

# BOARD OF SUPERVISORS

## Agenda



April 11, 2016



**MEETING AGENDA**  
**BEDFORD COUNTY BOARD OF SUPERVISORS**  
**BEDFORD SCIENCE AND TECHNOLOGY CENTER**  
**APRIL 11, 2016**

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**7:00 P.M. PUBLIC HEARING**

- a. Call to Order
- b. Moment of Silence
- c. Pledge of Allegiance

**(1) APPROVAL OF AGENDA**

**(2) INTRODUCTORY REMARKS** – Chairman Wilkerson

**(3) PUBLIC HEARINGS**

- a. Proposed Bedford County Budget FY 2016-2017
- b. Tax Rate Ordinance - Tax Year 2016 - Consideration of a request to adopt the FY2016 Tax Rate Ordinance. (*Ordinance #O 041116-01*)
- c. Transient Rate Ordinance
- d. Consideration of a request from Mid-Atlantic Broadband Communities Corporation for property identified as Tax Map #87-A-47 to be designated as tax exempt. (*Ordinance #O 041116-02*)

**(4) ACTION ITEMS**

- a. Consideration of a request from the Department of Public Works to award the construction contract for the Registrar's office (*documentation to follow under separate cover*). (*Resolution #R041116-03*)
  - *Staff Presentation: Sheldon Cash, Director of Public Works*

**(5) BOARD CALENDAR & REMINDERS**

- April 25<sup>th</sup> - Regular Meeting (Budget Adoption); (Work Session 5:00 to 6:30 pm)
- May 9<sup>th</sup> – Regular Meeting (Work Session 5:00 to 6:30 pm)
- May 23<sup>rd</sup> – Regular Meeting

**(5) ADJOURNMENT**



**BEDFORD COUNTY  
PUBLIC HEARING NOTICE  
PROPOSED BUDGET FY 2016-2017**

The Bedford County Board of Supervisors will hold a public hearing on the proposed FY 2016-2017 Bedford County Budget, including the local transfer to Schools, on Monday, April 11, 2016 at the (location to be determined). There is set on this date several public hearings. The first public hearing will commence at 7:00 p.m. on the above date. Upon the close of the first public hearing, the Board will open the next public hearing.

The following is a synopsis of the Proposed FY 2016-2017 Budget:

**GENERAL FUND:**

**Revenues**

General Property Taxes	\$ 60,351,500
Other Local Taxes	11,564,302
Permits, Fees & Licenses	502,100
Fines & Forfeitures	120,000
Use of Money & Property	436,042
Charges for Services	1,795,304
Miscellaneous Revenue	286,741
Recovered Costs	445,000
Revenue from the Commonwealth	15,545,057
Revenue from the Federal Government	2,993,717
<b>Total General Fund Revenues</b>	<b>\$ 94,039,763</b>

**Expenditures**

General Government Administration	\$ 3,915,404
Judicial Administration	2,026,806
Public Safety	16,828,257
Public Works	4,749,223
Health, Welfare & Education	11,584,354
Parks, Recreation & Cultural	2,910,992
Community Development	3,301,762
Debt Service	7,778,436
Contingency Fund	500,000
Fund Transfer to CIP	3,514,842
Fund Transfer to Bedford County Schools	33,382,743
Fund Transfer to Vehicle Replacement Fund	545,000
Reserve for Solid Waste Expansion	500,000

Reserve for Future Needs - Schools	1,530,000
2% Raise effective 12.1.16	169,000
Pay Study Adjustments	400,000
LEOS VRS	73,841
New positions	321,945
Health Insurance	232,083
Budget Shortage-Expenditures in excess of Revenues	(224,925)
<b>Total General Fund Expenditures</b>	<b>\$ 94,039,763</b>

**LAW LIBRARY FUND**

**Revenues**

Use of Money & Property	\$ 50
Law Library Fees	10,900
<b>Total Law Library Fund Revenues</b>	<b>\$ 10,950</b>

**Expenditures**

Operations	\$ 10,060
Reserve for Future	890
<b>Total Law Library Fund Expenditures</b>	<b>\$ 10,950</b>

**VEHICLE REPLACEMENT FUND**

**Revenues**

Transfer from General Fund	\$ 545,000
<b>Total Vehicle Replacement Fund Revenues</b>	<b>545,000</b>

**Expenditures**

<b>Total Vehicle Replacement Fund Expenditures</b>	<b>\$ 545,000</b>
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**GENERAL CAPITAL IMPROVEMENT FUND**

**Revenues**

Transfer from General Fund	\$ 3,514,842
<b>Total General Capital Improvement Fund Revenues</b>	<b>3,514,842</b>

**Expenditures**

<b>Total General Capital Improvement Fund Expenditures</b>	<b>\$ 3,514,842</b>
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**NURSING HOME FUND**

**Revenues**

Beginning Cash Balance	\$ -
Use of Money & Property	14,160
Charges for Services	6,323,380
Miscellaneous Revenue	4,000
<b>Total Nursing Home Fund Revenues</b>	<b>\$ 6,341,540</b>

**Expenditures**

Operations	\$ 5,623,013
2% Raise effective 12.1.16	40,440
Health Insurance	49,833
Capital Improvements	628,254
<b>Total Nursing Home Fund Expenditures</b>	<b>\$ 6,341,540</b>

**SOLID WASTE FUND****Revenues**

Beginning Cash Balance	\$ 40,211
Use of Money & Property	40,000
Tipping Fees	2,522,500
Sale of Recyclables	196,000
Revenue from the Commonwealth	15,000
<b>Total Solid Waste Fund Revenues</b>	<b>\$ 2,813,711</b>

**Expenditures**

Operations	\$ 2,676,955
2% Raise effective 12.1.16	9,089
Health Insurance	12,667
Capital Improvements	115,000
<b>Total Solid Waste Fund Expenditures</b>	<b>\$ 2,813,711</b>



At a regular meeting of the Board of Supervisors of the County of Bedford, Virginia held at the Bedford County Administration Building on the 11<sup>th</sup> day of April 2016, beginning at 7:00 p.m.

**MEMBERS:**

Steve Wilkerson, Chairman  
 Curry Martin, Vice-Chairman  
 Bill Thomasson  
 John Sharp  
 Tommy W. Scott  
 Andrew D. Dooley  
 Kevin S. Willis

**VOTE:**

On motion of Supervisor \_\_\_\_\_, which carried by a vote of \_\_\_\_, the following was adopted:

**AN ORDINANCE TO ESTABLISH THE  
 TAX RATES FOR TAX YEAR 2016**

**WHEREAS**, the Code of Virginia requires all Counties to annually adopt a budget; and

**WHEREAS**, the Board of Supervisors has duly advertised and held a public hearing on the subject of tax rates;

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Supervisors of the County of Bedford, Virginia, that there be, and is hereby levied, the following tax and tax rates for tax year 2016:

- (1) \$0.52 per one hundred dollars of assessed valuation on all taxable real estate located in this County;
- (2) \$0.52 per one hundred dollars of assessed valuation on the property classified in Section 58.1-3506 A 10, Code of Virginia 1950, as amended: manufactured homes;
- (3) \$2.35 per one hundred dollars of assessed valuation for classifications of tangible personal property as defined in §§58.1-3503 and 3506 of the Code of Virginia: automobiles, trucks, motorcycles, camping trailers, travel trailers, motor homes and other recreational vehicles, trailers, boats, watercraft and aircrafts.
- (4) \$1.70 per one hundred dollars of assessed valuation for certain other classifications of tangible personal property as defined in §58.1-3506 of the Code of Virginia: heavy construction equipment, forest harvesting and silviculture equipment, computer hardware, programmable computer equipment and peripherals.
- (5) \$.00 per \$100.00 of assessed valuation on the property classified in Section 58.1-3506 A 14 of the Code of Virginia: vehicles for the transportation of the physically handicapped.
- (6) \$1.20 per \$100.00 of assessed valuation on the property classified in Sections 58.1-3506 A5, A7, and A18, 58.1-3507 and 58.1-3508 of the Code of Virginia, commonly known as machinery and tools



**BEDFORD COUNTY  
PUBLIC HEARING NOTICE**

**OCCUPANCY TAX**

A public hearing will be conducted by the Board of Supervisors at the Bedford Science and Technology Center, 600 Edmund Street, Bedford, VA on Monday, April 11, 2016 to receive comments regarding a proposed amendment to the Bedford County Code, Chapter 17, Article IX, to increase the rate of Transient Occupancy Tax from 5% to 7%, effective July 1, 2016.

A full copy of the proposed ordinance is available for public review during normal office hours in the Bedford County Administration Office, 122 East Main Street, 2<sup>nd</sup> Floor, Bedford, Virginia 24523.



March 24, 2016

Mr. Carl Boggess  
County Administrator  
County of Bedford  
122 East Main Street, Suite 202  
Bedford, Virginia 24523

Dear Mr. Boggess:

Thank you for allowing us to submit this letter to formally request tax exemption under Section 17-32 of the Bedford County Code.

We understand that just being a non-profit does not automatically qualify us for property tax exemption in Bedford County, and we must show that the work we are doing in the County falls within existing tax-exemption guidelines as well as produces more "public good" for the County than the tax revenue would generate for the County.

The following information details our unique position as a non-profit organization that is focused on bridging the digital divide, reducing the burdens of government, promoting economic development and reinvesting in our communities. Our non-profit mission directly benefits the citizens of Bedford County with the current wireless broadband tower project in Montvale, charitable donations to the Bedford County family YMCA, and helping to promote jobs and investments in the County. All these activities speak to our unique business model of public-private partnerships and doing projects with Bedford County that no for-profit would ever undertake, given the 50+ year payback model and the desire to reinvest in community partnerships.

*Section 17-32 Bedford County Code "In determining whether or not to grant any request for a tax exemption, the following criteria shall be considered:"*

(1) Whether the services provided by the organization are services the county would provide if the requesting party did not do so;

**MBC Response:** The county would not provide these services.

(2) Whether the organization meets a general public need for which the benefits derived by the community at large are equal to, or exceed, the county's loss in revenue from taxes on the entities real and/or personal property;

**MBC Response:** MBC provides the open-access fiber optic communications infrastructure that enables high speed broadband access for 5 Bedford County public schools, and is in progress of constructing a tower in Montvale to improve broadband services for the community at large.



(3) The revenue impact to the county and its taxpayers of exempting the property;

**MBC Response:** Negligible, less than \$400 per year.

(4) Whether the organization is exempt from taxation pursuant to § 501(c) of the Internal Revenue Code of 1954;

**MBC Response:** MBC is exempt from taxation pursuant to § 501(c) of the Internal Revenue Code of 1954 (501(c)(4) tax ID 27-0076588).

(5) Whether the organization provides services for the common good of the public;

**MBC Response:** MBC provides services for the common good of the public. MBC's mission is promoting economic development, lessening the burdens of government, and revitalizing economically distressed rural areas by constructing and operating a publicly funded fiber optic network for the benefit of the communities and citizens of southern Virginia (including Bedford County). Additionally, the corporation is bridging the digital divide in rural areas where commercial providers have not found it economically feasible to invest. The Montvale tower is a perfect example of what MBC does to provide services for the common good of the public. MBC has entered into a public-private partnership with Bedford County to donate one of our existing 190' towers being constructed in Montvale. The tower has a book value of \$52,000. Additionally, the tower will be used to enable a private sector ISP to serve residential and business customers in Montvale with high speed internet access. The construction costs to build the tower are \$120,000 and MBC is sharing the construction cost with the County of Bedford and MBC will invest over \$60,000 in construction costs. Based on current Return on Investment calculations, this project is negative return, and will take 50+ years to payback the MBC investment for tower lease revenues. This project will recoup costs in 47 years for the current lease, and being done with no financial return to MBC. No for-profit company would ever undertake this type of project, and without MBC's community minded business model, the tower would not be built and residential and business customers around the Moneta area would be left out of any high speed broadband opportunity.

(6) Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders; and

**MBC Response:** All salaries are reasonable and are evaluated by a third-party compensation consultant

(7) Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state, or federal grants ("donations" to include the providing of personal services or the contribution of in-kind or other material services).



Mid-Atlantic Broadband  
Communities Corporation

**MBC Response:** Construction of MBC's fiber optic network infrastructure in Bedford County has been in large part supported by capital grants from the Virginia Tobacco Region Revitalization Commission and the US Department of Commerce National Telecommunications and Information Administration, Broadband Technologies Opportunity Program. As a non-profit organization, no individual person benefits from the net earnings of the organization as 100% of those earnings are reinvested in the network and community reinvestments. In fact, MBC has donated over \$10,000 from our net earnings directly to the Bedford area Family YMCA over the last few years. MBC also uses net earnings to help fund economic development activities, and most recently in 2015, MBC paid for travel expenses for Bedford County Economic Development to attend two prospect meetings with wireless companies in Canada and California to discuss locating an R&D facility at the Center for Advanced Engineering Research facility in Bedford County.

In summary, we believe that our non-profit mission and purpose to improve community and economic development in Bedford County through our network infrastructure activities do in fact allow MBC to be eligible for tax exemption in Bedford County.

Again, we appreciate your willingness to work with us to resolve this very important issue, and I look forward to meeting with you and the Board of Supervisors on April 11, 2016.

Best Regards,

A handwritten signature in blue ink, appearing to read "Tad Deriso".

Tad Deriso  
President & CEO  
Mid-Atlantic Broadband Communities Corporation





At a regular meeting of the Board of Supervisors of the County of Bedford, Virginia held at the Bedford County Administration Building on the 11<sup>th</sup> day of April 2016 beginning at 7:00 p.m.

MEMBERS:

Steve Wilkerson, Chairman  
 Curry Martin, Vice-Chairman  
 Bill Thomasson  
 John Sharp  
 Tommy W. Scott  
 Andrew D. Dooley  
 Kevin S. Willis

VOTE:

On motion of Supervisor \_\_\_\_\_, which carried by a vote of \_\_\_\_\_, the following was adopted:

**WHEREAS**, the County of Bedford has received an application from Mid-Atlantic Broadband Communities Corporation requesting that its property be designated as tax exempt; and

**WHEREAS**, the current taxable personal property of Mid-Atlantic consists of an equipment shelter; however, a broadband tower will be constructed on the northwest corner of the old Montvale Elementary School property (part of Tax Map No. 87-A-47) on land owned by the Bedford County Broadband Authority; and

**WHEREAS**, the application is for the proposed tower and attendant improvements which are estimated to have construction costs of \$170,000; and

**WHEREAS**, Mid-Atlantic Broadband's mission includes promoting economic development, lessening the burdens of government, and revitalizing economically distressed rural areas by constructing and operating a publicly funded fiber optic network for the benefit of the communities and citizens of southern Virginia (including Bedford County). Additionally, the corporation is bridging the digital divide in rural areas where commercial providers have not found it economically feasible to invest. Mid-Atlantic Broadband has entered into a public-private partnership with the Bedford County Broadband Authority to donate one of its existing 190' towers to be constructed in Montvale; and

**WHEREAS**, the Bedford County Board of Supervisors has made the required findings pursuant to Section 58.1-3651 of the Virginia Code and Section 17-3.5 of Chapter 17 "Taxation" of the Bedford County Code; and

**WHEREAS**, in addition to the required findings, it is the finding of the Board of Supervisors that the organization meets the general public need with benefits that can be derived by the community at large, and that the benefits that will be received by the citizens of the County are equivalent to, or exceed, the County's loss in revenue from taxes.

**NOW THEREFORE**, it is the finding of the Board of Supervisors that Mid-Atlantic Broadband Communities Corporation is a 501 (c)(4) tax exempt organization; that the organization does not have an annual alcoholic beverage license nor will the organization have such a license; that the Directors and Officers of the organization are paid compensation commensurate to their duties;

that none of the net earnings of the organization inure to the benefit of any individual, and that a significant portion of the income is not from local and state grants; that the organization provides services that are for the common good of the public; that no portion of the activities of the organization include legislative or political campaigning for any office; and it is the finding of the Board of Supervisors that services provided by the organization exceeds the potential loss of taxation from the organization.

**NOW THEREFORE, BE IT ORDAINED** by the Bedford County Supervisors that all of the property real, personal and otherwise of Mid-Atlantic Broadband Communities Corporation, directly associated with the proposed tower to be built on part of Tax Map No. 87-A-47, and any future towers constructed for broadband purposes, in keeping with the above mission and associated equipment, shall be considered tax exempt pursuant to Section 58.1-3651 of the Virginia Code and Section 17-3.5 of Chapter 17 "Taxation" of the Bedford County Code. This exemption shall be effective immediately. Should the use of said property change in the future, the continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified.