

**Town of Louisa
Monthly Meeting
April 17, 2007**

Present: James S. Artz, Mayor; Mary Jane Clarke, Vice-Mayor; A. Daniel Carter, Pamela H. Stone, Warren D. Gehle, Matthew L. Kersey, Council Members; Brian W. Marks, Town Manager; Donna L. Pinter, Treasurer; Jessica M. Ellis, Clerk; M. Brad Humphrey, Project Manager; Stan Batten, Chief of Police

Also Attending: Pat Wilson, The Central Virginian; Lisa Williams, McGuire Woods

Absent: Ronald M. Maupin, Attorney

All copies including: reports, handouts, and documents can be found following the minutes.

Mayor Artz called the meeting to order at 7:03 p.m.

Council Member Kersey gave the invocation.

Mayor Artz asked for a moment of silence in honor of the students and faculty that were affected by the events at Virginia Tech.

BUSINESS FROM THE FLOOR

None.

CONSENT AGENDA

Council Member Kersey made a motion to approve the consent agenda. Council Member Gehle seconded the motion. The vote went as follows: Kersey, for; Clarke, for; Gehle, for; Stone, for with the exception of the C.V.; Carter, for.

OLD BUSINESS

Mr. Marks reported that, following the budget work session held last month, he made a few adjustments to the FY 07-08 budget as requested. Mr. Marks stated that the budget stands balanced with a 16.6% per 100 Real Estate tax rate. Mr. Marks noted that he had included the proposed advertisement for Public Hearing in Council's packet which would be addressed at the May 15, 2007 meeting. Mr. Marks stated that he felt comfortable advertising for a Public Hearing on May 15, 2007, but asked if Council would prefer advertising a 16.6% per 100 Real Estate tax rate or if they would prefer advertising at a higher percentage rate due to the fact that if something unforeseen would come up, Council would not be allowed to make changes or adjustments of increase because they would be locked in at the advertised rate of 16.6%. However, Mr. Marks noted if they advertised at the current rate of 19.5% they could always make downward adjustments.

After some discussion, Council Member Kersey stated that he preferred advertising at 16.6% and made the following motion:

Council Member Kersey made a motion to advertise for a Public Hearing on the FY 07-08 Budget with a 16.6% Real Estate tax rate to be held on May 15, 2007. Council Member Gehle seconded the motion. The vote went as follows: Gehle, for; Carter, against; Kersey, for; Clarke, against; Stone, against. Motion denied 3-2.

Council Member Stone moved to follow the recommendation of the Town Manager and advertise for a Public Hearing on the FY 07-08 Budget with a 19.5% Real Estate tax rate to be held on May 15, 2007. Council Member Clarke seconded the motion. The vote went as follows: Carter, for; Gehle, against; Stone, for; Kersey, against; Clarke, for. Motion approved: 3-2.

NEW BUSINESS

IDA Bond Issuance

Mr. Marks introduced Mrs. Lisa Williams, of McGuire Woods, to Council.

Mrs. Williams stood before Council and reported that she was in attendance this evening to have Council approve the Town of Louisa IDA Bond Issuance Resolution. Mrs. Williams stated that the copy of the resolution that Council is currently reviewing had a couple of mistakes that needed to be corrected and noted each one to Council.

Mr. Marks also noted the mistakes and stated that he, Mr. Maupin, and the Town of Louisa IDA members have reviewed and approved the document.

Council Member Carter made the motion to adopt the Resolution to support and approve the Town of Louisa IDA Bond Issuance. Council Member Gehle seconded the motion. The vote went as follows: 5-0 in favor.

The IDA Bond Issuance is as follows:

RESOLUTION
OF THE TOWN COUNCIL OF THE
TOWN OF LOUISA, VIRGINIA

WHEREAS, the Industrial Development Authority of the Town of Louisa, Virginia (the "Authority"), has considered the application of Virginia Electric and Power Company (the "Company") requesting the approval of the issuance by the Authority of up to \$159,000,000 of its pollution control refunding revenue bonds (the "Refunding Bonds") to refund (1) the Industrial Development Authority of the Town of Louisa, Virginia Money Market Municipals Pollution Control Revenue Bonds (Virginia Electric and Power Company Project) Series 1984, currently outstanding in the aggregate principal amount of \$60,000,000 (the "1984 Bonds"); (2) the Industrial Development Authority of the Town of Louisa, Virginia Money Market Municipals Pollution Control Revenue Bonds (Virginia Electric and Power Company Project) Series 1985, currently outstanding in the aggregate principal amount of \$62,000,000 (the "1985 Bonds"); (3) the Industrial Development Authority of the Town of Louisa, Virginia Money Market Municipals Pollution Control Revenue Bonds (Virginia Electric and Power Company Project), Series 1987, currently outstanding in the aggregate principal amount of \$18,000,000 (the "1987 Bonds"); and (4) the Industrial Development Authority of the Town of Louisa, Virginia 5.45% Pollution Control Revenue Bonds (Virginia Electric and Power Company Project) Series 1994, currently outstanding in the aggregate principal amount of \$19,500,000 (the "1994 Bonds" and together with the 1984 Bonds, the 1985 Bonds and the 1987 Bonds, the

“Refunded Bonds”), and has approved the issuance of the Refunding Bonds after conducting a public hearing on April 5, 2007;

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds;

WHEREAS, the proceeds of the Refunded Bonds were loaned to the Company and a portion of such proceeds were used to finance or refinance, in whole or in part, the acquisition, construction and equipping of certain air or water pollution control facilities and/or sewage or solid waste disposal facilities and related facilities and equipment at the North Anna Power Station of the Company located at State Route 700 in Mineral, Louisa County, Virginia (the "Facilities");

WHEREAS, the Authority has recommended that the Town Council of the Town of Louisa, Virginia (the "Council") approve the issuance of the Refunding Bonds; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Refunding Bonds, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF LOUISA, VIRGINIA:

1. The Council approves the issuance of the Refunding Bonds by the Authority in an aggregate principal amount not to exceed \$159,500,000, as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code") to permit the Authority to assist in refinancing the Facilities.

2. The approval of the issuance of the Refunding Bonds and the refinancing of the Facilities does not constitute an endorsement to a prospective purchaser of the Refunding Bonds of the creditworthiness of the Company.

3. Neither the Refunding Bonds, nor the interest thereon, shall ever constitute an indebtedness or a charge against the general credit or taxing powers of the Authority or the County within the meaning of any constitutional or charter provision or statutory limitation and neither shall ever constitute or give rise to any pecuniary liability of the Authority or the County. The Refunding Bonds and the interest thereon shall be limited obligations of the Authority, payable by the Authority solely from the revenues derived from loan repayments (both principal and interest) made to the Authority by the Company on account of the Refunding Bonds and from any other monies made available to the Authority for such purposes.

4. The Refunding Bonds shall be authorized, issued, sold and delivered without direct or indirect cost to the Authority or the County, and to that end, the Company shall pay all necessary expenses of selling and issuing the Refunding Bonds and any and all costs, fees and expenses (including, without limitation, attorney's fees) incurred by or on behalf of the Authority

and the County in connection with this Resolution or the publication of notices of any public hearings to be held in connection herewith, whether or not the proposed financing is consummated.

5. That no further action by the Town is necessary to effect the refinancing by the Authority of the Facilities or the completion of the transactions contemplated in this Resolution, including without limitation, the issuance and sale of the Refunding Bonds.

6. Pursuant to the limitations contained in Temporary Income Tax Regulations Section 5f.103-2(f)(1), this resolution shall remain in effect for a period of one year from the date of its adoption.

7. This resolution shall take effect immediately upon its adoption.

Adopted by the Town Council of the Town of Louisa, Virginia this __ day of April, 2007.

Clerk, Town Council of the Town of Louisa,
Virginia

[Seal]
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Support Agreement for LDDC

Mr. Marks stated that the agreement is one of support between the Town of Louisa and the Louisa Downtown Development Corporation. The agreement, in a nutshell, states that the Town will pay back the loan that the LDDC provided; and covers the Town's share of construction costs of the project.

Council Member Kersey moved to approve the Support Agreement for the LDDC. Council Member Clarke seconded the motion. The vote went as follows: 5-0 in favor.

A copy of the Resolution follows:

SUPPORT AGREEMENT

THIS SUPPORT AGREEMENT is made as of April 17, 2007, between the **TOWN COUNCIL** of the **TOWN OF LOUISA, VIRGINIA** (the "Council"), acting as the governing body of the Town of Louisa, Virginia (the "Town"), and the **LOUISA DOWNTOWN**

DEVELOPMENT CORPORATION, a Virginia nonstock, not-for-profit corporation (the "LDDC").

RECITALS

WHEREAS, the Town Hall facilities of the Town of Louisa, Virginia (the "Town"), located at 212 Fredericksburg Avenue in the Town, are being renovated, rehabilitated and reconstructed for use by the Town for its essential governmental purposes; and

WHEREAS, the LDDC was duly created, among other things, for charitable and educational purposes for the benefit of the general public; and

WHEREAS, the LDDC desires, among other things, to manage and operate a cultural arts center and a performing arts center in a portion of such Town Hall facilities (collectively, the "Arts Center"), and the Town desires for the LDDC to manage and operate the Arts Center; and

WHEREAS, the United States of America, acting through Rural Housing Service, an agency of the United States Department of Agriculture ("RHS"), has indicated that the LDDC shall be eligible to receive low-cost federal loan funds on a long-term basis in order for the LDDC to pay a portion of the costs to reconstruct, renovate, rehabilitate and equip the Arts Center and related facilities thereto; and

WHEREAS, the Council has determined that the Town and its residents shall derive substantial cultural, educational and economic benefits from the management and operation of the Arts Center by the LDDC; and

WHEREAS, in furtherance of such benefits, the Council, acting pursuant to authority set forth in § 15.2-953 of the Code of Virginia, 1950, as amended, has considered the approval of an aggregate \$520,000 pledge of support to the LDDC to 1) reimburse the LDDC for funds advanced (\$140,577) to the town during Phase I construction and 2) to pay a portion of the costs of the Arts Center project in the amount of \$379,423; and

WHEREAS, the LDDC, acting at the request of its proposed lender, RHS, desires to enter into this Support Agreement with the Town, to the end that the Town's pledge of support to the LDDC may be duly evidenced, subject to terms described below in this Support Agreement; and

WHEREAS, the Council, acting upon due motion therefore at an open public meeting in accordance with law, has approved the execution of this Support Agreement, *provided, however*, that the provisions hereof shall describe a non-binding obligation of the Council to consider certain appropriations in support of the LDDC and the Arts Center project, all as described herein.

NOW, THEREFORE, for and in consideration of the foregoing and of the mutual covenants herein set forth, the parties hereto agree as follows:

1. The LDDC has represented and warranted to the Town that it shall use its best efforts to enter into a permanent financing with RHS, or other lending program as may be advised by the Board of Directors of the LDDC, in order for the LDDC to obtain long-term, favorable financing to obtain funds to reconstruct, renovate, rehabilitate and equip the Arts Center and related facilities thereto.

2. The Town hereby evidences its intent to consider additional appropriations to the LDDC to be used by the LDDC for the purposes described in this Support Agreement. It is reasonably anticipated that such additional monetary support from the Town to the LDDC would be made in eight annual payments, commencing on or after July 1st, 2007, each in the amount of \$76,624.14, with the final annual payment being made on or after July 1st, 2014. Such eight annual payments, if made by the Town to the LDDC, would fully constitute such aggregate \$520,000 principal amount of pledge (plus 5% interest) of support by the Town, all as described above.

3. The Town Manager is hereby directed to present to the Council such annual payment requests (as described above in Section 2) for appropriations to the LDDC, each in the amount of \$76,624.14 and the Council shall consider each of such requests, respectively, at the Council's next regularly scheduled meeting, or as soon as practicable. Promptly after each such meeting, the Town Manager shall notify the LDDC as to whether the amount so requested was appropriated to the LDDC.

4. The Council hereby undertakes a non-binding obligation to appropriate such amounts to the LDDC as described in this Support Agreement, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The Council, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations to the LDDC, as described in this Support Agreement, in such future fiscal years. Accordingly, the Council hereby recommends that future Councils of the Town do likewise in order to accomplish the intents and purposes stated in this Support Agreement, all for the benefit of the LDDC to accomplish the Arts Center project.

5. The Town and the LDDC desire to enter into this Support Agreement, among other things, in order for the Town to confirm its support to the LDDC in connection with the long-term financing to be provided by RHS to the LDDC to pay a portion of the costs to reconstruct, renovate, rehabilitate and equip the Arts Center and related facilities thereto. To that end, the provisions of this Support Agreement shall evidence the good faith intentions of the Town to lend its financial support in favor of the LDDC for such purposes.

6. In accordance with law, nothing herein contained is or shall be deemed to be a lending of the credit of the Town to the LDDC or to RHS (or to any other lender of the LDDC) or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit for the taxing power of the County, nor shall anything herein contained legally bind or obligate the Council to appropriate any funds for the purposes described herein.

IN WITNESS WHEREOF, the parties hereto have each caused this Support Agreement to be executed in their respective names as of the date first above written.

TOWN OF LOUISA, VIRGINIA

[Seal]

By: _____
Mayor

Attest:

Clerk of Town Council
Town of Louisa, Virginia

LOUISA DOWNTOWN DEVELOPMENT CORPORATION

By: _____

Title: _____

Resolution for Suntrust Loan Extension

Mr. Marks stated the resolution was drafted following the last meeting when Council voted to extend the \$2 million dollar Suntrust construction loan. Mr. Marks noted that Mr. Maupin has reviewed the document and has given his approval.

Council Member Clarke moved to approve the Resolution for the Suntrust Loan Extension. Council Member Carter seconded the motion. The vote went as follows: 5-0 in favor.

The resolution is as follows:

Resolution to Authorize Repayment of Funds Expended from Reserves for the WWTP Expansion Project

Mr. Marks reported that this resolution allows the Town to use funds from the General Water & Sewer accounts to pay the fees involved with the expansion of the Waste Water Treatment Plant until a loan is obtained. Mr. Marks stated that without the resolution, any money spent before a loan is obtained will not be reimbursable due to tax laws. Mr. Marks went further to explain that by adopting this resolution the Town will receive back any funds spent (from the time of adoption until a loan is secured) during the first draw made on the loan.

Council Member Stone moved to adopt the resolution as presented by Mr. Marks. Council Member Carter seconded the motion. The vote went as follows: 5-0 in favor.

STANDING COMMITTEE REPORTS

Police Department:

(Please refer to the Police Department report.)

Mayor Artz asked if Chief Batten had anything further to add to his report. Chief Batten stated that there were no additional comments.

Water & Sewer Department:

(Please refer to the Water & Sewer Department report.)

Mr. Humphrey stood before Council and read aloud from his report, highlighting areas of interest.

Litter Committee:

No report.

Streets & Sidewalks

No report.

Cemetery

No report.

REPORTS FROM STAFF

Counsel

No report.

Clerk

No report.

Treasurer

No report.

Manager

Mr. Marks informed Council of the following:

- * Mr. Marks noted a letter in Council's packet from the Advisory council on Historic Preservation stating that they would not be participating in resolving the ceiling issue in the auditorium.
- * A draft preliminary engineering report has been received from Dewberry on the WWTP upgrade. A response letter from Mr. Marks was sent to Dewberry and was included in Council's packet with the preliminary engineering report.
- * The letter of condolence that was sent to Mrs. Beverly Ripley's family from the Mayor, on behalf of the Town of Louisa, was included in Council's packet.

* Mr. Marks reported that during the last quarter the Louisa County Water Authority waterworks system failed a test revealing that they had exceeded the maximum contaminant level of haloacetic acids. Mr. Marks noted that all customers, of both the Louisa County Water Authority and the Town of Louisa, must be notified by mass mailing of the failure and what will be done to resolve the matter. Mr. Marks stated that he would report back next month after speaking with the Health Department.

* Memos were sent out to Administrative and Public Works employees detailing each person's job description and explaining that evaluations will be conducted on a semi-annual basis.

* Mr. Marks reported that Mr. Keith Daugherty resigned from the Planning Commission, and that he had drafted a Resolution recognizing Mr. Daugherty's service on the Planning Commission and to the Town of Louisa which would be presented to him at the next Council meeting. Mr. Marks stated that Mr. Cooke, Chairman of the Planning Commission, did not have a replacement recommendation, however, Mayor Artz reported that he knew of an individual that is interested in serving on the Commission. Mr. Marks stated that if the interested individual would attend next month's Council meeting, they would conduct an interview for the position.

* Mr. Marks reported that Mr. Wunsh had submitted a proposal for the FY 06-07 Audit. Mr. Marks made mention of an addendum at the end of the proposal that Mr. Wunsh reviewed and approved.

Council Member Clarke moved to approve the FY 06-07 proposal submitted by Mr. Wunsh. Council Member Kersey seconded the motion. The vote went as follows: 5-0 in favor.

* Mr. Marks stated that the County of Louisa submitted the proper documentation to obtain a parade permit. Mr. Marks stated that the County is planning to host the 1st Annual Louisa County Heritage Festival & Parade to be held Saturday, May 5th 2007 in conjunction with America's 400th Anniversary celebration.

Council Member Stone moved to approve the County of Louisa's parade permit request. Council Member Gehle seconded the motion. The vote went as follows: 5-0 in favor.

* Mr. Marks informed Council that he had included a letter in Council's packet from Mr. Darren Coffey, Director of Community Development for Louisa County, regarding a telecommunications workshop.

* Mr. Marks reported that Mr. Maupin is currently reviewing a contract from Dewberry regarding the WWTP expansion project. Mr. Marks requested Council's authorization to sign the contract per Mr. Maupin's approval of the document.

Council Member Gehle spoke expressing concerns regarding the amount of water discharged into the creek from the WWTP and questioned future problems due to the expansion of the plant. Mr. Gehle also questioned if any of the funding allocated would be used towards improving the standing water and flooding the Town is currently facing.

After a lengthy discussion between Mr. Marks and members of Council, the following action took place:

Council Member Stone moved to authorize Mr. Marks to sign the contract per Mr. Maupin's approval of the document. Council Member Carter seconded the motion. The vote went as follows: 5-0 in favor.

* Mr. Marks reported that he had updated the Strategic Plan.

* Mr. Marks reminded Council that they would be hosting a joint meeting with the Town of Mineral on Tuesday, April 24th at 7:00 p.m. at the Town Office to discuss the WWTP expansion and transportation.

* Mr. Marks informed Council that he had met with Mr. Loudin recently. Mr. Marks stated that Mr. Loudin would like to adjust the payment schedule between the Town and Loudin Building Systems

due to a timing conflict. Mr. Marks stated that he felt Mr. Loudin could be accommodated, and recommended that as the bills come in; he will look over the bill first for accuracy and approval, and then pass it over to the LDDC for their approval and payment. Mr. Marks then stated that confirmation of the bill being paid would appear on the monthly bill listing prepared by the Treasurer.

Council Member Carter moved to give Mr. Marks authorization to review and approve bills submitted by Loudin Building Systems which would then be passed to the LDDC for approval and payment. Council Member Clarke seconded the motion. The vote went as follows: 5-0 in favor.

* Mr. Marks stated that he would like to handle payments for the Town Park project by having the architects and Mr. Humphrey review the bill first for their approval, and then the bill would come before him for approval and payment.

Council Member Clarke moved to give Mr. Marks authorization to pay the Town Park project bills after review and approval by the architects, Mr. Humphrey, and himself. Council Member Stone seconded the motion. The vote went as follows: 5-0 in favor.

COMMUNICATIONS

Mayor Artz reminded Council again of the joint meeting that would be taking place at the Louisa Town Office on Tuesday, April 24, 2007 at 7:00 p.m. between the Town of Louisa and the Town of Mineral to discuss transportation and the expansion of the WWTP.

ADJOURNMENT

Council Member Carter moved to continue the April 17, 2007 Louisa Town Council meeting to Tuesday, April 24, 2007 at 7:00 p.m.

The Louisa Town Council meeting officially recessed at 8:30 p.m.

Mayor

Clerk

**Town of Louisa
Monthly Meeting
Continuation of April 17, 2006**

Present: James S. Artz, Mayor; Mary Jane Clarke, Vice-Mayor; Matthew L. Kersey, Warren D. Gehle, Council Members; Brian W. Marks, Town Manager; Jessica M. Ellis, Clerk; M. Brad Humphrey, Project Manager

Absent: Pamela H. Stone, A. Daniel Carter, Council Members; Donna L. Pinter, Treasurer; Stan Batten; Chief of Police; Ronald M. Maupin, Attorney

Also in Attendance: Edwin Keller, Mayor; Bernice Kube, William Thomas, Brooks Besley, Roy McGehee, Council Members; Willie Harper, Town Manager; Ti-Lea Downing, Clerk; Pat Wilson, The Central Virginian

Mayor Artz brought the meeting back to order at 7:06 p.m.

Mayor Artz began the meeting by first thanking the Mayor and Council Members of the Town of Mineral for coming to the meeting. Mr. Artz then requested that each person in attendance introduce themselves for public record.

Transportation

Mayor Artz stated that there were two items that he wished to discuss with the Town of Mineral. The first of those items being transportation. Mr. Artz opened the floor for discussion by stating that he felt that there was a tremendous amount of heavy traffic traveling on Route 22 between the two towns. Mr. Thomas spoke briefly to the Route 22 traffic problem, but mainly focused on his concern regarding the heavy flow of traffic that the Town of Mineral sees at the intersection of 1st Street and Main Street.

Mr. Artz recognized Mr. Thomas' concern and noted that the two towns share similar congestion and growth issues.

Mrs. Kube then spoke to the industrial development occurring on the railroad between the two towns.

Mr. Thomas responded by questioning the possibility of expanding or widening the road.

Mr. Harper then responded by stating that according to what he was told by VDOT, the traffic issue on Route 22 has been put on the 6 year plan list. Mr. Harper noted that list has remained the same, without change, for several years. He also stated that due to growth, only a certain amount (approximately 15%) of funding goes to the roadway system. Mr. Harper reported that the BOS has discussed the matter many times, but nothing has come from their discussions. Mr. Harper expressed the need for a study to be conducted entailing who uses the corridor and for what reason.

Mayor Artz spoke to the need of a true bypass for people who are just traveling through the area and not conducting business in the two towns, but stated that a few business owners he had spoken to about the issue felt that a true bypass could be bad for local businesses due to the diversion of potential buyers.

Mayor Artz then suggested that the two townships jointly express their concerns to the Board of Supervisors.

Mr. Marks recommended that a joint resolution be drawn up and submitted to the BOS, VDOT, state legislators, etc. stating the needs of the two towns.

Council Member Clarke stated that she felt the joint resolution was a good idea.

Waste Water Treatment Plant Expansion

Mayor Artz turned the topic of discussion over to the plans for the expansion of the Waste Water Treatment Plant. He spoke to the Town of Louisa's concerns for the lack of capacity, and future growth.

Mr. Marks explained that since the Town of Louisa is a partner in ownership of the WWTP, the Town of Louisa and the County of Louisa will be splitting the costs for funding the expansion 50/50.

Mr. Marks stated that the Town of Mineral is subsidized by the County of Louisa, and noted their efforts in helping to eliminate problems with storm water runoff by installing flow meters for a study that is currently being conducted. Mr. Marks thanked the Town of Mineral for their participation, as the Town of Louisa is at the lowest point of the lines that run into the WWTP and when there is an abundance of rain and runoff water, the manholes literally pop up and overflow in our back yards.

Mayor Keller recommended that a committee be formed comprised of two members from each body to meet and keep abreast of the situation.

Both groups decided to discuss who would serve on the committee at their next Town Council meeting.

ADJOURNMENT

Mayor Keller thanked Mayor Artz and Council for hosting the joint meeting, while Mayor Artz thanked all those in attendance.

Council Member Clarke made the motion to adjourn the meeting at 8:25 p.m.

Mayor

Clerk