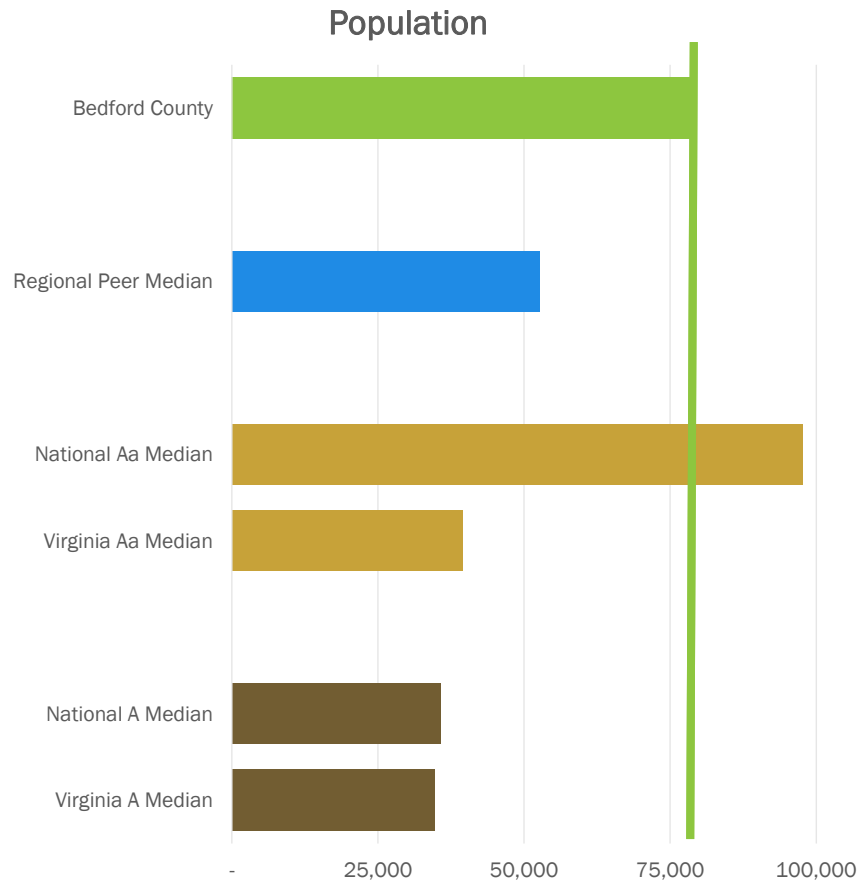
### Regional Peers

Regional Peers		
Peer County	Region	Rating
Montgomery County	10	Aa1
Pulaski County	12	Aa2
Campbell County	10	Aa2
Franklin County	10	Aa2
Pittsylvania County	10	Aa3
Powhatan County	5	Aa3
Appomattox County	10	Aa3
Henry County	10	Aa3
Washington County	12	Aa3
Smyth County	12	A2

*In the blue box above, Davenport has summarized the Virginia Counties that have been included in the County's Peer Comparative Group.*



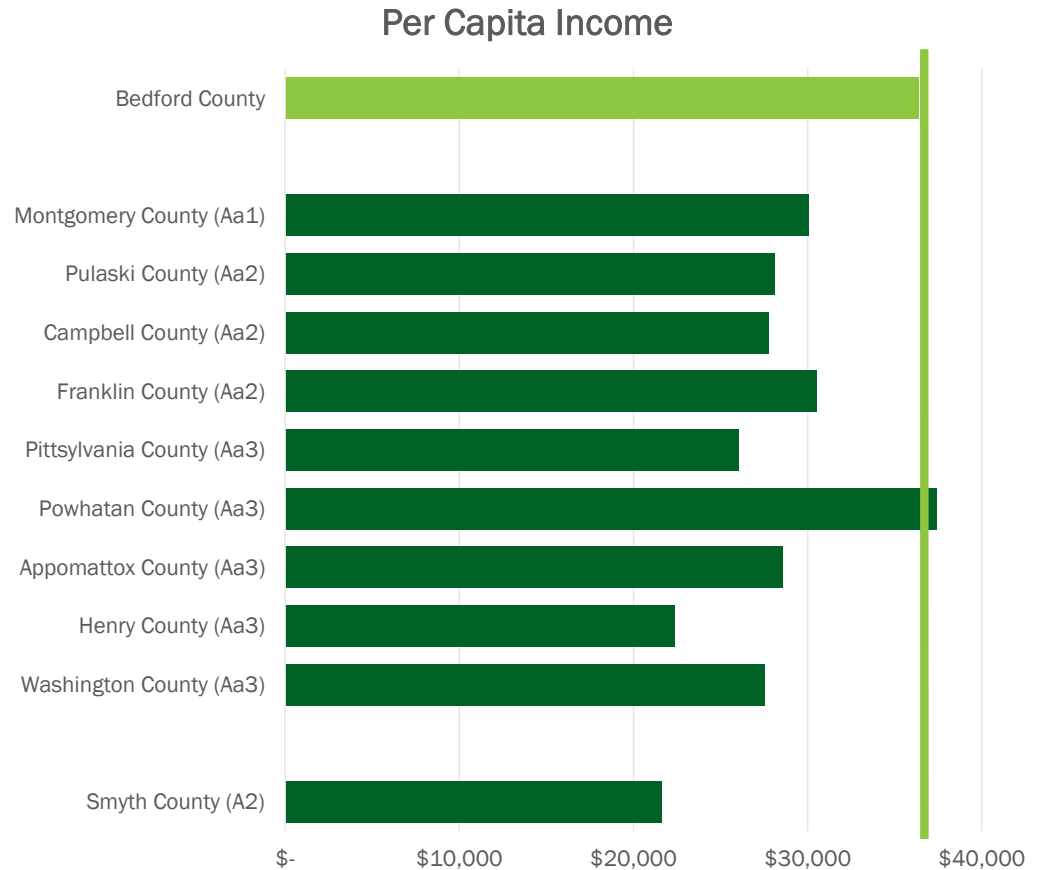
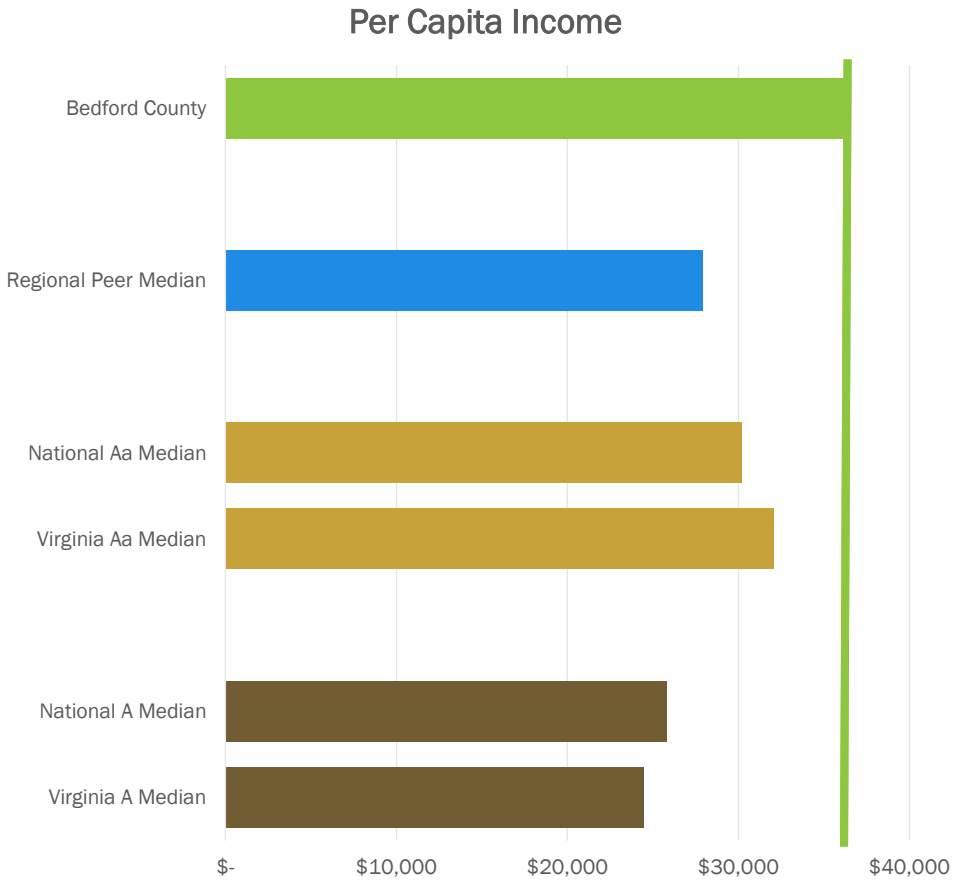
# Peer Comparatives – Population



*The County's population exceeds all of its Regional Peers except for Montgomery County. The County's population also exceeds both the Virginia and National "A" medians as well as the Virginia "Aa" median.*



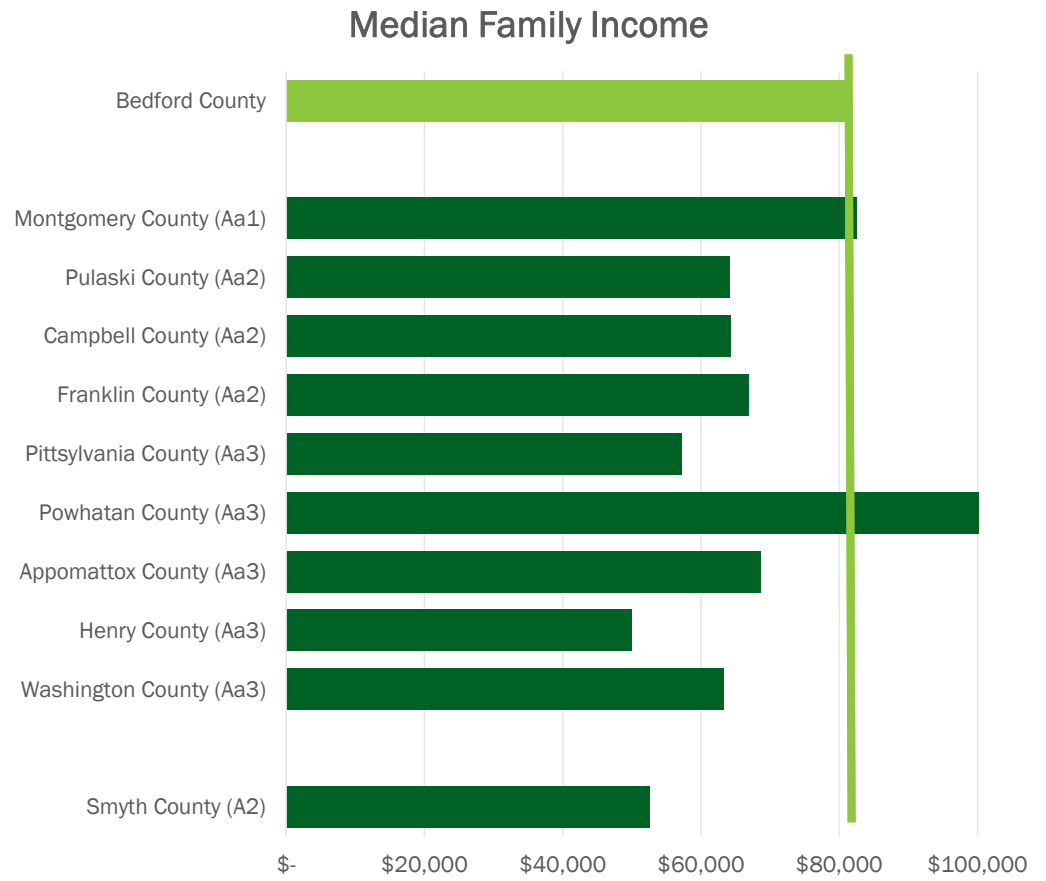
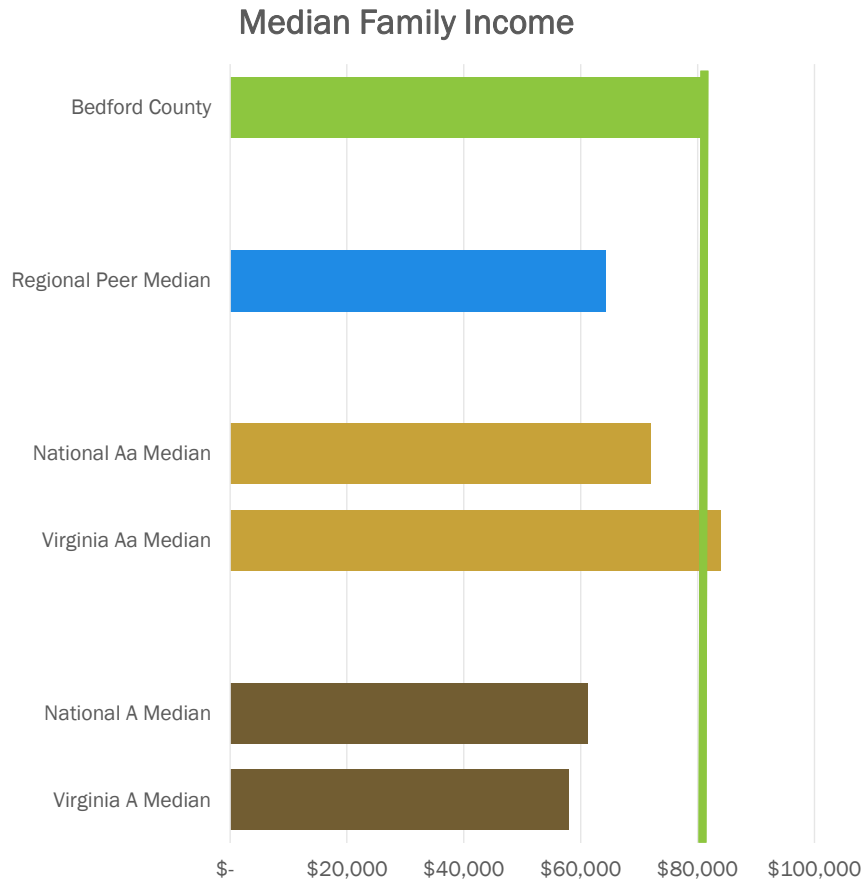
# Peer Comparatives – Per Capita Income



*The County's per capita income compares favorably with its Regional Peers and exceeds the medians for the Virginia and National "Aa" and "A" categories.*



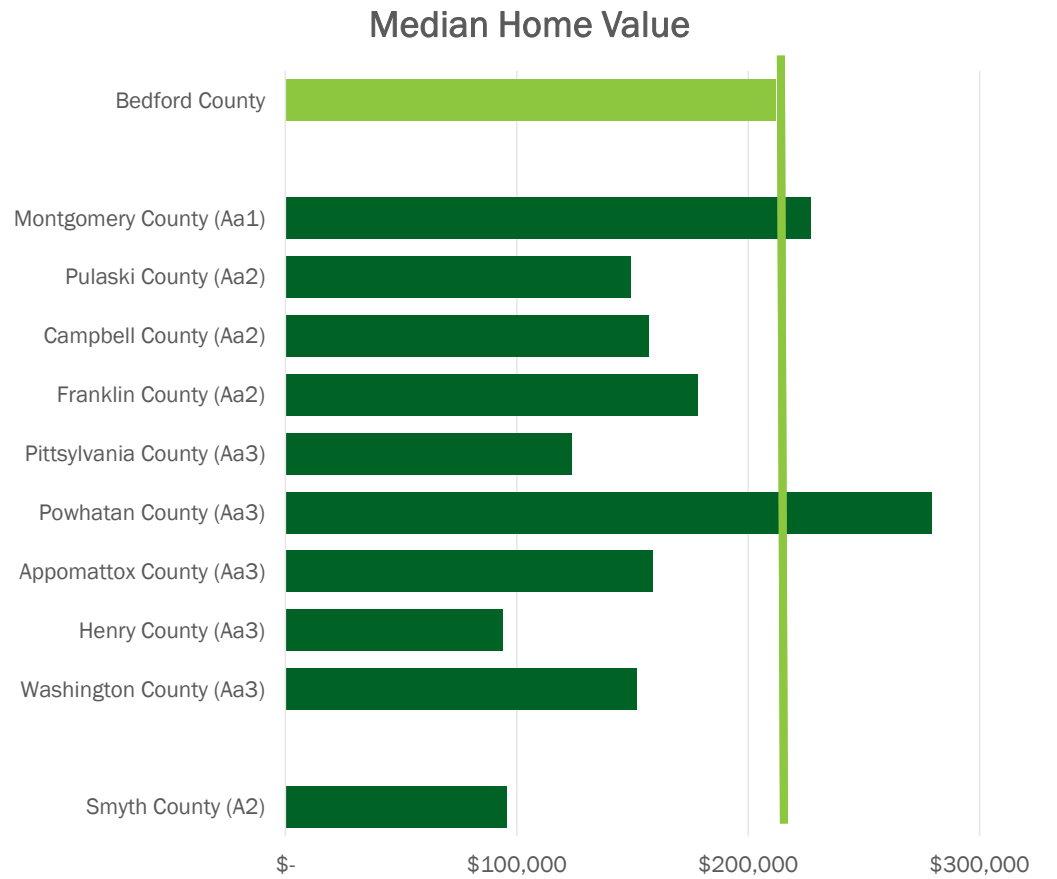
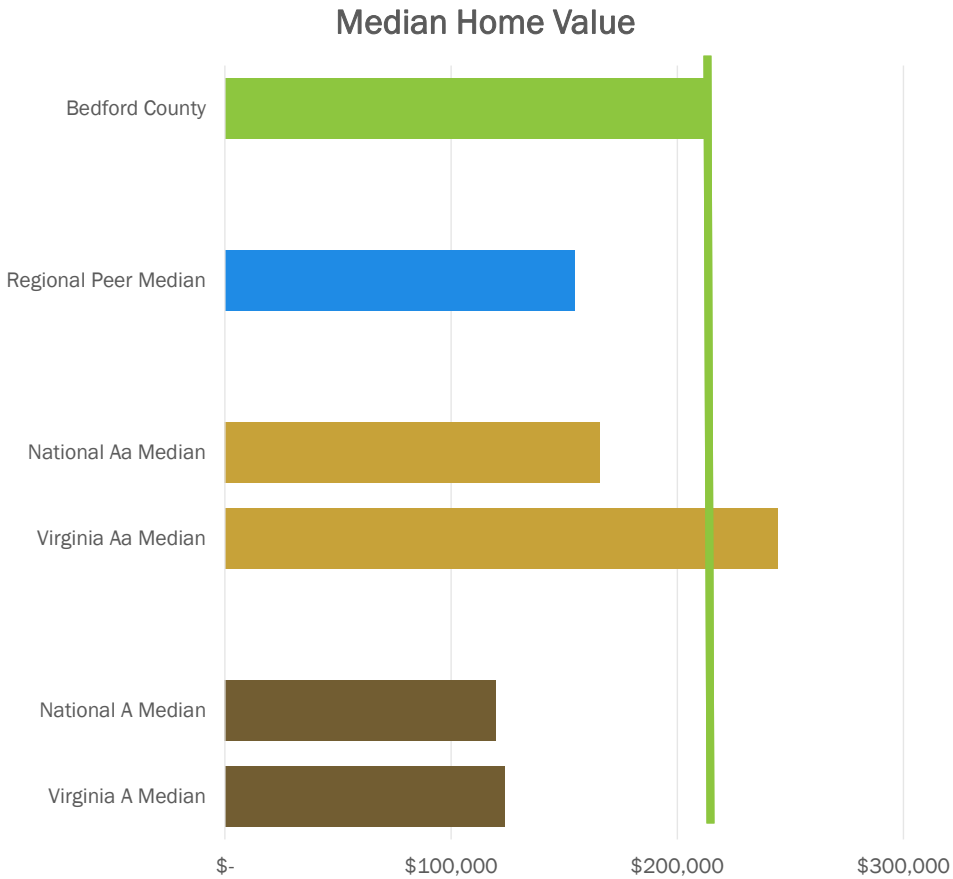
# Peer Comparatives – Median Family Income



*The County's median family income compares favorably with its Regional Peers and exceeds the medians for the Virginia and National "A" categories as well as the National "Aa" median.*



# Peer Comparatives – Median Home Value



*The County's median home value compares favorably with its Regional Peers and exceeds the medians for the Virginia and National "A" categories as well as the National "Aa" median.*



# Total Taxable Assessed Value

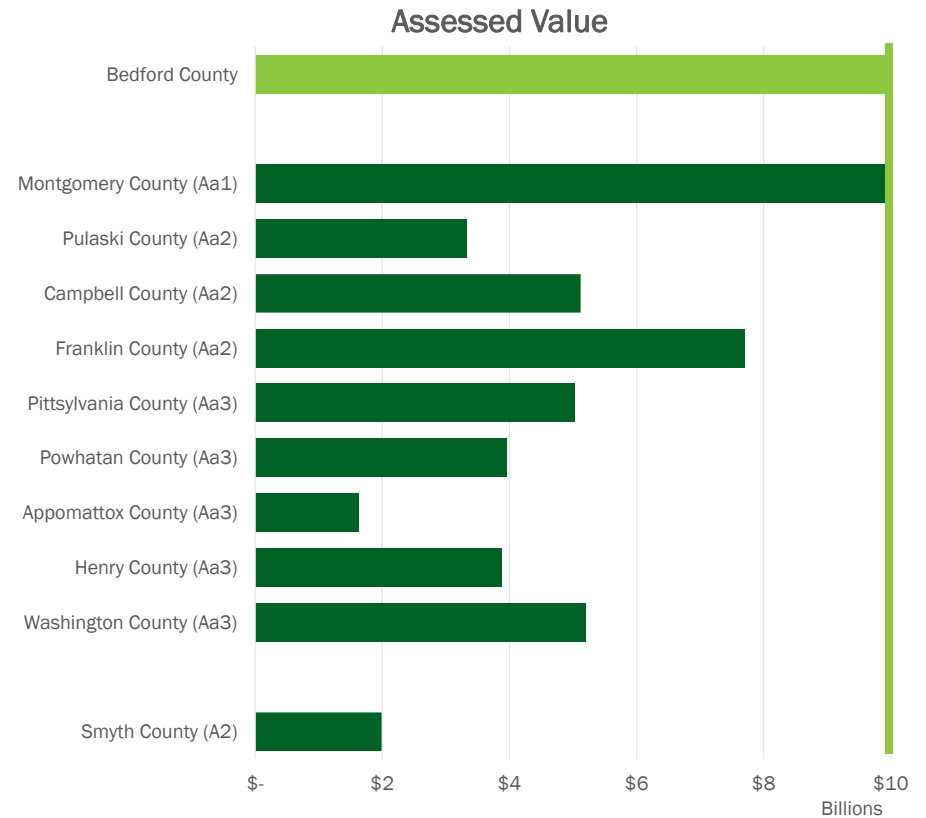
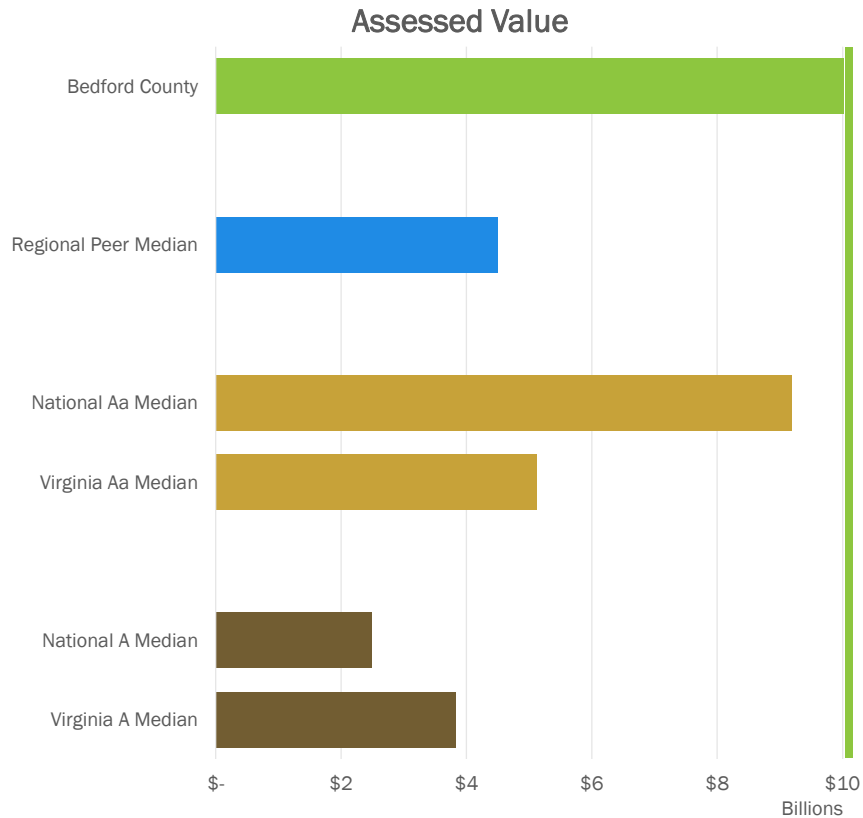


Total Taxable Assessed Value										
Calendar Year	Real Property	%	Personal Property	%	Machinery & Tools	%	Mobile Homes	%	Total Taxable Assessed Value	%
2011	\$ 7,732,976,853	-3%	\$ 730,187,099	3%	\$ 208,715,506	-2%	\$ 26,951,942	-14%	\$ 8,644,927,516	N/A
2012	7,840,189,623	1%	751,254,218	3%	206,916,572	-1%	27,435,950	2%	8,770,924,463	1%
2013	8,300,197,772	6%	751,809,498	0%	201,571,627	-3%	27,770,714	1%	9,225,808,183	5%
2014	8,386,797,488	1%	833,158,301	11%	230,309,054	14%	28,466,035	3%	9,421,798,808	2%
2015	8,505,825,150	1%	856,825,947	3%	252,210,817	10%	25,574,328	-10%	9,589,287,586	2%
2016	8,653,556,784	2%	896,333,299	5%	303,197,127	20%	26,073,823	2%	9,827,013,387	2%
2017	8,730,380,122	1%	929,923,379	4%	316,341,478	4%	26,253,598	1%	9,950,391,381	1%
2018	8,802,319,528	1%	955,716,252	3%	324,579,750	3%	26,411,565	1%	10,056,203,965	1%
2019	9,053,166,014	3%	996,113,587	4%	321,411,654	-1%	22,986,856	-13%	10,347,704,399	3%
2020	9,154,456,745	1%	1,030,374,705	3%	317,570,231	-1%	23,456,052	2%	10,478,945,629	1%

Note: Real Property is net of tax deferments.  
Source: Bedford County 2019 CAFR & County Staff.



# Peer Comparatives – Assessed Value

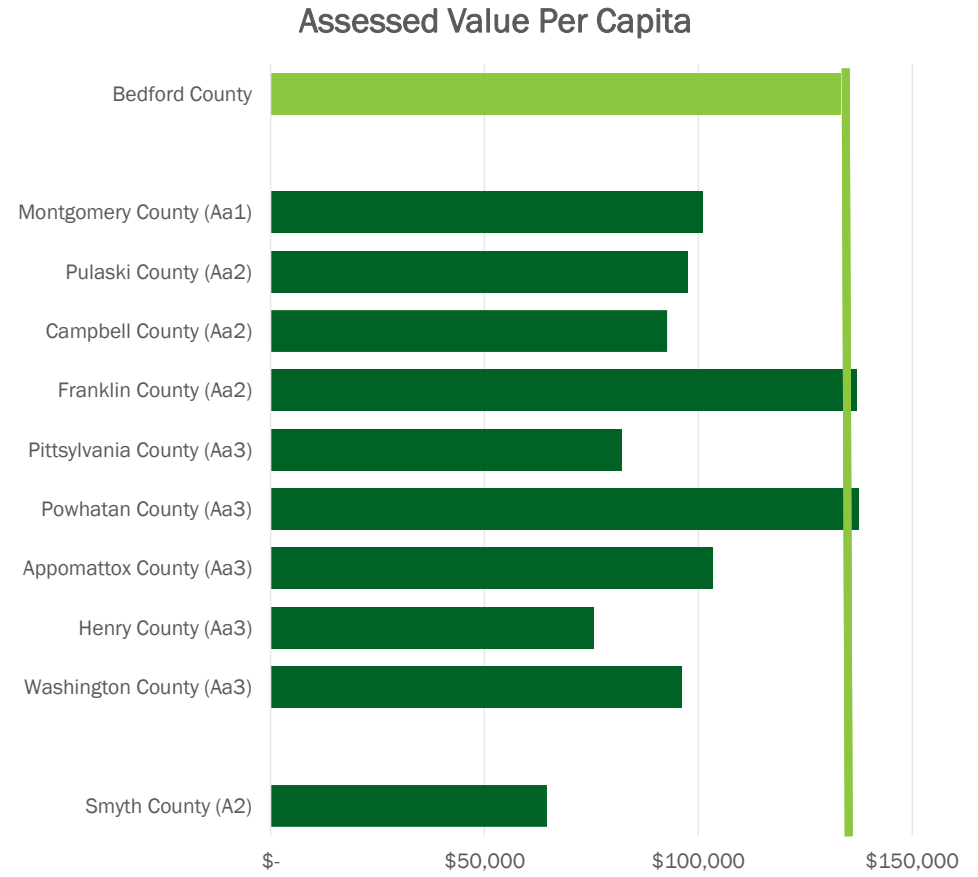
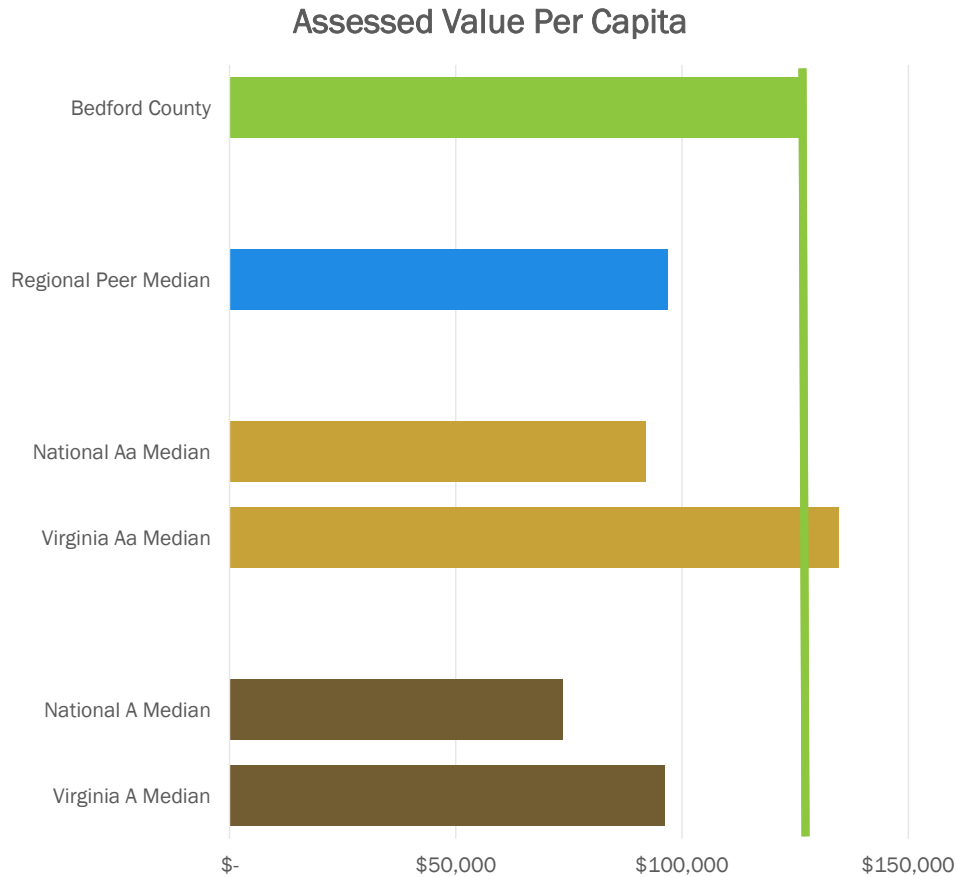


*The County's total assessed value is among the largest in its Regional Peer group and exceeds the Virginia and National "A" as well as "Aa" medians.*





# Peer Comparatives – Assessed Value Per Capita

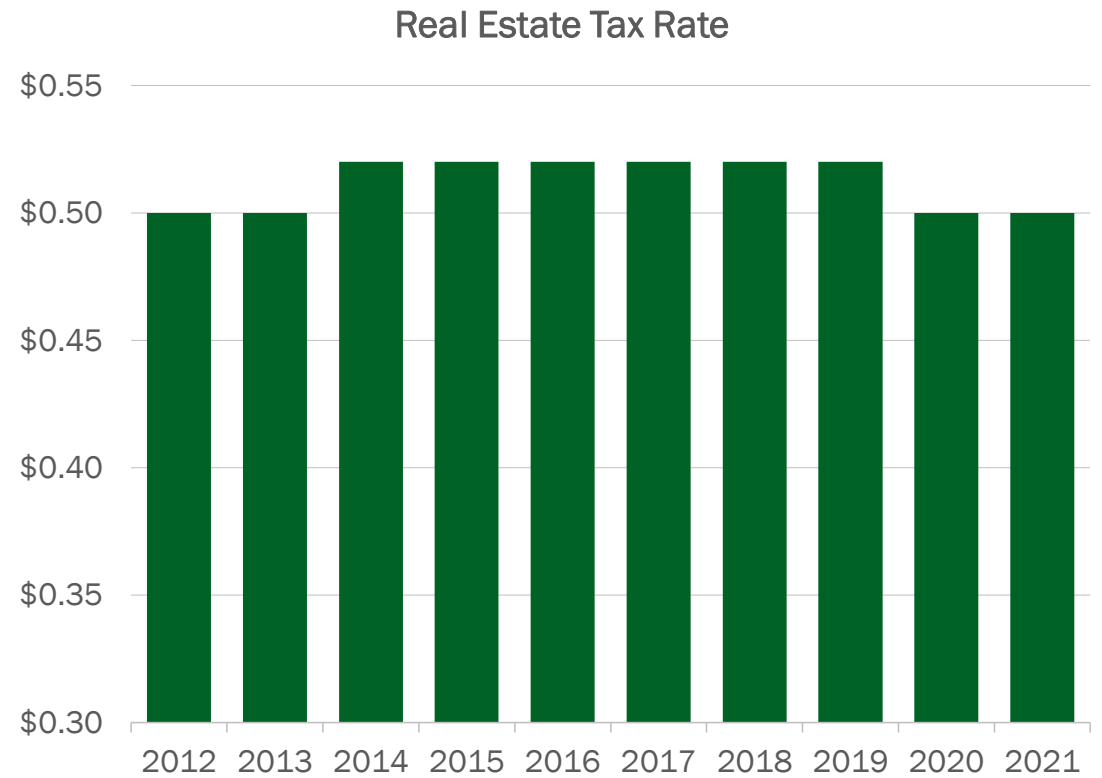


*The County’s assessed value per capita compares favorably with its Regional Peers and exceeds the medians for the Virginia and National “A” categories as well as the National “Aa” median. The County is just slightly below the “Aa” Virginia median.*



# Real Estate Tax Rate

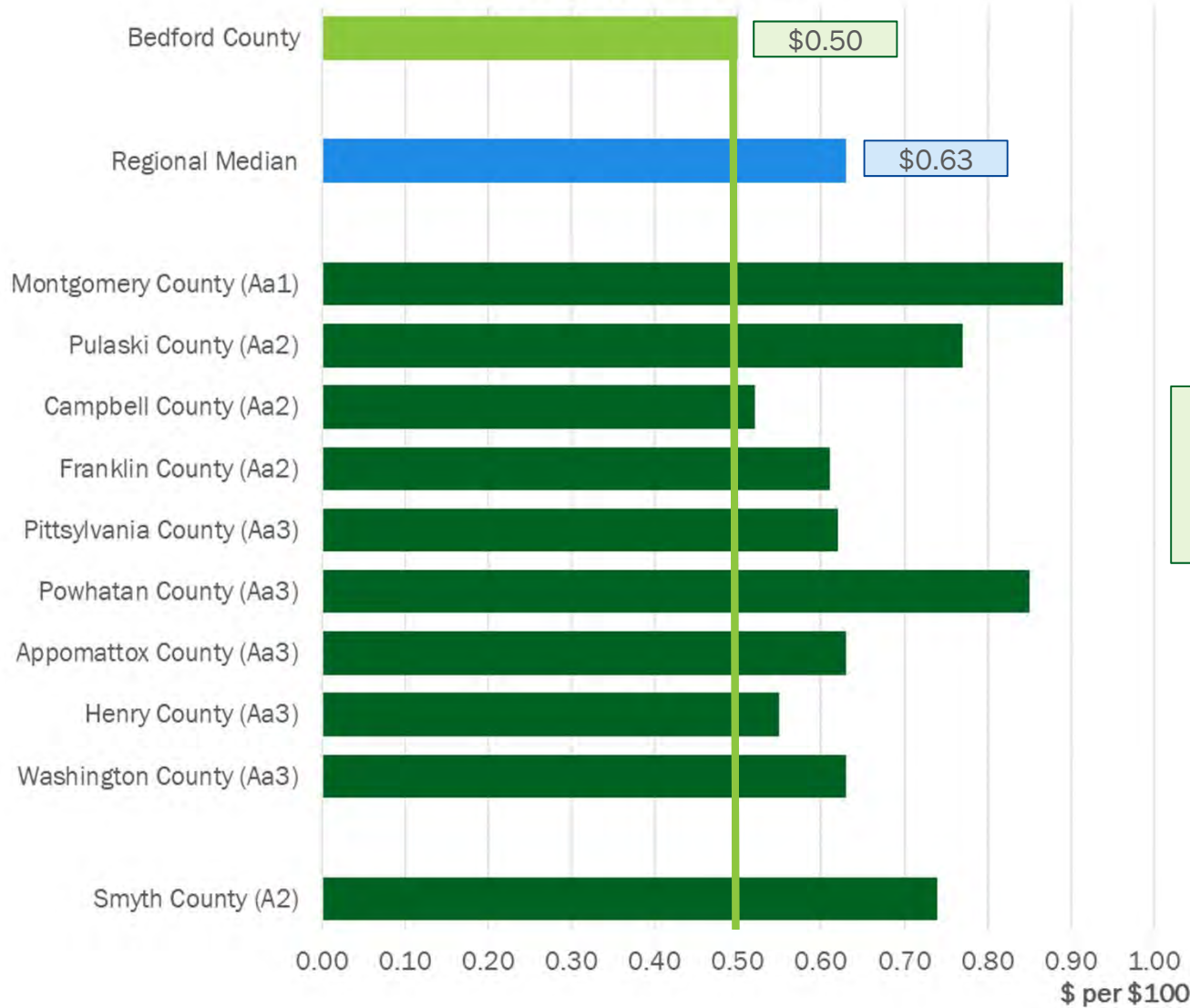
Fiscal Year	Real Estate Tax Rate
2012	\$0.500
2013	0.500
2014	0.520
2015	0.520
2016	0.520
2017	0.520
2018	0.520
2019	0.520
2020	0.500
2021	0.500





# Peer Comparatives – Real Estate Tax Rate

### Real Estate Tax Rate



*The County's Real Estate Tax rate is 13 cents below the median of its Regional Peers.*



# Historical Financials

Bedford County, Virginia

# Historic General Fund Cash Flow Trends

## Operating Revenues and Expenditures



	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
<b>Revenues</b>					
General property taxes	\$ 60,043,733	\$ 61,700,495	\$ 63,520,537	\$ 65,013,122	\$ 66,303,730
Other local taxes	11,647,448	12,149,638	12,529,553	13,215,433	13,463,926
Permits, privilege fees, and regulatory licenses	540,118	512,450	515,652	530,735	611,793
Fines and forfeitures	122,821	115,017	155,382	145,480	129,851
Revenue from use of money and property	275,960	476,458	736,247	786,376	809,401
Charges for services	1,840,840	2,002,289	2,015,902	2,818,251	2,448,328
Other	541,357	535,437	446,039	593,612	631,471
Recovered costs	503,792	460,022	541,654	522,472	634,755
Intergovernmental	19,565,405	20,456,296	20,845,343	22,167,811	23,989,020
<b>Total Operating Revenues</b>	<b>\$ 95,081,474</b>	<b>\$ 98,408,102</b>	<b>\$ 101,306,309</b>	<b>\$ 105,793,292</b>	<b>\$ 109,022,275</b>
<b>Expenditures</b>					
<b>Current Operating</b>					
General government administration	\$ 3,790,833	\$ 3,563,822	\$ 3,772,199	\$ 4,190,871	\$ 4,522,841
Judicial administration	2,025,961	2,132,148	2,210,515	2,314,015	2,388,617
Public safety	17,824,591	18,828,269	19,344,212	21,303,220	20,941,980
Public works					
<i>Refuse collection</i>	2,733,962	2,821,383	2,936,753	2,977,544	3,129,485
<i>Other public works spending</i>	1,408,285	1,596,549	1,635,675	1,814,627	1,923,372
Public works subtotal	4,142,247	4,417,932	4,572,428	4,792,171	5,052,857
Health and welfare	9,879,615	10,729,572	11,626,797	13,281,249	14,709,600
Education	29,496,706	32,875,682	33,950,706	37,302,935	36,098,010
Parks, recreation, and cultural	2,823,541	2,849,528	2,993,734	3,165,687	3,130,561
Community development	3,099,227	3,098,928	3,247,165	3,393,749	3,487,754
<b>Debt Service</b>					
Principal	\$ 6,048,314	\$ 5,777,279	\$ 5,701,156	\$ 6,362,167	\$ 6,093,223
Interest and other fiscal charges	2,684,171	2,363,660	2,175,912	3,543,651	3,066,792
<b>Total Operating Expenditures</b>	<b>\$ 81,815,206</b>	<b>\$ 86,636,820</b>	<b>\$ 89,594,824</b>	<b>\$ 99,649,715</b>	<b>\$ 99,492,235</b>
<b>Excess of Operating Revs. over Operating Expend. <u>Before All Capital</u></b>	<b>\$ 13,266,268</b>	<b>\$ 11,771,282</b>	<b>\$ 11,711,485</b>	<b>\$ 6,143,577</b>	<b>\$ 9,530,040</b>



# Key Observations

## General Fund Cash Flows

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- From time to time, the County's expenditures have grown faster than revenues in the General Fund. Between Fiscal Years 2017 and 2018, expenditures grew by \$10.1 million due primarily to increases in spending on Public Safety, Education, and Debt Service. However, revenues only grew by \$4.4 million over that same period.
  
- The County's pay-go capital spending appears to be strong but is to a large degree spoken for:
  - Required payments to the Bedford Regional Water Authority (\$2.5 million in Fiscal Year 2022 but decreasing in future years); and,
  
  - \$0.5 million annually for school capital projects building toward reversion.



# Key Observations

## General Fund Cash Flows

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- The General Fund is structurally balanced (i.e. recurring revenues comfortably exceed recurring expenditures). However, several factors mitigate – to a degree – this excess. This includes:
  - The County’s requirement to continue making annual payments to the Bedford Regional Water Authority for the next several years (\$2.5 million in Fiscal Year 2022 but decreasing in future years).
  
- Additionally, the County will be facing future pressures, including:
  - The County will need to make up approximately \$6 million of school revenue that is expected to be cut off from the Commonwealth at the end of Fiscal Year 2029 due to reversion; and,
  - The County will eventually face a recurring deficit in the Solid Waste Fund of approximately \$3 million (see Solid Waste Fund section beginning on page 62).

# Historic General Fund Cash Flow Trends

## Net Change In Total Fund Balance



	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
<b>Excess of Operating Revs. over Operating Expend. Before All Capital</b>	\$ 13,266,268	\$ 11,771,282	\$ 11,711,485	\$ 6,143,577	\$ 9,530,040
<b>Capital Projects Funded with Pay-Go and Fund Balance</b>					
Education capital spending from pay-go/fund balance	\$ -	\$ -	\$ -	\$ -	\$ -
Other governmental activities capital spending from pay-go/fund balance	7,345,679	4,604,686	5,504,954	6,585,982	7,597,926
<b>Total Pay-Go Capital Projects</b>	\$ 7,345,679	\$ 4,604,686	\$ 5,504,954	\$ 6,585,982	\$ 7,597,926
<b>Excess of Operating Revs. over Operating Expend. After Cash-Funded Capital</b>	\$ 5,920,589	\$ 7,166,596	\$ 6,206,531	\$ (442,405)	\$ 1,932,114
<b>Other Financing Sources (Uses) Including Bond Inflows and Outflows</b>					
Bond issuance	\$ -	\$ -	\$ 36,865,000	\$ -	\$ 20,275,000
Premium	-	-	3,220,678	-	2,296,387
Bond funded education capital spending	(51,101)	(1,262,299)	(13,623,037)	(24,018,220)	(4,868,360)
Bond funded other governmental activities capital spending	-	-	-	-	-
Payment to refunded bond escrow agent	-	(7,168,810)	-	-	-
Refunding bonds issued	-	7,225,000	-	-	-
Transfers out	-	-	-	(50,000)	-
<b>Total Other Financing Sources (Uses) Including Bond Inflows and Outflows</b>	\$ (51,101)	\$ (1,206,109)	\$ 26,462,641	\$ (24,068,220)	\$ 17,703,027
<b>Net Change in Total Fund Balance Incl. Capital and Bond Inflows and Outflows</b>	\$ 5,869,488	\$ 5,960,487	\$ 32,669,172	\$ (24,510,625)	\$ 19,635,141
<b>Fund balance, beginning of year<sup>(1)</sup></b>	\$ 46,503,469	\$ 53,964,635	\$ 60,011,961	\$ 92,681,133	\$ 68,170,508
<b>Fund balance, end of year</b>	\$ 52,372,957	\$ 59,925,122	\$ 92,681,133	\$ 68,170,508	\$ 87,805,649

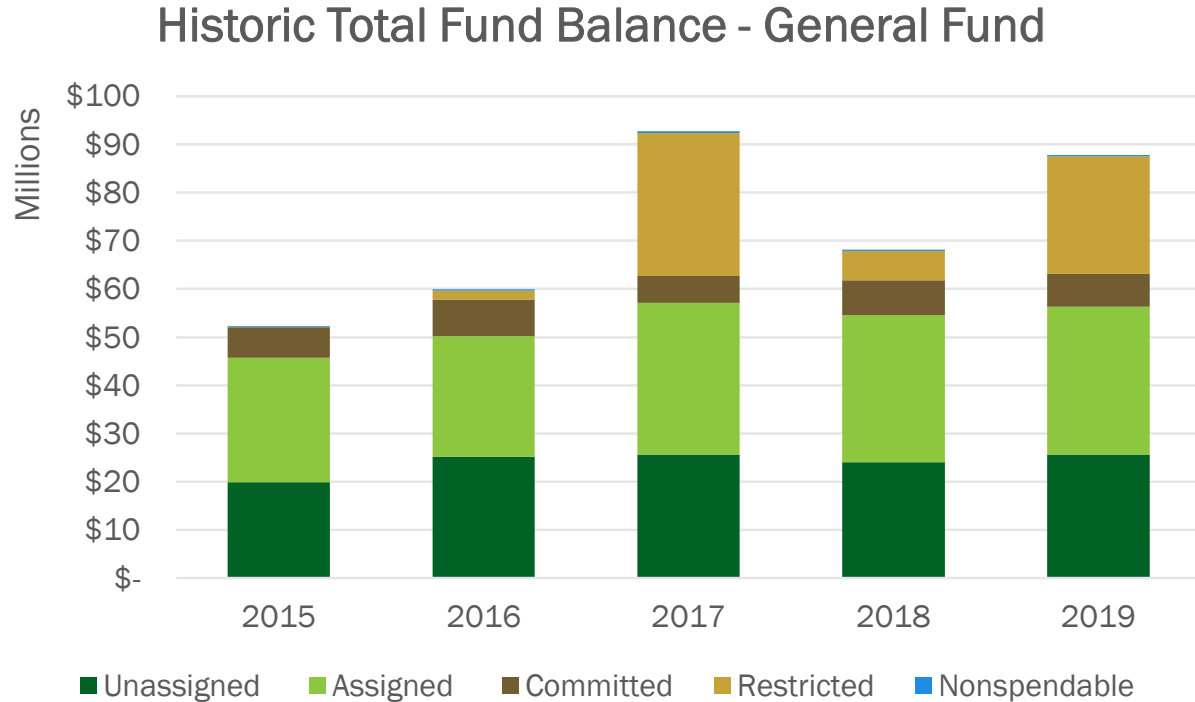
(1) Beginning year fund balances were restated for Fiscal Years 2015, 2016, and 2017.

Source: Bedford County CAFRs.





# Historic Total Fund Balance – General Fund



Historic Total Fund Balance - General Fund						
Fiscal Year	Unassigned	Assigned	Committed	Restricted	Nonspendable	Total Fund Balance
2015	\$ 19,916,759	\$ 25,789,032	\$ 6,366,387	\$ 66,179	\$ 234,600	\$ 52,372,957
2016	25,244,877	24,936,650	7,624,489	1,850,461	268,645	59,925,122
2017	25,656,556	31,471,282	5,570,652	29,704,078	278,565	92,681,133
2018	24,082,774	30,428,808	7,290,318	6,072,001	296,607	68,170,508
2019	25,640,778	30,658,140	6,836,238	24,385,995	284,498	87,805,649



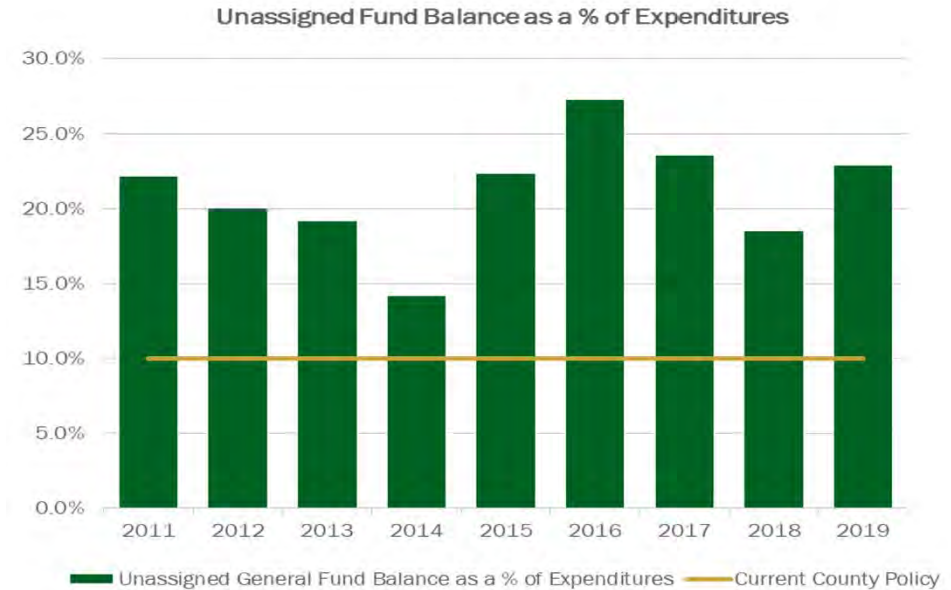
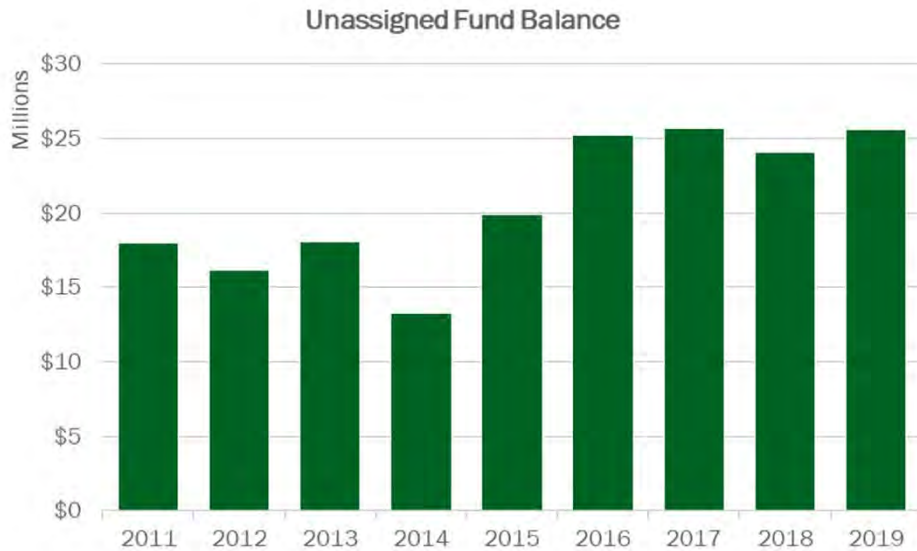
# County Fund Balance Policy

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- The County maintains a Fund Balance Policy which outlines the minimum amounts of Fund Balance that should be maintained at all times. Key elements of the policy are summarized below:
  - *“The Government Finance Officers Association recommends that at a minimum, the total of committed, assigned and unassigned fund balance in the General Fund be available to cover at least two months of operating revenues or expenditures. The County sets the level of fund balance needed to mitigate risks and minimize cost associated with debt as follows:”*
  - *“The level of unassigned fund balance at each fiscal year end shall be set at ten percent (10%) of the next fiscal year’s General Fund operating expenses.”*
  - *“Ten percent (10%) is identified as the minimum amount needed to safeguard the County’s financial stability. This level, when combined with committed and assigned balances, provides the County with sufficient funds to operate in excess of two months without interrupting service levels.”*
- Davenport Observation: As evidenced on the following pages, the County is above its policy thresholds. This is viewed as a credit positive.

# Unassigned Fund Balance

## Current County Approach to Calculating



Fiscal Year	Unassigned General Fund Balance	General Fund Expenditures	Unassigned General Fund Balance as a % of Expenditures	Current County Policy
2011	\$ 18,035,007	\$ 81,322,386	22.2%	10.0%
2012	16,186,173	80,814,687	20.0%	10.0%
2013	18,055,021	94,014,273	19.2%	10.0%
2014	13,274,315	93,610,675	14.2%	10.0%
2015	19,916,759	89,211,986	22.3%	10.0%
2016	25,244,877	92,503,805	27.3%	10.0%
2017	25,656,556	108,722,815	23.6%	10.0%
2018	24,082,774	130,253,917	18.5%	10.0%
2019	25,640,778	111,958,521	22.9%	10.0%

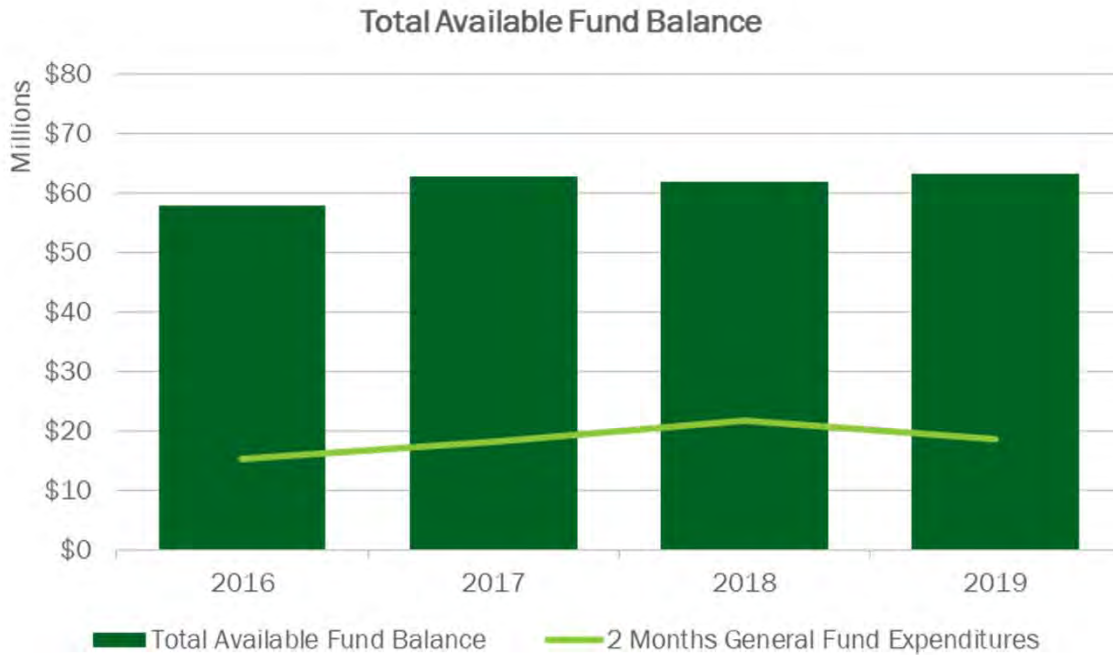
**County Fund Balance Policy – Part 1**

*The level of unassigned fund balance at each fiscal year end shall be set at ten percent (10%) of the next fiscal year’s General Fund operating expenses.*



# Total Available Fund Balance

## Current County Approach to Calculating



**County Fund Balance Policy – Part 2**

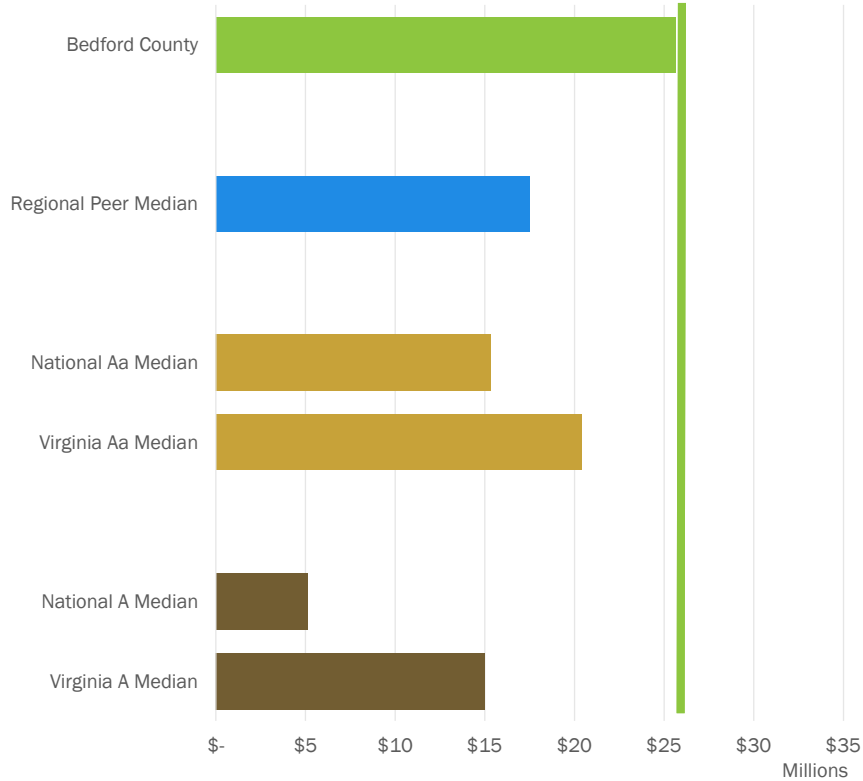
*[The County’s 10% unassigned fund balance threshold] is identified as the minimum amount needed to safeguard the County’s financial stability. This level, when combined with committed and assigned balances, provides the County with sufficient funds to operate in excess of two months without interrupting service levels.*

Fiscal Year	General Fund Unassigned	General Fund Assigned	General Fund Committed	Total Available Fund Balance	General Fund Expenditures	2 Months General Fund Expenditures
2016	\$ 25,244,877	\$ 24,936,650	\$ 7,624,489	\$ 57,806,016	\$ 92,503,805	\$ 15,417,301
2017	25,656,556	31,471,282	5,570,652	62,698,490	108,722,815	18,120,469
2018	24,082,774	30,428,808	7,290,318	61,801,900	130,253,917	21,708,986
2019	25,640,778	30,658,140	6,836,238	63,135,156	111,958,521	18,659,754

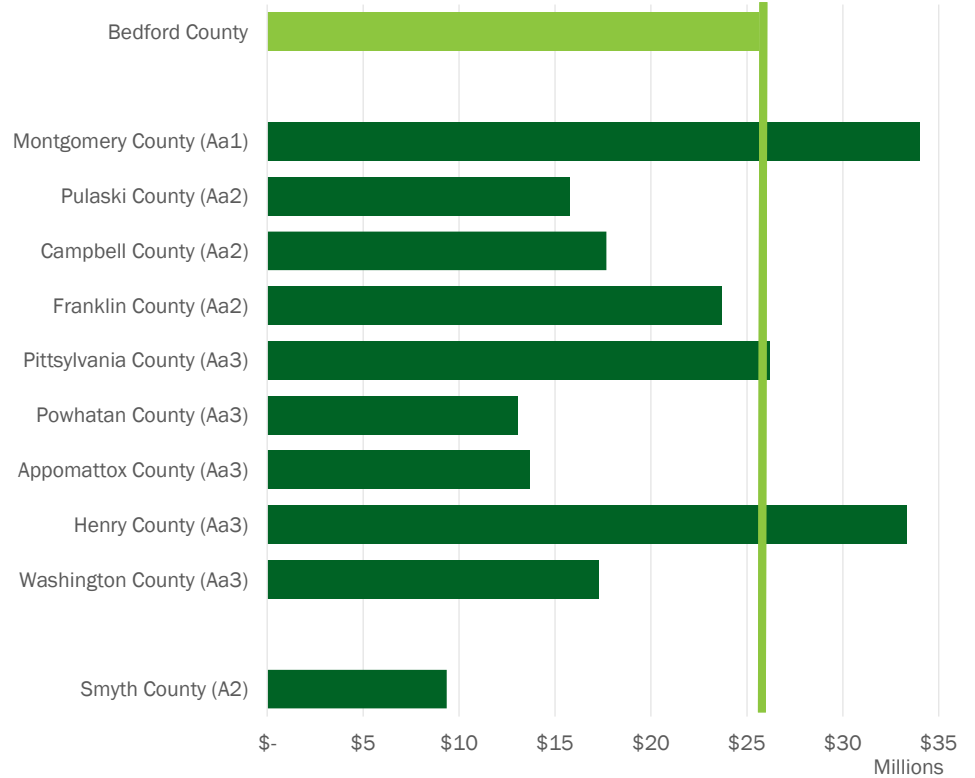


# Peer Comparatives – Unassigned Fund Balance (General Fund)

Unassigned Fund Balance (General Fund)



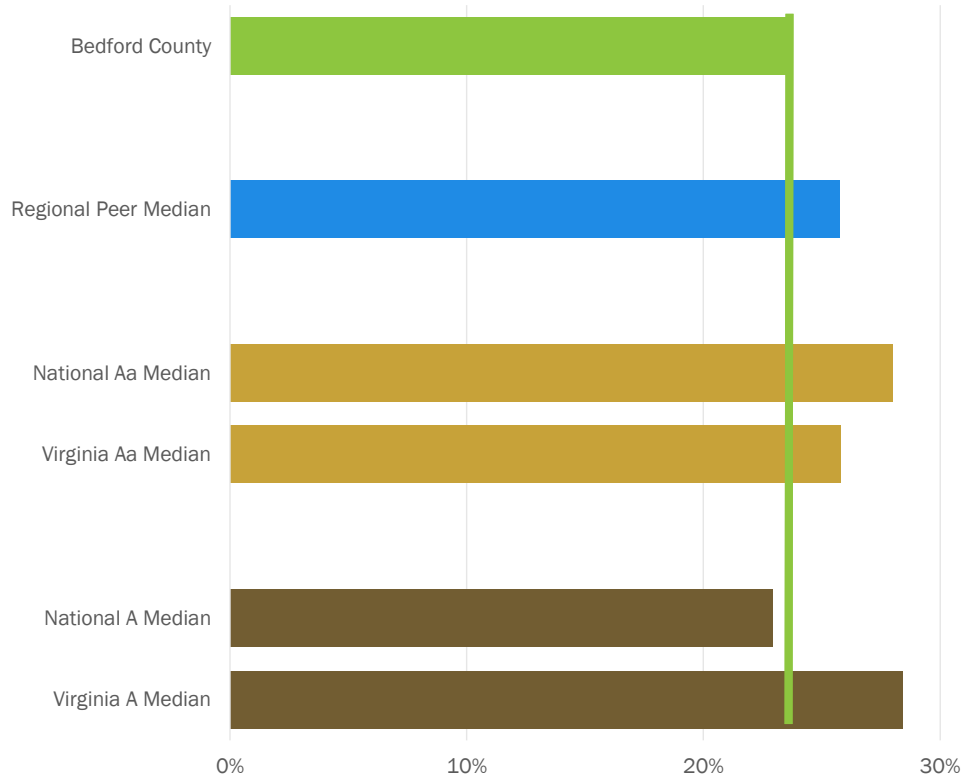
Unassigned Fund Balance (General Fund)



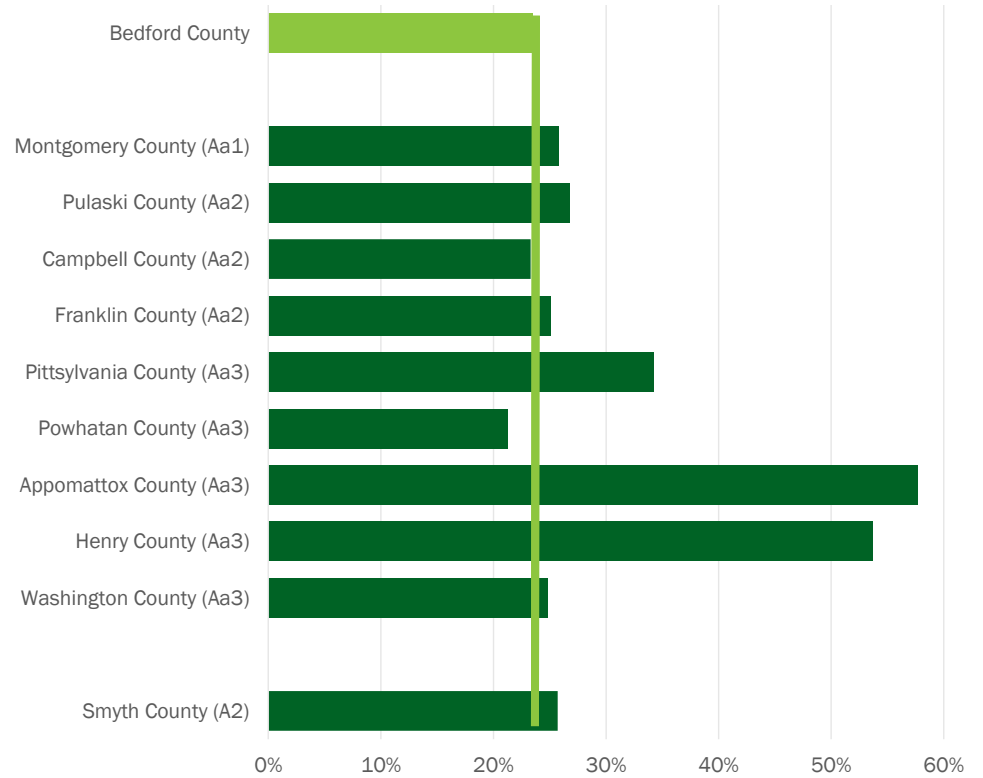
*The County's unassigned fund balance compares favorably with its Regional Peers and exceeds the Virginia and National "A" as well as "Aa" medians.*

# Peer Comparatives – Unassigned Fund Balance as a % of Revenues (General Fund)

Unassigned Fund Balance as % of Revenues (General Fund)



Unassigned Fund Balance as % of Revenues (General Fund)



Note: Moody's reports metric as a percentage of revenues. Bedford County figure calculated as a percentage of revenues to be consistent with peer comparatives.

Source: Moody's Municipal Financial Ratio Analysis and Bedford County CAFR.



# Why an Unassigned Fund Balance is Important

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- Why is maintaining a healthy unassigned fund balance important?
  - Provides adequate month-to-month cash flow and eliminates the need for costly cash-flow borrowing.
  - Provides funds for emergency situations (i.e. health crisis...ice/snow storm).
  - Provides funds for unforeseen expenditures or revenue shortfalls that occur during a fiscal year.
  - Allows for bond funded capital projects to begin prior to having borrowed funds on hand.
  - Helps mitigate/offset other financial weaknesses.
  - Provides comfort to potential lenders and the rating agencies as it relates to the County's financial strength / flexibility and thus allows the County to obtain competitive financing.



# Key Observations

## Fund Balance

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- The County has excellent Unassigned Fund Balance levels. Based upon industry criteria, it is approximately 25% of recurring General Fund Revenues/Expenditures.
- The County has a very strategic and sizable Assigned Fund Balance in the General Fund. As of Fiscal Year 2019, the County's General Fund Assigned Fund Balance totaled \$30.6 million. This includes approximately \$25.9 million for General Fund budgetary stability and \$2.5 million for Solid Waste purposes. Note: As of Fiscal Year 2021, this amount is \$3.5 million. The County has been adding \$500,000 to this figure annually as the landfill closure has approached.
- A part of the \$25.9 million could potentially be used strategically as the County works to build up \$6 million of new recurring school funds to supplement the revenue from the Commonwealth which will be lost in the coming years.





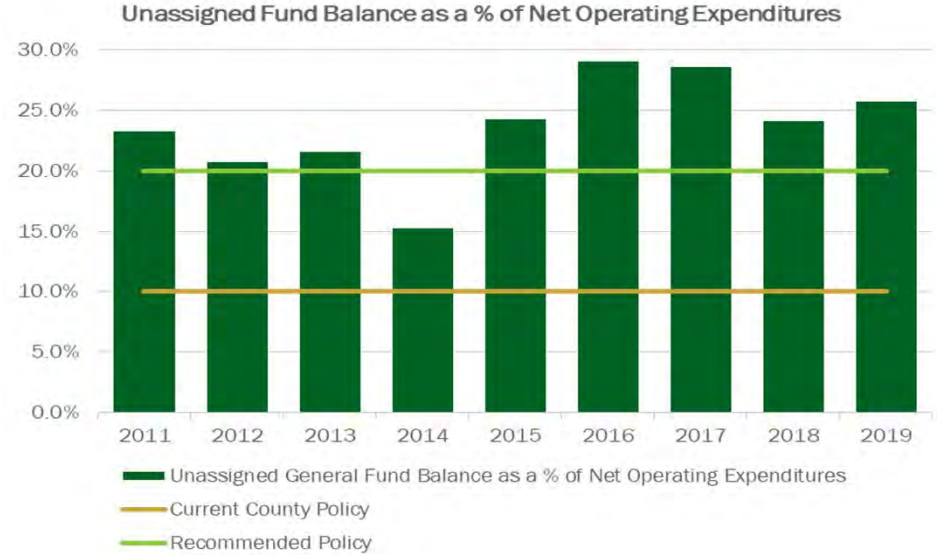
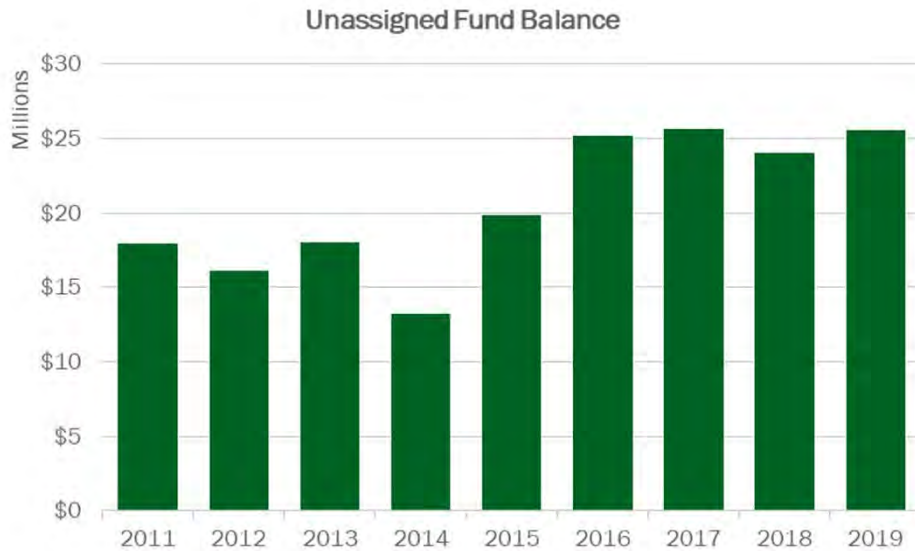
# Recommended Fund Balance Policy Adjustments

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- Davenport recommends that the County consider a couple of revisions to its current Fund Balance Policy.
- Under the County's current policy, the expenditures portion of the Unassigned Fund Balance as a Percentage of Expenditures calculation comprises total General Fund expenditures including capital.
- Davenport recommends that the County amend its policy to specify that the expenditures included in the calculation should include only recurring operating expenditures because capital is not generally uniform in any given year.
- Davenport also recommends that the County increase its minimum Unassigned Fund Balance threshold to 20% of expenditures rather than the current 10% in order to ensure that the County's financial position continues to remain strong.
- However, Davenport also recommends that the County work to maintain its Unassigned Fund Balance at the current 25% level to provide further protection against potential cash flow volatility.
- On the following pages, Davenport has demonstrated what the County's Fund Balance metric would look like with the proposed revisions.

# Unassigned Fund Balance

## Recommended Alternative Approach to Calculating

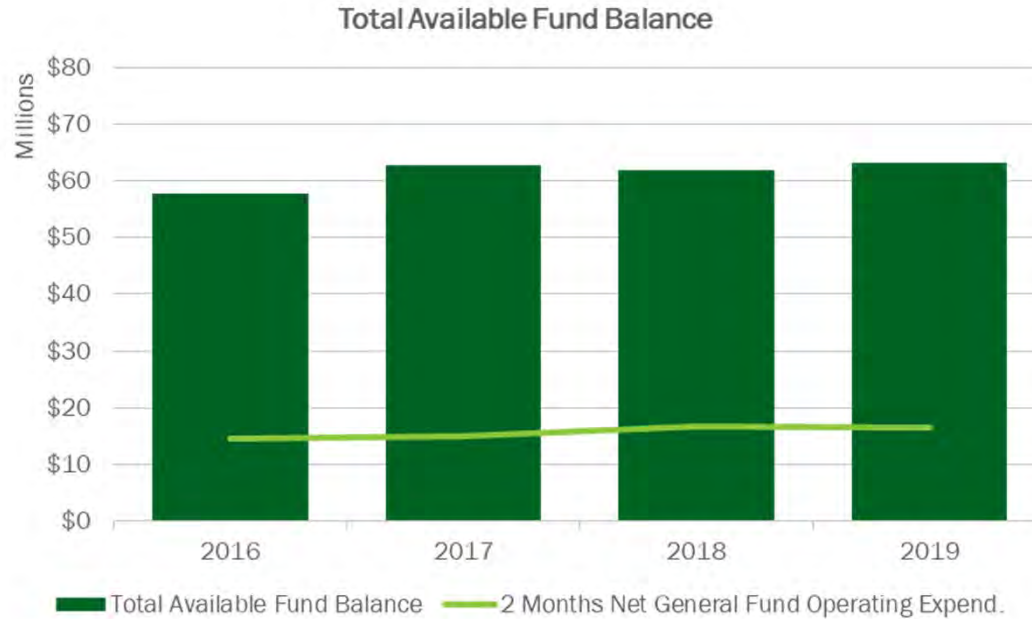


Fiscal Year	Unassigned Fund Balance				Unassigned General Fund Balance as a % of Net Operating Expenditures		
	Unassigned General Fund Balance	Total General Fund Expenditures	Less: General Fund Capital Expenditures	Net General Fund Operating Expenditures	Unassigned General Fund Balance as a % of Net Operating Expenditures	Current County Policy	Recommended Policy
2011	\$ 18,035,007	\$ 81,322,386	\$ 4,029,808	\$ 77,292,578	23.3%	10.0%	20.0%
2012	16,186,173	80,814,687	2,812,421	78,002,266	20.8%	10.0%	20.0%
2013	18,055,021	94,014,273	10,563,835	83,450,438	21.6%	10.0%	20.0%
2014	13,274,315	93,610,675	6,828,596	86,782,079	15.3%	10.0%	20.0%
2015	19,916,759	89,211,986	7,396,780	81,815,206	24.3%	10.0%	20.0%
2016	25,244,877	92,503,805	5,866,985	86,636,820	29.1%	10.0%	20.0%
2017	25,656,556	108,722,815	19,127,991	89,594,824	28.6%	10.0%	20.0%
2018	24,082,774	130,253,917	30,604,202	99,649,715	24.2%	10.0%	20.0%
2019	25,640,778	111,958,521	12,466,286	99,492,235	25.8%	10.0%	20.0%



# Total Available Fund Balance

## Recommended Alternative Approach to Calculating



Fiscal Year	General Fund Unassigned	General Fund Assigned	General Fund Committed	Total Available Fund Balance	Net General Fund Operating Expenditures	2 Months Net General Fund Operating Expend.
2016	\$ 25,244,877	\$ 24,936,650	\$ 7,624,489	\$ 57,806,016	\$ 86,636,820	\$ 14,439,470
2017	25,656,556	31,471,282	5,570,652	62,698,490	89,594,824	14,932,471
2018	24,082,774	30,428,808	7,290,318	61,801,900	99,649,715	16,608,286
2019	25,640,778	30,658,140	6,836,238	63,135,156	99,492,235	16,582,039



# Debt Management

Bedford County, Virginia

# Overview of Existing Tax-Supported Debt

## General Obligation and Lease Revenue Bonds

- Below is a summary of outstanding County General Obligation and Lease Revenue Bonds.

### General Obligation Bonds

Issue	Issue Year	Original Par	Outstanding 6/30/2020	Final Maturity	Coupon	Refunding Candidate via County?	Rationale
2000 VPSA Bonds	2000	\$4,200,000	\$335,000	7/15/2020	5.10% - 6.35%	No	VPSA controlled <sup>(1)</sup>
2000B VPSA Bonds	2000	6,285,526	371,160	7/15/2020	4.98% - 5.85%	No	VPSA controlled <sup>(1)</sup>
2008 VPSA Bonds	2008	5,420,000	2,430,000	7/15/2028	4.10% - 5.10%	No	VPSA controlled <sup>(1)</sup>
2013 VPSA Bonds	2013	23,788,000	19,522,000	7/15/2030	3.05% - 5.05%	No	VPSA controlled <sup>(1)</sup>
2013 VPSA Bonds	2013	187,000	48,000	7/15/2020	3.05% - 5.05%	No	VPSA controlled <sup>(1)</sup>
2017 VPSA Bonds	2017	36,865,000	33,445,000	7/15/2036	2.80% - 5.05%	No	VPSA controlled <sup>(1)</sup>
2019 VPSA Bonds	2019	20,275,000	20,275,000	7/15/2039	3.05% - 5.05%	No	VPSA controlled <sup>(1)</sup>
<b>Total General Obligation Bonds</b>		<b>\$97,020,526</b>	<b>\$76,426,160</b>				

### Lease Revenue Bonds

Issue	Issue Year	Original Par	Outstanding 6/30/2020	Final Maturity	Coupon	Refunding Candidate via County?	Rationale
Bedford County EDA-Courthouse and Social Services Refunding	2015	\$7,875,000	\$735,000	10/1/2020	2.05%	No	Matured
Bedford County EDA Refunding-Group Home	2015	1,525,000	265,000	5/1/2021	3.42%	No	Maturing in current FY/ Make-whole call
Bedford County EDA Refunding-Jefferson Forest High School	2015	\$5,700,000	\$2,860,000	5/1/2031	3.42%	No	Make-whole call
<b>Total Lease Revenue Bonds</b>		<b>\$15,100,000</b>	<b>\$3,860,000</b>				

**Total General Obligation and Lease Revenue Bonds**      **\$112,120,526**      **\$80,286,160**

(1) VPSA's practice is frequently to refinance their bond independently and send local participants an annual rebate for the savings.

Source: County Debt Documents and 2019 CAFR.

# Overview of Existing Tax-Supported Debt County & School Board Capital Leases



- Below is a summary of outstanding capital leases entered into by the County and the School Board.

## County Capital Leases

Issue	Issue Year	Original Par	Outstanding 6/30/2020	Final Maturity	Coupon	Refunding Candidate via County?	Rationale
Capital One - Energy Conservation Measures - County	2012	\$650,042	\$429,389	11/1/2028	2.65%	Yes	Positive Cash Flow Savings & Over 3% on a NPV Basis
Capital One - Energy Conservation Measures - Schools	2012	7,349,958	4,855,056	11/1/2028	2.65%	Yes	Positive Cash Flow Savings & Over 3% on a NPV Basis
<b>Total County Capital Leases</b>		<b>\$8,000,000</b>	<b>\$5,284,445</b>				

## School Board Capital Leases

Issue	Issue Year	Original Par	Outstanding 6/30/2020	Final Maturity	Coupon	Refunding Candidate via County?	Rationale
Wachovia Bank, N.A.	2014	\$1,271,888	\$188,107	11/6/2020	1.78%	No	Matured
First Citizens Bank & Trust	2015	1,287,652	377,387	9/10/2021	1.75%	No	Maturing Soon
U.S. Bancorp Gov't Leasing	2016	1,305,270	567,349	7/29/2022	1.46%	No	Low Rate
U.S. Bancorp Gov't Leasing	2017	1,328,096	765,988	7/31/2023	1.46%	No	Low Rate
Bank of America, N.A.	2018	1,340,532	956,648	7/18/2024	3.07%	Yes	Positive Cash Flow Savings & Approx. 3% on a NPV Basis
<b>Total School Board Capital Leases</b>		<b>\$6,533,438</b>	<b>\$2,855,478</b>				

<b>Total Capital Leases</b>		<b>\$14,533,438</b>	<b>\$8,139,923</b>				
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<b>Grand General Obligation/Lease Revenue Bonds and Capital Leases (County &amp; Schools)</b>		<b>\$126,653,964</b>	<b>\$88,426,083</b>				
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Note: Does not include Solid Waste capital leases.  
Source: County Debt Documents and 2019 CAFR.



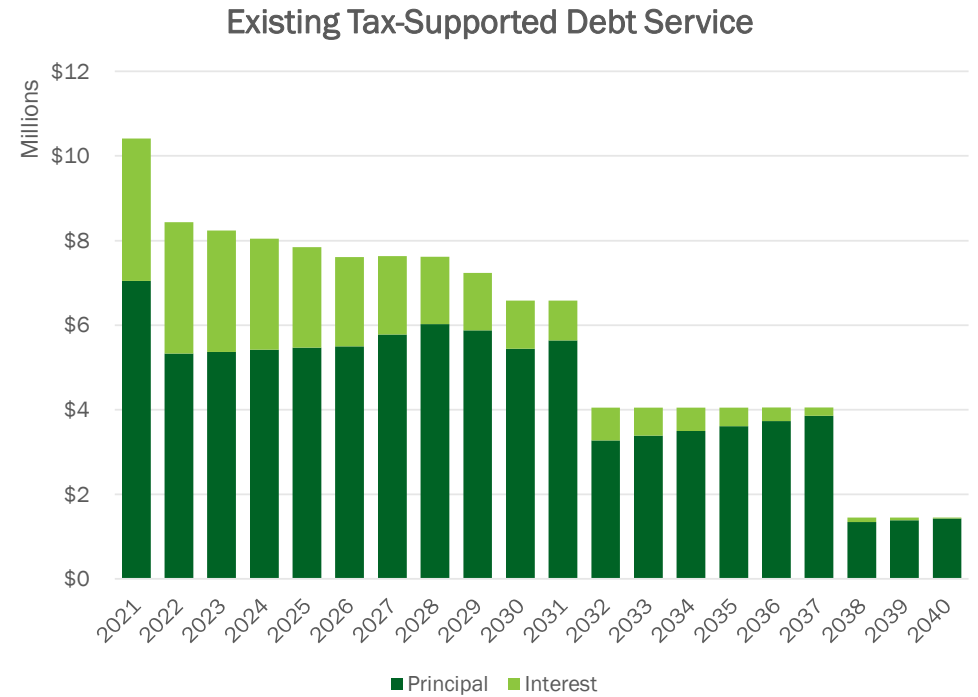
# Refunding Summary

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- As shown on the preceding page, Davenport has identified two potential refunding opportunities that could be pursued by the County for debt service savings.
  - The 2012 Equipment Lease/Purchase Agreement entered into with Capital One (2.65% Rate & approximately \$5.2 million outstanding); and,
  - The 2018 Bank of America Equipment Lease (3.071% Rate & approximately \$950,000 outstanding).
  
- Assuming a Direct Bank Loan via competitive procurement and an estimated fixed interest rate of 1.15%, the preliminary estimated interest savings after cost of issuance are approximately \$285,000 which would be equivalent to approximately 5% of the amount refunded on a Net Present Value basis.
  
- Compared to the estimated fixed interest rate of 1.15%, the average coupon of the refunded loans is 2.67%.
  
- Davenport's analysis assumes that the loans are refunded on a matched maturity basis.

# Existing Tax-Supported Debt Service

Existing Tax-Supported Debt Service				
Fiscal Year	Principal	Interest	Total	Payout Ratio
2021	\$7,048,545	\$3,362,949	\$10,411,494	8.0%
2022	5,329,474	3,100,889	8,430,363	14.0%
2023	5,366,584	2,866,358	8,232,941	20.1%
2024	5,421,691	2,624,376	8,046,067	26.2%
2025	5,467,393	2,373,813	7,841,206	32.4%
2026	5,496,326	2,115,821	7,612,147	38.6%
2027	5,780,910	1,852,205	7,633,115	45.1%
2028	6,025,179	1,595,145	7,620,324	51.9%
2029	5,879,982	1,357,445	7,237,427	58.6%
2030	5,440,000	1,143,036	6,583,036	64.8%
2031	5,640,000	939,950	6,579,950	71.1%
2032	3,275,000	775,328	4,050,328	74.8%
2033	3,390,000	659,939	4,049,939	78.7%
2034	3,500,000	550,601	4,050,601	82.6%
2035	3,610,000	440,677	4,050,677	86.7%
2036	3,735,000	319,322	4,054,322	90.9%
2037	3,860,000	192,458	4,052,458	95.3%
2038	1,345,000	109,888	1,454,888	96.8%
2039	1,385,000	67,389	1,452,389	98.4%
2040	1,430,000	22,701	1,452,701	100.0%
<b>Total</b>	<b>\$ 88,426,083</b>	<b>\$ 26,470,290</b>	<b>\$114,896,372</b>	



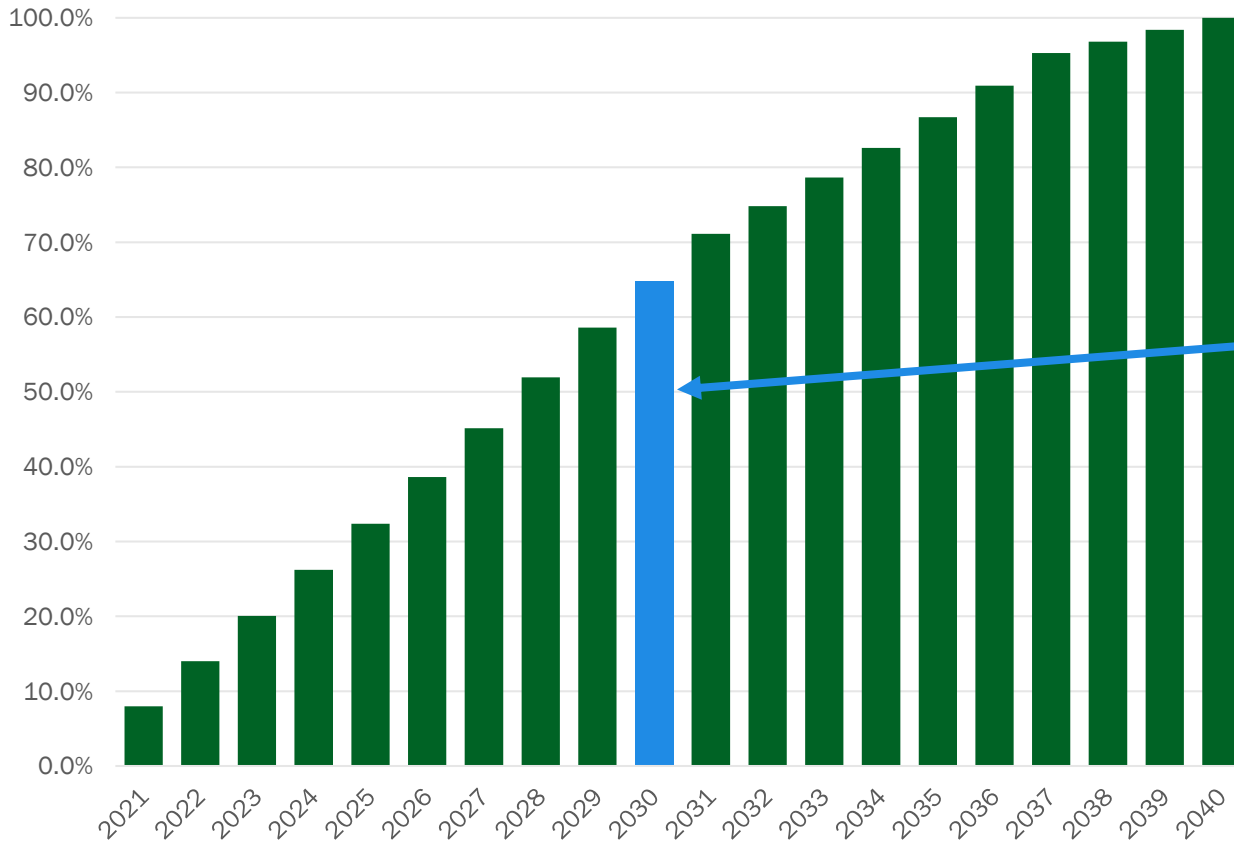
Note: Does not include Solid Waste capital leases. Reflects original debt service on refunded VPSA Bonds. VPSA rebates the County a portion of its debt service which reflects the savings.  
 Source: County Debt Documents and 2019 CAFR.





# Principal Payout Ratio (Tax-Supported Debt)

Existing Principal Payout Ratio (Tax-Supported Debt)

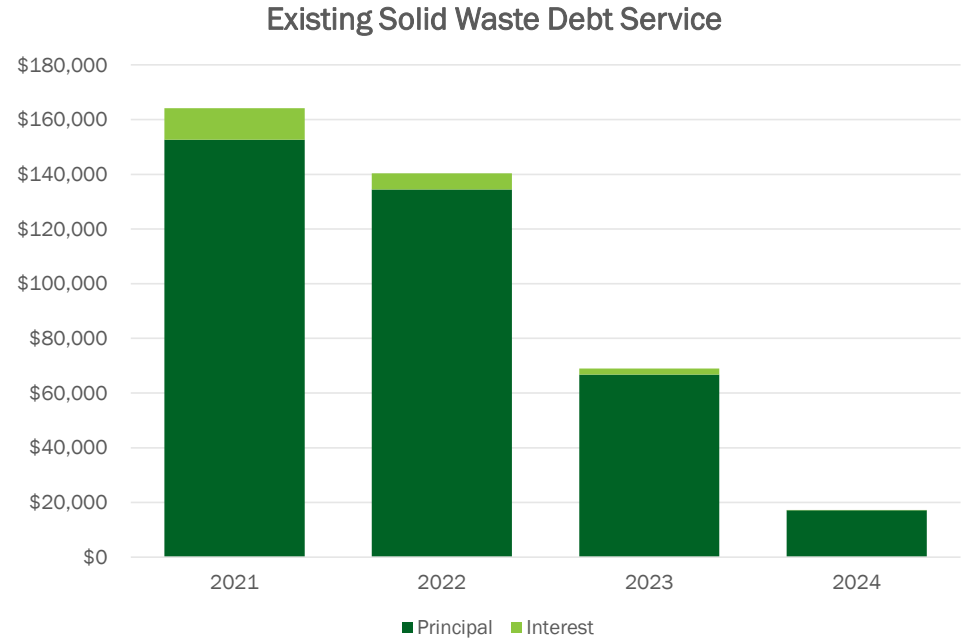


*The County's Principal Payout Ratio measures the percentage of outstanding principal that is repaid every year. Based upon the County's outstanding debt as of June 30, 2020, the County's 10-Year Payout Ratio is 64.8%.*



# Existing Solid Waste Debt Service

Existing Solid Waste Debt Service				
Fiscal Year	Principal	Interest	Total	Payout Ratio
2021	\$152,694	\$11,521	\$164,216	41.2%
2022	134,466	5,946	140,411	77.4%
2023	66,743	2,247	68,990	95.4%
2024	17,128	120	17,248	100.0%
<b>Total</b>	<b>\$ 371,030</b>	<b>\$ 19,835</b>	<b>\$ 390,865</b>	



## Solid Waste Capital Leases

Issue	Issue Year	Original Par	Outstanding 6/30/2020	Final Maturity	Coupon	Refunding Candidate via County?	Rationale
John Deere - Solid Waste Equipment	2017	\$138,894	\$51,197	3/17/2022	3.25%	No	Not Enough Outstanding to Realize Significant Savings
John Deere - Solid Waste Equipment	2017	300,015	110,586	3/3/2022	3.25%	No	Not Enough Outstanding to Realize Significant Savings
Caterpillar - Solid Waste Equipment	2018	310,651	209,247	9/1/2023	4.20%	No	Not Enough Outstanding to Realize Significant Savings
<b>Total Solid Waste Capital Leases</b>		<b>\$749,560</b>	<b>\$371,030</b>				



# Key Debt Ratios – Tax Supported Debt

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- An important part of debt management is monitoring indicators of borrowing capacity and affordability. While there are several different ratios/metrics that can be tracked to evaluate a government's debt profile, two are generally regarded industry-wide as **Key Debt Ratios**.
  1. **Debt as a Percentage of Assessed Value:**
    - Debt as a Percentage of Assessed Value measures a government's existing tax-supported debt burden as a percentage of its tax base.
    - It is a Key Debt Ratio because it measures an issuer's capacity to support existing and additional debt.
  2. **Debt Service as a Percentage of Expenditures/Revenues:**
    - Debt Service as a Percentage of Expenditures measures a government's existing tax-supported debt service expenditures as a percentage of its overall governmental expenditures.
    - It is a Key Debt Ratio because it measures how much of the annual budget is being spent to pay for debt, and can show how much additional debt service can be added before exceeding prudent levels.

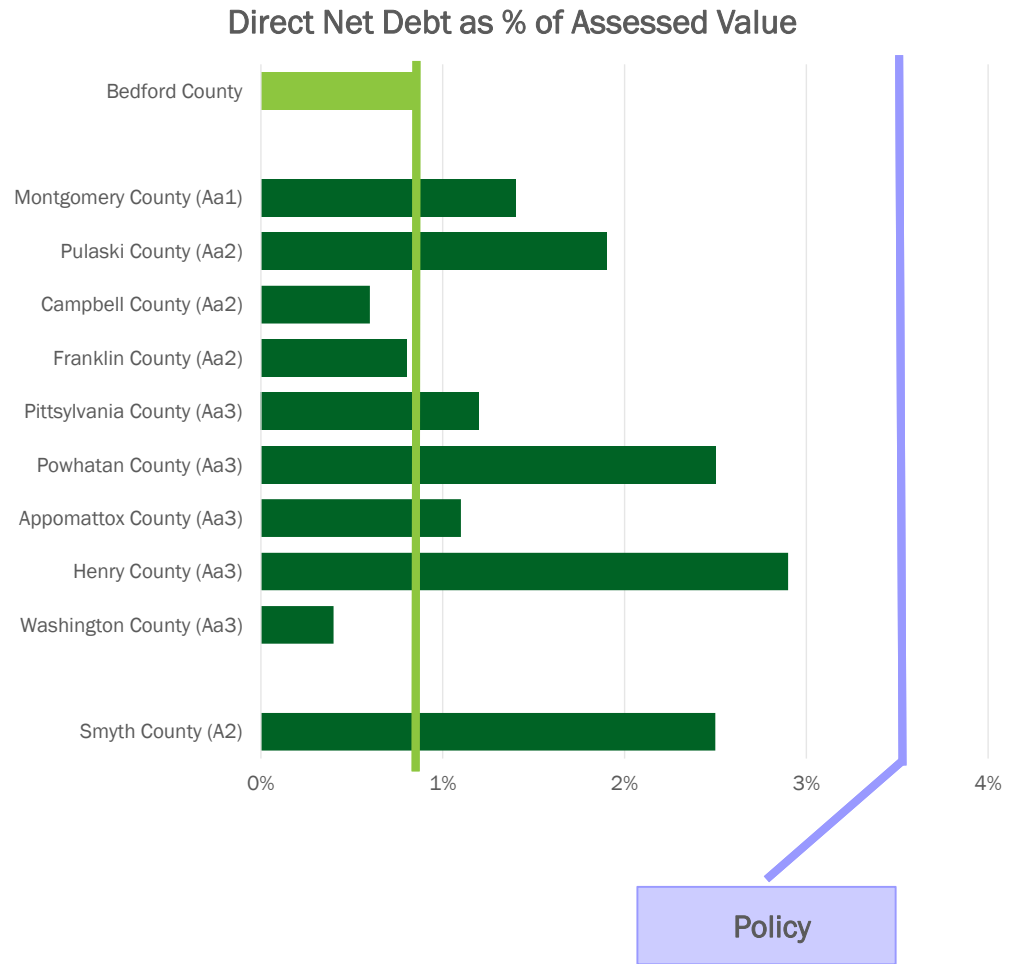
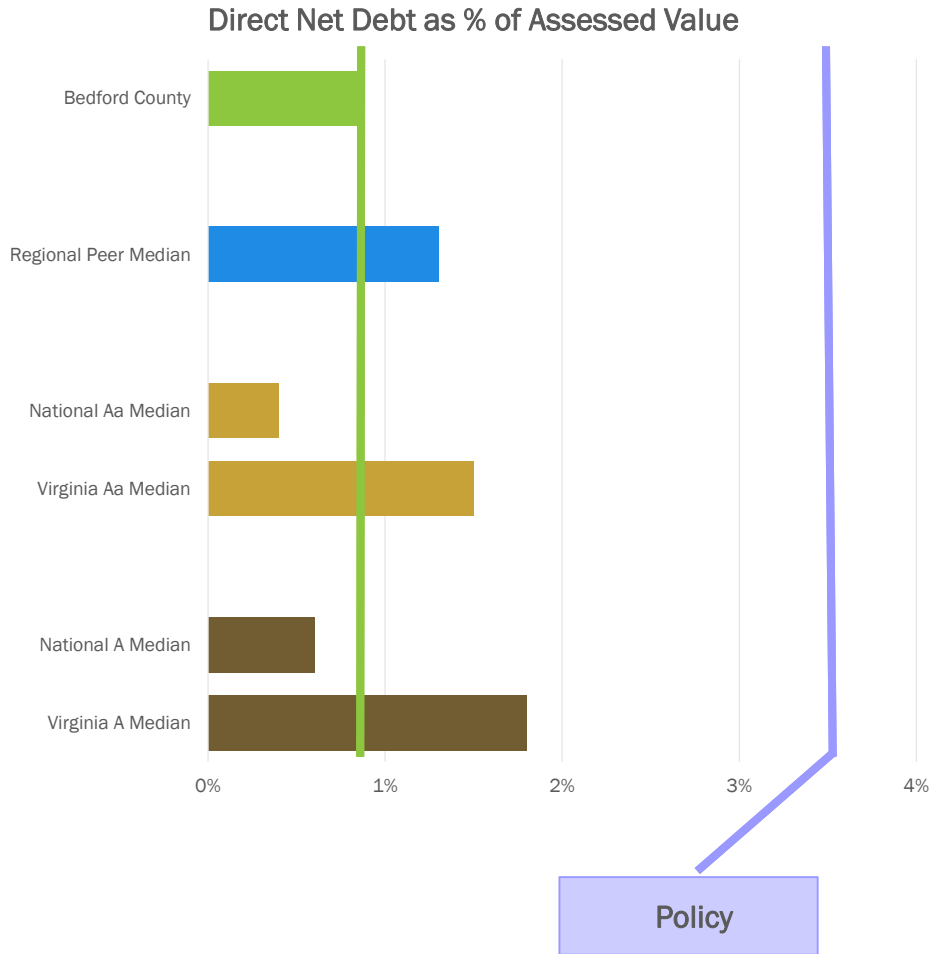


# Debt as a Percentage of Assessed Value

*County Debt Policy: Net Debt as a percentage of Assessed Value will not exceed 3.5%.*



# Peer Comparatives – Debt as a Percentage of Assessed Value

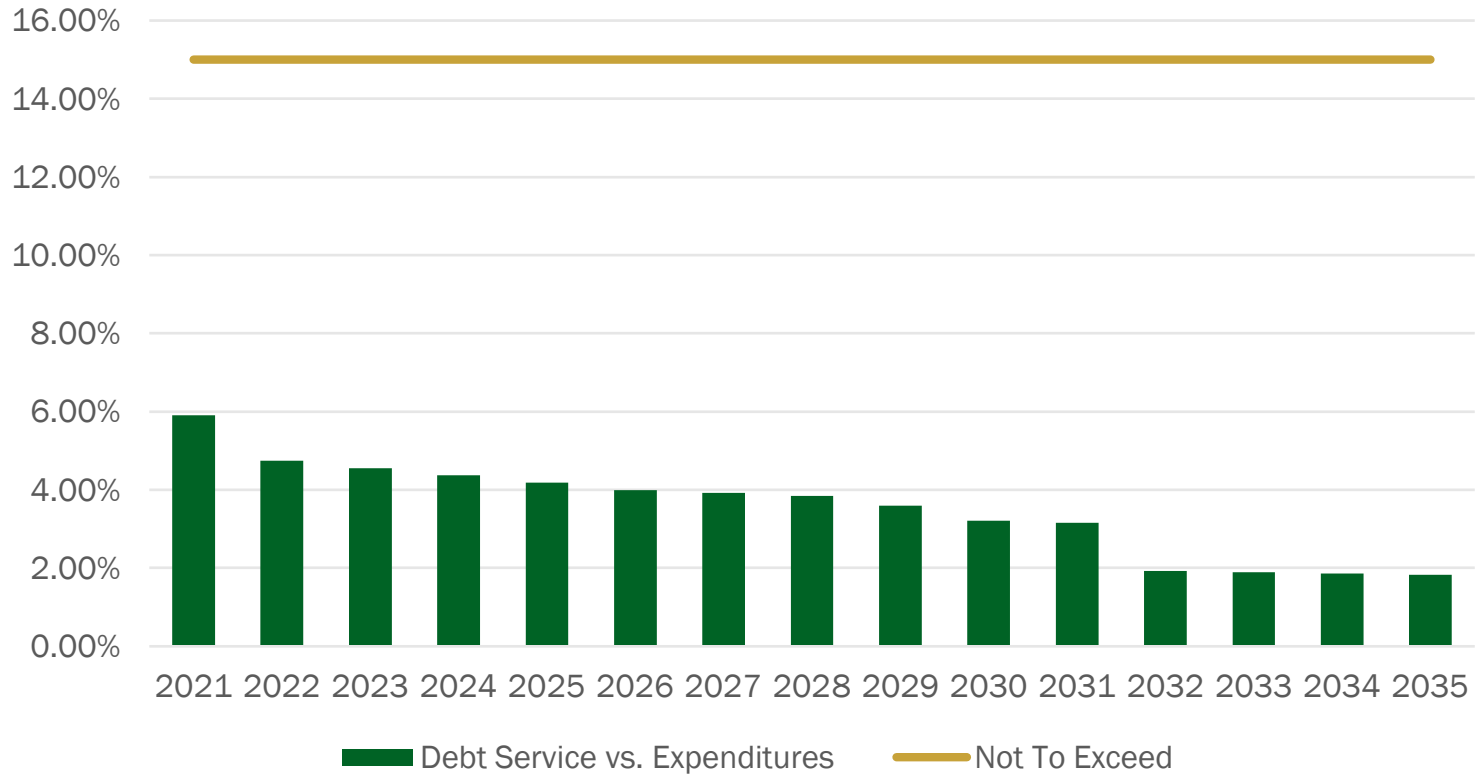




# Debt Service as a Percentage of Expenditures

*County Debt Policy: General Obligation Debt Service and Capital Lease payments as a percentage of General Governmental Expenditures will not exceed 15%.*

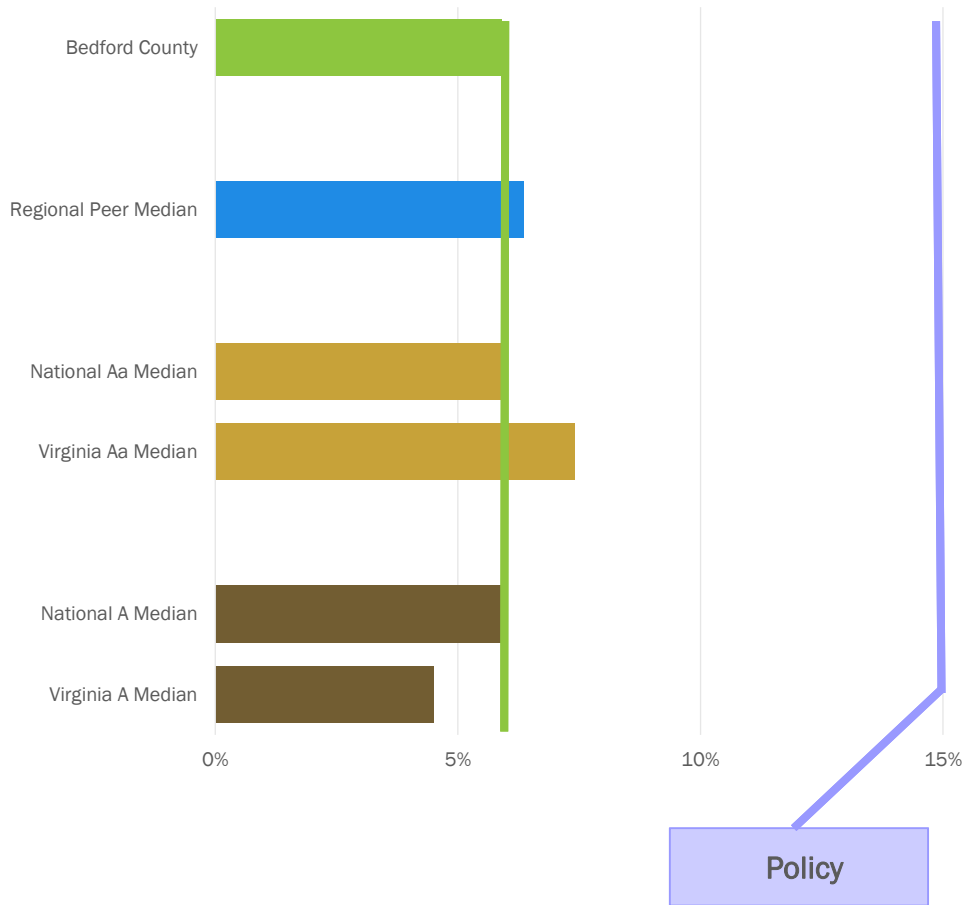
### Debt Service vs. Expenditures



Note: Non-Debt Service Expenditures are assumed to grow at 2% annually. Expenditures exclude capital spending.

# Peer Comparatives – Debt Service as a Percentage of Expenditures

Debt Service as % of Expenditures



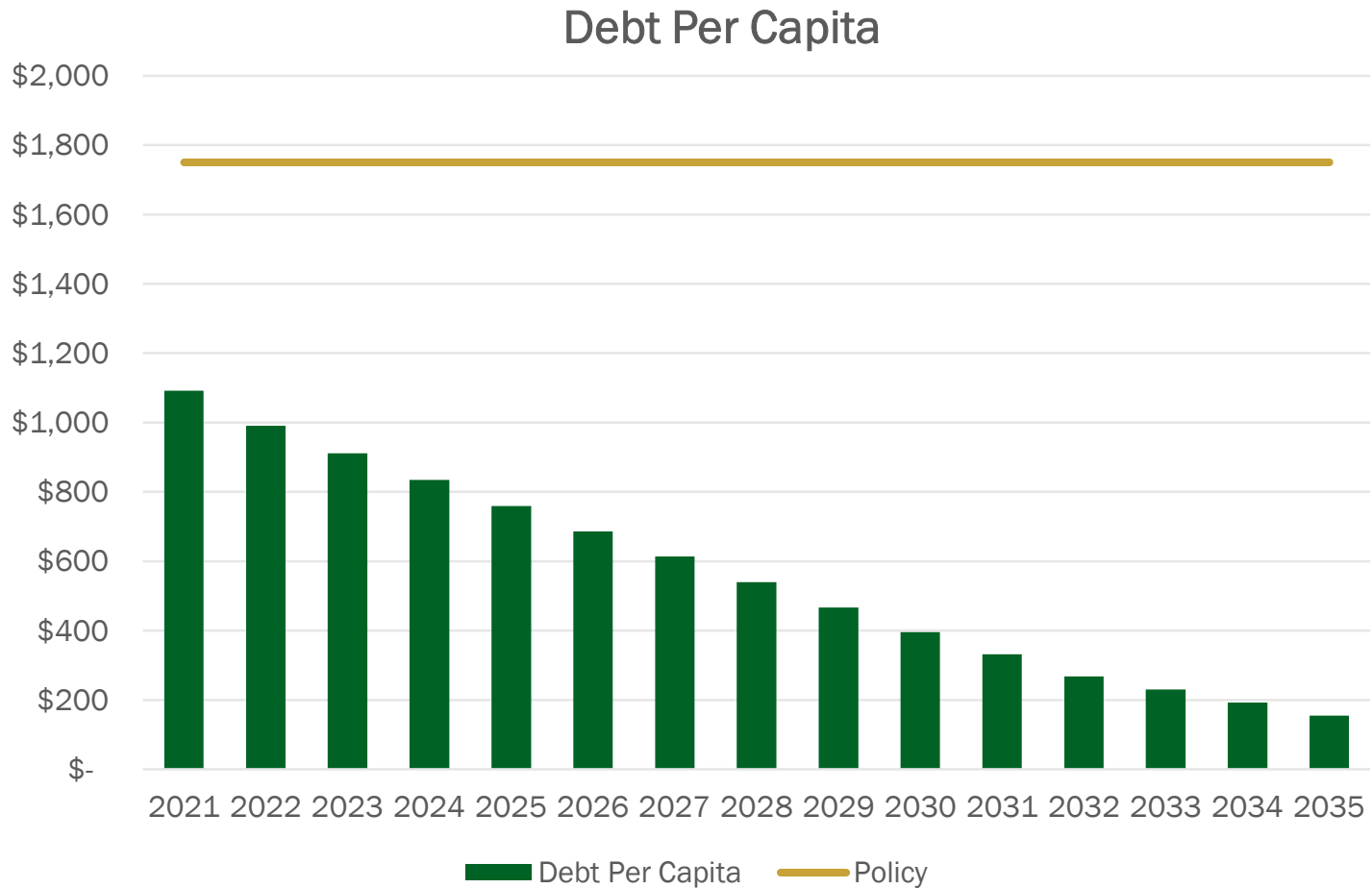
Debt Service as % of Expenditures





# Debt Per Capita

*County Debt Policy: The Net Debt per Capita will not exceed \$1,750 per capita.*



Note: Population assumed to grow at 1.5% annually (the average growth rate from 2010-2019).



# Key Observations/Recommendations

## Debt Profile

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- The County's debt profile is another strength. Debt levels, annual debt service, and Key Debt Ratio metrics are in line with or below the County's Regional Peers as well as Virginia medians.
- The County pays its debt off rapidly and the annual decline in future debt service payments provides an opportunity to easily layer in new debt without further straining the County's General Fund budget.
- Additionally, if structured correctly, the County could potentially earmark a portion of future declines in debt service to absorb some of the \$6 million in lost school revenues from the Commonwealth.
- As discussed on page 40, Davenport has potentially identified some modest refunding (i.e. debt service savings) opportunities; however, none will have an appreciable impact on the General Fund.

# Key Observations/Recommendations

## Debt Policies



- Davenport recommends several policy amendments to further strengthen the County’s Debt Practices:
- Debt Service as a Percentage of Expenditures:
  - Davenport recommends that the County consider lowering its policy ceiling to from 15% to 10%. The proposed adjustment would bring it closer in line with “industry best practices.”
  - Davenport recommends that the County further clarify that the expenditures calculation for purposes of the ratio should include only recurring expenses and exclude capital outlay.
- Debt as a Percentage of Assessed Value:
  - The current wording of the County’s policy does not define which property categories are intended to be included in the assessed value portion of the calculation.
  - Davenport recommends that the County clarify that the assessed value should include all property located within the County (rather than just real property).
- Debt Per Capita:
  - The County’s current Debt Obligation Policy includes a restriction that “Net Debt per Capita will not exceed \$1,750 per capita.”
  - Net Debt per Capita is no longer used by the National Credit Agencies to measure credit strength. Therefore, Davenport would recommend removing this metric from its policies.

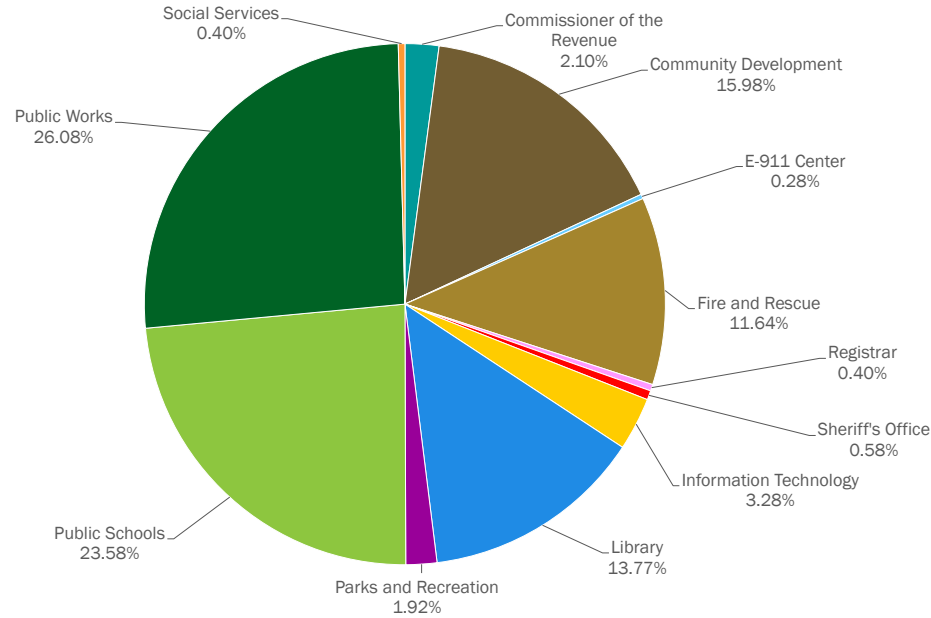


# Capital Planning

Bedford County, Virginia



# Capital Improvement Plan – Uses of Funds

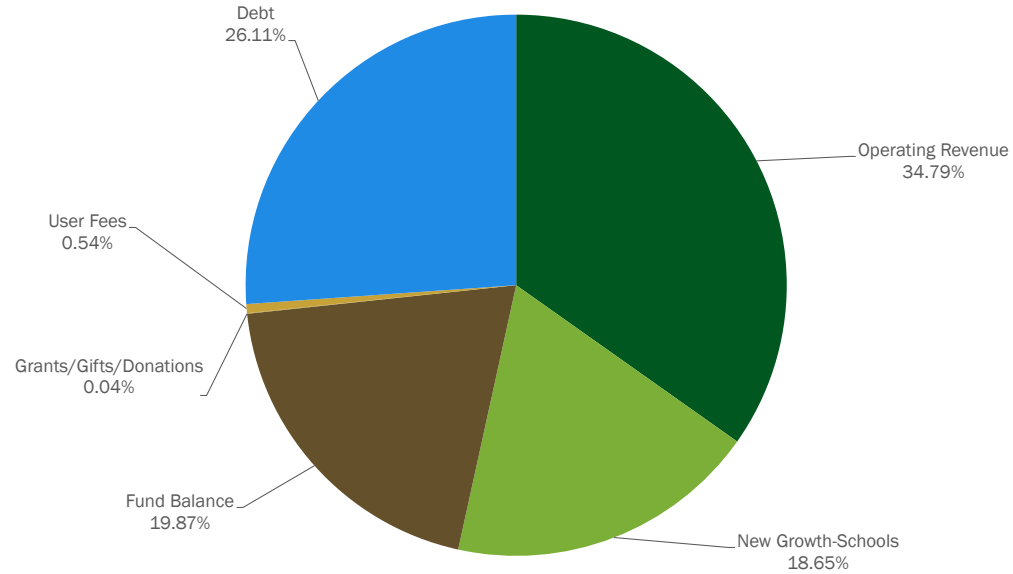


2021-2025 Capital Improvement Plan - Uses of Funds						
	2021	2022	2023	2024	2025	5-Year CIP Total
Commissioner of the Revenue	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 1,125,000
Community Development	2,090,000	2,650,000	1,984,861	928,550	913,347	8,566,758
E-911 Center	30,000	30,000	30,000	30,000	30,000	150,000
Fire and Rescue	885,500	1,315,500	1,360,500	1,340,000	1,340,000	6,241,500
Information Technology	332,966	736,400	245,400	245,400	200,000	1,760,166
Library	134,000	75,475	500,000	6,672,000	-	7,381,475
Parks and Recreation	499,927	278,000	195,000	57,000	-	1,029,927
Public Schools	1,000,000	3,248,907	2,895,400	2,500,000	3,000,000	12,644,307
Public Works	869,000	5,020,000	837,000	6,720,000	537,000	13,983,000
Registrar	30,000	46,250	46,250	46,250	46,250	215,000
Sheriff's Office	166,000	146,118	-	-	-	312,118
Social Services	-	-	215,244	-	-	215,244
<b>Total Uses</b>	<b>\$ 6,262,393</b>	<b>\$ 13,771,650</b>	<b>\$ 8,534,655</b>	<b>\$ 18,764,200</b>	<b>\$ 6,291,597</b>	<b>\$ 53,624,495</b>

Source: Bedford County FY 2021-2025 CIP.



# Capital Improvement Plan – Sources of Funds



## 2021-2025 Capital Improvement Plan - Sources of Funds

	2021	2022	2023	2024	2025	5-Year CIP Total
Operating Revenue	\$ 3,465,000	\$ 4,940,243	\$ 4,356,755	\$ 3,014,200	\$ 2,881,597	\$ 18,657,795
New Growth-Schools	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000	10,000,000
Fund Balance	1,707,393	3,631,407	2,177,900	2,730,000	410,000	10,656,700
Debt	-	3,500,000	-	10,500,000	-	14,000,000
Grants/Gifts/Donations	-	-	-	20,000	-	20,000
User Fees	90,000	200,000	-	-	-	290,000
<b>Total Sources</b>	<b>\$ 6,262,393</b>	<b>\$ 13,771,650</b>	<b>\$ 8,534,655</b>	<b>\$ 18,764,200</b>	<b>\$ 6,291,597</b>	<b>\$ 53,624,495</b>



# Debt Capacity vs. Debt Affordability

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- When considering whether or not to take on additional debt to fund capital projects, it will be helpful for the County to consider both its Debt Capacity and its Debt Affordability.
  
- Debt Capacity can be thought of as the amount of debt a locality can incur while staying within prudent financial guidelines.
  - Debt Capacity can be thought of as the County’s credit card limit.
  
- Debt Affordability focuses more on the County’s ability to repay its debt obligations given its current cash flows.
  - Debt Affordability can be equated to the ability of the County to pay its credit card bill.



# Debt Capacity Analysis

## 15% Debt Service vs. Expenditures Restriction

- Of the two debt ratios presented previously, Debt Service vs. Expenditures is the limiting factor for the County in terms of capacity.
- In the table below, Davenport has projected the amount of additional tax-supported debt that the County could issue without exceeding its current 15% policy ceiling.
- Davenport has assumed that the County issues its debt with a 20-year Level Debt Service structure at a rate of 4%.

Estimated Future Debt Capacity				
Fiscal Year	Existing Debt Service vs. Expenditures Ratio	Current Policy Ceiling	Additional Capacity Gained Per Period	Cumulative Additional Capacity
2021	5.91%	15.00%	\$ 217,434,572	\$ 274,963,787
2022	4.75%	15.00%	29,639,697	
2023	4.56%	15.00%	9,169,771	
2024	4.38%	15.00%	9,185,711	
2025	4.19%	15.00%	9,534,037	
2026	4.00%	15.00%	9,956,914	\$ 52,580,172
2027	3.93%	15.00%	7,214,865	
2028	3.85%	15.00%	7,753,991	
2029	3.59%	15.00%	12,181,502	
2030	3.22%	15.00%	15,472,900	
<b>10-Year Total</b>				<b>\$ 327,543,959</b>

Note: The expenditures included in the Debt Service vs. Expenditures calculation are assumed to grow at 2% annually.



# Debt Capacity Analysis

## 10% Debt Service vs. Expenditures Restriction

- In the table below, Davenport has projected the amount of additional tax-supported debt that the County could issue without its Debt Service vs. Expenditures metric exceeding the proposed revised policy ceiling of 10%.
- Davenport has assumed that the County issues its debt with a 20-year Level Debt Service structure at a rate of 4%.

Estimated Future Debt Capacity				
Fiscal Year	Existing Debt Service vs. Expenditures Ratio	Proposed Policy Ceiling	Additional Capacity Gained Per Period	Cumulative Additional Capacity
2021	5.91%	10.00%	\$ 97,791,182	\$ 147,787,676
2022	4.75%	10.00%	28,734,535	
2023	4.56%	10.00%	7,007,522	
2024	4.38%	10.00%	6,970,368	
2025	4.19%	10.00%	7,284,069	
2026	4.00%	10.00%	7,675,606	\$ 40,753,093
2027	3.93%	10.00%	4,714,920	
2028	3.85%	10.00%	5,227,272	
2029	3.59%	10.00%	9,855,568	
2030	3.22%	10.00%	13,279,727	
<b>10-Year Total</b>				<b>\$ 188,540,769</b>

Note: The expenditures included in the Debt Service vs. Expenditures calculation are assumed to grow at 2% annually.





# Debt Affordability Analysis

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- As shown on the preceding pages, Davenport has estimated that the County can issue approximately **\$327.5 million** over the course of the next 10 years without exceeding its current 15% Debt Service vs. Expenditures policy limit or **\$188.5 million** without exceeding the proposed 10% policy limit.
- In the event that the County were to issue debt at either of those levels, it would need to come up with additional revenues in order to afford the additional debt service.
- Based upon the downward sloping structure of its existing debt service, the portion of the County's budget expected to be spent on debt service is expected to decline over time.
- Because of this, the County will free up some cash flow flexibility (relative to estimated 2021 spending) to take on new debt in the future.



# Debt Affordability Analysis

- In the table below, Davenport has projected the amount of additional debt that the County could issue in the future such that the County’s aggregate annual debt service spending does not exceed the estimated Fiscal Year 2021 levels.
- Davenport has assumed that the County issues future debt with a 20-year Level Debt Service structure at a rate of 4%.

Estimated Future Debt Affordability				
Fiscal Year	Current Debt Service	Annual Debt Service Dropdown	Affordability Gained from Dropdown	Cumulative Additional Affordability
2021	\$ 10,411,494	N/A	N/A	
2022	8,430,363	1,981,131	26,924,212	\$ 34,931,052
2023	8,232,941	197,422	2,683,025	
2024	8,046,067	186,874	2,539,680	
2025	7,841,206	204,861	2,784,134	
2026	7,612,147	229,059	2,828,019	
2027	7,633,115	(20,969)	-	\$ 17,098,935
2028	7,620,324	12,791	173,834	
2029	7,237,427	382,897	5,203,700	
2030	6,583,036	654,391	8,893,383	
<b>10-Year Total</b>				



# Potential Hybrid Use of Debt Service Dropdown

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- In the coming years, the County is expecting to lose approximately \$6 million in revenues it has historically received from the Commonwealth for school funding.
- In order to continue providing the same school services, the County will need to either come up with new revenues or divert existing revenues to make up for the lost \$6 million.
- Since Fiscal Year 2020, the County has been setting aside an additional \$500,000 in annual contributions to the schools in order to gradually build up to the \$6 million that will be required.
- One additional option the County could consider is freezing its debt service budget at Fiscal Year 2021 levels and allocating a portion of the annual dropdown towards school funding.
- This would help the County avoid the need to potentially cut General Fund expenditures to fully fund the schools.
- On the following page, Davenport has presented the projected cumulative revenues that would be available for the schools if half of the debt service dropdown was allocated to school funding.
- Additionally, Davenport has demonstrated the impact on the County's debt affordability assuming that the other half of the dropdown remains available to pay for new debt service.



# Potential Hybrid Use of Debt Service Dropdown (cont.)

- Under the hybrid approach to using the County’s debt service dropdown, approximately **\$1.9 million** in revenues would be freed up for the schools after 10 years by allocating one half of the County’s annual debt service dropdown accordingly.
- Assuming the other half of the dropdown was left available to take on new debt service, the County could issue about **\$26.0 million** over the next 10 years without exceeding its current debt service spending.
- Davenport has assumed that the County issues future debt with a 20-year Level Debt Service structure at a rate of 4%.

Potential Hybrid Use of Debt Service Dropdown Half Used for School Funding & Half Used to Support New Borrowings						
Fiscal Year	Current Debt Service	Annual Debt Service Dropdown	Half of Annual Debt Service Dropdown	Cumulative School Revenues Gained from One Half of Dropdown	Debt Affordability Gained from Second Half of Dropdown	Cumulative Additional Debt Affordability
2021	\$ 10,411,494	N/A	N/A		N/A	
2022	8,430,363	1,981,131	990,565		13,462,106	
2023	8,232,941	197,422	98,711	\$ 1,285,144	1,341,513	\$ 17,465,526
2024	8,046,067	186,874	93,437		1,269,840	
2025	7,841,206	204,861	102,431		1,392,067	
2026	7,612,147	229,059	114,530		1,414,009	
2027	7,633,115	(20,969)	(10,484)		-	
2028	7,620,324	12,791	6,395	\$ 629,085	86,917	\$ 8,549,468
2029	7,237,427	382,897	191,449		2,601,850	
2030	6,583,036	654,391	327,195		4,446,692	
<b>10-Year Total</b>				<b>\$ 1,914,229</b>		<b>\$ 26,014,994</b>



# Solid Waste Fund and General Fund Refuse Collections

Bedford County, Virginia



# Background

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- At the request of the County, Davenport has been asked to review the County's cash flows related to Solid Waste disposal.
- Solid Waste expenses have historically been paid from both the General Fund (Refuse Collection – see page 22) and the Solid Waste Fund (Landfill Operations).
- The objective of Davenport's analysis in relation to Solid Waste is to determine the extent to which Solid Waste disposal has been reliant on the General Fund and estimate the extent to which the General Fund may need to support the Solid Waste Fund in the future.



# Historic Solid Waste Fund Results

	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
<b>Operating Revenues:</b>					
Charges for services	\$ 2,330,680	\$ 2,493,612	\$ 2,610,092	\$ 2,685,029	\$ 2,887,895
Other	337,726	286,665	367,368	347,391	318,845
<b>Total Revenue</b>	<b>\$ 2,668,406</b>	<b>\$ 2,780,277</b>	<b>\$ 2,977,460</b>	<b>\$ 3,032,420</b>	<b>\$ 3,206,740</b>
<b>Operating Expenses:</b>					
Personal services	\$ 563,750	\$ 568,183	\$ 621,267	\$ 659,883	\$ 704,166
Employee benefits	196,127	201,804	214,979	208,020	204,956
Purchased services	584,180	627,828	647,542	638,170	1,365,580
Continuous charges	510,243	603,004	497,248	489,785	707,264
Supplies and materials	280,437	190,971	254,952	268,820	559,013
Equipment, property, and improvements	9,065	9,839	25,967	61,623	4,389
Landfill closure/postclosure	99,980	220,323	106,372	274,494	442,051
Depreciation	879,551	937,993	951,517	915,496	594,330
<b>Total Expenses</b>	<b>\$ 3,123,333</b>	<b>\$ 3,359,945</b>	<b>\$ 3,319,844</b>	<b>\$ 3,516,291</b>	<b>\$ 4,581,749</b>
Less: Depreciation	\$ (879,551)	\$ (937,993)	\$ (951,517)	\$ (915,496)	\$ (594,330)
<b>Operating Income Net of Depreciation</b>	<b>\$ 424,624</b>	<b>\$ 358,325</b>	<b>\$ 609,133</b>	<b>\$ 431,625</b>	<b>\$ (780,679)</b>
<b>Non-Operating Revenues (Expenses):</b>					
Interest income	\$ 10,675	\$ 51,308	\$ 20,617	\$ 14,615	\$ 26,059
Gain (loss) on disposal of capital assets	-	1,158	62,879	1,512	4,167
<b>Total Nonoperating Revenues (Expenses)</b>	<b>\$ 10,675</b>	<b>\$ 52,466</b>	<b>\$ 83,496</b>	<b>\$ 16,127</b>	<b>\$ 30,226</b>
<b>Net Revenue Prior to Debt Services and Transfers</b>	<b>\$ 435,299</b>	<b>\$ 410,791</b>	<b>\$ 692,629</b>	<b>\$ 447,752</b>	<b>\$ (750,453)</b>
<b>Transfers:</b>					
Transfers In	\$ -	\$ -	\$ -	\$ 50,000	\$ -
Transfers Out	(2,867)	-	(5,751)	-	-
<b>Total Transfers</b>	<b>\$ (2,867)</b>	<b>\$ -</b>	<b>\$ (5,751)</b>	<b>\$ 50,000</b>	<b>\$ -</b>
<b>Debt Service:</b>					
Principal	\$ 123,411	\$ 52,708	\$ 24,945	\$ 83,001	\$ 123,327
Interest	4,197	424	4,286	12,225	18,217
<b>Total Debt Service</b>	<b>\$ 127,608</b>	<b>\$ 53,132</b>	<b>\$ 29,231</b>	<b>\$ 95,226</b>	<b>\$ 141,544</b>
<b>Net Surplus After Debt Service and Transfers</b>	<b>\$ 304,824</b>	<b>\$ 357,659</b>	<b>\$ 657,647</b>	<b>\$ 402,526</b>	<b>\$ (891,997)</b>
<hr/>					
<b>Unrestricted Cash and Cash Equivalents</b>	<b>\$ 6,121,999</b>	<b>\$ 6,222,579</b>	<b>\$ 6,164,278</b>	<b>\$ 6,505,075</b>	<b>\$ 5,321,452</b>



# Key Observations

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## Historic Cash Flows: Fiscal Years 2016-2020

- On the previous page Davenport has reviewed a 5 year history of the Solid Waste Fund. Simply stated, revenues for Fiscal Years 2016-2018 were sufficient to meet all expenditures. Beginning in Fiscal Year 2019, revenues were insufficient.
- As of Fiscal Year 2019, the Solid Waste Fund has approximately \$5.3 million in Cash, Cash Equivalents and Investments. Additionally, the County also has been accumulating funds for post-closure landfill costs by setting aside \$500,000 per year. At the end of Fiscal Year 2021 there should be \$3.5 million in the County's General Fund Assigned Fund Balance for future County Landfill costs.
- For Fiscal Year 2020 total operations for Solid Waste and Refuse Collection was \$7.9 million.
  - Refuse Collections is accounted for under Public Works in the General Fund (see page 22). In Fiscal Year 2020 \$3.2 million of General Fund Revenues were budgeted. However, \$3.4 million was spent which was \$200,000 over budget.
  - The Solid Waste Fund produced revenues of \$3.1 million in Fiscal Year 2020 while expenditures totaled \$4.5 million in Fiscal Year 2020. The budget had called for use of \$700,000 of Solid Waste Fund Balance but ultimately twice as much was needed.





# Key Observations (cont.)

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## Future Operations (Fiscal Years 2021 and Forward)

- As of January 15, 2021, the County landfill was no longer accepting new solid waste deposits.
- Instead, the waste at the County's 25 collection sites is now being sent to a Transfer Station before ultimately being transported out of the County to another landfill.
- In addition to expenditures associated with processing new solid waste, the County will also incur additional post-closure and ongoing monitoring and maintenance costs for the closed landfill.
- It is expected that total expenditures for handling trash as well as closing the old landfill will be higher over the next several years.
- Fiscal Year 2022 will be the first full year of operations with the Transfer Station.
- Using the Fiscal Year 2022 Finance Proposed budget as a baseline, we have developed initial projections of the County's cash flows for Solid Waste operations for the next several years.



# Solid Waste Fund – Future Projections

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- The new Transfer Station system expenditures will be dependent on the amount of refuse collected since the cost of transfer is based upon the amount collected.
  
- Forecasting tonnage is tricky. The COVID-19 pandemic has increased tonnage in Fiscal Years 2020 and 2021; however, it is unknown as to whether this will continue. In addition, competition with other landfills could cause waste to leave the County and not be disposed at the collection sites.
  
- It will be vitally important for the Solid Waste Fund to keep sufficient reserves in order to not be a drain on the General Fund.
  
- Capital costs are minimal as compared to a landfill operation at roughly \$100,000 per year:
  - \$50,000/yr set aside for Transfer Station floor (replace every 5 years)
  - \$36,000/yr set aside for new Wheel Loader (replace every 7 years)
  - \$10,000/yr set aside for new skid steer/other
  
- Recycling helps reduce hauling costs and the County is well positioned to be aggressive here.



# Solid Waste Fund – Future Projections (cont.)

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## Current County Thinking for Handling Post-Closure Costs

- Post-Closure Cost for the landfill are in the \$9 - \$10 million range as preliminary estimates. The expectation is that the project will be ready to be bid out in Summer 2022 (+/-).
- At this time, the County is thinking that it will use the \$3.5 million it has set aside in Assigned Fund Balance under the General Fund to cash fund a portion of the project costs and borrow the balance.
- The first full year of debt service projected for Fiscal Year 2024. Ongoing monitoring, testing and maintenance costs could be as high as \$250,000 initially per year but will go down over initial 5 to 10 years.
- To provide greater perspective on the range of support that may be necessary from the General Fund, Davenport has shown our projections both including and excluding pay-go capital and debt service.

# Solid Waste & Refuse Collection Cash Flow Projections

## Excluding Post-Closure Debt Service and Pay-Go Capital



Solid Waste Fund  
Bedford County, Virginia

	Unaudited 2020	Budget 2021	Request 2022	Projection 2023	Projection 2024	Projection 2025	Projection 2026	Projection 2027
<b>Revenues</b>								
Interest	\$7,055	\$9,750	\$9,750	\$9,750	\$9,750	\$9,750	\$9,750	\$9,750
Tipping Fees	2,902,768	2,275,000	2,736,389	2,736,389	2,736,389	2,736,389	2,736,389	2,736,389
Miscellaneous	194,734	174,250	202,530	202,530	202,530	202,530	202,530	202,530
Transfers	16,311	1,470,836	0	0	0	0	0	0
Commonwealth	13,373	14,000	15,360	15,360	15,360	15,360	15,360	15,360
<b>Grand Total Solid Waste Revenues</b>	<b>\$3,134,241</b>	<b>\$3,943,836</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>
<b>Expenditures</b>								
Administration	\$1,059,192	\$1,014,649	\$1,017,699	\$1,017,699	\$1,017,699	\$1,017,699	\$1,017,699	\$1,017,699
Disposal	1,512,869	927,550	827,190	827,190	827,190	827,190	827,190	827,190
Transfer Station	389,730	1,194,500	2,518,124	2,518,124	2,518,124	2,518,124	2,518,124	2,518,124
Recycling	543,535	489,950	523,575	523,575	523,575	523,575	523,575	523,575
Collection System Maintenance	110,526	126,402	125,322	125,322	125,322	125,322	125,322	125,322
Litter Control	16,974	17,693	16,935	16,935	16,935	16,935	16,935	16,935
Closed Landfill	125,813	122,000	142,000	142,000	142,000	142,000	142,000	142,000
Bulk Recycling	0	57,600	162,902	162,902	162,902	162,902	162,902	162,902
Environmental Clean Up	5,658	0	6,500	6,500	6,500	6,500	6,500	6,500
Equipment Reserve	77,254	0	0	0	0	0	0	0
Hauling System	21,911	0	0	0	0	0	0	0
Material Recycling Facility	0	0	0	0	0	0	0	0
Transfer Building	397,041	0	0	0	0	0	0	0
Landfill Road Repair	0	0	250,000	250,000	250,000	250,000	250,000	250,000
Current Landfill Closure	0	0	361,000	0	0	0	0	0
<b>Grand Total Solid Waste Expenditures</b>	<b>\$4,573,872</b>	<b>\$3,950,344</b>	<b>\$5,951,247</b>	<b>\$5,590,247</b>	<b>\$5,590,247</b>	<b>\$5,590,247</b>	<b>\$5,590,247</b>	<b>\$5,590,247</b>
<b>Net Solid Waste Fund Decicit <u>Incl.</u> Debt Service and Capital</b>	<b>(\$1,439,632)</b>	<b>(\$6,508)</b>	<b>(\$2,987,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>
<b>Cumulative Deficit <u>Incl.</u> Debt Service and Capital</b>			<b>(\$2,987,218)</b>	<b>(\$5,613,436)</b>	<b>(\$8,239,654)</b>	<b>(\$10,865,872)</b>	<b>(\$13,492,090)</b>	<b>(\$16,118,308)</b>
<b>Solid Waste Fund Balance</b>								
Solid Waste Fund Beginning Balance	\$5,321,452	\$3,881,820	\$3,875,312	\$888,094	(\$1,738,124)	(\$4,364,342)	(\$6,990,560)	(\$9,616,778)
Addition to/ (Use of) Fund Balance	(1,439,632)	(6,508)	(2,987,218)	(2,626,218)	(2,626,218)	(2,626,218)	(2,626,218)	(2,626,218)
Solid Waste Fund Ending Balance	\$3,881,820	\$3,875,312	\$888,094	(\$1,738,124)	(\$4,364,342)	(\$6,990,560)	(\$9,616,778)	(\$12,242,996)
<b>Annual Additional General Fund Support Required</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,738,124)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>

# Solid Waste & Refuse Collection Cash Flow Projections

## Including Post-Closure Debt Service and Pay-Go Capital



Solid Waste Fund  
Bedford County, Virginia

	Unaudited 2020	Budget 2021	Request 2022	Projection 2023	Projection 2024	Projection 2025	Projection 2026	Projection 2027
<b>Revenues</b>								
Interest	\$7,055	\$9,750	\$9,750	\$9,750	\$9,750	\$9,750	\$9,750	\$9,750
Tipping Fees	2,902,768	2,275,000	2,736,389	2,736,389	2,736,389	2,736,389	2,736,389	2,736,389
Miscellaneous	194,734	174,250	202,530	202,530	202,530	202,530	202,530	202,530
Transfers	16,311	1,470,836	0	0	0	0	0	0
Commonwealth	13,373	14,000	15,360	15,360	15,360	15,360	15,360	15,360
<b>Grand Total Solid Waste Revenues</b>	<b>\$3,134,241</b>	<b>\$3,943,836</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>	<b>\$2,964,029</b>
<b>Expenditures</b>								
Administration	\$1,059,192	\$1,014,649	\$1,017,699	\$1,017,699	\$1,017,699	\$1,017,699	\$1,017,699	\$1,017,699
Disposal	1,512,869	927,550	827,190	827,190	827,190	827,190	827,190	827,190
Transfer Station	389,730	1,194,500	2,518,124	2,518,124	2,518,124	2,518,124	2,518,124	2,518,124
Recycling	543,535	489,950	523,575	523,575	523,575	523,575	523,575	523,575
Collection System Maintenance	110,526	126,402	125,322	125,322	125,322	125,322	125,322	125,322
Litter Control	16,974	17,693	16,935	16,935	16,935	16,935	16,935	16,935
Closed Landfill	125,813	122,000	142,000	142,000	142,000	142,000	142,000	142,000
Bulk Recycling	0	57,600	162,902	162,902	162,902	162,902	162,902	162,902
Environmental Clean Up	5,658	0	6,500	6,500	6,500	6,500	6,500	6,500
Equipment Reserve	77,254	0	0	0	0	0	0	0
Hauling System	21,911	0	0	0	0	0	0	0
Material Recycling Facility	0	0	0	0	0	0	0	0
Transfer Building	397,041	0	0	0	0	0	0	0
Landfill Road Repair	0	0	250,000	250,000	250,000	250,000	250,000	250,000
Current Landfill Closure	0	0	361,000	0	0	0	0	0
<b>Grand Total Solid Waste Expenditures</b>	<b>\$4,573,872</b>	<b>\$3,950,344</b>	<b>\$5,951,247</b>	<b>\$5,590,247</b>	<b>\$5,590,247</b>	<b>\$5,590,247</b>	<b>\$5,590,247</b>	<b>\$5,590,247</b>
<b>Revenues Over (Under) Expend. Excl. Debt Service and Capital</b>	<b>(\$1,439,632)</b>	<b>(\$6,508)</b>	<b>(\$2,987,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>	<b>(\$2,626,218)</b>
<b>Cumulative Deficit Excl. Debt Service and Capital</b>			<b>(\$2,987,218)</b>	<b>(\$5,613,436)</b>	<b>(\$8,239,654)</b>	<b>(\$10,865,872)</b>	<b>(\$13,492,090)</b>	<b>(\$16,118,308)</b>
<b>Other Financing Uses</b>								
Debt Service	\$0	\$0	\$0	\$0	\$533,212	\$533,212	\$533,212	\$533,212
Landfill Closure Expenditures			225,000	225,000	225,000	225,000	225,000	225,000
Use of Cash for Capital	0	208,850	336,000	100,000	100,000	100,000	100,000	100,000
<b>Total Other Financing Uses</b>	<b>\$0</b>	<b>\$208,850</b>	<b>\$561,000</b>	<b>\$325,000</b>	<b>\$858,212</b>	<b>\$858,212</b>	<b>\$858,212</b>	<b>\$858,212</b>
<b>Net Solid Waste Fund Decicit Incl. Debt Service and Capital</b>	<b>(\$1,439,632)</b>	<b>(\$215,358)</b>	<b>(\$3,548,218)</b>	<b>(\$2,951,218)</b>	<b>(\$3,484,430)</b>	<b>(\$3,484,430)</b>	<b>(\$3,484,430)</b>	<b>(\$3,484,430)</b>
<b>Cumulative Deficit Incl. Debt Service and Capital</b>			<b>(\$3,548,218)</b>	<b>(\$6,499,436)</b>	<b>(\$9,983,866)</b>	<b>(\$13,468,296)</b>	<b>(\$16,952,726)</b>	<b>(\$20,437,156)</b>
<b>Solid Waste Fund Balance</b>								
Solid Waste Fund Beginning Balance	\$5,321,452	\$3,881,820	\$3,666,462	\$118,244	(\$2,832,974)	(\$6,317,404)	(\$9,801,834)	(\$13,286,264)
Addition to/ (Use of) Fund Balance	(1,439,632)	(215,358)	(3,548,218)	(2,951,218)	(3,484,430)	(3,484,430)	(3,484,430)	(3,484,430)
Solid Waste Fund Ending Balance	\$3,881,820	\$3,666,462	\$118,244	(\$2,832,974)	(\$6,317,404)	(\$9,801,834)	(\$13,286,264)	(\$16,770,694)
<b>Annual Additional General Fund Support Required</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,832,974)</b>	<b>(\$3,484,430)</b>	<b>(\$3,484,430)</b>	<b>(\$3,484,430)</b>	<b>(\$3,484,430)</b>



# Key Observations

## Solid Waste Future Projections

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- The County's Solid Waste Fund is becoming a growing liability to the County's General Fund budgets.
- At this time, Davenport projects that the Solid Waste Fund will require General Fund support of approximately \$3.2 million annually after factoring in ongoing capital as well as debt service for the closure project as early as Fiscal Year 2023.
- As of June 30, 2019, the Solid Waste Fund has approximately \$5.3 million in cash, cash equivalents, and investments on hand. Factoring in the projected deficits from Fiscal Years 2020 and 2021, that amount is estimated to be \$3.6 million going into Fiscal Year 2022.
- Additionally, the County's General Fund has approximately \$3.5 million in Fund Balance that has been assigned to the landfill.



# Key Observations

## Solid Waste Future Projections

---

### Alternative Thinking for Post-Closure Costs

- Under the County's current thinking for addressing post-closure costs, the plan is to utilize the \$3.5 million in General Fund Balance that has been assigned to the landfill to partially fund the approximately \$10 million landfill closure project and borrow the remaining \$6.5 million.
- As an alternative approach, the County may want to consider transferring its \$3.5 million in Assigned Fund Balance to the Solid Waste Fund as a contribution to reserves rather than using it to downsize the borrowing.
- Combined with the \$3.6 million in projected existing cash, cash equivalents, and investments, the additional \$3.5 million would put the Solid Waste Fund's cash position at about \$7.1 million.
- Considering that the Solid Waste Fund is projected to run an annual deficit of approximately \$3 million in the coming years, the additional cash would strengthen the Fund's overall financial position while simultaneously providing more flexibility for the General Fund.



# Key Observations

## Solid Waste Future Projections (cont.)

---

### Alternative Thinking for Post-Closure Costs

- Although the County would then need to borrow the full \$10 million for the landfill closure project, interest rates are at or near historic lows and the additional debt service costs would be relatively minor compared to the flexibility that would be gained by the County.
- Additionally, given the uncertain nature of the tipping fees, a larger Fund Balance would add a much needed extra several million dollars of cushion in the near term as this this new operation settles in.
- Lastly, the capital to be borrowed is a one time requirement since the landfill is now closed. Therefore, the County could structure the approximately \$9-10 million borrowing to be amortized over virtually any length the County deems appropriate (i.e. 20 vs. 30 years).





# Appendix A – Credit Rating Overview

Bedford County, Virginia

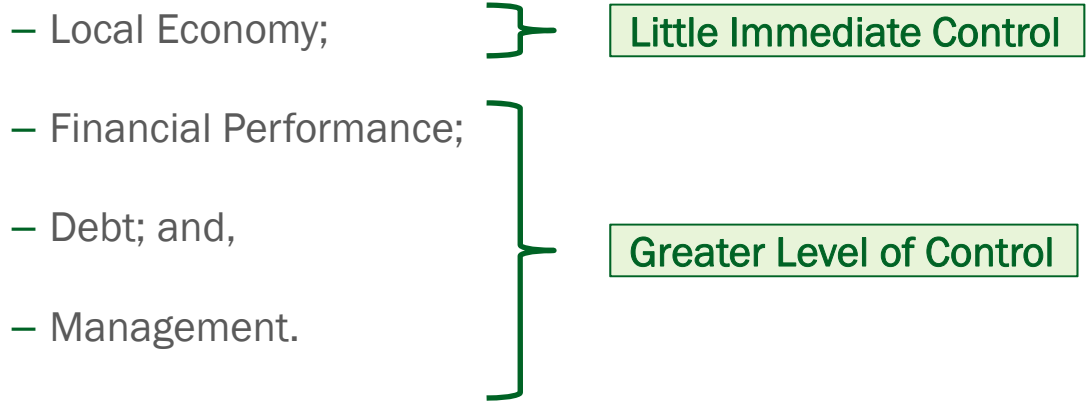


# Importance of a Credit Rating

The National Credit Rating Agencies serve as a proxy for the Credit Market’s view of a Local Government like the County.

## Why do Credit Ratings matter?

- Credit Ratings play a primary role in determining what interest rate(s) the County is able to achieve when borrowing for New Money Projects and/or Refinancing existing debt.
- Credit Ratings also send a signal to the business community about the Governance, Management, and Financial Health of a Local Government. This can be critical for Economic Development success.
- Strong access to the Credit Markets can also translate to highly favorable interest rates, terms, and conditions for the County on its New Money projects and when Refinancing for savings purposes.
- Additionally, the National Credit Rating Agencies provide an independent, outside perspective on how the County operates relative to other Local Governments in four criteria categories:





# What are the Key Drivers to a Credit Rating?

## ■ 1<sup>st</sup> Economic Base – Foundation of an Entity’s Fiscal Health

- Incorporation of Local, Regional, and National Economic Factors
- Demographic Characteristics including Population Trends, Employment, and Wealth Levels
- Tax Base – Size, Structure, and Diversity
- Industry Mix and Composition of Employment Base
- Local and Regional Patterns of Growth

## ■ 3<sup>rd</sup> Debt Factors

- Nature of Pledged Security, Debt Structure
- Balance between Accelerated Debt Issuance and Under-investment in Capital Facilities.
- Debt Burden Measured Against:
  - Tax Base
  - Wealth and Income of the Community
  - Total Budget

## ■ 2<sup>nd</sup> Financial Performance and Flexibility

- Revenue and Expenditure Structure and Patterns
- Annual Operating and Budgetary Performance
- Financial Leverage and Fund Balance Position
- Budgeting and Long-term Financial Planning
- Pension Funding and Insurance Risk

## ■ 4<sup>th</sup> Management Factors

- Range and Growth of Services Provided in Relation to Capacity to Provide Services
- Adherence to Long-Range Financial Planning and Policies
- Financial Forecasting and Management
- Consistent and Prudent Budgeting Practices



# Credit Rating Scale

Bedford County, Virginia				
Moody's	S&P	Fitch		
Aaa	AAA	AAA	Top Tier "Highest Possible Rating"	
Aa1	AA+	AA+		(Highest)
Aa2	AA	AA	2nd Tier "Very Strong"	(Middle)
Aa3	AA-	AA-		(Lowest)
A1	A+	A+		(Highest)
A2	A	A	3rd Tier "Strong"	(Middle)
A3	A-	A-		(Lowest)
Baa1	BBB+	BBB+	4th Tier "Adequate Capacity to Repay"	(Highest)
Baa2	BBB	BBB		(Middle)
Baa3	BBB-	BBB-		(Lowest)
BB, B, CCC, CC, C, D			5th - 10th Tiers "Below Investment Grade"	

Considered Investment Grade

Below Investment Grade

*Bedford County was previously assigned an A1 rating by Moody's in 2006. That rating was withdrawn in 2016.*



# Appendix B – Tax-Exempt Interest Rate Trends

Bedford County, Virginia

# AAA Tax-Exempt 20-Year Interest Rate



*As shown above, long term tax-exempt borrowing rates remain at or near historic low levels.*



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**REGULAR MEETING AGENDA**  
**BEDFORD COUNTY BOARD OF SUPERVISORS**  
**AND BROADBAND AUTHORITY**  
**TOWN OF BEDFORD MUNICIPAL BUILDING**  
**FEBRUARY 8, 2021**

**7:00 P.M.      REGULAR MEETING**

- (1) Call to Order & Welcome**
- (2) Moment of Silence**
- (3) Pledge of Allegiance**
- (4) Approval of Agenda**
- (5) Citizen Comments**
- (6) Consent Agenda**

- a. Consideration of a resolution for approval of application, acceptance, and appropriation of a 2021 Body-worn Camera Grant from the Virginia Department of Criminal Justice Services in the amount of \$10,267.50 (50% matching funds will be met with funds included in the proposed FY2021-22 budget for the Sheriff's Office). *(Resolution #R 020821-01)*
- b. Consideration of a resolution for approval of application, acceptance and appropriation of a DMV Bedford County Selective Enforcement – Alcohol Grant in the amount of \$32,052.00 (50% match of \$16,026.00 will be met by using the cost of fuel and vehicle maintenance included in the FY2021-2022 budget proposal for the Sheriff's Office) *(Resolution #R 020821-02)*
- c. Consideration of a resolution for approval of application, acceptance and appropriation of a DMV Bedford County Selective Enforcement – Occupant Protection Grant in the amount of \$6,300.00 (50% match of \$3,150.00 will be met by using the cost of fuel and vehicle maintenance included in the FY2021-2022 budget proposal for the Sheriff's Office) *(Resolution #R 020821-03)*
- d. Consideration of a resolution for approval of application, acceptance and appropriation of a DMV Bedford County Selective Enforcement – Speed Grant in the amount of \$11,200.00 (50% match of \$5,600.00 will be met by using the cost

of fuel and vehicle maintenance included in the FY2021-2022 budget proposal for the Sheriff's Office) (*Resolution #R 020821-04*)

**(7) Approval of Minutes** – October 26, 2021 (*added documentation*)

**(8) Public Hearings & Presentations** - *none*

**(9) Action & Discussion Items**

**a.** Consideration of a resolution authorizing the execution of contract for On-Call Architectural and Engineering Services. (*Resolution #R 020821-05*)

- *Staff Presentation by Public Works Director Sheldon Cash*

**b.** Consideration of a resolution accepting final project and releasing retainage associated with Phase II Broadband completed by ZiTEL, LLC. (*Resolution #R 020821-06*)

- *Staff Presentation by Deputy County Administrator Amanda Kaufman*

**(10) Board Committee Reports** - *none*

**(11) Board Comments**

**(12) Board Appointments**

**(13) County Administrator Report**

**a. Closed Session pursuant to Section 2.2-3711 (A) (1)** Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided the teacher makes a written request to be present to the presiding officer of the appropriate board. Nothing in this subdivision, however, shall be construed to authorize a closed meeting by a local governing body or an elected school board to discuss compensation matters that affect the membership of such body or board collectively; **and Section 2.2-3711 (A) (29)** Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body (both are pertaining to personnel related to the Broadband project).

**(14) County Attorney Report**

**(15) Board Information**

- a. Joint EDA/Board of Supervisors meeting minutes from October 13, 2020 (*added documentation*)

**(16) Board Calendar and Reminders**

- February 16 – Budget Worksession beginning at 5:00 pm (Ground Floor Meeting Room)
- February 22 – Annual dinner with the Extension Office at 5:30 pm; Regular Meeting at 7:00 pm (Town Council Hall)
- March 1 – Budget Worksession beginning at 5:00 pm (Ground Floor Training Room)
- March 8 - Worksession from 5:00 – 6:30 pm; Regular Meeting at 7:00 pm (Town Council Hall)

**Adjourn**



MINUTES

**BEDFORD COUNTY BOARD OF SUPERVISORS**

ADMINISTRATION BUILDING

OCTOBER 26, 2020

**5:00 P.M. WORKSESSION**

(1) **Board of Supervisors – Call to Order**

(2) Review 1<sup>st</sup> Quarter Financial Status with County Administrator Robert Hiss and Finance Director Ashley Anderson

(3) Recess Board of Supervisors

**Special Called Meeting - Broadband Authority**

(1) **Call to Order**

(2) **Closed Session pursuant to Section 2.2-3711 (A) (8)**, Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter (specifically, pertaining to the broadband project).

(3) Adjourn Broadband Authority

**7:00 P.M. REGULAR MEETING**

(1) **Call to Order & Welcome**

(2) **Moment of Silence**

(3) **Pledge of Allegiance**

(4) **Approval of Agenda**

(5) **Citizen Comments**

(6) **Consent Agenda**

- 32 a. Consideration of a resolution authorizing the advertisement of a Request for  
 33 Proposals for Equipment Maintenance and Repair Services.  
 34 *(Resolution #R 102620-01)*
- 35 b. Consideration of a resolution authorizing the advertisement of a Request for  
 36 Proposals for Wood Waste Grinding Services. *(Resolution #R 102620-02)*
- 37 c. Consideration of a resolution authorizing the advertisement of an Invitation for  
 38 Bids for Scrap Metal Purchase and Hauling Services. *(Resolution #R 102620-03)*
- 39 d. Consideration of a resolution authorizing the submission, acceptance, and  
 40 appropriation of a 2020 Assistance to Firefighters (AFG) Grant for the Department  
 41 of Fire & Rescue. *(Resolution #R 102620-04)*
- 42 e. Consideration of a resolution directing the County Administrator to accept and  
 43 appropriate funds from the State of Virginia for fast-tracking Broadband Projects,  
 44 if awarded, in an amount not to exceed \$1,345,610. *(Resolution #R 102620-05)*
- 45 **(7) Approval of Minutes – July 13, 2020**
- 46 **(8) Public Hearings & Presentations**
- 47 a. **Public Appearance** – Resolution in Recognition of the Daniels Family’s Service  
 48 to our Country
- 49 • *Presented by Supervisor Mickey Johnson*
- 50 **(9) Action & Discussion Items**
- 51 a. Consideration of a resolution to amend the Bedford County Holiday Personnel  
 52 Policy. *(Resolution #R 102620-06)*
- 53 • *Staff Presentation by Human Resources Director Dawn Fields*
- 54 b. Consideration of a resolution appropriating CARES Act funds for COVID-19  
 55 Hazard Pay. *(Resolution #R 102620-07)*
- 56 • *Staff Presentation by County Administrator Robert Hiss*
- 57 c. Consideration of a resolution reallocating Operational savings for an appreciation  
 58 bonus. *(Resolution #R 102620-08)*
- 59 • *Staff Presentation by County Administrator Robert Hiss*
- 60 d. Consideration of a resolution authorizing a public hearing of proposed adjustment  
 61 of fees associated with disposal of solid waste. *(Resolution #R 102620-09)*
- 62 • *Staff Presentation by Public Works Director Sheldon Cash*
- 63 e. Consideration of a resolution supplementally appropriating funds for the Bedford  
 64 County School Board. *(Resolution #R 102620-10)*
- 65 • *Staff Presentation by Finance Director Ashley Anderson*
- 66 f. Consideration of a resolution supplementally appropriating CARES Act funds for  
 67 the Bedford County School Board. *(Resolution #R 102620-11)*
- 68 • *Staff Presentation by Finance Director Ashley Anderson*

- 69 g. Consideration of a resolution to assist local meat processors with CARES Act  
 70 funds. (*Resolution #R 102620-12*)
- 71 • *Staff Presentation by Economic Development Director Traci Blido*
- 72 h. Consideration of a resolution to expand Back-to-Business Grant with Phase Two  
 73 (*Resolution #R 102620-13*)
- 74 • *Staff Presentation by Economic Development Director Traci Blido*
- 75 i. Consideration of a resolution to appropriate an additional \$50,000 of CARES Act  
 76 Funds to the Non-Profit Recovery Program. (*Resolution #R 102620-14*)
- 77 • *Staff Presentation by Deputy County Administrator Amanda Kaufman*
- 78 j. Consideration of a resolution approving a Memorandum of Understanding with  
 79 the Bedford Regional Water Authority to make sewer improvements in Forest.  
 80 (*Resolution #R 102620-15*)
- 81 • *Staff Presentation by Finance Director Ashley Anderson*
- 82 k. Consideration of a resolution requesting the Planning Commission consider and  
 83 recommend ordinance amendments for solar farms. (*Resolution #R 102620-16*)
- 84 • *Staff Presentation by County Administrator Robert Hiss*
- 85 l. Consideration of a resolution approving a Network Services Agreement with Zitel,  
 86 LLC, for the expansion of Broadband Internet in the amount of \$1,235,500.  
 87 (*Resolution #R 102620-17*)
- 88 • *Staff Presentation by Deputy County Administrator Amanda Kaufman*

89 **(10) Board Committee Reports – none**

90 **(11) Board Comments**

91 **(12) Board Appointments**

92 **(13) County Administrator Report**

- 93 a. Consensus is needed for VACo Voting Credentials for the Annual Conference;  
 94 please note that only Supervisor Johnson opted to attend the (virtual) annual  
 95 conference this year.

96 **(14) County Attorney Report**

97 **(15) Board Information**

- 98 a. Social Services Board meeting minutes from August 2020
- 99 b. Bedford Public Library System Board of Trustees meeting minutes from  
 100 September 1, 2020
- 101 c. Bedford Communications Monthly Report for September 2020

102 **(16) Board Calendar and Reminders**

- 103 • November 9 – Worksession from 5:00 – 6:30 pm; Regular meeting at 7:00 pm
- 104 • November 23 – Regular meeting at 7:00 pm
- 105 • December 14 – Worksession from 5:00 – 6:30 pm; Regular meeting at 7:00 pm

106 • January 11, 2021 – Worksession from 5:00 – 6:30 pm; Organizational/Regular  
 107 meeting at 7:00 pm

108 **Adjourn**

109 \_\_\_\_\_

110 **5:00 PM WORKSESSION**

111 **Board of Supervisors:** John Sharp, District 4, Chair; Mickey Johnson, District 1; Edgar Tuck, District 2;  
 112 Tommy Scott, District 5; Bob Davis, District 6; and Tammy Parker, District 7

113 **Absent:** Charla Bansley, District 3, Vice-Chair

114 -----

115 **Staff:** County Administrator Robert Hiss, County Attorney Patrick Skelley, Deputy County Administrator  
 116 Amanda Kaufman, Public Works Director Sheldon Cash, Finance Director Ashley Anderson, Human  
 117 Resources Director Dawn Fields, Economic Development Director Traci Blido, and Executive Assistant  
 118 Brigitte Lockett

119 \_\_\_\_\_

120 Chairman Sharp called the worksession to order, and turned the meeting over to County  
 121 Administrator Robert Hiss and Finance Director Ashley Anderson for a review of the first quarter financial  
 122 status.

123 Mrs. Anderson stated that first quarter revenue collection is up 35% over last year, and briefly  
 124 touched on the factors affecting the increase which included charges for services, recordation fees, permits  
 125 and licenses, local taxes (such as meals tax, games-of-skill tax, and sales tax), recovered costs, and property  
 126 taxes. (A full breakdown of the figures distributed to the Board will be kept on file in the Administration  
 127 Office for public review.) She noted we are trending overall a bit higher than last year's first quarter.

128 Mrs. Anderson then briefly reviewed the expenditures for the first quarter, noting we are at 25% of  
 129 budget (as expected). She stated that we paid a second quarter payment to a couple of agencies right at the  
 130 end of September that are factoring into our first quarter numbers; if that is backed out, we are  
 131 approximately \$450,000 below where we were at the same time last year for expenditures. Ms. Anderson  
 132 clarified that many of the debt service payments hit on July 15, which drives up the overall expenditure  
 133 numbers for the first quarter.

134 Mrs. Anderson concluded her presentation with a summary of the Solid Waste revenues and  
 135 expenditures, noting they are in the negative but not as much as we had anticipated. When you look at the  
 136 budget, their revenues are already at 30% of what had been anticipated, with expenditures right on target.  
 137 The \$1.47 million General Fund transfer to Solid Waste has not been done yet, as we may not need to  
 138 transfer the full amount. Mrs. Anderson said she would watch the cash flow and only transfer what is  
 139 actually needed.

140 Mr. Hiss stated that the Nursing Home is also doing well. Mrs. Anderson added that in the July-  
 141 August range, the Nursing Home was operating at \$600,000 to the good. Mrs. Anderson and Mr. Hiss then  
 142 answered brief clarifying questions from the Board.

143 There being no further discussion, the Board of Supervisors recessed at 5:20 pm.

144 \_\_\_\_\_

145 **5:20 PM SPECIAL CALLED MEETING**

146 **Broadband Authority:** John Sharp, District 4, Chair; Charla Bansley, District 3\*, Vice-Chair; Mickey  
147 Johnson, District 1; Edgar Tuck, District 2; Tommy Scott, District 5; Bob Davis, District 6; and Tammy  
148 Parker, District 7

149 *\*Arrived at 5:44 pm*

150 -----

151 **Staff:** County Administrator Robert Hiss, County Attorney Patrick Skelley, Deputy County Administrator  
152 Amanda Kaufman, and Executive Assistant Brigitte Lockett

153 \_\_\_\_\_

154 Chairman Sharp called the Broadband Authority to order,

155 **Supervisor Tuck called for a vote to enter into Closed Session pursuant to Section 2.2-3711**

156 **(A) (8)** Consultation with legal counsel employed or retained by a public body regarding specific legal  
157 matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be  
158 construed to permit the closure of a meeting merely because an attorney representing the public body is in  
159 attendance or is consulted on a matter (specifically, pertaining to the broadband project).

160 **Voting yes: Mr. Johnson, Mr. Tuck, Mr. Sharp, Mr. Scott, Mr. Davis, and Mrs. Parker**

161 **Voting no: none**

162 **Absent: Mrs. Bansley (\*see note above)**

163 **Motion passed.**

164 -----

165 **A motion was made to go back into regular session.**

166 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
167 **Mrs. Parker**

168 **Voting no: none**

169 **Motion passed.**

170 -----

171 **WHEREAS**, the Bedford County Board of Supervisors has convened a Closed Meeting, pursuant to  
172 an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information  
173 Act; and

174 **WHEREAS**, §2.2-3712 of the Code of Virginia requires a certification by the Bedford County Board  
175 of Supervisors that such closed meeting was conducted in conformity with Virginia Law.

176 **NOW, THEREFORE BE IT RESOLVED**, that the Bedford County Board of Supervisors does hereby  
177 certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted  
178 from open meeting requirements by Virginia law were discussed in the closed meeting to which this  
179 certification resolution applies, and (ii) only such public business matters as were identified in the motion



180 convening the closed meeting was heard, discussed or considered by the Bedford County Board of  
 181 Supervisors.

182	<u>MEMBERS:</u>	<u>VOTE:</u>
183	John Sharp, Chair	Yes
184	Charla Bansley, Vice-Chair	Yes
185	Mickey Johnson	Yes
186	Edgar Tuck	Yes
187	Tommy Scott	Yes
188	Bob Davis	Yes
189	Tammy Parker	Yes

190 -----

191 There being no further discussion, the Broadband Authority adjourned at 6:35 pm.

192 \_\_\_\_\_

193 **7:10 PM REGULAR MEETING**

194 **Board of Supervisors:** John Sharp, District 4, Chair; Charla Bansley, District 3, Vice-Chair; Mickey  
 195 Johnson, District 1; Edgar Tuck, District 2; Tommy Scott, District 5; Bob Davis, District 6; and Tammy  
 196 Parker, District 7

197 -----

198 **Staff:** County Administrator Robert Hiss, County Attorney Patrick Skelley, Deputy County Administrator  
 199 Amanda Kaufman, Public Works Director Sheldon Cash, Finance Director Ashley Anderson, Human  
 200 Resources Director Dawn Fields, Economic Development Director Traci Blido, and Executive Assistant  
 201 Brigitte Lockett

202 \_\_\_\_\_

203 (1) Chairman Sharp called the meeting to order and welcomed those in attendance.

204 (2) Chairman Sharp asked the room to observe a moment of silence.

205 (3) Chairman Sharp led the room in the pledge of allegiance.

206 \_\_\_\_\_

207 (4) **Approval of Agenda**

208 **Supervisor Tuck made a motion to approve the agenda.**

209 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
 210 **Mrs. Parker**

211 **Voting no: None**

212 **Motion passed.**

213 \_\_\_\_\_

214 (5) **Citizen Comments**

- 215 • Julie Creasy, 405 Brookledge Drive, Vinton, addressed the Board to voice her support for the  
 216 County continuing to follow the State holiday schedule.

217 • Walker Sydner, 1172 Bateau Drive, Lynchburg; Eugene Kidd, 1937 Fox Hill Road, Lynchburg;  
 218 George Dawson, 2700 Trents Ferry Road, Lynchburg; and William Gray, 113 Fox Meadows  
 219 Road, Lynchburg, addressed the Board to voice their concerns with the broadband project, as  
 220 it doesn't appear the new tower in their area has actually provided them with any service. The  
 221 speakers also noted the lack of connectivity will negatively impact homes values, home  
 222 businesses, et cetera, and asked the Board to either push Briscnet to provide better service or  
 223 assist citizens with other connectivity solutions.

224

225 **(6) Consent Agenda**

226 County Administrator Robert Hiss reviewed the following items on the consent agenda.

227 a. Consideration of a resolution authorizing the advertisement of a Request for Proposals for  
 228 Equipment Maintenance and Repair Services. *(Resolution #R 102620-01)*

229 b. Consideration of a resolution authorizing the advertisement of a Request for Proposals for Wood  
 230 Waste Grinding Services. *(Resolution #R 102620-02)*

231 c. Consideration of a resolution authorizing the advertisement of an Invitation for Bids for Scrap  
 232 Metal Purchase and Hauling Services. *(Resolution #R 102620-03)*

233 d. Consideration of a resolution authorizing the submission, acceptance, and appropriation of a  
 234 2020 Assistance to Firefighters (AFG) Grant for the Department of Fire & Rescue. *(Resolution*  
 235 *#R 102620-04)*

236 e. Consideration of a resolution directing the County Administrator to accept and appropriate funds  
 237 from the State of Virginia for fast-tracking Broadband Projects, if awarded, in an amount not to  
 238 exceed \$1,234,500. *(Resolution #R 102620-05)*

239 In response to a question from Supervisor Davis, Public Works Director Sheldon Cash stated that  
 240 we prefer to rent the equipment for grinding wood waste, as opposed to owning the equipment outright,  
 241 because we only do wood waste grinding once per year.

242 **Supervisor Johnson made a motion to approve the consent agenda.**

243 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
 244 **Mrs. Parker**

245 **Voting no: None**

246 **Motion passed.**

247

248 **(7) Approval of Minutes**

249 **Supervisor Scott made a motion to approve the minutes of July 13, 2020 as presented.**

250 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
 251 **Mrs. Parker**

252 **Voting no: None**

253 **Motion passed.**

254

255 **(8) Public Hearings & Presentations**

256 **(8a)** Supervisor Johnson presented the following Resolution in Recognition of the Daniels Family's  
257 service to our Country:

258 **WHEREAS**, Private First Class Bobbie Ray Daniels, at the age of 17, joined the U.S. Army from  
259 Bedford, Virginia, and served with Company G, 2<sup>nd</sup> Battalion, 5<sup>th</sup> Cavalry Regiment, 1<sup>st</sup> Cavalry Division;  
260 and

261 **WHEREAS**, in August of 1950, the 5<sup>th</sup> Cavalry Regiment of the U.S. Army's 1<sup>st</sup> Cavalry Division  
262 was spread thinly on a front south of the Naktong River, fighting to hold back the advance of North Korean  
263 People's Army (NKPA) forces; and

264 **WHEREAS**, on August 15, NKPA troops surrounded and cut off Company G of the regiment's 2<sup>nd</sup>  
265 Battalion, which was holding the line's northernmost position on a prominence called Hill 303. The rest of  
266 the battalion was ordered forward to relieve the men on Hill 303, but the enemy drove them back with  
267 heavy fire; and

268 **WHEREAS**, it wasn't until two days later, with the combined efforts of the regiment's 1<sup>st</sup> and 2<sup>nd</sup>  
269 Battalions, that Company G was finally relieved. The U.S. units involved in this fighting suffered heavy  
270 casualties, and a number of men went missing in action; and

271 **WHEREAS**, PFC Daniels went missing in action during the fighting around Hill 303, though specific  
272 details regarding his loss are unknown. PFC Daniels was never reported as a prisoner of war and until  
273 recently, had not been acknowledged with any of the remains recovered from the battle area; and

274 **WHEREAS**, in 1953, after the conflict ended, PFC Daniels was declared dead although his remains  
275 had not been identified and were buried as "unknown" at the National Memorial Cemetery of the Pacific in  
276 Hawaii; and

277 **WHEREAS**, PFC Daniels' remains were finally identified 70 years after his death through DNA in  
278 September 2020; and

279 **WHEREAS**, Bobbie's younger brother, US Marine Corp Sergeant Edward (Eddy) Earl Daniels was  
280 killed in Quang Nam, South Vietnam on November 5, 1968 where he served as a Mortarman with Company  
281 C, 1<sup>st</sup> Battalion, 5<sup>th</sup> Marines, 1<sup>st</sup> Marine Division; his name on The Wall At Panel 39W, Line 20; and

282 **WHEREAS**, another brother, US Army Sergeant Van J. Daniels, served in Vietnam for 18 months.  
283 He was exposed to Agent Orange and suffered the effects of that until his death in 2012 at the age of 66;  
284 and

285 **WHEREAS**, others that served in the Daniels family include Bobbie's father US Navy Ensign Ray  
286 Daniels; US Army Sergeant Thomas M. Daniels; US Air Force Sergeant Samuel W. Daniels; US Army  
287 Irvan J. Daniels; Virginia National Guard Sergeant Eldo O. Daniels; Virginia National Guard SP4 Clifton  
288 D. Daniels; and Virginia National Guard Sergeant Clifford G. Daniels.

289           **NOW, THEREFORE, BE IT RESOLVED** that the Bedford County Board of Supervisors hereby  
 290 recognizes and humbly thanks the Daniels family for their generations of service and ultimate sacrifice to  
 291 their Country.

292 \_\_\_\_\_

293 **(9) Action & Discussion Items**

294 **(9a)** Human Resources Director Dawn Fields addressed the Board with a resolution to amend the  
 295 Bedford County Holiday Personnel Policy. Mrs. Fields reviewed the memo and resolution in the Board's  
 296 packet for this item, noting that the current policy was adopted by the Board in 2002. A review of the policy  
 297 was done at the request of the Board following the unexpected addition of two State holidays by the  
 298 Governor earlier this year with only a few days notice. She stated that the documentation she had provided  
 299 in the agenda packet was based on information gathered from neighboring localities and a staff survey.  
 300 There followed a discussion between Mrs. Fields, Mr. Hiss, and the Board, with several Supervisors  
 301 suggesting the County follow the holiday schedule set by the Governor as of January 1<sup>st</sup> of each year, with  
 302 the exception of Election Day, which will instead be recognized as a floating holiday for County  
 303 employees.

304           **Supervisor Parker made a motion to approve Resolution #R 102620-06.**

305 -----

306           In response to some concerns voiced by the Board, Mrs. Fields stated that if the Governor does  
 307 decide to declare a new holiday and gives enough notice, she would bring it to the Board for their approval  
 308 before the County schedule would be amended. Otherwise, we might end up with an expected State holiday  
 309 that leaves half the County office open and the other half closed.

310 -----

311           **WHEREAS**, Bedford County's current Holiday Policy was approved by the Board of Supervisors  
 312 in June 2002, and states the County shall follow the State's holiday schedule for all holidays; and

313           **WHEREAS**, the Bedford County Board of Supervisor's Personnel Committee has reviewed the  
 314 holiday policy and made recommendation to revise the policy; and

315           **WHEREAS** there is a concern there has been confusion for staff and citizens when there were last  
 316 minute changes on two separate occasions in 2020 when the State calendar was adjusted to accommodate  
 317 two new holidays.

318           **NOW, THEREFORE, BE IT RESOLVED**, that the Bedford County Board of Supervisors does hereby  
 319 approve the decision to revise the Holiday Policy effective January 1, 2021 to reflect that the County will  
 320 follow the holiday schedule adopted by the State on the first of every January, with the exception of Election  
 321 Day which will be a floating holiday for as long as the state considers it a holiday.

322           **BE IT FURTHER RESOLVED** that if additional holidays are added to the State holiday calendar after  
 323 January 1<sup>st</sup> of each year, those added days would not be recognized as Bedford County holidays for that  
 324 same calendar year.

325           **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Davis, and**

326 **Mrs. Parker**

327 **Voting no:** **Mr. Scott** (Mr. Scott clarified that he was only voting no because he did not like  
328 how this was presented to staff prior to bringing it to the Board.)

329 **Motion passed.**

330 -----

331 **(9b)** County Administrator Robert Hiss and Finance Director Ashley Anderson addressed the Board  
332 with a resolution appropriating CARES Act funds for COVID-19 Hazard Pay. Mr. Hiss stated this proposal  
333 was discussed in the last Personnel Committee meeting, and then detailed the proposed payments as  
334 outlined in the resolution below. Mrs. Anderson stressed that the hourly rate would be only for actual hours  
335 worked between March 1, 2020 and September 30, 2020. Mr. Hiss and Mrs. Anderson then answered brief  
336 clarifying questions from the Board.

337 **Supervisor Tuck made a motion to approve Resolution #R 102620-07.**

338 **WHEREAS**, the County received CARES Act funds totaling \$13,784,368; and

339 **WHEREAS**, approximately \$5.9 million of the CARES Act funds received have not yet been  
340 designated for a specific purpose; and

341 **WHEREAS**, the CARES Act deems COVID-19 related hazard pay to be an eligible expenditure of  
342 CARES Act funds; and

343 **WHEREAS**, staff reviewed hazard pay recommendations with the Personnel Committee on October  
344 13, 2020; and

345 **WHEREAS**, staff recommends hazard pay of \$3.00 per hour worked between March 1, 2020 and  
346 September 30, 2020; and

347 **WHEREAS**, the total hazard pay per qualifying employee will not exceed \$2,750 per qualifying  
348 full-time employee and \$1,500 per qualifying part-time employee; and

349 **WHEREAS**, a “qualifying employee” is defined as (1) all Nursing Home employees, (2) Family  
350 Services employees in the Department of Social Services, (3) Firefighter/ALS, (4) Firefighter/EMT; or (5)  
351 all non-administrative employees of the Sheriff’s Office or Internet Crimes Against Children department.

352 **NOW, THEREFORE, BE IT RESOLVED**, by the Bedford County Board of Supervisors, that the  
353 Board does hereby appropriate up to \$715,000 of CARES Act funds for COVID-19 hazard pay as set forth  
354 in this resolution.

355 **Voting yes:** **Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
356 **Mrs. Parker**

357 **Voting no:** **None**

358 **Motion passed.**

359 -----

360 **(9c)** County Administrator Robert Hiss and Finance Director Ashley Anderson addressed the Board  
361 with a resolution reallocating Operational savings for an employee appreciation bonus. Mr. Hiss stated this  
362 request was discussed at the last Personnel Committee meeting, and noted that the CARES Act does not

363 cover this expense. Mr. Hiss said some operational savings have been realized, and could be used to give a  
 364 bonus to staff who have worked through the pandemic. He noted that while many other localities have  
 365 remained closed to the public since May, Bedford County has been reopened since Memorial Day. Mrs.  
 366 Anderson clarified that this bonus would only be for those employees who did not qualify for the CARES  
 367 Act hazard pay, and would be prorated based on the employee's start date. There followed a brief discussion  
 368 between staff and members of the Board.

369 **Vice-Chair Bansley made a motion to approve Resolution R 102620-08.**

370 **WHEREAS**, the CARES Act allows for hazard pay as it relates COVID-19, but does not allow any  
 371 other workforce bonuses; and

372 **WHEREAS**, staff have recommended a hazard pay rate for certain qualifying County employees;  
 373 and

374 **WHEREAS**, staff and the Board of Supervisors recognize the additional efforts and duties required  
 375 by all County employees because of the COVID-19 pandemic; and

376 **WHEREAS**, staff recommend providing a one-time appreciation bonus for all County employees  
 377 that do not qualify for COVID-19 hazard pay; and

378 **WHEREAS**, full-time employees and part-time employees hired on or before October 1, 2020  
 379 would receive \$750 and \$500, respectively; and

380 **WHEREAS**, the recommended bonus amount is to be prorated based on date of hire if an  
 381 employee was hired after March 1, 2020; and

382 **WHEREAS**, staff have identified operational savings to cover the cost of a one-time appreciation  
 383 bonus.

384 **NOW, THEREFORE, BE IT RESOLVED**, by the Bedford County Board of Supervisors, that the  
 385 Board does hereby authorize the reallocation of General Fund operational savings in the amount of  
 386 \$250,000 and Solid Waste operational savings in the amount of \$11,250 for a one-time appreciation bonus  
 387 as set forth in this resolution.

388 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
 389 **Mrs. Parker**

390 **Voting no: None**

391 **Motion passed.**

392 -----

393 **(9d)** Public Works Director Sheldon Cash addressed the Board with a resolution authorizing a public  
 394 hearing for the proposed adjustment of fees associated with disposal of solid waste. Mr. Cash reviewed the  
 395 details of this request as outlined in the resolution below, and then took questions from the Board. He noted  
 396 that the fee increase was needed to cover our costs, and that the Public Works Committee has reviewed and  
 397 recommended approval of this request. He stated that, if approved, we would have a public hearing at the  
 398 Board's next meeting and, if approved, the new fees would be effective as of January 4, 2021. There  
 399 followed a brief discussion between Mr. Cash and the Board.

400 **Supervisor Davis made a motion to approve Resolution #R 102620-09.**

401 **WHEREAS**, the Bedford County Board of Supervisors (hereinafter the Board) has considered  
402 possible adjustment of the currently-levied fees pertaining to the disposal of solid waste at the Bedford  
403 County Waste Management Facility; and

404 **WHEREAS**, the Board desires to advertise and conduct a public hearing concerning proposed fees;  
405 and

406 **NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Bedford County Board of Supervisors  
407 does hereby authorize a public hearing be publicized and conducted concerning the proposed adjustment  
408 of the current fee of \$41 per ton of commercially-hauled solid waste, including yard/debris waste, to a  
409 proposed fee of \$52 per ton.

410 **BE IT FURTHER RESOLVED** that the Board does hereby authorize a public hearing be publicized  
411 and conducted concerning the elimination of the current residential disposal allowance of 8 free tires per  
412 year per household.

413 **BE IT FURTHER RESOLVED** that the Board does hereby authorize a public hearing be publicized  
414 and conducted concerning the proposed adjustment of tire disposal surcharges (wheel size 24 inches or less)  
415 from the current rate of \$2 per tire to a rate of \$3 per tire.

416 **BE IT FURTHER RESOLVED** that the Board does hereby authorize a public hearing be publicized  
417 and conducted concerning the proposed adjustment of fees for disposal of inert materials, including  
418 concrete, brick, block, soil, and rock from the current rate of \$0 to a rate of \$5 per ton.

419 **BE IT FURTHER RESOLVED** that the Board does hereby authorize a public hearing be publicized  
420 and conducted concerning the proposed adjustment of fees for weight-only public scale tickets from the  
421 current rate of \$1 per ticket to \$5 per ticket.

422 **BE IT FURTHER RESOLVED** that the Board does hereby authorize a public hearing be publicized  
423 and conducted concerning the proposed adjustment of fees for disposal of single-wide mobile homes from  
424 the current rate of \$250 to a proposed rate of \$250 plus \$52 per ton.

425 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
426 **Mrs. Parker**

427 **Voting no: None**

428 **Motion passed.**

429 -----

430 **(9e)** Finance Director Ashley Anderson addressed the Board with a resolution supplementally  
431 appropriating funds for the Bedford County School Board. Mrs. Anderson stated this is a formality that  
432 appropriates the funds the Board has already allocated from the CARES Act funding for the School Board.  
433 She noted that the School Board will still need to submit invoices to receive reimbursement for the projects  
434 they undertake with these funds; it will not be given to them in one lump sum. Mrs. Anderson and School  
435 Chief Financial Officer Randy Hagler then answered clarifying questions from the Board.

436 **Supervisor Tuck made a motion to approve Resolution #R 102620-10.**

437           **WHEREAS**, the Bedford County Board of Supervisors allocated up to \$1.5 million in federal  
438 CARES Act funds to the Bedford County Schools; and

439           **Whereas**, there are an estimated \$1.5 million in CARES eligible expenditures; and

440           **Whereas**, these CARES eligible expenditures were not included in the Schools FY 2020-2021  
441 budget; and

442           **WHEREAS**, such funds are to be remitted by the County to the Schools on a reimbursement basis  
443 for verified CARES eligible expenditures; and

444           **WHEREAS**, County staff has reviewed the request and recommends approval.

445           **NOW, THEREFORE, BE IT RESOLVED**, by the Bedford County Board of Supervisors, that the  
446 Board does hereby authorize a supplemental appropriation of County CARES Act funds of \$1.44 million  
447 to the School Operating Fund and \$0.06 million to the School Nutrition Fund. The actual transfer of  
448 funds will not exceed the lesser of eligible CARES Act funds submitted for reimbursement or the \$1.5  
449 million allocated by the County to the Schools.

450           **Voting yes:     Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
451                                 **Mrs. Parker**

452           **Voting no:     None**

453           **Motion passed.**

454           -----

455           **(9f)** Finance Director Ashley Anderson addressed the Board with a resolution supplementally  
456 appropriating CARES Act funds for the Bedford County School Board. Mrs. Anderson briefly reviewed  
457 the details of this request, which are also given in the resolution below.

458           Mr. Hagler noted that the School Board did not become aware of that more CARES Act funds were  
459 available until two weeks ago. He stated that another \$1.2 million which was originally allocated to the  
460 Schools by the State has not yet been budgeted but must be spent by September 30<sup>th</sup>. Mr. Hagler also  
461 touched on a couple other funding streams that may become available to the Schools by the first of the year.

462           Mrs. Anderson and Mr. Hagler then answered questions from the Board.

463           **Supervisor Davis made a motion to approve Resolution #R 102620-11.**

464           **WHEREAS**, the Bedford County School Board is projected to receive between \$1.5 million and  
465 \$2.0 million in federal CARES Act funding directly from the state through the Coronavirus Relief Fund;  
466 and

467           **WHEREAS**, these funds must be spent by December 31, 2020; and

468           **WHEREAS**, the Bedford County Public Schools will only expend the amount allocated to the  
469 district in the final revised state budget; and

470           **WHEREAS**, County staff has reviewed the request and recommends approval.

471           **NOW, THEREFORE, BE IT RESOLVED**, by the Bedford County Board of Supervisors, that the  
472 Board does hereby authorize a supplemental appropriation of federal CARES Act funding up to \$2.0  
473 million, not to exceed the awarded amount, to the Bedford County Schools FY 2020-2021 budget.



474           **Voting yes:   Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
 475                                 **Mrs. Parker**

476           **Voting no:   None**

477           **Motion passed.**

478 -----

479 **(9g)** Economic Development Director Traci Blido addressed the Board with a resolution to assist local  
 480 meat processors with CARES Act funds. Mrs. Blido thanked the Board for the decisions they have made  
 481 throughout the year that have helped local businesses continue to operate; she then reviewed this request,  
 482 which is detailed in the resolution below. Mrs. Blido noted that meat processors are so busy many local  
 483 farmers cannot get booked in for services until 2021 due to this year’s significant increase in demand for  
 484 local meat. She said this funding will help both the local processors and the farmers meet the demand for  
 485 their products and services, as well as assist in strengthening the local food supply chain. She reiterated that  
 486 grants would be given on a reimbursement basis. She clarified these would be reimbursements are for local  
 487 business that work with local farmers and/or sell to local residents. It would not be for things such as cold  
 488 storage for people raising backyard chickens. There followed a discussion between Mrs. Blido, Extension  
 489 Agent Scott Baker, and the Board regarding various aspects of this request.

490           **Supervisor Parker made a motion to approve Resolution #R 102620-12.**

491           **WHEREAS** on August 10, 2020 the Bedford County Board of Supervisors approved \$250,000 in  
 492 CARES Act grant funding for other business support as part of the initial round of CARES Act funds; and

493           **WHEREAS** the meat production supply chain has been disrupted due to coronavirus pandemic; and

494           **WHEREAS** food industry experts believe the supply chain challenges will continue to linger  
 495 throughout the pandemic; and

496           **WHEREAS** many local farmers are not able to have their meats processed due to a shortage of  
 497 processors in Virginia; and

498           **WHEREAS** on April 28, 2020 President Trump declared the meat processors “critical infrastructure”  
 499 in an effort to ensure that facilities remain open in order to prevent shortages of meat as a result of the  
 500 coronavirus; and

501           **WHEREAS** at least one local processor that operates in Bedford County has demonstrated an ability  
 502 and desire to pivot and extend slaughter services to meet the needs of local residents and producers; and

503           **WHEREAS** county assistance to reimburse local processors for new investments in production  
 504 equipment and associated materials or infrastructure necessary for meat processing will further the capacity  
 505 efforts and greatly improve the food insecurity situation created by the Covid-19 pandemic;

506           **NOW, THEREFORE, BE IT RESOLVED,** that the Bedford County Board of Supervisors does hereby  
 507 authorize cash reimbursements on new equipment or infrastructure necessary in meeting these needs, up to  
 508 a maximum of \$100,000, until the funds are depleted, and authorizes staff to assist food processors in  
 509 expanding capacity in the food production supply chain in Bedford County, if eligible under the CARES  
 510 Act guidelines.

511 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, and Mrs. Parker**

512 **Voting no: Mr. Davis**

513 **Motion passed.**

514 -----

515 **(9h)** Economic Development Director Traci Blido addressed the Board with a resolution to expand the  
516 Back-to-Business Grant with Phase Two. Mrs. Blido briefly reviewed the details of the request, which are  
517 also given in the resolution below, noting these are the funds left over from the first phase.

518 In response to a question, Mrs. Blido said that, in hindsight, we did not allocate enough funding to  
519 begin with and should have allocated at least \$3 million instead of \$1 million. Applicants will still need to  
520 demonstrate their business has suffered a 20% loss due to the pandemic before receiving a grant. She noted  
521 that applicants will be required to certify what the funds are for, and whether they will keep their business  
522 in Bedford County.

523 **Vice-Chair Bansley made a motion to approve Resolution #R 102620-13.**

524 -----

525 Mr. Davis said it not the government's place to run to the rescue every time a business has a  
526 shortfall. As a business owner, he doesn't overextend himself because you never know what the future will  
527 bring; the County and the State cannot be bailing out businesses. Supervisor Tuck said he wants to help the  
528 companies that need it, but urged caution as businesses can make financial reports say anything they want.

529 -----

530 Supervisor Johnson asked Vice-Chair Bansley to restate her motion.

531 **Vice-Chair Bansley made a motion to approve Resolution #R 102620-13.**

532 **WHEREAS** on August 10, 2020 the Bedford County Board of Supervisors approved \$1,000,000 in  
533 CARES Act grant funding to assist small businesses recovering from temporary closings and disruptions  
534 in Round 1 of CARES Act funds; and

535 **WHEREAS** nearly 100 small businesses as of now have applied for the \$5,000 business recovery  
536 grants, making up roughly half of the available funds; and

537 **WHEREAS** half of the allocated funds are still available, Bedford County desires to launch a second  
538 phase of the Back to Business grant on November 1, 2020 to assist with the economic recovery needs of  
539 additional small businesses that exceeded the \$3million revenue criteria of phase one prior to the pandemic,  
540 but were negatively impacted in 2020 due to temporary closings or disruptions that resulted in reduced  
541 revenues due to Covid-19; and

542 **WHEREAS** Back to Business Phase 2 will increase the pre-pandemic annual gross revenue threshold  
543 to no greater than \$20 Million and take into consideration the number of jobs and investments that a  
544 company made in 2019 and 2020 prior to the pandemic, or as a result of the pandemic; and the level of  
545 impacts and loss experienced thereof; and

546 **WHEREAS** the Back to Business Phase 1 grant will remain open at the same time as well, until the  
547 \$1 million grant fund is depleted or December 1, 2020; and



585 that would be needed in order for BRWA to pay back a loan. A discussion followed between Mrs. Anderson,  
586 BRWA Executive Director Brian Key, and the Board regarding Mr. Davis' suggestion that the BRWA  
587 increase connection fees instead of coming to the County for funding.

588 **Vice-Chair Bansley made a motion to approve Resolution #R 102620-15.**

589 **WHEREAS** sewer capacity in the Forest area of the County of Bedford is limited, and there are few  
590 additional future sewer connections possible without increasing the capacity in such area; and

591 **WHEREAS**, the County and the BRWA recognize the need for increasing the capacity of the Forest  
592 sewer system to allow for continued growth in the County; and

593 **WHEREAS**, in order to facilitate the expansion of said sewer capacity, the BRWA has proposed the  
594 design and construction of a new gravity sewer line that would effectively double said capacity (the  
595 "Project"); and,

596 **WHEREAS**, the County is agreeable to providing financial assistance to BRWA for the purpose of  
597 facilitating the expeditious commencement of the Project, and to avoid substantial increases in fees charged  
598 to users, under the terms and conditions set forth herein; and

599 **WHEREAS**, to expedite the project, the initial \$500,000 payment is due within 30 days of execution  
600 of the MOU.

601 **NOW, THEREFORE, BE IT RESOLVED**, that the Bedford County Board of Supervisors agrees to the  
602 Memorandum of Understanding and the mutual covenants and conditions contained therein, authorizes the  
603 County Administrator to execute the MOU, and appropriates \$500,000 to fulfil the first payment to BRWA  
604 per the terms of the MOU.

605 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, and Mrs. Parker**

606 **Voting no: Mr. Davis**

607 **Motion passed.**

608 -----

609 **(9k)** County Administrator Robert Hiss addressed the Board with a resolution requesting the Planning  
610 Commission consider and recommend ordinance amendments for solar farms. Mr. Hiss reviewed the  
611 process that led to this request coming before the Board, noting that the State has recently favorably  
612 modified its laws regarding solar farms.

613 There followed a discussion between staff and members of the Board, with the Chairman clarifying  
614 that this action tonight will not change our ordinance; it just asks the Planning Commission to take a look  
615 at the subject and then make recommendations to the Board. Several Board members expressed concern  
616 that this will not directly benefit Bedford, that it will result in a loss of land for agricultural use, that we  
617 should wait to see how this plays out in other locations first, and that more discussion is needed. However,  
618 since there are five property owners in Supervisor Tuck's district who are interested in possibly developing  
619 a solar farm on their property, most of the Supervisors were in favor of allowing the Planning Commission  
620 to consider the issue and then make their recommendations back to the Board.

621 **Supervisor Tuck made a motion to approve Resolution #R 102620-16.**

622           **WHEREAS**, solar farms are becoming an increasingly popular development for large landowners;  
623 and

624           **WHEREAS**, solar farm developments help meet alternative energy demands and goals; and

625           **WHEREAS**, recent General Assembly legislation has made solar farms more financially attractive  
626 to local governments; and

627           **WHEREAS**, due to local interest by both landowners and developers, the Board of Supervisors  
628 believes further review and study of this topic is a worthwhile endeavor.

629           **NOW, THEREFORE, BE IT RESOLVED**, by the Bedford County Board of Supervisors, that the  
630 Planning Commission partner with the Department Community Development to review and create any  
631 necessary ordinance and County code amendments related to solar farms for future consideration by the  
632 Board of Supervisors.

633           **Voting yes:   Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Scott, Mr. Davis, and Mrs. Parker**

634           **Voting no:     Mr. Sharp**

635           **Motion passed.**

636 -----

637 **(9I)   Chairman Sharp called the Broadband Authority to order.**

638           Deputy County Administrator Amanda Kaufman addressed the Board with a resolution approving  
639 a Network Services Agreement with Zitel, LLC, for the expansion of Broadband Internet in the amount of  
640 \$1,234,500. Ms. Kaufman briefly reviewed this project's history, which is also outlined in the resolution  
641 below, noting that Zitel is contributing 35% (\$638,000) to the project. Ms. Kaufman, Mr. Hiss, and Zitel  
642 owner Brian Camden then answered clarifying questions from the Board.

643           **Supervisor Davis made a motion to approve Resolution #R 102620-17.**

644           **WHEREAS**, the Bedford County Broadband Authority established internet access as a priority and  
645 committed to use CARES Act funding toward addressing unserved and underserved areas; and

646           **WHEREAS**, a Request for Proposals (RFP) was posted from August 21, 2020 to September 14,  
647 2020 to solicit proposals as part of Phase II of the Bedford County Internet Initiative; and

648           **WHEREAS**, the RFP review committee vetted the proposals and recommends awarding a contract  
649 to Zitel, LLC in the amount of \$1,234,500; and

650           **WHEREAS**, Bedford County has available CARES funds to cover the cost of this contract; and

651           **NOW, THEREFORE, BE IT RESOLVED**, that the Bedford County Broadband Authority does  
652 authorize the award of a network services agreement to Zitel, LLC and authorizes the County Administrator  
653 to execute the contract.

654           **Voting yes:   Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
655                               **Mrs. Parker**

656           **Voting no:     None**

657           **Motion passed.**

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659 **(10) Board Committee Reports - none**

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661 **(11) Board Member Comments**

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663 **(12) Board Appointments - none**

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665 **(13) County Administrator Report**

666 County Administrator Robert Hiss requested, and received, consensus to assign the VACo Voting  
667 Credentials for the 2020 (virtual) Annual Conference to Supervisor Johnson.

668 \_\_\_\_\_

669 **(14) County Attorney Report**

670 Attorney Skelley reminded the Board that redistricting will take place again in 2021, so some  
671 consideration should be given to who the Board wants to appoint to the Redistricting Committee.

672 \_\_\_\_\_

673 **(15) Board Information**

674 **(15a)** The Board was given the Social Services Board meeting minutes from August 2020 for review.

675 **(15b)** The Board was given the Bedford Public Library System Board of Trustees meeting minutes from  
676 September 1, 2020 for review.

677 **(15c)** The Board was given the Bedford Communications Monthly Report for September 2020 for  
678 review.

679 \_\_\_\_\_

680 **(16) Board Calendar & Reminders**

- 681 • November 9 – Worksession from 5:00 – 6:30 pm; Regular meeting at 7:00 pm
- 682 • November 23 – Regular meeting at 7:00 pm
- 683 • December 14 – Worksession from 5:00 – 6:30 pm; Regular meeting at 7:00 pm
- 684 • January 11, 2021 – Worksession from 5:00 – 6:30 pm; Organizational/Regular meeting at 7:00  
685 pm

686 \_\_\_\_\_

687 **Vice-Chair Bansley made a motion to adjourn at 10:12 pm.**

688 **Voting yes: Mr. Johnson, Mr. Tuck, Mrs. Bansley, Mr. Sharp, Mr. Scott, Mr. Davis, and**  
689 **Mrs. Parker**

690 **Voting no: none**

691 **Motion passed.**



**MINUTES**

**JOINT MEETING**

**BOARD OF SUPERVISORS & ECONOMIC DEVELOPMENT AUTHORITY**

**Bedford County Administration Building**

**Board Room**

**122 E. Main Street**

**Bedford, VA 24523**

**October 13, 2020**

**5:00 p.m.**

**Welcome and Introductions**

- EDA Chairman - Mr. Jim Messier
- Board Chairman - Mr. John Sharp

**5:15 p.m.-6:15 p.m.**

**EDA Accomplishments, Challenges and Opportunities-Jim Messier and Traci Blido**

- Back to Business Phase I Grant Review
- Back to Business Phase II Grant Proposal
- Discussion of Business Recovery

**6:15 p.m.-6:30 p.m.**

**Closing discussion - All**

**Economic Development Authority:****Present:**

Rhonnie Smith - Dist. 1; Vicki Gardner - Dist. 2; Wyatt Walton - Dist. 3 (via phone); Matthew Braud - Dist. 4; Kristy Milton - Dist. 5; James Robertson - Dist. 6; Jim Messier, Chairman - Dist. 7

**Board of Supervisors:****Present:**

Mickey Johnson - Dist. 1; Edgar Tuck - Dist. 2; Charla Bansley, Vice-Chairman - Dist. 3; John Sharp, Chairman - Dist. 4; Tommy Scott - Dist. 5; Bob Davis - Dist. 6; Tammy Parker - Dist. 7

**Staff Present:** Traci Blido - EDA Secretary; Pam Bailey - Marketing & Business Development Coordinator; Robert Hiss - County Administrator; Amanda Kaufman - Deputy County Administrator; Patrick Skelley - County Attorney; Jordan Mitchell - Director, Community Development; Wyatt Woody - Director, Parks and Rec

**Guests:** Mary Zirkle, Town of Bedford Director of Planning and Community Development

**Transcriber:** Julia Peters

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Mrs. Blido welcomed everyone to the meeting tonight and introduced the EDA Chairman, Jim Messier. Chairman Messier thanked everyone for attending the meeting, where the EDA members could celebrate their accomplishments and share their vision for the future. He invited the Board of Supervisors (BOS) to join the EDA in a six-month project taking a fresh look at some of the real estate assets in Bedford County. He said that the EDA plans on taking a swath? analysis of the Montvale Center for Commerce, the New London Business and Technology Center, and the Bedford Center for Business. The goal is to create three individual taskforces, each made up of two members of the EDA and two members of the BOS. Members of the Planning Commission and County staff will be included as needed as well as representatives of other agencies such as the BRWA and the Town of Bedford Electric Department. By exploring the strengths, weaknesses, threats, and opportunities of these valuable properties, overall communication will be improved and a shared vision for the future can be created. The goal for completion of this study is early March which ties in well with the budget process. The study will help to identify areas in need of improvement, to aid in the marketing effort, and to work toward the betterment of businesses in Bedford County.

Mrs. Blido reviewed the message Chairman Messier spoke about and added that the particular area around each business park can be included in the analysis by way of how the business parks support these surrounding areas. She asked the BOS if they were agreeable to this project and invited discussion.

Mrs. Blido also noted the unemployment statistics where the combined continuing and initial claims have dropped below 4,000. Continued claims fell 11% in the region, and in Bedford County, the drop was 16%. The mean average wage is \$38,948 and the household income is \$61,541 which is much better than other localities in the region. From a county perspective, she believed Bedford was bouncing back faster than other areas and the sales and meals taxes have not been hit as hard as seen throughout the state and nation. Unemployment is 4.7% due to the Covid-19 pandemic, but last year the rate was 1.9 or 2%. Mrs. Blido felt the better numbers were due to Bedford County citizens being ready and willing to work with a motivated attitude rather than relying on unemployment income.



Her presentation included information regarding the top ten employers in Bedford County and the goal of maintaining and growing in high-tech, higher paying manufacturing jobs with the right companies that will keep the salaries higher. She also noted the value the tours of the Bedford One program provide to high school students, including those tours being held this year virtually. Staff are doing more and more with workforce situations and ag classes in the schools are providing students with skills that will transfer into higher paying salaries. Discussion also included how to include home-schooled students in the programs as well as students in all three high schools.

Mrs. Blido also provided information regarding the incentives granted to various Bedford County companies through the EDA. She explained the Back to Business grant program as well and found some businesses needing help were not eligible due to the parameters of the program. She also covered some interesting aspects learned while administering the grant program and proposed the County provide a Phase II utilizing three different levels of funds; based on the amount of employees and the earnings of the companies.

A brief discussion followed regarding Chairman Messier's proposal of analysis of the Bedford County business parks as well as the Phase II business grant program. A synopsis of current events from an economic development standpoint was also given by Mary Zirkle, the Town of Bedford's Director of Planning and Community Development.

The joint meeting adjourned at 6:10 p.m.

The EDA members remained in the Board Room for a short regular monthly meeting.