

Council for the City of Waynesboro, Virginia, held a regular Work Session on Monday, June 7, 2004, at 5:00 P.M. in Council Chambers of the Charles T. Yancey Municipal Building, 503 W. Main Street, Waynesboro, Virginia, with Mayor Charles L. Ricketts III, Esq., presiding and calling the meeting to order.

PRESENT: Council Members: Charles L. Ricketts III, Esq., Mayor
Nancy M. Dowdy, Councilwoman
Reo B. Hatfield, Councilman
Thomas W. Reynolds, Councilman

Staff: Douglas C. Walker, City Manager
Michael G. Hamp II, Asst. City Manager
J. B. Yount III, Esq., City Attorney
Bonnie S. Hamby, Clerk of Council
Pat Nicosia, Budget Manager
Sarah E. Hash-Rodgers, Director of Finance
Brent Frank, Director of Economic
Development

ABSENT: Council Members: R. Jack Higgs, Vice Mayor
(Excused)

Mayor Ricketts called the Work Session to order at 5:00 P.M. Mr. Walker stated that there were two items scheduled for discussion at this meeting, those being an update on the sewer improvements financing plan and the financial policy guidelines.

DISCUSSION REGARDING SEWER IMPROVEMENTS FINANCING PLAN:

Mr. Walker introduced Mr. David Rose and Mr. Kyle Laux of Davenport & Company LLC, the City's financial advisors. Mr. Walker stated that the first reading of an ordinance enabling the City to borrow the necessary funds was completed on Monday, May 24, 2004, and that a Public Hearing on the matter and second reading of the ordinance is scheduled for Monday, June 14, 2004, as required by the City Charter. He noted that the ordinance does not commit the City to borrowing but simply authorizes the borrowing up to \$9 million. Mr. Walker stated that a resolution would then be required to actually borrow the money but would not be brought to Council for consideration at the June 14th meeting. He stated that the City has also been in contact with the Virginia Department of Environmental Quality regarding the Virginia Revolving Loan Fund which offers guaranteed interest rate money. Mr. Walker noted that Mrs. Nicosia has been investigating that route for funding and the offer seems quite attractive. Mr. Walker stated that the funding has to be in place soon in order to be in compliance with the consent order.

Mr. Rose suggested having a conversation in the very near future including City staff, bond counsel, DEQ and the financial advisors' staff regarding what is expected and when as far as funding. He stated that he hoped to arrange such a conference call as early as next week.

Mayor Ricketts asked if the actual work at the Sewage Treatment Plant had been out for bid as of this time. Mr. Walker stated that only the preliminary engineering had been bid. He stated that there are actually three areas of concentration, those being:

1. Immediate repairs to the Sewage Treatment Plant
2. Expansion of the Sewage Treatment Plant
3. Inflow and Infiltration

PRESENTATION BY DAVENPORT & COMPANY, LLC/FINANCIAL POLICY GUIDELINES: Mr. Rose summarized for Council the attached *Financial Policy Guidelines – June 7, 2004 – Davenport & Company LLC*. Mr. Walker noted that Council is not being asked to take any action on this matter at this meeting.

Discussion took place regarding the many financial hardships facing the City at the present time and the number of high price improvements that must be funded as well as the possibility of future tax increases. Council agreed that fiscal policy guidelines are essential but recognized that other issues are also prominent when the actual borrowing of money takes place.

Council agreed that the proposed financial policy guidelines are a step in the direction that the City intends to head with regard to future financial choices.

There being no further discussion, the meeting adjourned on a motion of Mr. Hatfield at 6:15 P.M.

Bonnie S. Hamby, Clerk of Council
Waynesboro, Virginia