

## PUBLIC HEARINGS

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- 1. Conditional Use Permit Request – 916-E West Atlantic Street – “Evening Entertainment”**
  - 2. Architectural Compatibility Review – 317 North Main Street**
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Emporia’s City Council held a Public Hearing on Tuesday, January 18, 2011, at 7:30 p.m. in the Council Chambers of the Municipal Building, located at 201 South Main Street, Emporia, Virginia. Mayor Samuel W. Adams, III presided over the session.

The following City Council members were present:

Councilman F. Woodrow Harris  
Councilman James C. Saunders  
Councilwoman Doris T. White  
Councilwoman Deborah D. Dixon  
Councilwoman L. Dale Temple  
Councilwoman Carolyn S. Carey

Others present: Samuel W. Adams, III, Mayor  
C. Butler Barrett, City Attorney  
Steve B. Hall, Assistant City Manager  
Brian S. Thrower, City Manger  
Tessie S. Wilkins, City Clerk  
Don Wyatt, Chief of Police  
W. S. Harris, Jr., Treasurer  
Joyce E. Prince, Commissioner of the Revenue

Absent: Councilman John R. White

### **1. Conditional Use Permit Request – 916-E West Atlantic Street – “Evening Entertainment”**

Mr. Hall stated that Fosho Foods, LLC (c/o Mr. Hermie Sadler) has applied for a conditional use permit to operate “evening entertainment on selected dates” at 916-E West Atlantic Street, also identified as City Tax Map Number 100-A-0-A. He also stated that the property is located in the C-2 Commercial district. He further stated that the property owner has completed extensive remodeling and renovation to establish the “Fosho” Italian Sports Grille which recently opened. He stated that the zoning approval for the restaurant/bar use was already obtained.

Mr. Hall reported that Mr. Sadler recently informed that he wishes to hold entertainment on certain nights of the week and/or month. He also reported that the possibilities of entertainment included but not limited to a DJ/music, karaoke, and comedy acts. He further reported that the City Code section 90-77 (b) allows for “Nightclubs with conditional use permit.” He stated that the City Code section 90-1 defines “*Nightclub* as an establishment for evening entertainment, generally open until the early morning hours that serves liquor and

usually food and also offers patrons music, comedy acts, floor shows, or dancing.” He also stated that under this framework and understanding that Fosho will serve alcoholic beverages, and considers “entertainment” to be interchangeable with “nightclub.”

### **Utilities**

Mr. Hall reported that this site is an existing building serviced by all utilities.

### **Ingress and Egress**

Mr. Hall reported that this site is an existing building and has the appropriate ingress/egress.

### **Surrounding Land Uses**

Mr. Hall reported that this property is located in the C-2 Commercial district. He also reported that the City Code Section 90-71(A), states the purpose is to “accommodate general business areas for auto or highway-oriented commercial uses, and wholesaling operations which by nature or space requirements do not lend themselves to being concentrated with a centralized C-1 district area.” He further reported that all bordering land uses fall within the C-2 Commercial district designation.

Mr. Hall reported that the Future Land Use Map in the City of Emporia Comprehensive Plan for 2008-2028 depicts this area as “General Commercial.” He also reported that a description of general commercial per the plan is as follows; “Intended for general commercial development including large retail stores, services, lodging/restaurants, offices, and shopping center. He also reported the General Commercial areas should be located on collector or arterial roads, have sufficient parking and be adequately served by public utilities and services.” He further reported that this proposed use is consistent with the future land use designation for the location in question.

### **Previous Land Use Amendment Applications**

Mr. Hall reported that there was no previous land use amendment application filed in connection with this parcel.

Mayor Adams asked if anyone wished to speak concerning the matter.

With there being no comments to come before City Council, Mayor Adams declared the first public hearing closed and proceeded to the second public hearing.

## **2. Architectural Compatibility Review – 317 North Main Street**

Mr. Hall stated that Slate Enterprises, Inc. seeks architectural compatibility review approval for property located at 317 North Main Street. He also stated that this property is located in the DT – Downtown District and is identified as Tax Map Number 142-A-0-67, 68. He further stated that as displayed in the attached graphic, Slate Enterprises is proposing to reconstruct the face of the building and install new window. He stated that the alteration will consist of three new canopies, white brick at the base of the structure and adjoining doors

offering a dual entrance to the office. He also stated that the potential exists for up to three offices to occupy the redeveloped structure.

Mr. Hall stated that this is a permitted use in the Downtown District; however, section 90-80(k)(1) requires that the Planning Commission review the proposal for architectural compatibility. He also stated that it reads:

(k) *Architectural compatibility.*

(l) All buildings or structures shall be erected or altered to blend with the general character of the DT downtown district. To facilitate this requirement, the zoning administrator shall submit all plans and specifications necessary to make such a reasonable determination, to the planning commission for review. The planning commission may seek input from surrounding property owners, tenants or other organizations as it may see fit and shall make recommendations regarding the architectural compatibility of the proposed development or alteration of existing buildings to City Council. This review shall in on way require the use of specific materials.

Mr. Hall stated that Section 90-1 defines the term “alteration,” as any change in the total floor area, use, adaptability or external appearance of an existing structure.

Mr. Hall reported that at the January 11, 2011 Regular Meeting, the Planning Commission offered a recommendation of approval regarding this request. He also reported that he recommends that the City Council approve the architectural compatibility request for 317 North Main Street.

Mayor Adams asked if anyone else wished to speak concerning the matter.

With there being no comments to come before City Council, Mayor Adams declared the second public hearing closed.

With no further matters to be presented before City Council members, Mayor Adams declared the public hearing closed.

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Samuel W. Adams, III, Mayor

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Tessie S. Wilkins, City Clerk

**MINUTES  
EMPORIA CITY COUNCIL  
CITY OF EMPORIA MUNICIPAL BUILDING  
January 18, 2011**

*Note to Reader: Although the printed agenda document for this City Council meeting is not part of these minutes, the agenda document provides background information on the items discussed by City Council during the meeting. A copy of the agenda document for this meeting may be obtained by contacting the Office of the City Clerk.*

Emporia City Council held a regular meeting on Tuesday, January 18, 2011, at 7:30 p.m. in the Council Chambers of the Municipal Building, located at 201 South Main Street, Emporia, Virginia. Mayor Samuel W. Adams, III presided over the meeting with James C. Saunders, Council Member offering the invocation.

**ROLL CALL**

The following City Council members were present:

Councilman F. Woodrow Harris  
Councilman James C. Saunders  
Councilwoman Doris T. White  
Councilwoman Deborah D. Dixon  
Councilwoman L. Dale Temple  
Councilwoman Carolyn S. Carey

Others present: Samuel W. Adams, III, Mayor  
C. Butler Barrett, City Attorney  
Steve B. Hall, Assistant City Manager  
Brian S. Thrower, City Manger  
Tessie S. Wilkins, City Clerk  
Don Wyatt, Chief of Police  
W. S. Harris, Jr., Treasurer  
Joyce E. Prince, Commissioner of the Revenue

Absent: Councilman John R. White

**MINUTES APPROVAL**

Councilwoman Temple moved to approve the minutes from the Tuesday, January 4, 2011, City Council meeting minutes as presented, seconded by Councilwoman White, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye

Councilwoman L. Dale Temple            aye  
Councilwoman Carolyn S. Carey        aye

## **APPROVAL OF BILLS**

A listing of the January 18, 2011 bills was presented to City Council members.

General Fund	\$1,459,490.52
Utility Fund	\$ 154,860.82

Councilman Saunders moved to approve the January 18, 2011 bills as presented, seconded by Councilwoman Temple, which passed as follows:

Councilman F. Woodrow Harris        aye  
Councilman James C. Saunders        aye  
Councilwoman Doris T. White        aye  
Councilwoman Deborah D. Dixon      aye  
Councilwoman L. Dale Temple        aye  
Councilwoman Carolyn S. Carey      aye

## **FINANCIAL AND TAX REPORTS**

Honorable W. S. Harris, Jr., City Treasurer provided City Council members with highlights of the City's financial position. There were no questions concerning his reports.

## **COMMISSIONER OF THE REVENUE REPORT**

Honorable Joyce E. Prince, Commissioner of the Revenue provided her report to City Council members. There were no questions regarding her report.

## **PERMIT AND INSPECTION REPORT**

Randy C. Pearce, Building/Fire Official provided his report to City Council members. There were no questions concerning his report.

## **POLICE REPORT**

Bernard Richardson, Chief of Police provided his report to City Council members. There were no questions concerning his report.

## **CITY SHERIFF REPORT**

Sam C. Brown, Sheriff provided his report to City Council members. There were no questions concerning his report.

## **CITY ATTORNEY REPORT**

C. Butler Barrett, City Attorney had no matters to report to City Council members.

## **AGENDA APPROVAL**

Mayor Adams reported the deletion of **Closed Session – Virginia Code § 2.2 3711 (A) (5) Discussion concerning a prospective business.**

Councilman Saunders moved to approve the amended agenda as presented, seconded by Councilwoman White, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

## **NEW BUSINESS**

### ***11-04. Conditional Use Permit Request – 916-E West Atlantic Street – “Evening Entertainment”***

Mr. Hall stated that Fosho Foods, LLC (c/o Mr. Hermie Sadler) has applied for a conditional use permit to operate “evening entertainment on selected dates” at 916-E West Atlantic Street, also identified as City Tax Map Number 100-A-0-A. He also stated that the property is located in the C-2 Commercial district. He further stated that the property owner has completed extensive remodeling and renovation to establish the “Fosho” Italian Sports Grille which recently opened. He stated that the zoning approval for the restaurant/bar use was already obtained.

Mr. Hall reported that Mr. Sadler recently informed that he wished to hold entertainment on certain nights of the week and/or month. He also reported that the possibilities of entertainment included but not limited to a DJ/music, karaoke, and comedy acts. He further reported that the City Code section 90-77 (b) allows for “Nightclubs with conditional use permit.” He stated that the City Code section 90-1 states “*Nightclub* means an establishment for evening entertainment, generally open until the early morning hours that serves liquor and usually food and offers patrons music, comedy acts, a floor show, or dancing.” He also stated that under this framework and understanding that Fosho will serve alcoholic beverages, and considers “entertainment” to be interchangeable with “nightclub.”

### **Utilities**

Mr. Hall reported that this site is an existing building serviced by all utilities.

### **Ingress and Egress**

Mr. Hall reported that this site is an existing building and has the appropriate ingress/egress.

### **Surrounding Land Uses**

Mr. Hall reported that this property is located in the C-2 Commercial district. He also reported that the City Code Section 90-71(A), states the purpose is to “accommodate general business areas for auto or highway-oriented commercial uses, and wholesaling operations which by nature or space requirements do not lend themselves to being concentrated with a centralized C-1 district area.” He further reported that all bordering land uses fall within the C-2 Commercial district designation.

Mr. Hall reported that the Future Land Use Map in the City of Emporia Comprehensive Plan for 2008-2028 depicts this area as “General Commercial.” He also reported that a description of general commercial per the plan is as follows; “Intended for general commercial development including large retail stores, services, lodging/restaurants, offices, and shopping center. He also reported the General Commercial areas should be located on collector or arterial roads, have sufficient parking and be adequately served by public utilities and services.” He further reported that this proposed use is consistent with the future land use designation for the location in question.

### **Previous Land Use Amendment Applications**

Mr. Hall reported that there was no previous land use amendment application filed in connection with this parcel.

Mr. Hall stated that in discussing this matter with Police Chief Don Wyatt, his concerns focus primarily on parking and potential interaction between tractor trailers and passenger vehicles as well as potential calls to the department regarding disputes and/or altercations. He also stated that Police Chief Don Wyatt is in agreement to the recommended conditions offered.

Mr. Hall reported that at the January 11, 2011 Regular Meeting, The Planning Commission voted to recommend approval of the request including the following conditions:

- A review by City Council in six months if permit is approved,
- A yearly review by City Council thereafter, and
- Ensure any “overflow” parking does not enter into the areas where tractor trailers are parked.

He recommended that City Council approve the conditional use request including the aforementioned conditions.

Councilwoman Temple moved to approve the conditional use permit request with the aforementioned conditions as stated above, seconded by Councilwoman Carey, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

### ***11-05. Recommendation from Farmers Market Advisory Board – Policy Revisions***

Mr. Hall reported that the recently appointed Farmers Market Advisory Board met twice to review and discuss the Farmers Market Rules and Regulations, revisit potential revisions or additions to the document, and brainstorm other potential uses. He also reported that at the organizational meeting held on December 14, 2010, New Visions/New Ventures (NV/NV) staff members Ms. Barb Upchurch and Ms. Stephanie Lebow were present to discuss a recent grant the organization had obtained to administer a cooking program. He further reported that the purpose of the grant is to assist residents of Emporia and Lawrenceville in obtaining additional income through approval of recipes through the Department of Agriculture and Consumer Services (VDACS). He stated that if approved, the product(s) could be sold at retail stores. He also stated that they inquired as to whether it would be possible to expand the list of eligible products to include items such as these. He further stated that the Board members and vendors were receptive to their proposal and the City of Emporia has partnered with the organization to assist in this initiative.

Mr. Hall reported that at the January 11, 2011 meeting, while a quorum was not present, the Board and vendors in attendance reached agreement to recommend City Council revise the policy to allow for processed/prepared goods to be sold at the Farmers Market only if the product has a recipe approved by VDACS in coordination with the NV/NV effort. He also reported that under these circumstances, NV/NV would be responsible for the full administration and oversight of the program, and approval of product and stalls at the Market.

Mr. Hall stated additionally, an update to the “Management – Advisory Board” section was agreed upon. He also stated that this amendment simply states the Board is advisory in its nature and may recommend revisions of the Rules and Regulations to City Council for formal action.

He recommended that City Council approve the revisions.

Councilman Saunders moved to approve, seconded by Councilwoman Temple, which passed as follows:

Councilman F. Woodrow Harris	nay
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

Councilman Harris asked why did the NV/NV only want recipes approved by VDACS. Mr. Hall replied that the NV/NV only want recipes approved by VDACS because NV/NV wants to make sure they are prepared properly.

#### ***11-06. Health Insurance – Request by Council Member Saunders***

Mr. Thrower stated that Councilman Saunders requested that the City Administration seek bids on employee health insurance. He also stated that in order to do this, the City will first need to procure a firm to provide health insurance consulting services.

Mr. Thrower reported that Council’s direction on this matter is requested.

Councilman Saunders moved to approve the City Administration to procure a firm to provide health insurance consulting services, seconded by Councilwoman Carey, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

Councilman Harris inquired why do the City have to have a Consulting Service. Mr. Thrower stated that the work load is too heavy for the City to do and cause for an expertise in that area.

***11-07. 2011 Annual City Council Retreat – Request to Approve Dates***

Mr. Thrower stated that the City Clerk contacted each Council Member regarding available dates to hold the annual retreat. He also stated that the dates of Friday, March 25, 2011 and Saturday, March 26, 2011 appear to be the dates everyone will be available. He further stated that the VPI Extension Office is also available for use that weekend.

Mr. Thrower stated that he was in process of preparing an agenda but asked Council to let him know of any specific items they would like on the agenda

He recommended that Council approve holding the Council Retreat on the dates of March 25, 2011 and March 26, 2011 at the VPI Extension Office.

Councilman Saunders made a motion to approve the dates of March 25, 2011 and March 26, 2011 to hold the Council Retreat at the VPI Extension Office, seconded by Councilwoman Carey, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

***11-08. Architectural Compatibility Review – 317 North Main Street***

Mr. Hall stated that Slate Enterprises, Inc. seeks architectural compatibility review approval for property located at 317 North Main Street. He also stated that this property is located in the DT – Downtown District and is identified as Tax Map Number 142-A-0-67, 68. He further stated that as displayed in the attached graphic, Slate Enterprises is proposing to reconstruct the face of the building and install new window. He stated that the alteration will consist of three new canopies, white brick at the base of the structure and adjoining doors offering a dual entrance to the office. He also stated that the potential exists for up to three offices to occupy the redeveloped structure.

Mr. Hall stated that this is a permitted use in the Downtown District; however, section 90-80(k)(1) requires that the Planning Commission review the proposal for architectural compatibility. He also stated that it reads:

(k) *Architectural compatibility.*

(l) All buildings or structures shall be erected or altered to blend with the general character of the DT downtown district. To facilitate this requirement, the zoning administrator shall submit all plans and specifications necessary to make such a reasonable determination, to the planning commission for review. The planning commission may seek input from surrounding property owners, tenants or other organizations as it may see fit and shall make recommendations regarding the architectural compatibility of the proposed development or alteration of existing buildings to City Council. This review shall in on way require the use of specific materials.

Mr. Hall stated that Section 90-1 defines the term “alteration,” as any change in the total floor area, use, adaptability or external appearance of an existing structure.

Mr. Hall reported that at the January 11, 2011 Regular Meeting, the Planning Commission offered a recommendation of approval regarding this request. He also reported that he recommend that the City Council approve the architectural compatibility request for 317 North Main Street.

Councilman Saunders made a motion to approve the architectural compatibility request for 317 North Main Street, seconded by Councilwoman Carey, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

***11-09. Virginia Tobacco Indemnification & Community Revitalization Commission Grant Funds – Appropriation Ordinance***

Mr. Thrower reported that the City of Emporia was awarded a grant through the Virginia Tobacco Indemnification & Community Revitalization Commission. He also reported that the grant is in the amount of \$932,000.00 and will be used to pay engineering costs associated with the Water Treatment Plant and Water Distribution System Improvement Project. He further reported that in order for the City to utilize the award and to begin making payments to City engineering firm, that Council will need to appropriate these grant funds into the current operating budget.

He recommended that Council adopt Ordinance No. 11-02 to Appropriate the Sum of \$932,000.00 in Grant Funds from Virginia Tobacco Indemnification & Community Revitalization Commission for Engineering Cost for the City’s Water Treatment Plant & Water Distribution System Improvement Project.

Councilman Saunders made a motion to adopt **Ordinance No 11-02** to appropriating the sum of \$932,000.00 in Grant Funds from Virginia Tobacco Indemnification & Community

Revitalization Commission for Engineering Cost for the City's Water Treatment Plant & Water Distribution System Improvement Project, seconded by Councilwoman Temple, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

***11-10. Board of Zoning Appeals – Unexpired Term (Bill Belmonte)***

Mr. Thrower stated that Bill Belmonte has submitted his letter of resignation from the Board of Zoning Appeals effective January 13, 2011. He also stated that his unexpired five (5) year term on the Board of Zoning Appeals has an expiration date of February 28, 2014. He further stated that as a result, City Council needs to make a nomination(s) to fill the vacant seat and submit the result(s) to the Greenville County Circuit Court for consideration and appointment. He stated that the Greenville County Circuit Court requests that City Council members provide thirty-days notice of such nomination(s).

Councilman Saunders moved to nominate Mr. John Jones Jr. to the Board of Zoning Appeals.

Councilwoman Carey moved to nominate Ms. Marva Dunn to Board of Zoning Appeals.

Councilman Saunders moved to approve that Mr. John Jones Jr., and Ms. Marva Dunn be nominated to serve on the City's Board of Zoning Appeals, seconded by Councilwoman Carey, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

***11-11. Presentation by Davenport & Company, LLC – Potential Refinancing of 2006 General Obligation Refunding Bond***

Mr. Thrower reported that Roland Kooch with Davenport & Company, LLC was in attendance to provide the refinancing options with the goal of achieving interest rate protection over the 10 to 15 years.

He recommended that Council authorize Davenport & Company to proceed with obtaining a refinancing bid. He stated that the City will not incur any expense for this initial work. He also stated that after obtaining bids, Mr. Kooch will present the results of the bidding process at the February 15, 2011 City Council meeting. He further stated that the City will only pay for the professional work (bond counsel and financial advisor) upon Council approval to go forward with refinancing recommendations at the meeting.

Mr. Roland Kooch provided City Council members with a presentation and hard copies of the Potential Refinancing 2006 General Obligation Refunding Bond. His report included, but was not limited to the following information:

### **Background**

1. In June 2006, the City, with the assistance of Davenport, issued its \$7,560,000.00 General Obligation Refunding Bond, Series 2006 (the “2006 Bond”).

- The proceeds of the 2006 Bond were used to restructure the City’s 2003A Bond.
- As a result of the restructuring, the City extended the maturity of the debt to thirty years in order to achieve a cash flow saving for budgetary purposes.

2. Carter Bank provided the 2006 Bond financing with the following terms:

- Initial fixed interest rate at 4.00% for five years (with a thirty-year amortization).
- The rate resets every five years and is currently due to reset on May 1, 2011 at the constant five year maturity as published by the Federal Reserve Bank.
- Prepayment on the 2006 Bond was allowed anytime with a two percent premium until July, 2018, and after July 1, 2018 without premium.
- If the 2006 Bond is refinanced with Carter Bank, there will be no prepayment premium.
- Final maturity is May 1, 2036.

3. The City has the opportunity to potentially refinance this outstanding Bond via a “Riskless Strategy” as detailed in this presentation in order to “lock in” the rate at or below the four percent level for more than five years.

- Goal: to achieve longer interest rate protection.

### **Goals & Objectives**

1. Take advantage of historically low interest rates to refinance the City’s outstanding 2006 Bond.

- Although the rate is anticipated to reset at a level approximating three percent, it will be locked in until 2016 and then be reset again.
- To minimize the potential exposure to interest rate fluctuations, the City should consider refinancing and locking in a longer interest rate term and doing so in the current interest rate environment.

2. Help the City save real dollars on an annual basis by locking in a fixed interest rate for at least the next ten years to fifteen years (if available) now at a lower rate versus the current loan at four percent.

- By locking the rate on the loan for the next ten to fifteen years now (if available), the City’s “interest rate risk,” i.e. the risk that rates rise over the next five years, is strategically minimized.

3. Compensate Davenport only in the event of a successful closing.

### **Current Interest Rate Environment**

- Long –term fixed interest rates are still hovering at/near historic forty-year lows.
- After 2011, the City will again be subject to interest rate reset in 2016; and interest rates have been rising over the past thirty-sixty days.
- As such Davenport & Company recommend soliciting/obtaining interest rate proposals now for a refinancing of the 2006 Bond, which has a remaining amortization of twenty-five years.

### **Davenport’s Approach**

- Via a competitive bid process, Davenport would again serve as Financial Advisor to the City and structure a Request for proposals (RFP) to obtain the most optimal terms and conditions for a refinancing of the 2006 Bond
- The RFP would be for a Private Bank Placement, similar to the 2006 Bond, which offers the following advantages:

1. *Least Costly Alternative* – Includes only fees for Bond Counsel and Financial Advisor (and potentially the winning bank), which can all be financed as part of the new bond issue (i.e. the City does not have to come out of pocket for any fees or issuance costs).

2. *Quickest Method* – Private Placement can be completed in approximately forty-five to sixty days depending on the governing body’s meeting schedule.

3. *Bank Qualification (“BQ”) Status* – Depending on the City’s borrowing needs in calendar year 2011, it may be able to utilize the BQ designation, which allows banks to respond to the RFP with more aggressive (i.e. lower) rates.

4. *Prior History of Successful Placements* – The City has successfully issued Private Placements with Davenport’s assistance in the past.

5. *Most Favorable Call Provisions* – We believe it is likely that the winning bidder would provide a call provision that allows for prepayment on an annual basis; should interest rates continue to stay at historic lows, this would allow for future interest cost savings with additional refinancing(s).

6. *Local Banks Have the Ability to Bid* – With Private Placements, any and all local banks will have the ability to bid on the permanent financing, in competition with regional and national banks.

7. *Competitive Procurement* – Private Placements offer the ability to competitively procure the most favorable banking services from a group of local, regional and national banks. Additionally, the City, with the assistance of Davenport, will have the ability to negotiate certain terms and conditions prior to consideration by the City Council.

8. *Riskless Strategy* – The City has the benefit of knowing exactly the terms and conditions via this strategy before it decides whether or not to move forward (see the following page for additional details).

### **Private Placement**

1. Characteristics of the potential refinancing via Private Placement:
  - The 2006 Bond has twenty-five years remaining on its amortization. We would target a minimum ten-year fixed rate with a reset provision for the remaining term of fifteen years (it is also possible that a longer fixed rate could be requested/provided);
  - Same annual level debt service repayment structure as in the 2006 Bond;
  - General Obligation of the City to repay debt service; and
  - No Public Hearing requirement
  
2. “A Riskless Strategy”
  - A Private Placement offers the City the ability to put in place a “riskless strategy”, i.e. the City only pays for professional work (Bond Counsel and Financial Advisor) upon a successful closing.
  - Additionally, the City Council will know in advance what the interest rates and terms and conditions are for the refinancing before making a decision to proceed with the refinancing.

### **Existing Structure**

1. Current Structure:
  - Interest rate is reset below four percent in May.
  - Interest Rate Risk for the remaining twenty years on approximately \$6 million.

### **Minimizing Interest Rate Risk – Ten Year Rate**

1. Ten Year Rate Structure:
  - Interest rate is refinanced at or below four percent for ten years.
  - Interest Rate Risk for the remaining fifteen years on approximately \$4.9 million.

### **Minimizing Interest Rate Risk – Fifteen Year Rate**

3. Fifteen Year Rate Structure:
  - Interest rate is refinanced at or below four percent for ten years.
  - Interest Rate Risk for the remaining ten years on approximately \$3.6 million.

Councilman Saunders made a motion to authorize Davenport & Company to proceed with obtaining refinancing bids, and that the City will not incur any expense for this initial work, after obtaining bids Mr. Kooch will present the results of the bidding process at Council February 15, 2011 meeting, the City will only pay for professional work (bond counsel and

financial advisor) upon Council approval to go forward with refinancing recommendations at the that meeting seconded by Councilwoman Temple, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

## **PUBLIC COMMENT**

With there being no matters to come before City Council members, Mayor Adams entertained a motion to enter into Closed Session.

### **\*\*\*CLOSED SESSION\*\*\***

Councilman Saunders moved that Closed Session be entered for the purpose of discussing Virginia Code Sections **2.2-3711 (A) (7) Legal matter requiring the advice of counsel** seconded by Councilwoman Temple, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye
Councilwoman Carolyn S. Carey	aye

### **\*\*\*Regular Session\*\*\***

Councilman Harris moved that the meeting be returned to Regular Session. Councilwoman White seconded the motion, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye

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## **CERTIFICATION**

Councilman Saunders moved to certify the following:

1. only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were discussed in the Closed Session to which this certification applies, and

2. only such public business matter as were identified in the motion by which the Closed Session was convened were heard, discussed, or considered by City Council.

Councilwoman White seconded the motion, which passed as follows:

Councilman F. Woodrow Harris	aye
Councilman James C. Saunders	aye
Councilwoman Doris T. White	aye
Councilwoman Carolyn S. Carey	aye
Councilwoman Deborah D. Dixon	aye
Councilwoman L. Dale Temple	aye

## **ADJOURNMENT**

With no further business to come before City Council, Mayor Adams adjourned the meeting.

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Samuel W. Adams, III, Mayor

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Tessie S. Wilkins, City Clerk