Work Session Agenda
Staunton City Council
Caucus Room
September 22, 2022
5:15 p.m.

5:15 p.m.	**1.**	**Consideration of Work Session and Regular Meeting Agendas**
5:20 p.m.	**2.**	**Presentation on Bicycle Infrastructure Design Plans for Churchville Avenue**
5:50 p.m.	**3.**	**Municipal Separate Storm Sewer System Permit and Chesapeake Bay TMDL Action Plan Update**
6:10 p.m.		**Break**
6:30 p.m.	**4.**	**Discussion of FY 2022 Year End Carryover**
6:50 p.m.	**5.**	**Update on Potential for Safety Improvement for 10 City Intersections (8 – Downtown and 2 – West Beverley St.)**
7:10 p.m.	**6.**	**Roll Call**
7:15 p.m.		**Break**

Regular Meeting Agenda
Staunton City Council
Rita S. Wilson Council Chambers
September 22, 2022
7:30 p.m.

Call to Order

Pledge of Allegiance

Invocation/Moment of Silence—Mead

Mayor’s Report

Additional Items by Members of Council

Approval of Minutes

Work Session and Regular Meeting of September 8, 2022

<u>REGULAR MEETING</u>

A. Consideration of Request by Staunton-Augusta-Waynesboro Habitat for Humanity for the Waiver of Fees Related to the Construction of Homes on Anderson Street, Heydenreich Street and Donaghe Street

B. Consideration of Ordinance to Amend the FY2023 Budget Ordinance for the City of Staunton by Adding Budget Amendment Number Two, City Portion Only

C. Review and Approval of FY 2024 Budget Calendar

D. Consideration of Resolution to Issue General Obligation Bonds in a Principal Amount Not to Exceed $8.5 Million for the Financing of the Gardener Springs Pump Station Project

Matters from the Interim City Manager

Matters from the Public*

Adjournment

***Public Participation**

For instructions on how to participate in a Public Hearing and Matters from the Public portions of the City Council meeting visit www.staunton.va.us/council.

CITY COUNCIL AGENDA BRIEFING

Staunton, Virginia

<table>
<tr><td>Meeting Date:</td><td>September 22, 2022</td><td rowspan="3">City Council</td></tr>
<tr><td>Item #</td><td>1</td></tr>
<tr><td>Department:</td><td>City Council</td></tr>
<tr><td>Alignment with Staunton Plan (Value/Strategic Area):</td><td colspan="2">Values: Integrity
Engagement</td></tr>
<tr><td>Subject:</td><td colspan="2">Work Session and Regular Meeting Agendas</td></tr>
</table>

Background: Consistent with Procedural Memorandum No. 3, attached are draft meeting agendas for City Council's consideration and for approval as Council prefers.

Suggested Motion: I move to approve the Work Session agenda and the Regular Meeting agenda [as presented] [with the following changes: as to the Work Session, the addition/deletion of __________; as to the Regular Meeting, the addition/deletion of __________].

Interim City Manager: Leslie Beauregard

Attachment #1

Work Session Agenda
Staunton City Council
Caucus Room
September 22, 2022
5:15 p.m.

5:15 p.m.	**1.**	**Consideration of Work Session and Regular Meeting Agendas**
5:20 p.m.	**2.**	**Presentation on Bicycle Infrastructure Design Plans for Churchville Avenue**
5:50 p.m.	**3.**	**Municipal Separate Storm Sewer System Permit and Chesapeake Bay TMDL Action Plan Update**
6:10 p.m.		**Break**
6:30 p.m.	**4.**	**Discussion of FY 2022 Year End Carryover**
6:50 p.m.	**5.**	**Update on Potential for Safety Improvement for 10 City Intersections (8 – Downtown and 2 – West Beverley St.)**
7:10 p.m.	**6.**	**Roll Call**
7:15 p.m.		**Break**

Attachment #2

Regular Meeting Agenda
Staunton City Council
Rita S. Wilson Council Chambers
September 22, 2022
7:30 p.m.

Call to Order

Pledge of Allegiance

Invocation/Moment of Silence—Mead

Mayor's Report

Additional Items by Members of Council

Approval of Minutes

Work Session and Regular Meeting of September 8, 2022

<u>REGULAR MEETING</u>

A. **Consideration of Request by Staunton-Augusta-Waynesboro Habitat for Humanity for the Waiver of Fees Related to the Construction of Homes on Anderson Street, Heydenreich Street and Donaghe Street**

B. **Consideration of Ordinance to Amend the FY2023 Budget Ordinance for the City of Staunton by Adding Budget Amendment Number Two, City Portion Only**

C. **Review and Approval of FY 2024 Budget Calendar**

D. **Consideration of Resolution to Issue General Obligation Bonds in a Principal Amount Not to Exceed $8.5 Million for the Financing of the Gardener Springs Pump Station Project**

Matters from the Interim City Manager

Matters from the Public*

Adjournment

***<u>Public Participation</u>**

For instructions on how to participate in a Public Hearing and Matters from the Public portions of the City Council meeting visit www.staunton.va.us/council.

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

<table>
<tr><td>Meeting Date:</td><td>September 22, 2022</td><td rowspan="3">Staff Member:

Rodney Rhodes</td></tr>
<tr><td>Item #</td><td>2</td></tr>
<tr><td>Department:</td><td>Community Development-Planning and Zoning</td></tr>
<tr><td>Alignment with Staunton Plan (Value/Strategic Area):</td><td colspan="2">Value: Environmentally Conscious

Strategic Area: Infrastructure, Built Environment</td></tr>
<tr><td>Subject:</td><td colspan="2">Bicycle Infrastructure Design Plans for Churchville Avenue</td></tr>
</table>

Background: The City is working with the Timmons Group to design bicycle infrastructure along Churchville Avenue in accordance with the Staunton Bicycle and Pedestrian Plan. The Timmons Group has received input on the plan from city staff and the Bicycle and Pedestrian Advisory Committee. Representatives of the Timmons Group will present the revised plans to City Council during their September 22, 2022 work session. Subsequent to the work session, a public information meeting will be scheduled to receive public comments on the plan.

Attachment: Not applicable.

Interim City Manager's Recommendation: Not applicable.

Suggested Motion: Not applicable.

Interim City Manager: Leslie Beauregard

CITY COUNCIL **AGENDA BRIEFING**

Staunton, VA

Meeting Date:	**September 22, 2022**	**Staff Member:** **Pete Kesecker**
Item #	**3**	
Department:	**Community Development – Environmental Programs Division**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Environmentally Conscious** **Strategic Area: Infrastructure**	
Subject:	**Update on Municipal Separate Storm Sewer System Permit and Chesapeake Bay Total Maximum Daily Load Action Plan**	

Background: The City is required to develop, implement and enforce a Municipal Separate Storm Sewer System (MS4) Program to comply with coverage under General Permit No. VAR04, issued by the Virginia Department of Environmental Quality. The MS4 Program must include a program plan that includes the following six minimum control measures and special conditions for the approved Chesapeake Bay Total Maximum Daily Load (TMDL):

- Public education and outreach
- Public involvement and participation
- Illicit discharge detection and elimination
- Construction site runoff control
- Post-construction runoff control
- Pollution prevention and good housekeeping

Staff will provide an update to City Council during their September 22, 2022 work session on the status of the MS4/TMDL programs and the program objectives moving forward for the next permit cycle, which will run from July 1, 2023 – June 30, 2028, with the current cycle ending on June 30, 2023.

Attachment: Not applicable.

Interim City Manager's Recommendation: Not applicable.

Suggested Motion: Not applicable.

Interim City Manager: Leslie Beauregard

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**September 22, 2022**	**Jessie Moyers** **Interim Chief Financial Officer**
Item #	**4**	
Department:	**Finance Department**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Excellence** **Strategic Area: Responsive, Efficient Government**	
Subject:	**Discussion of FY2022 Year End Carryover**	

Background: Finance will present preliminary unaudited FY2022 year end results and possible carryover. Finance will also provide preliminary recommendations on how any carryover funds may be allocated, and seek input from City Council as well, with priority given to the restoration of the FY2023 capital budget.

Attachment: N/A

Interim City Manager's Recommendation: Not applicable

Suggested Motion: Not applicable

Interim City Manager: Leslie Beauregard

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**September 22, 2022**	**Staff Member:** **Jeff Johnston**
Item #	**5**	
Department:	**Public Works**	
Alignment with Staunton Plan (Value/Strategic Area):	**Strategic Area: Infrastructure**	
Subject:	**Update on Potential for Safety Improvement for 10 City Intersections (8 – Downtown and 2 – West Beverley St.)**	

Background: The Virginia Department of Transportation (VDOT) worked with City staff to explore possible safety improvements at 10 intersections that VDOT identified as having the most significant potential for safety improvement (PSI). A study was funded under the Strategically Targeted Affordable Roadway Solutions (STARS) program. The study was prepared by ATCS, a Herndon, VA-based engineering firm on behalf of VDOT.

The report identified measures that could be taken at each of the following intersections:

Johnson Street & New Street
Johnson Street & Augusta Street
Johnson Street & Central Avenue
Frederick Street & Augusta Street
Beverley Street & New Street
Beverley Street & Augusta Street
Beverley Street & Lewis Street
Beverley Street & Jefferson Street
Beverley Street & Hays Street
Beverley Street & Grubert Avenue

The study only identified possible safety improvements, without any specific implementation plan. The attached summary shows the recommended improvements at each intersection along with the current implementation status.

Attachment: STARS Study Safety Improvements Summary

Interim City Manager's Recommendation: Not applicable.

Suggested Motion: Not applicable.

Interim City Manager: Leslie Beauregard

Attachment #1

STARS Study Intersection Safety Recommendations

Intersection	Recommendations	Implementation Status
Johnson St & New St	Modified traffic signal operations. Possible bicycle lane on Johnson Street.	Signal improvements are being considered as part of an upcoming (October) submission to the Virginia Highway Safety Improvement Program (HSIP). Bike lane recommendations are being reviewed by the Bicycle/Pedestrian Advisory Committee (BPAC).
Johnson St & Augusta St	Improved pedestrian signals. Repurposing travel lanes for bicycle lanes on Johnson Street	Improved signals part of upcoming HSIP submission. Bike lane being reviewed by BPAC
Johnson St & Central Ave	Additional crosswalks. Possible pedestrian refuge island. ADA curb improvements.	Crosswalks part of upcoming HSIP submission. Refuge island and curb improvements could be included in future HSIP submissions or as part of a VDOT paving project.
Frederick & Augusta	Improved pedestrian signals. Repurposing travel lane for bicycle lanes on Frederick Street.	Improved signals part of upcoming HSIP submission. Bike lane recommendations being reviewed by BPAC.
Beverley St & New St	Replace signal with 4-way stop signs. Repurpose Beverley St travel lane for loading zone.	4-way stop trial to be conducted in the near future. May schedule a trial of the loading lane in the future.
Beverley St & Augusta St	Repurpose Beverley St travel lane for loading zone.	May schedule a trial in the future.
Beverley St & Lewis St	Repurpose Beverley St travel lane for loading zone.	May schedule a trial in the future.
Beverley St & Jefferson St	Replace signal with 4-way stop signs. Extend curbs to improve sight distances.	May schedule a trial in the future.
Beverley St & Hays St	Improve traffic signal operations. Add pedestrian signal.	Part of upcoming HSIP submission.
Beverley St & Grubert St	Improve traffic signal operations. Add crosswalk.	Part of upcoming HSIP submission.

City Council
WORK SESSION
September 8, 2022
6:00 p.m.

Council Members Present: Mayor Oakes, Vice Mayor Robertson and Councilmembers Claffey, Darby and Holmes. Councilmembers Dull and Mead participated remotely.

Mayor Oakes called the meeting to order: Mayor Oakes called the meeting of Staunton City Council to order.

Mayor Oakes stated, "On September 6, 2022, I received a request from Councilor Mead to participate remotely in the September 8, 2022 Staunton City Council meeting due to a temporary medical condition that prevents her physical attendance at the meeting. I will now entertain a motion to allow Councilor Mead's remote participation in this meeting pursuant to Staunton City Council Procedural Memorandum Number Three."

Vice Mayor Robertson stated, "Pursuant to Staunton City Council Procedural Memorandum Number Three, I move to allow Councilor Mead to remotely participate in the September 8, 2022 Staunton City Council meeting due to a temporary medical condition."

The motion was seconded by Mr. Holmes and carried as follows:

Vice Mayor Robertson	aye		
Mr. Holmes	aye	Mr. Claffey	aye
Mayor Oakes	aye	Ms. Darby	aye

Mayor Oakes asked Ms. Mead to state the location from which she was participating. Ms. Mead responded that she was at 342 Sherwood Avenue. Mayor Oakes asked Council and the audience if they could hear Ms. Mead. The response was affirmative.

Mayor Oakes stated, "On September 7, 2022, I received a request from Councilor Dull to participate remotely in the September 8, 2022 Staunton City Council meeting due to a temporary medical condition that prevents her physical attendance at the meeting. I will now entertain a motion to allow Councilor Dull's remote participation in this meeting pursuant to Staunton City Council Procedural Memorandum Number Three."

Vice Mayor Robertson stated, "Pursuant to Staunton City Council Procedural Memorandum Number Three, I move to allow Councilor Dull to remotely participate in the September 8, 2022 Staunton City Council meeting due to a temporary medical condition."

The motion was seconded by Mr. Holmes and carried as follows:

Vice Mayor Robertson	aye	Ms. Mead	aye
Mr. Holmes	aye	Mr. Claffey	aye
Mayor Oakes	aye	Ms. Darby	aye

Mayor Oakes asked Ms. Dull to state the location from which she was participating. Ms. Dull responded that she was at 1003 East Beverley Street. Mayor Oakes asked Council and the audience if they could hear Ms. Dull. The response was affirmative.

1. Consideration of Work Session and Regular Meeting Agendas

Consistent with Procedural Memorandum No. 3, the agendas were presented for Council consideration.

Mr. Claffey moved to approve the work session and regular meeting agendas as presented.

The motion was seconded by Mr. Holmes and carried as follows:

Mr. Holmes	aye	Mayor Oakes	aye
Mr. Claffey	aye	Vice Mayor Robertson	aye
Ms. Dull	aye	Ms. Mead	aye
Ms. Darby	aye		

2. Introduction of General Registrar Christi Linhoss

The newly hired General Registrar, Christi Linhoss, introduced herself to Council and stated that the next election is on November 8, with early party early voting starting on September 23, 2022 in City Hall. The last day to early vote is November 4, and the two Saturdays are October 29 and November 5. The deadline to register to vote is October 17, and to apply for an absentee ballot is October 28, 2022.

Council members welcomed and thanked Ms. Linhoss.

3. Roll Call

Mr. Claffey asked for an update on the safety improvements for 10 city intersections that was first discussed in June 2021. Director of Public Works Jeff Johnston stated that he can certainly give an update on those projects at the next meeting. Mr. Claffey asked how the bump outs on Central Avenue are being received. Mr. Johnston stated that reviews are mixed, but they are getting people to slow down. He noted his only concern will be with snow plows running into them in the winter, so they are planning to add reflectors to prevent that. Mr. Claffey asked how the planned bump outs on Beverly Street would affect trucks making deliveries to the bars and restaurants there. Mr. Johnston stated that he will cover that in more detail at a later time.

Vice Mayor Robertson asked what exactly is going on at the intersection of Richmond Road and Statler Boulevard. Mr. Johnston stated that it is a VDOT project and there is a problem with the foundations of the new traffic signals going in there. He added that there will also be two turn lanes going left off of southbound Statler onto Richmond Road.

4. <u>Closed Meeting for Discussion of Prospective City Manager Candidates</u>

Mr. Holmes moved to enter a closed meeting pursuant to Virginia Code Section 2.2-3711(A)(1) for discussion, consideration, or interviews of prospective candidates for appointment as the City Manager of Staunton, Virginia.

The motion was seconded by Vice Mayor Robertson and carried as follows:

Ms. Darby	aye	Mr. Holmes	aye
Ms. Mead	aye	Vice Mayor Robertson	aye
Mr. Claffey	aye	Mayor Oakes	aye
Ms. Dull	aye		

Vice Mayor Robertson moved that Council reconvene in an open meeting and certify to the best of each member's knowledge that only lawfully exempted public business matters were discussed and that only public business matters as identified in the closed meeting motion were heard, discussed or considered in the meeting.

The motion was seconded by Mr. Claffey and carried as follows:

Mr. Claffey	aye	Vice Mayor Robertson	aye
Ms. Dull	aye	Mr. Holmes	aye
Ms. Darby	aye	Mayor Oakes	aye
Ms. Mead	aye*		

*Due to technical difficulties, Ms. Mead was unable to vote at the time the roll was called. She later certified her vote at the start of the regular meeting at the request of City Attorney John Blair.

The work session adjourned at 7:08 p.m.

____

Kiley A. Kesecker
Clerk of Council

REGULAR MEETING OF STAUNTON CITY COUNCIL
Thursday, September 8, 2022
7:30 p.m.
Rita S. Wilson Council Chambers

PRESENT:	**Mayor Andrea Oakes**
	Vice Mayor Mark Robertson
	Stephen W. Claffey
	Amy G. Darby
	Carolyn W. Dull (remote participant)
	R. Terry Holmes
	Brenda O. Mead (remote participant)
ALSO PRESENT:	**Leslie Beauregard, Interim City Manager**
	John Blair, City Attorney
	Kiley Kesecker, Clerk of Council

Mayor Oakes called the meeting to order: Mayor Oakes called this meeting of Staunton City Council to order.

The Pledge of Allegiance was recited in unison.

The invocation/moment of silence was given by Rabbi Randi Nagel at the request of Mr. Holmes.

MAYOR'S REPORT

Mayor Oakes read the following proclamation in honor of Constitution Week 2022:

City of Staunton, Virginia
Proclamation
Constitution Week
September 17-23, 2022

WHEREAS, September 17, 2022 marks the two hundred and thirty-fifth anniversary of the drafting of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, it is fitting and proper to officially recognize the patriotic celebrations which will commemorate the occasion; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week.

NOW, THEREFORE, BE IT PROCLAIMED, by Staunton City Council that September 17-23, 2022, is hereby designated as **Constitution Week** in the City of Staunton and all the City's citizens are asked to reaffirm the ideals established by the Framers of the Constitution in 1787.

Adopted this 8th day of September, 2022.

Signed: ANDREA W. OAKES, MAYOR

Carolyn Hensley from Daughters of the American Revolution was present to receive the proclamation and thanked Mayor Oakes and member of Council.

Mayor Oakes read the following proclamation in recognition of Childhood Cancer Awareness Month:

City of Staunton, Virginia
Proclamation
September Childhood Cancer Awareness Month

WHEREAS, Each year more than 15,000 children and adolescents under the age of 19 in the United States, and more than 400,000 children globally, are diagnosed with cancer; and

WHEREAS, every year more than 1,700 children under the age of 19 in the United States lose their lives to cancer; and

WHEREAS, childhood cancer is the leading cause of death by disease past infancy for children under the age of 14 in the United States; and

WHEREAS, the 5-year survival rate for children with cancer has increased from 58 percent in the mid-1970s to more than 80 percent of U.S. childhood cancer patients becoming long-term survivors presently; and

WHEREAS, in 2012, President Obama proclaimed September as National Childhood Cancer Awareness Month to bring awareness to pediatric cancer; and

WHEREAS, the color gold and the gold ribbon are symbols of support for children affected with cancer.

NOW, THEREFORE, BE IT PROCLAIMED by Staunton City Council that September, 2022 is hereby designated as **Childhood Cancer Awareness Month** in the City of Staunton, and is a time of year when our community and other organizations honor children and survivors affected by pediatric cancer in order to raise awareness and help continue the research and treatment of the disease.

Adopted this 8th day of September, 2022.

SIGNED: ANDREA W. OAKES, MAYOR

Kendrick Kier and members of the Kier family were present to receive the proclamation. Mr. Kier presented some information about Childhood Cancer and shared about his family's experiences.

ADDITIONAL ITEMS BY MEMBERS OF COUNCIL

Mr. Claffey stated that the Veteran's Day Fishing Derby will take place on October 8, 2022, and the first annual Pumpkin Float will be on October 29, 2022 on Lake Tams.

At the request of Ms. Dull, a moment of silence was observed in honor of Queen Elizabeth II, who had passed away earlier that day at the age of 96.

APPROVAL OF MINUTES

Ms. Mead moved to amend the work session minutes of August 25, 2022 to add that Ms. Mead and Vice Mayor Robertson asked a question and the response to said question.

The motion was second by Ms. Dull and carried as follows:

Mayor Oakes	aye	Ms. Dull	aye
Ms. Mead	aye	Ms. Darby	aye
Mr. Holmes	abstain	Mr. Claffey	aye
Vice Mayor Robertson	aye		

Vice Mayor Robertson moved to approve the work session and regular meeting minutes of August 25, 2022 as amended.

The motion was seconded by Ms. Mead and carried as follows:

Mayor Oakes	aye	Ms. Dull	aye
Ms. Mead	aye	Ms. Darby	aye
Mr. Holmes	abstain	Mr. Claffey	aye
Vice Mayor Robertson	aye		

REGULAR MEETING

A. Public Hearing and Consideration of a Request by Network Towers for a Special Use Permit for 306 New Hope Road (PID# 10119) Under the Provisions of SCC 18.185, Telecommunications Facilities, of Title 18, Zoning, of the Staunton City Code

Senior Planner Rodney Rhodes stated that Network Towers requests a Special Use Permit to construct a new 199-foot monopole telecommunications tower and equipment compound at 306 New Hope Road. The proposed location of the tower is near where Commerce Road passes over New Hope Road, and the property is zoned I-2, Heavy Industrial District. A Special Use Permit is required for the construction of any new telecommunications tower in all zoning districts. Mr. Rhodes noted that staff has conducted a review of the request and found no issues. The Planning Commission conducted a public hearing on August 18, 2022, during which no one spoke in opposition to the request and on a four to zero vote with one member abstaining, the Commission recommended approval with conditions.

Drew Patterson from Network Towers, LLC gave a brief presentation on the project overview.

Mayor Oakes asked if Councilmembers had any questions or comments.

Vice Mayor Robertson asked why the existing site would not structurally support the tower. Mr. Patterson stated that with all the new equipment being added to towers, the valley feed site was not capable of structurally supporting it.

Mr. Holmes asked if they would lease out any of the towers to other companies. Mr. Patterson stated that they will, and the tower can hold up to four carriers.

Councilmembers had no further questions or comments.

Mayor Oakes stated the following:

"In a moment, I will open up the Public Hearing. It is a time that Council sets aside to hear from citizens and others about a specific topic.

We ask that you please give your name, your address, and then keep your remarks at 5 minutes or less. When you reach the 5-minute time limit, I will let you know that your time limit has expired.

For our Zoom participants, please raise your hand now if you wish to speak on this particular Public Hearing. If you raise your hand during this Public Hearing, you will also be able to raise your hand during this Council meeting for other Public Hearings and Matters of the Public. Please keep your comments to five minutes as well. Once everyone who wishes to speak has had an opportunity, I will then close the Public Hearing.

I will now open the Public Hearing so if you wish to speak, please approach the podium. We will alternate between individuals physically present and those that have their hands raised via the Zoom platform."

The public hearing was opened.

Albino Fossa, 401 Bowling Street, stated that it would be a problem if the tower is located too close to Lewis Creek.

With there being no one else wishing to speak, the public hearing was closed.

Mr. Holmes moved that Council adopt the resolution and approve the Special Use Permit, with the conditions, as recommended by the Planning Commission.

The motion was seconded by Mr. Claffey.

Ms. Mead stated the purpose of conducting public hearings for those in attendance.

The motion carried as follows:

Ms. Darby	aye	Mr. Holmes	aye
Mayor Oakes	aye	Mr. Claffey	aye
Vice Mayor Robertson	aye	Ms. Dull	aye
Ms. Mead	aye		

RESOLUTION
OF THE
COUNCIL OF THE CITY OF STAUNTON, VIRGINIA
GRANTING A SPECIAL USE PERMIT FOR PROPERTY LOCATED AT
306 NEW HOPE ROAD (PID: 10119)

Recitals

A. Network Towers (the Applicant) is the tenant of a portion of certain land identified as parcel identification number 10119, currently addressed as 306 New Hope Road, Staunton (the Property), and is requesting a Special Use Permit to construct a telecommunications tower on the leased portion of the property (the project);

B. The Applicant seeks a Special Use Permit pursuant to regulations established in Staunton City Code (SCC) Section 18.185 to construct 199-foot monopole telecommunications tower;

C. The Planning Commission conducted a public hearing, after notice and advertisement as required by law on June 16, 2022;

D. The Planning Commission considered and recommended approval of the Owner's application at its June 16, 2022 meeting;

E. Upon consideration of the Planning Commission's recommendation, the City Staff Briefing, comments received at the public hearing, as well as the factors set forth within Chapter 18.185 of the SCC, Staunton City Council finds and determines that granting the proposed Special Use would serve the public necessity, convenience, general welfare or good zoning practice; and

F. These recitals are an integral part of this resolution.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Staunton, Virginia that a Special Use Permit is hereby granted to allow the Project to be established on the Property.

Introduced: September 8, 2022
Adopted: September 8, 2022
Effective: September 8, 2022

SIGNED: Andrea W. Oakes, Mayor

Attest: Kiley A. Kesecker, Clerk of Council

B. Public Hearing and Consideration of an Amendment to Section 18.120.010(3), of Chapter 18.120, Yard Building Setback, and Open Space Exceptions, to Increase the Height Limitations for Fences and Walls Located in a Front Yard

Mr. Rhodes stated that currently, the Staunton Zoning Code requires fences and walls located in a front yard be no taller than three and one-half feet, or 42 inches. In most cases, purchasing a 42-inch fence requires a special order as it is not a standard height. He added that a 42-inch enclosure provides a limited barrier for pets and does not meet the minimum enclosure requirement of four feet for a pool, as prescribed by the Virginia Statewide Building Code. Mr. Rhodes noted that recently, staff was approached by a citizen who expressed interest in proposing an amendment to the front yard wall and fence height limit. Due to the large number of properties that could be impacted by such a change to the Zoning Code, staff decided that it would initiate the amendment process. Staff reviewed the front yard wall and fence height restrictions for several cities and has determined that Staunton's zoning code is the most restrictive.

Waynesboro	4-foot maximum
Harrisonburg	6-foot maximum
Lexington	7-foot maximum
Winchester	4-foot maximum with 25% openings (increases to 5-foot at the setback line)

Mr. Rhodes continued, stating that at its June, July, and August, 2022 meetings, the Planning Commission discussed several different options and potential height limits, and settled on a standard four-foot height limit with some exceptions for posts and post caps. The Commission also wanted to include a provision that allows the Zoning Administrator some discretion in allowing minor increases in height due to topography which would allow for a consistent horizontal top edge for the fence. Mr. Rhodes stated that staff has prepared an amendment to Staunton City Code Chapter 18.120, as directed.

Mayor Oakes asked if Councilmembers had any questions or comments.

Ms. Mead asked if walls or fences at corners and intersections would be impacted by the amendment. Mr. Rhodes stated that those areas are called "sight triangles" and you cannot have any obstruction in those areas between two and eight feet in height, so the proposed amendment would not impact that. Ms. Mead asked how compliance with the height limit will be monitored. Mr. Rhodes stated that currently there are no permits required for a fence, and they do not want to change that so as to not burden citizens with the permitting process. Ms. Mead asked if they only cite someone if a neighbor complains. Mr. Rhodes replied in the affirmative and stated that they work on a complaint basis. Many of the four-foot fences in the City, while legally non-conforming, were constructed decades ago before the restriction was in place. Ms. Mead asked if a complaint is received moving forward, would the infracting fence be removed, which Mr. Rhodes confirmed.

Mayor Oakes stated that four-foot fences built before 2007 when the ordinance was amended are grandfathered in. Mr. Rhodes agreed.

Ms. Mead asked if a house is on a corner, will the four-foot requirement apply to any part of the house that faces the street. Mr. Rhodes stated that while some of those lots have secondary front yards, they still have front yards and they must be within the height limit.

Ms. Dull asked if the zoning administrator has the discretion to approve minor increases in height to have a consistent horizontal fence line, what is the amount that the zoning administrator would want to not exceed. Mr. Rhodes stated that it would be on a case-by-case basis depending on the topography of the property, but made a rough estimate that under 2 percent of a fence could exceed that four-foot limit. He reiterated that it would be a judgement call by the zoning administrator.

Mr. Holmes asked about neighborhoods where the foundation is built up and you have to go up a set of stairs to enter the front yard. Mr. Rhodes stated that there are already provisions for retaining walls in the ordinance, and if the slope is greater than 15 percent you could put a fence in starting at that retaining wall.

Councilmembers had no further questions or comments.

Mayor Oakes stated the following:

"I will now open the Public Hearing so if you wish to speak, please approach the podium. We will alternate between individuals physically present and those that have their hands raised via the Zoom platform."

The public hearing was opened.

John Baber, 12 Oakenwold Terrace, presented the reasons he thought the amendment should increase the height limit to four and a half feet.

Albino Fossa, 401 Bowling Street, asked if shrubbery would count as a fence and be subjected to the height limit.

With there being no one else wishing to speak, the public hearing was closed.

Mayor Oakes asked Mr. Rhodes to address Mr. Fossa's questions.

Mr. Rhodes stated that shrubs are not fences or a structure. As long as they are not on a corner lot at an intersection or within the sight triangle, they may exceed whatever limits Council places on a fence.

Vice Mayor Robertson asked why the Planning Commission decided on four feet and not four and a half. Mr. Rhodes stated that they wanted to keep things simple. Ms. Mead asked if 4.5 feet is a standard size or if it would have to be special ordered. Mr. Rhodes stated that it is not a standard height. Ms. Mead said that it seems logical to have a four foot limit as it is a standard height and materials would be less costly for citizens.

Mr. Holmes asked if it is possible to apply for a variance. Mr. Rhodes stated that you can apply for a variance to almost anything in the City Code, but he could not imagine a scenario where staff would be able to support a variance for a taller fence.

Discussion ensued about unruly dogs and the types of fencing that would best keep them contained.

Councilmembers had no further questions or comments.

Ms. Dull moved that Council adopt the ordinance and approve the amendment as recommended by the Planning Commission.

The motion was seconded by Ms. Mead and carried as follows:

Mr. Claffey	aye	Vice Mayor Robertson	aye
Ms. Dull	aye	Mr. Holmes	aye
Ms. Darby	aye	Ms. Mead	aye
Mayor Oakes	aye		

Ordinance No. 2022-22

**AN ORDINANCE AMENDING
SECTION 18.120.010, SETBACK EXCEPTIONS,
OF CHAPTER 18.120, YARD, BUILDING SETBACK, AND OPEN SPACE EXCEPTIONS, OF TITLE 18, ZONING, OF THE STAUNTON CITY CODE
TO INCREASE THE PERMITTED HEIGHT OF FENCES AND WALLS IN A FRONT YARD**

<u>Recitals</u>

A. City Staff has determined that the fence regulations contained in Chapter 18.120, Yard, Building Setback, and Open Space Exceptions, of the Zoning Code should be amended to increase the height of fences permitted in a front yard;

B. The drafted amendment would increase the permitted height from three and one half feet to four feet;

C. The Planning Commission of the City of Staunton, after study and review, has properly heard the matter;

D. This matter has been properly advertised, heard, and considered; and

E. These recitals are an integral part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia, that Chapters 18.120, Yard, Building Setback, and Open Space Exceptions, of Title 18, Zoning, of the Staunton City Code, is **HEREBY AMENDED, RESTATED, AND REORDAINED** as follows:

**Chapter 18.120
YARD, BUILDING SETBACK, AND OPEN SPACE EXCEPTIONS**

Sections:
18.120.010 Setback exceptions.

18.120.010 Setback exceptions.

The following requirements provide exceptions or qualify and supplement, as the case may be, the specific district regulations set forth except in Division II of this title:

(1) ….

(2) …..

(3) The following regulations shall apply to fences and walls in residential districts, or in any other district when constructed, placed, and/or used for residential purposes:

(a) The height of a fence or wall shall be measured from the elevation at the base of the fence or wall, on the side away from the principal structure, vertically to the highest point of the fence or wall. In the case of fences on top of retaining walls or immediately adjacent to retaining walls, the height of the fence shall be measured from the top of the wall.

Posts or decorative trim caps may extend an additional six inches above the maximum height allowed for the fence.

In cases where topography creates conditions that hinder the ability to maintain a consistent fence height, the Zoning Administrator may have the discretion to approve minor increases in height in order to maintain a consistent horizontal line along the top edge of the fence.

(b) In any required front yard, except as provided in subsection (2), (3)(d), or (3)(e) of this section, no fence or wall shall be permitted above the height of four feet, except as to retaining walls on lots with a grade in excess of 15 percent.

(c) In any required side or rear yard, no fence or wall shall be permitted above the height of eight feet.

(d) Only for the purposes of this section, on any lot having frontage on more than one street, the orientation of the front or main door of the principal structure, as determined by the address assigned by the city, shall establish a primary front yard and all other front yards shall be considered secondary front yards. In secondary front yard(s), no fence or wall shall be permitted above the height of four feet unless the fence or wall is set back at least half the required front setback for the lot.

(e) On any through lot, as to any secondary front yard(s), as established in subsection (3)(d) of this section, no fence or wall shall be permitted above the height of four feet unless the fence or wall is set back the full front setback required for the lot, or the average setback established by the adjacent existing dwellings or structures in the block, whichever is greater.

(4) ……

……

…….

In all other respects, the provisions of Title 18, Zoning, of the Staunton City Code remain the same and are hereby restated, confirmed and reordained.

Introduced: September 8, 2022
Adopted: September 8, 2022
Effective Date: September 8, 2022

____
Andrea W. Oakes, Mayor

ATTEST: ______________________________
Kiley A. Kesecker,
Clerk of Council

C. Introduction and Public Hearing of Ordinance to Amend the FY2023 Budget Ordinance for the City of Staunton by Adding Budget Amendment Number Two

Interim Chief Financial Officer Jessie Moyers introduced the second budget amendment totaling $8,150,000 for fiscal year 2023 as follows:

City Budget Amendment—$950,000

1. Stormwater Fund appropriation of $950,000 from American Rescue Plan Act funds.

    - $300,000 – Flood Shield Grants – reimbursement-based grant available to local businesses in flood prone areas for the purchase and installation of flood shields.

    - $650,000 – Tunnel Improvements – tunnel maintenance and improvement program to maximize the capacity of the existing tunnels that convey Lewis and Peyton creeks through downtown. This would include inspection and maintenance of the tunnels, along with possible improvements to them to mitigate “chokepoints”.

School Budget Amendment—$7,200,000

1. Education Fund appropriation of $3,600,000 from prior fiscal years accumulated undesignated school fund balance.
    - Transfer to the School CIP Fund

2. School CIP Fund appropriation of $3,600,000 from transfer from the Education Fund.

    - $50,000 – School Bus Replacement
    - $50,000 – School Furniture & Equipment
    - $50,000 – Technology
    - $100,000 – Parking Lot & Roadway Repair
    - $200,000 – Vehicle Replacement Reserves
    - $250,000 – CTE Classroom Equipment
    - $400,000 – Boiler Replacement for Dixon
    - $1,000,000 – Outside Agency Obligations
    - $1,500,000 – Shelburne Middle School/Operations Facility construction

Mayor Oakes asked if Councilmembers had any questions or comments.

Mr. Claffey asked for explanation of the $1 million for outside agency obligations. Ms. Moyers stated that she did not know if it had been decided, but it could help with the contributing to the fund that would be used to renovate the VCTC center.

Ms. Mead clarified that there is a VCTC renovation and expansion plan that has been put forth. Ms. Moyers confirmed and stated that $2 million has been contributed by Augusta County and another $1 million by Waynesboro and they are hoping that Staunton will contribute $1 million. The proposed amendment would put that $1 million into the schools CIP fund.

Ms. Dull noted that the schools have a fund balance despite being underfunded for years and asked if there are any total projected costs for the Shelburne project. Ms. Beauregard stated that she had not seen any details at that time, but there is a joint work session with the school board scheduled for October 13, 2022.

Mr. Blair noted that the item is simply an introduction and public hearing.

Ms. Dull stated that any fund balance from the schools reverts back to the City, unless the City allows them to keep those fund balances, which it has done.

Ms. Mead asked if there is a time limit during which a decision must be made once the item is introduced. Mr. Blair stated that there is no such time limit, there is an Attorney General's opinion that states that the time from introduction to the time action is taken. It does not have to be at the next meeting, but it has to be within a reasonable time, which he stated would be by the end of October, 2022.

Councilmembers had no questions or comments.

Mr. Holmes moved to introduce an ordinance amending the fiscal year 2023 budget by adding Budget Amendment Number Two, totaling $8,150,000, and that Council conduct a public hearing of the ordinance.

The motion was seconded by Ms. Darby and carried as follows:

Ms. Dull	aye	Ms. Mead	aye
Ms. Darby	aye	Mr. Holmes	aye
Mayor Oakes	aye	Mr. Claffey	aye
Vice Mayor Robertson	aye		

Mayor Oakes stated the following:

"I will now open the Public Hearing so if you wish to speak, please approach the podium. We will alternate between individuals physically present and those that have their hands raised via the Zoom platform."

The public hearing was opened.

Frank Strassler, 16 North Washington Street, expressed concerns about the flood protection choke points being historic buildings and stated that there are ways to mitigate flooding without targeting historic infrastructure.

With there being no one else wishing to speak, the public hearing was closed.

Ms. Dull asked for more information on the historic buildings in danger that Mr. Strassler spoke of. Ms. Beauregard stated that she would follow up with Mr. Strassler.

D. Public Hearing and Consideration of an Ordinance to Issue General Obligation Bonds in a Principal Amount Not to Exceed $8.5 Million for the Financing of the Gardener Springs Pump Station Project

Interim Chief Financial Officer Jessie Moyers stated that the Gardener Springs Pump Station Project includes: the construction of a new raw water pumping station, demolishing the existing pump station, construction of a platform on the remaining foundation, and the furnishing, installment, and integration of a 1,500 kW generator as well as payment of the associated costs of debt issuance. The estimated maximum financing need for this project is $8.5 million. The City plans to receive bids on the project on September 13, 2022, and at that time can change the amount of the debt, if necessary, up to the maximum amount of $8.5 million.

Ms. Moyers stated that the City has explored multiple financing options for this project. On behalf of the City, Davenport & Company, LLC distributed a request for proposals for bank financing and thirteen proposals were received by August 25, 2022. Davenport also assisted the City with preparing and submitting an application in order to potentially participate in the Virginia Resources Authority’s 2022 Fall Virginia Pooled Financing Program. She added that representatives of Davenport & Company, LLC and Hunton Andrews Kurth LLP, the City’s bond counsel, were present to answer any questions.

Ted Cole from Davenport & Company gave a presentation to Council on the financing options available to the City.

Mayor Oakes asked if Councilmembers had any questions or comments.

Ms. Mead asked what the economic life of the Gardner Springs pump project is. Director of Public Works Jeff Johnston stated that the life of the pump house structure would be 75 to 100 years, and the pumps would need to be reconditioned and replaced at 10 to 15 years.

Ms. Dull asked they have tried to get a competitive grant from ARPA money. Ms. Moyers stated that they applied to the Virginia Department of Health for their ARPA funds for the project and ultimately were turned down. Ms. Dull suggested reaching out to Senator Warner and the Central Shenandoah Planning District Commission.

Councilmembers had no questions or comments.

Mayor Oakes stated the following:

"I will now open the Public Hearing so if you wish to speak, please approach the podium. We will alternate between individuals physically present and those that have their hands raised via the Zoom platform."

The public hearing was opened.

Albino Fossa, 401 Bowling Street, was opposed to the project due to the costs and the economy.

With there being no one else wishing to speak, the public hearing was closed.

Mr. Claffey moved that City Council adopt the Ordinance authorizing the issuance of General Obligation Bonds in the maximum principal amount of $8,500,000 for the Gardener Spring Pump Station Project.

The motion was seconded by Ms. Darby.

Ms. Mead assured Mr. Fossa that the project is long overdue and that emergency repairs down the road would be far more costly than the amount of debt being taken on to finance the project. Mr. Holmes agreed with Ms. Mead's statement.

The motion carried as follows:

Mayor Oakes	aye	Ms. Dull	aye
Ms. Mead	aye	Ms. Darby	aye
Mr. Holmes	aye	Mr. Claffey	aye
Vice Mayor Robertson	aye		

Councilmembers gave approval to the City's bond counsel for the Truist 20-year option.

Ordinance No. 2022-23

ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF STAUNTON, VIRGINIA, IN THE MAXIMUM PRINCIPAL AMOUNT OF $8,500,000

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF STAUNTON, VIRGINIA:

1. It is determined to be necessary and expedient for the City of Staunton, Virginia (the "City"), (a) to undertake the Gardner Springs Pump Station Project, including but not limited to constructing a new raw water pumping station, demolishing the existing pump station, constructing a platform on the remaining foundation, and furnishing, installing and integrating a 1,500 kW generator (collectively, the "Project"), (b) to borrow money for such purposes and (c) to issue the City's general obligation bonds therefor.

2. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, but without regard to the provisions of the City Charter, there are

authorized to be issued general obligation bonds of the City in the maximum principal amount of $8,500,000 to finance the costs of the Project and to pay the costs of issuing such bonds.

3. The bonds shall bear such date or dates, mature at such time or times not exceeding 40 years from their dates, bear interest at such rate or rates, be in such denominations and form, be executed in such manner and be sold at such time or times and in such manner as the Council of the City may hereafter provide by appropriate resolution or resolutions.

4. The bonds shall be general obligations of the City, and its full faith and credit shall be irrevocably pledged to the payment of principal of and premium, if any, and interest on such bonds.

5. The City intends that the adoption of this Ordinance confirms the City's "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

6. The Clerk of Council, in collaboration with the City Attorney, is authorized and directed to see to the immediate filing of a certified copy of this ordinance in the Circuit Court of the City of Staunton, Virginia.

7. This ordinance shall take effect immediately.

Introduced: September 8, 2022
Adopted: September 8, 2022
Effective Date: September 8, 2022

____
Andrea W. Oakes, Mayor

ATTEST: ___________________________
Kiley A. Kesecker,
Clerk of Council

E. Annual Report on Disposition of Surplus Property

Ms. Moyers stated that in April 2015, City Council adopted an ordinance changing the City's procedures for the disposition of surplus property. Consistent with the ordinance, on the basis of a determination made by the Director of Finance or their designee, and endorsed in writing by the City Manager or their deputy or assistant, staff may dispose of personal property of the City without further action of Council. The ordinance further requires that the Director of Finance or their designee report annually to Council about categories of property for which there has been disposition pursuant to the ordinance. Ms. Moyers added that the City utilizes GovDeals, a web-based marketplace that allows government agencies to sell surplus and outdated items. She stated that in FY22, the City sold 65 surplus items that generated $77,963 of revenue, and 4 items were transferred between departments.

Mayor Oakes asked if Councilmembers had any questions or comments.

Discussion ensued about golf carts.

Councilmembers had no further questions or comments.

F. Consideration of a Final Plat for Barrington, Section Six

Senior Planner Rodney Rhodes stated that in December 2005, Par Four, LLC requested and received approval for a conditional rezoning of 8.852 acres of land located at the end of Stocker Street. The land was rezoned from R-2, low density residential, to R-3, medium density residential conditional. The purpose of the conditional rezoning was to allow for the construction of townhomes, known in the Zoning Code as single-family attached dwellings, and the conditional zoning allows for a maximum density of 36 units.

Mr. Rhodes continued by stating that a preliminary plat for the development was approved by the Planning Commission in 2006 and amended in 2013, which still contained 36 lots in a slightly different configuration. Three final plats and two minor plats have been approved resulting in the creation of 28 lots, and the item for consideration is a plat for the final eight. Mr. Rhodes noted that improvements to the public street including curb and gutter stormwater, water and sanitary sewer have all been constructed and approved by the City, and the configuration of the final plat is in general conformance with the approved preliminary plats. At its July 2022 meeting, the Planning Commission considered the request and unanimously voted to recommend approval of the final plat.

Mayor Oakes asked if Councilmembers had any questions or comments.

Ms. Mead asked if all of the homes are assessed at $250,000 to $300,000. Mr. Rhodes stated that they are all townhomes and he did not know the assessed value of the current ones. Ms. Mead asked if there is a homeowner’s association. An area homeowner confirmed that there is.

Councilmembers had no further questions or comments.

Mr. Claffey moved that Council approve the final plat, as recommended by the Planning Commission.

The motion was seconded by Mr. Holmes and carried as follows:

Vice Mayor Robertson	aye	Ms. Dull	aye
Ms. Mead	aye	Ms. Darby	aye
Mr. Holmes	aye	Mayor Oakes	aye
Mr. Claffey	aye		

G. Consideration of Resolution Establishing the Percentage of Relief at 35% for Purposes of the Personal Property Tax Relief Act (PPTRA)

Commissioner of Revenue Maggie Ragon stated that she has come before Council every September to recommend approval of a set rate for personal property tax relief. That is the amount sent to the City from the state government every year, which is $1,652,200. Ms. Ragon recommended that Council set the rate at 35 percent to fully exhaust that for the benefit of the citizens.

Mayor Oakes asked if Councilmembers had any questions or comments

Councilmembers had no questions or comments.

Mr. Holmes moved that a resolution, as proposed, be adopted, establishing the Personal Property Tax Relief Act (PPTRA) percentage at 35 percent.

The motion was seconded by Vice Mayor Robertson and carried as follows:

Ms. Mead	aye	Vice Mayor Robertson	aye
Ms. Dull	aye	Mr. Holmes	aye
Ms. Darby	aye	Mr. Claffey	aye
Mayor Oakes	aye		

Ms. Ragon provided Council with a brief report on statistics of the vehicles in the City.

RESOLUTION
IMPLEMENTING ORDINANCE 2006-05, CODIFIED AS SECTION 3.10.015 OF THE STAUNTON CITY CODE,
TO FURTHER IMPLEMENT THE 2004-2005 CHANGES TO THE PERSONAL PROPERTY TAX RELIEF ACT OF 1998

WHEREAS, by Ordinance 2006-05, adopted April 13, 2006, and codified as Section 3.10.015 of the Staunton City Code, the Council of the City of Staunton fashioned a local program of tax relief that serves the best interests of the citizenry regarding personal property tax on qualifying use vehicles, pursuant to modifications made by the General Assembly of Virginia to the Personal Property Tax Relief Act of 1998 (PPTRA);

WHEREAS, the City's program of tax relief contemplates the allocation of PPTRA relief provided by the Commonwealth of Virginia pursuant to the provisions of Ordinance 2006-05, codified as Section 3.10.015 of the Staunton City Code, as further implemented by resolution adopted annually after the personal property tax book is certified by the Commissioner of Revenue and delivered to the Treasurer;

WHEREAS, on August 26, 2022, the Commissioner of Revenue delivered to the Treasurer a certified personal property tax book; and

WHEREAS, the Commissioner of Revenue has recommended to the Council of the City of Staunton, Virginia, that with respect to qualifying vehicles with assessed values of more than $1,000 the percentage of relief to be applied to the first $20,000 in value of each such qualifying vehicle should be 35%, which the Commissioner of Revenue estimates will fully use all available state PPTRA relief.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Staunton, Virginia, that 35% shall be the percentage of relief to be applied to the first $20,000 in value of each qualifying vehicle with an assessed value of more than $1,000, pursuant to and in accordance with the provisions of Section 3.10.015 of the Staunton City Code.

Adopted this 8h day of September, 2022.

Approved: ____________________
Andrea W. Oakes, Mayor

Attest: __________________________
Kiley Kesecker
Clerk of Council

H. Consideration of Ordinance Amending, Restating and Reordaining Chapter 3.35, Transient Occupancy Tax, of Title 3, Staunton City Code to Conform with the Code of Virginia

Ms. Ragon stated that Virginia Code §§ 58.1-602 and 58.1-612.2 and 58.1-3826 have been amended to change the process by which retail sales and use tax and transient occupancy taxes are collected from sales involving accommodations intermediaries. The amendments require accommodations intermediaries to collect sales and occupancy taxes and remit them to the Department of Taxation or a locality as applicable, eliminating the requirement to remit any portion to a hotel. The amendments require intermediaries to submit to a locality each month the property addresses and gross receipts for all accommodations facilitated by the intermediary in such locality. She noted that the proposed amendments also modify the definitions of "accommodations", "accommodations intermediary", "accommodations provider" and "room charge". Additional amendments are made to the provisions for collection and remittance. The amendments would essentially bring the City Code in line with the state code that was changed by legislation that passed in the 2022 General Assembly session.

Mayor Oakes asked if Councilmembers had any questions or comments.

Ms. Mead asked if travel booking sites like booking.com are accommodations intermediaries. Ms. Ragon stated that they are platforms, whereas intermediaries are things like Airbnb and VRBO.

Councilmembers had no further questions or comments.

Ms. Mead moved that City Council adopt the proposed amendments to Staunton City Code Chapter 3.35, as presented.

The motion was seconded by Mr. Holmes and carried as follows:

Mr. Holmes	aye	Vice Mayor Robertson	aye
Ms. Dull	aye	Ms. Mead	aye
Ms. Darby	aye	Mr. Claffey	aye
Mayor Oakes	aye		

Ordinance No. 2022 - 23

AN ORDINANCE
AMENDING, RESTATING AND REORDAINING
CHAPTER 3.35, TRANSIENT OCCUPANCY TAX,
OF TITLE 3, REVENUE AND FINANCE,
OF THE STAUNTON CITY CODE
TO CONFORM WITH THE CODE OF VIRGINIA

Recitals

A. It has been ascertained that Chapter 3.35, Transient Occupancy Tax, of Title 3, Revenue and Finance, of the Staunton City Code (SCC) merits amendment to conform with the Code of Virginia;

B. Virginia Code **§** 58.1-3819 authorizes localities to collect transient occupancy tax on the gross proceeds of room rentals of hotels, motels, boarding houses, travel campgrounds, and other facilities offering guest rooms rented out for continuous occupancy for fewer than 30 consecutive days;

C. Virginia Code §§ 58.1-602, 58.1-612.2 and 58.1-3826 have been amended to change the process by which the Retail Sales and Use Tax and transient occupancy taxes are collected from accommodations sales involving accommodations intermediaries. The amendments require accommodations intermediaries to collect sales and occupancy taxes and remit them to the Department of Taxation or a locality, as applicable, eliminating the requirement to remit any portion to the hotel. The amendments provide that in a transaction involving multiple parties that may be considered accommodations intermediaries, such parties may agree that one party shall be responsible for collecting and remitting the taxes. In such event, the party agreeing to collect and remit such taxes would be the sole party liable for the tax. The amendments require intermediaries to submit to a locality each month the property addresses and gross receipts for all accommodations facilitated by the intermediary in such locality. The amendments also modify the definitions of "accommodations intermediary" and "room charge."

D. This matter has been properly advertised, heard, and considered; and

E. These recitals are an integral part of this ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Staunton, Virginia, that Chapter 3.35, Transient Occupancy Tax, of Title 3, Revenue and Finance, of the Staunton City Code is hereby amended to read as follows:

3.35.010 Definitions.

For the purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section:

“Accommodations” shall mean, any room or space for which tax is imposed on the retail sale pursuant to this Chapter and includes but is not limited to, any public or private hotel, inn, apartment, hostelry, tourist home or house, motel, rooming house, or other lodging place within the city of Staunton offering lodging , and the owner and operator thereof, who for compensation, furnishes lodging to any transients as hereinafter defined.

…

“Accommodations intermediary” shall mean any person other than an accommodations provider that (i) facilitates the sale of an accommodation and (ii) either (a) charges a room charge to the customer, and charges an accommodations fee to the customer, which fee it retains as compensation for facilitating the sale; (b) collects a room charge from the customer; or (c) charges a fee, other than an accommodations fee, to the customer, which fee it retains as compensation for facilitating *the sale*. For purposes of this definition, "facilitates the sale" includes brokering, coordinating, or in any other way arranging for the purchase of the right to use accommodations via a transaction directly, including via one or more payment processors, between a customer and an accommodations provider.

"Accommodations intermediary" does not include a person:

1. If the accommodations are provided by an accommodations provider operating under a trademark, trade name, or service mark belonging to such person;

2. Who facilitates the sale of an accommodation if (i) the price paid by the customer to such person is equal to the price paid by such person to the accommodations provider for the use of the accommodations and (ii) the only compensation received by such person for facilitating the sale of the accommodation is a commission paid from the accommodations provider to such person.

"Accommodations provider" shall mean any person that furnishes accommodations to the general public for compensation. The term "furnishes" includes the sale of use or possession or the sale of the right to use or possess; or

3. Who is licensed as a real estate licensee pursuant to Article 1 (§ 54.1-2100 et seq.) of Chapter 21 of Title 54.1, when acting within the scope of such license.

…

“Room charge” shall mean the full retail price charged to the transient for the use of the accommodations, , before taxes. "Room charge" includes any fee charged to the customer and retained as compensation for facilitating the sale, whether described as an accommodations fee, facilitation fee, or any other name. Any additional charges made in connection with the rental of accommodations are deemed to be a part of the charge for the room and are subject to the tax. For example, additional charges for movies, local telephone calls and similar services are subject to the tax. Toll charges for long-distance telephone calls are not subject to the tax.

3.35.020 Levy and rate.

In addition to all other taxes of every kind now or hereafter imposed by law, there is hereby imposed and levied, for the purpose of funding the general operation of the city government, on each and every transient a tax equivalent to six and seven-tenths percent of the total room charge paid by the transient for the use or possession of a room or space occupied for lodging by or for any such transient to any accommodations.

3.35.030 Exceptions.

No tax shall be payable hereunder on room charge paid to any hospital, medical clinic, convalescent home or home for the aged. Also, no tax shall be payable hereunder on space rental paid to any travel campground.

3.35.040 Collection.

(1) For any retail sale of accommodations not facilitated by an accommodations intermediary, the accommodations provider shall collect the tax imposed pursuant to this chapter, computed on the total price paid for the use or possession of the accommodations, and shall remit the same to the City and shall be liable for the same.

(2) For any retail sale of accommodations facilitated by an accommodations intermediary, the accommodations intermediary shall be deemed under this chapter as a facility making a retail sale of an accommodation. The accommodations intermediary shall collect the tax imposed pursuant to this article, computed on the room charge and shall remit the same to the City and shall be liable for the same.

(3) For any transaction for the retail sale of accommodations involving two or more parties that meet the definition of accommodations intermediary, nothing in this section shall prohibit such parties from making an agreement regarding which party shall be responsible for collecting and remitting the tax, so long as the party so responsible is registered as a dealer with the locality. In such event, the party agreeing to collect and remit the tax shall be the sole party liable for the tax, and the other parties to such agreement shall not be liable for such tax.

(4) For any retail sale of accommodations facilitated by an accommodations intermediary, nothing herein shall relieve the accommodations provider from liability for retail sales and use taxes on any amounts charged directly to the customer by the accommodations provider that are not collected by the accommodations intermediary.

(5) In any retail sale of any accommodations in which an accommodations intermediary does not facilitate the sale of the accommodations, the accommodations provider shall separately state the amount of the tax in the bill, invoice, or similar documentation and shall add the tax to the total price paid for the use or possession of the accommodations. In any retail sale of any accommodations in which an accommodations intermediary facilitates the sale of the accommodation, the accommodations intermediary shall separately state the amount of the tax on the bill, invoice, or similar documentation and shall add the tax to the room charge; thereafter, such tax shall be a debt from the customer to the accommodations intermediary, recoverable at law in the same manner as other debts.

All taxes collected pursuant to this chapter are deemed in be held in trust for the City.

3.35.050 Reports and remittances.

(1) The person collecting any such tax shall make out a report upon such forms and setting forth such information as the commissioner of the revenue may prescribe and require, showing the total room charge paid by the customer for the use or possession of a room or space occupied for lodging by or for a transient and the tax required to be collected. The report shall be submitted to the commissioner of the revenue.

(2) The commissioner of the revenue shall determine whether the report is in proper form and upon such determination shall cause a copy to be delivered to the treasurer.

(3) The person collecting any such tax shall remit the tax to the treasurer.

(4) Said reports and remittances shall be made on or before the twentieth day of the month following each month and covering the amount of tax collected during the preceding month.

…

In all other respects, the provisions of Chapter 3.35 of the Staunton City Code remain the same and are hereby restated, confirmed and reordained.

Introduced: September 8, 2022
Adopted: September 8, 2022
Effective: October 1, 2022

____
Andrea W. Oakes, Mayor

ATTEST: ________________________
Kiley A. Kesecker,
Clerk of Council

<u>MATTERS FROM THE INTERIM CITY MANAGER</u>

Ms. Beauregard stated that she had a conversation with Mr. Blair and Mayor Oakes about having a discussion and update of City Council procedures and policies on the agenda for the Council retreat which will take place in January once the new Council members are seated. She also stated that Staunton was named "Most Beautiful Town in Virginia" by *Only in Your State*, and the Queen City Mischief and Magic Festival was named "Top Fall Festival" in *USA Today*. She closed by stating that the Diversity, Equity and Inclusion Commission is holding a meet and greet event at Montgomery Hall Park in September 14, 2022.

<u>MATTERS FROM THE PUBLIC</u>

Mayor Oakes read the following statement:

"This part of City Council's agenda is entitled matters from the public. It is a time that council sets aside to hear from citizens and others about a wide variety of subjects. A copy of the Staunton City Council's 'Matters from the Public' rules are available in paper form at the clerk's desk and online at the City of Staunton webpage. You are asked to familiarize yourself with those rules before commenting. Please come to the podium or begin your call, identify yourself and complete your remarks within five minutes."

Albino Fossa, 401 Bowling Street, expressed his frustrations with property assessments.

Jack Chirieleison, 241 Thornrose Avenue, described issues with a neighbor not allowing public access through their property.

Moonyene Jackson-Amis, no address given, thanked Council for several proclamations that had been given and for receiving her correspondence.

Yvonne Wilson, 2017 First Street, thanked Council for presenting the proclamation and keys to the City to Wil Reid and Langdon Reid.

ADJOURNMENT

There being no further business to come before Council, the meeting adjourned at 10:11 p.m.

____
Kiley A. Kesecker
Clerk of Council

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**September 22, 2022**	**Staff Members:** **Billy Vaughn** **Jeff Johnston**
Item #	**A**	
Department:	**Community Development** **Public Works**	
Alignment with Staunton Plan (Value/Strategic Area):	**Strategic Area: Built Environment**	
Subject:	**Request by Staunton-Augusta-Waynesboro Habitat for Humanity for the Waiver of Fees Related to the Construction of Homes on Anderson Street, Heydenreich Street and Donaghe Street**	

Background: By electronic mails dated July 19, 2022 and September 15, 2022 (attached), Staunton-Augusta-Waynesboro Habitat for Humanity ("Habitat") has requested the waiver of fees associated with the construction of three new single-family homes at 951 Anderson Street, 811 Heydenreich Street and 1233 Donaghe Street. The houses will be built for low-moderate income families. Habitat homes are provided to families with a "no interest" or "zero equivalent" loan based on the appraised value of the home. This makes home-ownership affordable for many people in our community who would otherwise not be able to afford a conventional mortgage. The Habitat program relies on donations of time and materials, but also requires "sweat equity" from the families chosen for homes. Since Habitat's inception locally in 1993, the organization has built over 63 new homes, made substantial rehabs to nine homes and completed critical home repairs on 39 other homes in Staunton.

As set forth in the Staunton City Code Sections 13.15.060(1)(d), 13.40.030(1)(d) and 15.10.120(3), a single-family residential project may be considered by City Council on a case-by-case basis for exemption from water and sewer connection and facility fees, and building permit fees upon satisfaction of the following criteria:

- The project is on property in the city of Staunton, is owned by the organization, and the organization has a 501(c)(3) exemption recognized by the Internal Revenue Service;
- The project provides home ownership to residents within the City of Staunton, classified as low- and moderate-income individuals, as defined by current HUD Section 8 income standards; and
- The organization administering the program requires the homeowner(s) to contribute a minimum of 200 hours in the construction of the subject single-family residence or being constructed by the organization for others.

Having reviewed the applicable criteria, staff notes the following, in part based on submissions to the City by Habitat:

> Habitat is recognized by the Internal Revenue Service (IRS) as a 501(c)(3) organization. The IRS determination letter is attached.
>
> Habitat makes all reasonable efforts to serve families whose incomes do not exceed 60 percent of the area median income (AMI), as defined by the U.S. Department of Housing and Urban Development, but will accept applicants making up to 80 percent of AMI. Habitat performs appropriate due diligence in determining the applicant's ability to pay and creditworthiness through income verification, credit reporting, and assessment of all other household debt; projected utility costs; and other costs directly associated with the ownership of their home. Habitat's Director of Family Partnerships will always be a qualified loan originator and responsible for conducting these initial financial assessments. Providing there are no obvious disqualifiers, they will forward the application to Habitat's Family Partnership Committee for review and recommendation.
>
> Habitat requires 200 hours of sweat equity per household adult, including 100 hours in construction. Appropriate and necessary accommodations are made for individuals with physical limitations in accordance with the Americans with Disabilities Act. These hours are ideally all completed before the homeowner closes on and moves into the home. If needs dictate, the Habitat executive director is authorized to amend the homeowner partnership agreement to move up to 50 hours of sweat equity to post purchase, if the homeowner agrees. If the homeowner does not agree to terms, all hours must be completed prior to closing, as stated in the standard agreement. Other examples of objective criteria used to measure a prospective homeowner's willingness to partner with Habitat include attending a program orientation (either group or one-on-one), completion and return of application by agreed-upon deadlines, acceptance of down payment and closing costs (according to affiliate requirements), and completion of required educational classes and workshops. Habitat will also allow accepted applicants to decline a particular housing opportunity twice before they are dismissed from the program on the grounds of "failure to partner."

Based on the foregoing information, staff has determined that the request meets the applicable criteria. Staff will be prepared to provide an estimate of total fees to be waived, in the aggregate, at Council's meeting.

Attachments:

Attachment 1—Request from Habitat for Humanity for Fee Waiver
Attachment 2—Internal Revenue Service Determination Letter

Interim City Manager's Recommendation: Recommend approval of the request.

Suggested Motion: I move that City Council, pursuant to Staunton City Code Sections 13.15.060, 13.40.030, 13, and 15.10.120, approve the waiver of City-imposed water and sewer connection fees, water and sewer facility fees, and building permit fees associated with the construction by Staunton-Augusta-Waynesboro Habitat for Humanity of single-family homes at 951 Anderson Street, 811 Heydenreich Street and 1233 Donaghe Street.

Interim City Manager: Leslie Beauregard

Attachment #1

From: Brad Arrowood <Barrowood@sawhfh.org>
Sent: Tuesday, July 19, 2022 12:39 PM
To: Leslie M. Beauregard <beauregardlm@ci.staunton.va.us>
Subject: Fee Waiver for 951 Anderson and 811 Heydenreich

Good Afternoon,

SAW Habitat is working on houses at 951 Anderson Street and 811 Heydereich Street in town, and would like to go before Council to have the fees waived for these projects at the August 25th meeting.

Thank you

Brad Arrowood
Chief Operations Officer
Habitat for Humanity, Staunton-Augusta-Waynesboro
"Building and restoring homes, lives and communities through faith."
Mailing: P.O. Box 3188, Staunton VA 24402-3188
Habitat Offices: 818 Greenville Ave., Staunton Va 24401
ReStore Staunton: 818 Greenville Ave.
ReStore Waynesboro: 252 Arch Avenue
Cell: 540-292-1998 Office: 540-490-4204 barrowood@sawhfh.org
sawhfh.org

Leslie M. Beauregard

From:	Brad Arrowood <Barrowood@sawhfh.org>
Sent:	Thursday, September 15, 2022 5:34 PM
To:	Jeff M. Johnston; Leslie M. Beauregard
Subject:	Re: Fee Waiver
Follow Up Flag:	Flag for follow up
Flag Status:	Flagged

I would like to add 1233 Donaghe Street to the addresses for which I am requesting a fee waiver. Previously, I had only added this to the other addresses (951 Anderson, 811 Heydenreich) in a verbal request.

Thank You

Brad Arrowood
Chief Operations Officer
Habitat for Humanity, Staunton-Augusta-Waynesboro
"Building and restoring homes, lives and communities through faith."
Offices in Staunton: 700 West Beverley
ReStore in Waynesboro: 252 Arch Ave.
Mailing: P.O. Box 3188, Staunton VA 24402-3188
Phone: 540-292-1998
sawhfh.org

From: Jeff M. Johnston <johnstonjm@ci.staunton.va.us>
Sent: Thursday, September 15, 2022 12:15:05 PM
To: Brad Arrowood <Barrowood@sawhfh.org>
Subject: RE: Fee Waiver

Brad,

Did you send a written request for Donaghe (I need something to include in the Council Agenda packet)? I've got the one for Anderson and Heidenreich.

Thanks, Jeff

Jeff Johnston, P.E.
Director of Public Works
City of Staunton, VA
------
johnstonjm@ci.staunton.va.us
Office: 540.332.3892
Cell: 540.490.1100
Web: City of Staunton
Facebook: City of Staunton
Twitter: @StauntonCityVA
Click here to send large (5MB+) files

Attachment #2

Help build it!

April 13, 2018

Staunton-Augusta-Waynesboro HFH
PO Box 3188
Staunton, VA 24402-3188

RE: 501(c)(3) Letter for Staunton-Augusta-Waynesboro HFH, Partner ID# 1458-7066

Dear Affiliate Leader:

This letter will confirm that Staunton-Augusta-Waynesboro HFH, with employer identification number 54-1648901, is considered a subordinate under the group tax exemption umbrella of Habitat for Humanity International, Inc. ("HFHI") under Section 501(c)(3) of the Internal Revenue Code.

The group exemption number assigned to HFHI by the IRS is 8545. This number may be provided to prospective donors, foundations and other grant organizations as they request it and is required on certain IRS forms.

Enclosed is a copy of the determination letter dated February 23, 2018, provided by the IRS as evidence of HFHI's tax exempt status as well as its group exemption. The determination letter, together with this letter, confirms Staunton-Augusta-Waynesboro HFH's subordinate status and provides evidence of its tax exempt status under Section 501(c)(3) of the Code.

In partnership,

Beverly Huffman
Director, US/Canadian Support Services Center
Habitat for Humanity International 877-434-4435
USSupportCenter@habitat.org · habitat.org | **Habitat. We build.**

Enclosure

Internal Revenue Service
P. O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: February 23, 2018

Person to Contact: #0196814
Ms. Benjamin
Employer Identification Number:
91-1914868
Group Exemption Number:
8545

HABITAT FOR HUMANITY INTERNATIONAL INC
HABITAT FOR HUMANITY INTRNL PARENT
% MICHAEL E CARSCADDON
270 PEACHTREE ST NW STE 1300
ATLANTA, GA 30303

Dear Sir or Madam:

This is in response to your request dated January 10, 2018 for information about your tax-exempt status.

Our records indicate we issued a determination letter to you in January 1987, and that you're currently exempt under Internal Revenue Code (IRC) Section 501(c)(3).

We also recognized the subordinates on the list you submitted as exempt from federal income tax under IRC Section 501(c)(3).

For federal income tax purposes, donors can deduct contributions they make to you as provided in IRC Section 170. You're also qualified to receive tax deductible bequests, legacies, devises, transfers, or gifts under IRC Sections 2055, 2106 and 2522.

Because IRC Section 170(c) describes your subordinate organizations, donors can deduct contributions they make to them.

Please refer to www.irs.gov/charities for information about filing requirements. Specifically, IRC Section 6033(j) provides that, if you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked on the filing due date of the third required return or notice.

In addition, each subordinate organization is subject to automatic revocation if it doesn't file a required return or notice for three consecutive years. Subordinate organizations can file required returns or notices individually or as part of a group return.

For tax forms, instructions, and publications, visit www.irs.gov or call 1-800-TAX-FORM (1-800-829-3676).

If you have questions, call 1-877-829-5500 between 8 a.m. and 5 p.m., local time, Monday through Friday (Alaska and Hawaii follow Pacific Time).

Sincerely yours,

Stephen A. Martin

Stephen A. Martin
Director, Exempt Organizations
Rulings and Agreements

IRS Group Exemption FAQs

The IRS refers to “central” or “parent” organizations, as well as “subordinate” organizations? What does these terms mean?

An organization that has been granted a 501(c)(3) group exemption by the IRS is referred to as the central or parent organization. The central organization generally supervises many affiliates or chapters, called subordinate organizations. The subordinate organizations have similar structures, purposes, missions and activities.

- ❖ In Habitat’s case, HFHI is the central organization and each Affiliate is a subordinate organization.

What is the reason for group exemptions vs individual exemptions?

Group exemptions are an administrative convenience for both the IRS and organizations with many affiliated organizations. Subordinates in a group exemption do not have to file, and the IRS does not have to process, separate applications for exemption. Instead, the IRS allows the central organization to include its subordinate organizations under its tax exempt “umbrella.”

- ❖ Group exemptions are more convenient because only one central organization (HFHI) needs to be checked for tax exempt status.

Who determines if a subordinate organization may be included under the central organizations’ group exemption?

The central organization, not the IRS, determines who is exempt under its 501(c)(3) umbrella. The IRS does not approve or deny a subordinate’s inclusion on HFHI’s roster of exempt subordinates. It is solely at the discretion of the central organization holding the 501(c)(3) designation as long as the subordinate is similar in mission, purpose, structure and activities. The IRS leaves it up to the central organization to police its own list of subordinate entities and to report any changes. Failure to monitor the list in accordance with the rules set forth by the IRS may result in the central organization having its 501(c)(3) status revoked.

- ❖ HFHI is the final determiner of whether Affiliates are on its group exempt list. The IRS will not issue a letter with regard to an individual Affiliate.

How does a donor verify that an organization is included as a subordinate in a group exemption ruling?

The central organization which holds the group exemption (rather than the IRS) determines which organizations are included as subordinates under its group exemption umbrella. Therefore, a donor should verify that an organization is a subordinate eligible to receive tax deductible donations by requesting a copy of a letter provided by the central organization to the subordinate confirming the subordinate entity's inclusion on its roster of exempt subordinates. This letter, coupled with a copy of the central organizations 501(c)(3) determination letter provides adequate proof of the entity's tax exempt status.

- ❖ Affiliate should provide donors a copy of the confirmation letter (with the HFHI IRS determination letter attached) that HFHI provides to each Affiliate on an annual basis.

- ❖ Donors should be told that the IRS determination letter will not reference the Affiliate by name.

How do donors verify that contributions are deductible with respect to a subordinate organization in a section 501(c)(3) group exemption ruling?

Many donors are accustomed to consulting the IRS database known as EOS Select Check to confirm that donations to a specific organization are tax deductible. This works well for organizations that have an individual tax exemption; however, it creates a bit of confusion when it comes to organizations with a group tax exemption status.

The EOS Select Check database does NOT list all subordinate entities. It lists the central organization because the central organization is the entity that applied for, and was granted, a 501(c)(3) designation. Many times donors become alarmed when they do not see the individual Affiliate listed in the database. It is important to explain to your donor that providing HFHI's group exemption number (GEN) along with a confirmation letter from HFHI, as the central organization, is sufficient proof of the subordinate entity's tax exempt status. Donors may rely upon central organization verification with respect to deductibility of contributions to subordinates covered in a section 501(c)(3) group exemption ruling.

- ❖ Explain to your donors early the procedure so that they will not be surprised when the Affiliate is not referenced on the EOS database.

Employer Identification Number (EIN) vs Group Exemption Number (GEN)

The Employer Identification Number (EIN) is a nine-digit number that is unique to each business and generally appears in the following format: XX-XXXXXXX. Its role for a business is similar to that of the Social Security number for an individual. The number includes information about which state the corporation is registered in. This unique identification number is assigned to a business entity so that they can easily be identified by the Internal Revenue Service. The EIN is also known as a Federal Identification Number (FIN) or Tax ID.

This number is apart and separate from a company's group exemption number (GEN). The EIN identifies the specific organization. The GEN identifies the entity's further designation as a tax exempt organization.

The GEN number is a number assigned by the IRS which identifies the central organization who was granted the group exemption. The GEN number is a 4 digit number that should be supplied to donors when they make a donation. This number allows the donor to make a tax deduction based on the donation to the tax exempt entity.

- HFHI's GEN is 8545. This should be given to your donors.

- Do not use HFHI's EIN in your Affiliate's tax return and other documents. This will cause the IRS to confuse your Affiliate with HFHI (including accidentally holding you responsible HFHI's payroll taxes, misreporting on Form 990, etc.)

❖ HFHI's GEN is 8545. This should be given to your donors.

❖ Do not use HFHI's EIN in your Affiliate's tax return and other documents. This will cause the IRS to confuse your Affiliate with HFHI (including accidentally holding you responsible HFHI's payroll taxes, misreporting on Form 990, etc.)

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**September 22, 2022**	**Jessie Moyers** **Interim Chief Financial Officer**
Item #	**B**	
Department:	**Finance**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Excellence** **Strategic Area: Responsible, Efficient Government**	
Subject:	**Ordinance to Amend the FY2023 Budget Ordinance for the City of Staunton by Adding Budget Amendment Number Two, City Portion Only**	

Background: The second budget amendment for fiscal year 2023 was introduced and reviewed at the September 8, 2022 council meeting. The total budget amendment equals $8,150,000. This budget amendment requires a public hearing, which was properly advertised and held on September 8, 2022.

The city portion of the budget amendment is being proposed for consideration at the regular meeting of September 22, 2022. The consideration of the school portion will be delayed until the joint City Council and School Board meeting on October 13, 2022.

City Budget Amendment—$950,000

Stormwater Fund appropriation of $950,000 from American Rescue Plan Act funds.

- $300,000 – Flood Shield Grants – reimbursement-based grant available to local businesses in flood prone areas for the purchase and installation of flood shields.

- $650,000 – Tunnel Improvements – tunnel maintenance and improvement program to maximize the capacity of the existing tunnels that convey Lewis and Peyton creeks through downtown. This would include inspection and maintenance of the tunnels, along with possible improvements to them to mitigate “chokepoints”.

Attachment: Budget Amendment Number Two

Interim City Manager’s Recommendation: Recommend the city portion of the ordinance be approved as presented.

Suggested Motion: I move to approve the city portion of the ordinance amending the fiscal year 2023 budget by adding Budget Amendment Number Two, totaling $950,000 for flood shield grants and tunnel improvements.

Interim City Manager: Leslie Beauregard

Attachment #1

Ordinance No. 2022-

AN ORDINANCE TO AMEND

THE FY2023 BUDGET ORDINANCE

FOR THE CITY OF STAUNTON

BY ADDING BUDGET AMENDMENT NUMBER TWO

BE IT ORDAINED, by the City Council of the City of Staunton, Virginia, that the FY2023 Budget is amended as follows:

STORMWATER FUND		
Anticipated Revenue		
General Revenue	$	950,000
Total Revenue	$	950,000
Appropriations		
Operations	$	950,000
Total Appropriations	$	950,000

GRAND TOTAL BUDGET AMENDMENT NO 2	**$**	**950,000**

INTRODUCED: September 8, 2022

PUBLIC HEARING: September 8, 2022

Public Hearing Advertisement Date: September 1, 2022

Approved this ________________day of ________2022

Effective Date: ____________________

CERTIFIED: ____________________________

ATTEST:__________________________

Andrea Oakes

Mayor of Council

Kiley A. Kesecker

Clerk of Council

FY 2023 BUDGET AMENDMENT NO. 2

	LEDGER CODE	AMOUNT REVENUE	AMOUNT EXPENDITURE
STORMWATER FUND			
STORMWATER PROJECTS			
ARPA Grants (Flood Shields)	57004725-55683-ARPA	$ 300,000	
Stormwater Drain (Tunnel Design)	57004725-58364-ARPA	$ 650,000	
Misc Federal Aid	57001-46250-ARPA		$ 950,000
To Appropriate American Rescue Plan Act Funds			
TOTAL STORMWATER FUND		**$ 950,000**	**$ 950,000**

FY 2023 BUDGET AMENDMENT NO. 2 SUMMARY

CITY GOVERNMENT FUNDS	
STORMWATER FUND	$ 950,000
TOTAL CITY GOVERNMENT FUNDS	**$ 950,000**
TOTAL FY2023 BUDGET AMENDMENT NO. 2	**$ 950,000**

CITY COUNCIL **AGENDA BRIEFING**

Staunton, Virginia

Meeting Date:	**September 22, 2022**	**Jessie Moyers** **Interim Chief Financial Officer** **Leslie Beauregard** **Interim City Manager**
Item #	**C**	
Department:	**City Manager** **Finance Department**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Excellence** **Strategic Area: Responsive, Efficient Government**	
Subject:	**Review and Approval of FY 2024 Budget Calendar**	

Background: The FY 2024 draft budget calendar is attached for your review. Council is asked to review the calendar and suggest changes that may better accommodate the schedules of Council members. Please consult your personal calendars for possible schedule conflicts.

Attachment: FY 2024 Budget Calendar

Interim City Manager's Recommendation: Recommend City Council review the draft budget calendar and direct staff to finalize a calendar that accommodates the needs of the Council.

Suggested Motion: Not applicable

Interim City Manager: Leslie Beauregard

Attachment #1

December 2022 / January 2023

CIP Presentation to the Planning Commission	December 15, 2022	
Introduction and Presentation of Draft CIP Plan	January 12, 2023	Second Thursday
City Council and School Board Joint Meeting	January 26, 2023	Fourth Thursday
Discussion of CIP Plan Approved by the Planning Commission	January 26, 2023	Fourth Thursday

February 2023

City Council Budget Worksession	February 2, 2023	First Thursday
Adoption of FY2023 - FY2027 CIP Plan	February 9, 2023	Second Thursday

March 2023

Budget Presentation to City Council-Worksession	March 23, 2023	Fourth Thursday
Introduction of Total Budget Ordinance for City and Schools	March 23, 2023	Fourth Thursday
City Council Budget Worksession	March 30, 2023	Fifth Thursday

April 2023

Advertisement for Proposed Budget Ordinance - Public Hearing	April 5, 2023	
City Council Budget Worksession	April 6, 2023	First Thursday
City Council and School Board Joint Meeting	April 13, 2023	Second Thursday
Budget Public Hearing (all budget ordinances)	April 13, 2023	Second Thursday
City Council Budget Worksession - If Necessary	April 20, 2023	Third Thursday
City Council Budget Worksession	April 27, 2023	Fourth Thursday
Adoption of City Budget	April 27, 2023	Fourth Thursday

CITY OF STAUNTON, VIRGINIA

FY 2024 BUDGET SCHEDULE

(July 1, 2023 - June 30, 2024)

CITY OF STAUNTON		
	City Budget Schedule	
Budget Calendar and Budget Discussion with City Council	September 22, 2022	
Budget Call/ Notice	October 7, 2022	
Budget Work session- School Board/ City Council- School Budget	October 13, 2022	
Budget Submission from Departments	December 2, 2022	
Budget Notice to Outside Agencies	December 5, 2022	
Governor's Budget Presentation	TBD	
Budget Submission Requests from Outside Agencies	January 6, 2023	
Budget Discussions with Departments	December 2022- February 2023	
Presentation of Draft Capital Improvement Plan	January 12, 2023	
City Council and School Board Joint Meeting	January 26, 2023	5:00 PM
City Council Budget Work Session	February 2, 2023	5:00 PM
City Manager Review	February 6-13, 2023	
Adoption of the Capital Improvement Plan	February 9, 2023	
City Budget Complete	February 15, 2023	
Advertisement for Reassessment Proposed Tax Rate - Public Hearing	February 20, 2023	
Budget Presentation to City Council-Worksession	March 23, 2023	5:00 PM
Public Hearing - Reassessment Proposed Tax Rate	March 23, 2023	7:30 PM
Introduction of Total Budget Ordinance for City and Schools	March 23, 2023	7:30 PM
City Council Budget Work session	March 30, 2023	5:00 PM
Advertisement for Proposed Budget Ordinance - Public Hearing	April 5, 2023	
City Council Budget Work session	April 6, 2023	5:00 PM
Budget Work session- School Board/ City Council- School Budget	April 13, 2022	5:00 PM
Budget Public Hearing (all budget ordinances)	April 13, 2023	7:30 PM
City Council Budget Worksession (If nessesary)	April 20, 2023	7:30 PM
City Council Budget Worksession	April 27, 2023	5:00 PM
Adoption of City Budget	April 27, 2023	7:30 PM

CITY COUNCIL AGENDA BRIEFING

Staunton, VA

Meeting Date:	**September 22, 2022**	**Jessie Moyers** **Interim Chief Financial Officer**
Item #	**D**	
Department:	**Finance**	
Alignment with Staunton Plan (Value/Strategic Area):	**Value: Excellence** **Strategic Areas: Responsive, Efficient Government** **Built Environment**	
Subject:	**Resolution to Issue General Obligation Bonds in a Principal Amount Not to Exceed $8.5 Million for the Financing of the Gardener Springs Pump Station Project**	

Background: The Gardener Springs Pump Station Project includes the construction of a new raw water pumping station, demolishing the existing pump station, construction of a platform on the remaining foundation, and the furnishing, installment, and integration of a 1,500-kW generator as well as payment of the associated costs of debt issuance. The associated bond ordinance was signed at the September 8, 2022 council meeting. The city also held the required public hearing.

Bids for the project came in on September 13, 2022 and they were significantly higher than the estimates due to the current construction economic climate. Staff is working to determine the best path forward with the Gardener Springs Project. Options include accepting the current low bid or proceeding with a rebid on the project. The current bond resolution for the Gardener Springs Pump Station Project is set to not exceed $8,500,000. Staff feels that given the current interest rate outlook, the city should proceed with the bond resolution for the Truist financing option.

Attachment: Bond Resolution

Interim City Manager's Recommendation: Recommend that City Council approve the Resolution for the Gardener Springs bond issuance.

Suggested Motion (to be made after the public hearing is conducted): I move that City Council approve the resolution authorizing the issuance of General Obligation Bonds in the maximum principal amount of $8,500,000 for the Gardener Spring Pump Station Project.

Interim City Manager: Leslie Beauregard

Attachment #1

COVERING CERTIFICATE FOR RESOLUTION

The undersigned Clerk of the Council of the City of Staunton, Virginia (the "City"), certifies as follows:

1. Attached hereto is a true, correct and complete copy of a resolution entitled "RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND AWARD OF A GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2022, OF THE CITY OF STAUNTON, VIRGINIA, IN A PRINCIPAL NOT TO EXCEED $8,500,000, HERETOFORE AUTHORIZED, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF" (the "Resolution"), as adopted at a regular meeting of the Council of the City (the "Council") held on September 22, 2022, by the recorded affirmative roll-call vote of a majority of all members elected to the Council.

2. Such meeting of the Council was held at the time and place established by the Council for its regular meetings.

3. The minutes of such meeting reflect the attendance of the members and their votes on the Resolution as follows:

Member	**Attendance** (Present/Absent)	**Vote** (Aye/Nay/Abstain)
Stephen W. Claffey		
Amy G. Darby		
Carolyn W. Dull		
R. Terry Holmes		
Brenda O. Mead		
Andrea Oakes		
Mark Robertson		

4. The Resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the City of Staunton, Virginia, this ____ day of September, 2022.

(SEAL)

Kiley Kesecker, Clerk of Council,
City of Staunton, Virginia

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND AWARD OF A GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2022, OF THE CITY OF STAUNTON, VIRGINIA, IN A PRINCIPAL AMOUNT NOT TO EXCEED $8,500,000, HERETOFORE AUTHORIZED, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

WHEREAS, the City Council (the "Council") of the City of Staunton, Virginia (the "City"), by an ordinance adopted on September 8, 2022, has authorized the issuance of general obligation public improvement bonds in an aggregate principal amount not to exceed $8,500,000 to finance the Gardner Springs Pump Station Project, including but not limited to constructing a new raw water pumping station, demolishing the existing pump station, constructing a platform on the remaining foundation, and furnishing, installing and integrating a 1,500 kW generator (collectively, the "Project"), none of which bonds have heretofore been issued;

WHEREAS, pursuant to such authorization, the Council desires now to issue a general obligation public improvement bond in a principal amount not to exceed $8,500,000 (the "Bond") to finance the Project and to pay the related costs of issuance;

WHEREAS, the City administration, in collaboration with Davenport & Company LLC, serving as the City's financial advisor (the "Financial Advisor"), has solicited proposals from commercial banking and other financial institutions to make a loan to the City to be evidenced by the purchase of the Bond; and

WHEREAS, from the bids received, the City administration in collaboration with the Financial Advisor, recommends that the City obtain a loan from, and award the sale of the Bond to, Truist Bank (the "Bank"), in accordance with the terms of its bid attached hereto as Exhibit A.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STAUNTON, VIRGINIA:

1. Issuance and Sale of the Bond. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 but without regard to the provisions of the City Charter, the City Council hereby provides for the City Manager (which term shall include any acting or interim City Manager) to obtain a loan from the Bank and evidence such loan by the issuance and sale of the Bond in an original principal amount not to exceed $8,500,000, for the purpose of financing the Project and paying related issuance and financing costs. The final terms of the Bond shall be determined by the City Manager in accordance with the terms of this Resolution and the terms of the Bank's bid.

2. Bond Details. The Bond shall be issued as a single, registered bond, designated "General Obligation Public Improvement Bond, Series 2022," shall be dated the date of its delivery, shall be numbered R-1 and shall be sold to the Bank at a price not less than 100.0% of the aggregate principal amount thereof. The Bond shall bear interest at the initial rate of 3.54% per year, which rate may be increased to 4.53% upon the occurrence of a Determination of Taxability (as such term is defined in Exhibit B). Interest on the Bond shall be payable semiannually on dates determined by the City Manager and calculated on the basis of a 360-day year of twelve 30-day months. Principal shall be payable annually on dates and in installment amounts determined by the City Manager to be in the best interest of the City; provided that the final maturity shall be no later than December 31, 2042.

If the date on which any payment is due with respect to the Bond is not a Business Day (as hereinafter defined), the payment shall be made on the next succeeding Business Day. "Business Day" shall mean a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia. Principal and interest shall be payable by check or draft mailed, or wire transferred, to the registered owner of the Bond at the address that appears on the registration books kept by the Registrar (as hereinafter defined) in lawful money of the United States of America.

3. Prepayment of the Bond. The Bond may be prepaid in whole prior to maturity at any time, at the option of the City, in accordance with the terms of the bid attached hereto as Exhibit A, provided that any prepayment premium shall not be greater than 1.0%

4. Execution of the Bond. The Bond shall be signed by the manual signature of the Mayor or Vice Mayor, and the City's seal shall be affixed thereto and attested by the manual signature of the Clerk of the Council or any Deputy Clerk.

5. Bond Form. The Bond shall be in substantially the form of <u>Exhibit B</u>, which is attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the Bond, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

6. Preparation and Delivery of the Bond. The Mayor, Vice Mayor, Clerk of the Council and Deputy Clerk are authorized to take all proper steps to have the Bond prepared and executed in accordance with the terms of this Resolution and to deliver the Bond to the Bank upon payment therefor.

7. Pledge of Full Faith and Credit. The full faith and credit of the City are irrevocably pledged for the payment of principal of, premium, if any, and interest on the Bond. Unless other funds are lawfully available and appropriated for timely payment of the Bond, the City Council shall levy and collect an annual *ad valorem* tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the City sufficient to pay when due the principal of, premium, if any, and interest on the Bond.

8. Registration, Transfer and Owner of the Bond. The Bond shall be issued in registered form without coupons, payable to the registered holder or registered assign. The City's Chief Financial Officer (which term, for purposes of this resolution, shall include any interim or acting Chief Financial Officer) is appointed paying agent and registrar for the Bond (the "Registrar"). The City Manager may at any time appoint a qualified bank or trust company as successor Registrar. The Registrar shall maintain registration books for the registration and exchange of the Bond. Upon surrender of the Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the City shall execute and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate and registered in the name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Registrar may charge the person requesting such exchange the amount of any tax or governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person or entity shown as owner on the registration books on the last Business Day preceding each interest payment date.

9. Arbitrage Covenants. The City covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest on the Bond to be includable in the gross income of the registered owners thereof under existing laws. Without limiting the generality of the foregoing, the City shall comply with any provision of law that may require the City at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bond, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Bond from being includable in the gross income of the registered owners thereof under existing law. The City shall pay any such required rebate from its legally available funds.

10. Non-Arbitrage Certificate and Elections. Such officers of the City as may be requested are authorized and directed to execute an appropriate certificate setting forth the expected use and investment of the proceeds of the Bond in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code and regulations issued pursuant thereto and any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the City.

11. Limitation on Private Use. The City covenants that it shall not permit the proceeds of the Bond or the facilities financed therewith to be used in any manner that would result in 5% or more of such proceeds or facilities, as applicable, (a) being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bond from being includable in the gross income for federal income tax purposes of the registered owner thereof under existing law, the City need not comply with such covenants.

12. SNAP Investment Authorization. The Council has previously received and reviewed the Information Statement, describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Council hereby authorizes the Chief Financial Officer in her discretion to utilize SNAP in connection with the investment of the proceeds of the Bond. The Council acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the City in connection with SNAP, except as otherwise provided in the Contract.

13. Qualified Tax-Exempt Obligation. The City designates the Bond as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code. The City represents and covenants as follows:

(a) Except as otherwise permitted under Section 265(b)(3), the City will in no event designate more than $10,000,000 of obligations, including the Bond, as qualified tax-exempt obligations in calendar year 2022 for the purpose of such Section 265(b)(3);

(b) The City, all its "subordinate entities," within the meaning of such Section 265(b)(3), and all entities that issue tax-exempt obligations on behalf of the City and its subordinate entities have not issued, when aggregated with the Bond, more than $10,000,000 of tax-exempt obligations in calendar year 2022 (not including "private activity bonds," within the meaning of Section 141 of the Code, other than "qualified 501(c)(3) bonds," within the meaning of Section 145 of the Code);

(c) Barring circumstances unforeseen as of the date of delivery of the Bond, the City will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with the Bond and all other tax-exempt obligations theretofore issued by the City and such other entities in calendar year 2022, result in the City and such other entities having issued a total of more than $10,000,000 of tax-exempt obligations in calendar year 2022 (excluding for this purpose private activity bonds other than qualified 501(c)(3) bonds and certain refunding bonds not taken into account for such purpose); and

(d) The City has no reason to believe that the City and such other entities will issue tax-exempt obligations in calendar year 2022 in an aggregate amount that will exceed such $10,000,000 limit;

provided, however, that if the City receives an opinion of nationally recognized bond counsel that compliance with any covenant set forth in (a) or (c) above is not required for the Bond to be a qualified tax-exempt obligation, the City need not comply with such covenant.

14. Provision of Financial Information. The City Manager or her designee is hereby authorized and directed to provide, for each fiscal year in which the Bond remains outstanding, a copy of the City's comprehensive annual financial report to the registered owner of the Bond.

15. Other Actions. All other actions of officers of the City and the City Council in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bond are hereby ratified, approved and confirmed. The officers of the City are authorized and directed to execute and deliver all certificates and instruments and to take all action necessary or desirable in connection with the issuance, sale and delivery of the Bond.

16. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

17. Effective Date. This Resolution shall take effect immediately.

Exhibit A

[City to attach bid from Truist Bank]

Exhibit B

REGISTERED **REGISTERED**

No. R-1 **________, 2022**

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

CITY OF STAUNTON

General Obligation Public Improvement Bond, Series 2022

The City of Staunton, Virginia (the "City"), for value received, promises to pay to Truist Bank (the "Bank"), or its registered assigns or legal representative, the principal sum of [**EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS ($8,500,000)]**, together with interest on the unpaid principal at the Interest Rate (as hereinafter defined), calculated on the basis of a 360-day year of twelve 30-day months, payable semi-annually on each _______ and _______, commencing _______, ____, until final payment. Principal of this bond shall be payable in annual installments commencing _______, ____, in the amounts and on the dates set forth below:

Year	Amount	Year	Amount

If the date any payment is due with respect to this bond is not a Business Day (as hereinafter defined), the payment shall be made on the next succeeding Business Day. Principal and interest shall be payable in lawful money of the United States of America by check or draft to the registered owner of this bond at its address as it appears in the records of the Chief Financial Officer, who is hereby appointed the registrar and paying agent, or any successor registrar and paying agent (the "Registrar"), except that the final payment due under this bond is payable upon surrender and presentation of this bond at the office of the Registrar.

This bond has been authorized by an ordinance duly adopted by the Council of the City on September 8, 2022, is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991 but without regard to the provisions of the City Charter, and a resolution adopted by the Council of the City on September 22, 2022, to provide funds to finance the Gardner Springs Pump Station Project, including but not limited to constructing a new raw water pumping station, demolishing the existing pump station, constructing a platform on the remaining foundation, and furnishing, installing and integrating a 1,500 kW generator.

Definitions

The following defined terms shall have the following meanings in this bond:

"Business Day" shall mean a day on which banking business is transacted, but not including a Saturday, Sunday or legal holiday, or any other day on which banking institutions are authorized by law to close in the Commonwealth of Virginia.

"Code" means the Internal Revenue Code of 1986, as amended.

"Determination of Taxability" means the occurrence, after the date hereof, of (a) a final ruling or judgment entered by a state or federal court of competent jurisdiction or (b) an official and final action taken or announced by the Internal Revenue Service or by a federal or state official, in each case determining that an Event of Taxability has occurred; provided, however, that no such ruling or judgment or official action of the Internal Revenue Service or state official will be considered final for this purpose unless the City or the Bank has been given written notice and, if it is so desired and is legally allowed, the City and the Bank, as applicable, have been afforded the opportunity to contest the same, and until the conclusion of any appellate review, if sought.

"Event of Taxability" means the taking of any action by the City, or the failure to take any action by the City, or the making by the City of any misrepresentation in any tax certificate required to be given in connection with the issuance, sale or delivery of this bond, any of which has the effect of causing interest paid or payable on this bond to become includable, in whole or in part, in the gross income of the registered owner or any prior registered owner for federal income tax purposes.

"Interest Rate" means a per annum rate equal to (a) prior to a Determination of Taxability, 3.54%, and (b) after a Determination of Taxability, the Taxable Rate.

"Taxable Period" means the period of time between (a) the date that interest on this bond is deemed to be includable in the gross income of the Bank for federal income tax purposes as a result of a Determination of Taxability, and (b) the date of the Determination of Taxability.

"Taxable Rate" means a per annum rate equal to 4.53%.

Terms

Upon the occurrence of a Determination of Taxability and for as long as this bond remains outstanding, the Interest Rate on this bond shall be converted to the Taxable Rate. In addition, upon a Determination of Taxability, the City shall pay to the Bank (a) an additional amount equal to the difference between (i) the amount of interest actually paid on this bond during the Taxable Period and (ii) the amount of interest that would have been paid during the Taxable Period had this bond borne interest at the Taxable Rate, and (b) an amount equal to any interest, penalties on overdue interest and other amounts owed under the Code by the Bank as a result of the Determination of Taxability.

This bond shall be subject to prepayment prior to maturity at the option of the City in whole at any time, upon at least 10 days' prior written notice to the Bank, upon payment of the following redemption prices (expressed as a percentage of the aggregate principal amount of the Bond to be redeemed) plus interest accrued and unpaid to the date fixed for prepayment:

Redemption Periods	**Redemption Prices**

Until _______, 2032	101%
_______, 2032, and thereafter	100

Notice of prepayment may be conditioned upon the receipt of the necessary funds by the City to make such prepayment on or prior to the date fixed for prepayment. Such notice and optional prepayment shall be deemed to be canceled and of no effect if such moneys are not received by the City or if the notice is otherwise rescinded.

The City has designated this bond as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code.

The full faith and credit of the City are irrevocably pledged for the payment of principal of, premium, if any, and interest on this bond. Unless other funds are lawfully available and appropriated for timely payment of this bond, the Council of the City shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all taxable property within the City sufficient to pay when due the principal of, premium, if any, and interest on this bond.

The Registrar shall treat the registered owner of this bond as the person or entity exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the registered owner.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed, and this bond, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City of Staunton, Virginia, has caused this bond to be signed by its Mayor, its seal to be affixed hereto and attested by the Clerk of the Council, and this bond to be dated the date first above written.

(SEAL)

ATTEST:

______________________________	______________________________
Clerk of the Council, City of Staunton, Virginia	Mayor, City of Staunton, Virginia

TRANSFER OF BOND

Transfer of this bond may be registered by the registered owner or its duly authorized attorney upon presentation hereof to the Registrar who shall make note of such transfer in books kept by the Registrar for that purpose and in the registration blank below.

Date of Registration	Name of Registered Owner	Signature of Registrar
____________________	________________________	______________________
____________________	________________________	______________________
____________________	________________________	______________________
____________________	________________________	______________________