DISTRIBUTION LIST

CITY OF CHARLESTON, WV
CIVIC CENTER IMPROVEMENT BONDS
SERIES 1998

Issuer
G. Kemp Melton, Mayor
Bill Kenny, City Manager
City of Charleston
P.O. Box 2749
Charleston, WV 25330
Telephone (304) 348-8174
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Goodwin & Goodwin, LLP
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Underwriter
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Crews & Associates, Inc.
P.O. Box 2764
108 1/2 Capitol Street, Suite 202
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Registrar, Paying Agent
Michael E. Puskar, Client Service Officer
Bank One, West Virginia, N.A.
P.O. Box 1113
Charleston, WV 25324-1113
Telephone (304) 348-4429
Telecopier (304) 348-7978

Facility Manager
John Robertson, General Manager
Charleston Civic Center Coliseum
200 Civic Center Drive
Charleston, WV 25301
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Issuer's Counsel
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$3,635,000
CITY OF CHARLESTON
CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998

TRANSCRIPT LIST

A. AUTHORIZATION OF BONDS

1. Copy of City of Charleston Charter Excerpt Concerning Procedures for Enacting Ordinances
2. Certified copy of Ordinance enacted on August 17, 1998
3. Minutes of Council Meeting of August 3, 1998
4. Minutes of Council Meeting of August 17, 1998
5. Affidavit of Publication of Abstract of Ordinance and Notice of Public Hearing
6. Minutes of Public Hearing held on August 17, 1998
7. Certified copy of Supplemental Resolution adopted September 8, 1998
8. Minutes of Council Meeting of September 8, 1998

B. PUBLIC OFFERING DOCUMENTS

9. Preliminary Official Statement
10. Bond Purchase Agreement
11. Final Official Statement
12. DTC Letter of Representations

C. CERTIFICATES

13. Municipal Bond Commission New Issue Form
14. Cross Receipt for Bonds and Bond Proceeds
15. Issuer's General Certificate
16. Direction to Authenticate and Deliver the Bonds
17. IRS Form 8038-G and evidence of filing thereof

18. Arbitrage Certificate

19. Continuing Disclosure Certificate

20. Registrar's Agreement

21. Certificate of Registration

22. Registrar's Certificate

D. OPINIONS

23. Opinion of Goodwin & Goodwin, LLP, Bond Counsel, regarding validity of the Bonds, etc., with reliance letter to the Underwriter

24. Supplemental Opinion of Goodwin & Goodwin, LLP, pursuant to Section 3(b)(1) of the Bond Purchase Agreement

25. Opinion of Vaughan & Withrow, Counsel to the Issuer

26. Opinion of Goodwin & Goodwin, L.L.P., Counsel to the Underwriter

E. MISCELLANEOUS

27. Specimen Bond

28. Statutory Authorities

The closing of the sale of $3,635,000 in aggregate principal amount of City of Charleston, Civic Center Improvement Bonds, Series 1998, will take place at the offices of Goodwin & Goodwin, LLP, Charleston, West Virginia, at 10:00 a.m., Eastern Time, on September 22, 1998. No transaction shall be deemed to have been completed and no documents shall be deemed to have been delivered unless and until all transactions are complete and all documents are delivered. Any document which references an Exhibit or Schedule to be attached thereto shall be considered completed and attached if the referenced Exhibit or Schedule appears elsewhere in this Transcript.

for all candidates for the office of mayor at the last preceding election, be submitted to the voters at a special election, for adoption or rejection, which shall be by a majority of the votes cast; said election to be held and conducted as other municipal elections are held; except that all of the expenses of said election shall be borne by the party or corporation desiring said rights and franchise.

All such ordinances shall protect the interests of the city, as provided in section thirty-seven, as well as such additional conditions, compensations or limitations as council may prescribe. (Acts 1929 (Munl. ch.), ch. 4, § 38.)

Sec. 39. Committees of council; adjournment of council meetings; postponement of announcement of vote.

Council shall have the right to appoint such committees of its own body as it may deem proper, and may give such committees power and authority to perform any duties and make any reports to council concerning the duties of council, and council may adjourn its meetings from time to time, pending the consideration of any matter, franchise or ordinance, and may postpone the announcement of any vote to an adjourned meeting or to a future meeting. (Acts 1929 (Munl. ch.), ch. 4, § 39.)

Sec. 40. Style of ordinances.

The style of all ordinances enacted by the council shall be "Be it Ordained by the Council of the City of Charleston." (Acts 1929 (Munl. ch.), ch. 4, § 40.)

Sec. 41. Passage of ordinances; revision, reenactment or amendment; effective date; publication of caption or title; resolutions and orders.

No ordinance shall be passed, except by bill, and no bill shall be so amended in its passage as to change its original purpose. All bills must be in writing and read in full when presented at a regular or special meeting of council, and except in case of emergency and when so authorized by a vote of four-fifths of the members elected, taken by yeas and nays, no bill shall be considered for final passage at the meeting at which it is introduced; but at any subsequent regular or special meeting bills may be taken up for consideration and final action. No bill except in case of emergency evidenced by a vote of four-fifths of the members of council elected shall be considered for final passage unless the same has been referred to a committee for report. All amendments made by a committee to a bill shall be reported to council and incorporated in said bill, and before final action on said bill, the bill with any amendments shall be fully and distinctly read, after which reading, whether at the meeting at which the bill is reported or a subsequent meeting, the bill may be considered for final action. No bill shall become an ordinance unless on its final passage the vote be taken, the names of the members voting for and against the same be entered of record in the minutes of council, and a majority of all members elec-

ted recorded thereon as voting in its favor. Bills referred to a committee may be withdrawn therefrom at any subsequent meeting for present consideration by an affirmative vote of a majority of the members of council present. No bill except general appropriation bills, which may embrace the various subjects and accounts for and on account of which moneys are appropriated, and bills fixing the annual salaries of officers and employees of the city, and bills, providing for the paving or improving of streets, or construction of sewers, shall contain more than one object and that shall be expressed in the title, but if any object shall be embraced in an ordinance which is not so expressed the ordinance shall be void only as to so much thereof as shall not be so expressed. No ordinance shall be revised or re-enacted by mere reference to the title thereof, but the same shall be set forth at length as if it were an original ordinance, nor shall any ordinance be amended by providing that, designated words thereof be stricken out and others inserted in lieu thereof, but the ordinance or sections amended shall be set forth in full as amended. All ordinances in force at the time [March 6, 1929] this act [this Charter] goes into effect, not inconsistent herewith, shall remain in full force until altered or repealed as herein provided, and all rights, actions, prescriptions and contracts of the city not inconsistent therewith shall continue to be valid as if this act had not been passed.

For state law as to powers and duties of municipal governing bodies with respect to ordinances and ordinance procedures, see W. Va. Code, § 8-11-1 et seq.

Any ordinance heretofore passed which may be void on account of failure of council properly to observe any provisions of the Charter of the City of Charleston or ordinances in force at the time said ordinance was passed shall so far as it may affect the validity of any paving or sewer assessments heretofore laid, be in full force and effect until repealed or amended, the same as if legally passed. No ordinance of the council shall take effect until the expiration of five days after its final passage, unless the council shall by a vote of three-fifths of its members elected, taken by yeas and nays, otherwise direct. It shall be the duty of the city clerk to make publication of the caption or title of every ordinance in a newspaper of general circulation in the City of Charleston within five days after its passage, but failure so to do shall not affect the validity of any such ordinance.

For state law providing that, "notwithstanding any charter provision to the contrary," it shall not be necessary, except as provided in the W. Va. Code, to publish a proposed or enacted ordinance in a newspaper, see W. Va. Code, § 8-11-4, subsec. (a).

Resolutions and orders of council other than ordinances may be considered for final passage at the meeting at which they are proposed, and shall, unless otherwise provided therein, be in force and effect from and after their passage. (Acts 1929 (Munl. ch.), ch. 4, § 41.)

Resolution No. 839-98

Introduced in Council
February 17, 1998

Adopted by Council

February 17, 1998

Introduced by

Charles Loeb, Jr.

To amend and reenact Resolution No. 905-94 of the Code of the City of Charleston, 1985, as amended, by amending Rule No. 3 and Rule No. 6 of the Rules of the City Council as it relates to filing of papers to be introduced at city council meetings, and action thereon by clerk of council; and by adding (a) to first paragraph of Rule 6; and new paragraph (b) to Rule 6.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the City Council hereby amends and reenacts Resolution No. 905-94, Rules of the City Council, of the Code of the City of Charleston, 1975, as amended, by amending Rule No. 3(a); and; by adding (a) to the first paragraph of Rule 6; and by adding a new paragraph (b) to Rule 6.

Rule No. 1 Time and place of meetings

(a) The city council shall meet in regular public session at the council chamber in the city building at 8:00 p.m. on the first and third Mondays of each month.

(b) If the city council shall determine that the council chamber in the city building is not or will not, for any reason, be an appropriate place for the holding of a meeting, the council may, upon motion, designate another place open to the public within the city for the holding of such meeting.

Rule No. 2 Committees

(a) The city council shall have the following standing committees.

Committee on Ordinance and Rules
Committee on Planning
Committee on Fire, Police and Public Safety
Committee on Health, Cemetery and Sanitation
Committee on Parks and Recreation
Committee on Streets and Traffic
Committee on Environment and Recycling
Committee on the Homeless
Committee on City Employees
Committee on Finance

(b) All standing committees shall consist of not less than three nor more than nine members unless the city council by resolution specifically provides otherwise. All standing committees shall be appointed by the mayor, except the committee on city employees, whose members and chairman shall be appointed by the president, majority leader and minority leader of the council.

(c) In addition to the foregoing standing committees, the city council may authorize such select committees as may be provided by resolution.

Rule No. 3 Filing of papers to be introduced at city council meetings, and action thereon by clerk of council

In order to promote the orderly conduct of the business of the city council and the timely preparation of an accurate agenda, the following rules are hereby established:

(a) All bills, resolutions, petitions, committee reports, communications and other documents for consideration by the city council must be filed in the office of the clerk of the council not later than 12:00 noon on ~~the day of the meeting at which it is intended they be considered;~~ Friday immediately preceding the day of the meeting at which it is intended they be considered; provided, that this restriction shall not apply to the mayor or his designated deputy.

(b) Nothing herein shall be construed to prohibit any member of the city council, at the proper order of business, from introducing or submitting any bill, resolution, petition, committee report or communication during any regular meeting.

(c) The clerk of the council shall assign a serial number to each bill and resolution introduced and shall have authority to edit and correct them as to form.

(d) No bill or resolution shall be filed with the clerk of the council or introduced from the floor unless it bears the signature of at least one member of the city council as sponsor. Any member of the city council, for this purpose, may verbally authorize the clerk of the council or any of his deputies to sign his name thereto.

Rule No. 4 Order of business at regular meetings; special order of business

(a) The order of business for each regular meeting shall be:
(1) Roll Call
(2) To read, correct and approve of the minutes of previous meetings
(3) To receive and dispose of communications
(4) To receive and dispose of petitions
(5) To receive and dispose of resolutions
(6) To receive reports of standing committees and act thereon

(7) To receive reports of select committees and act thereon
(8) To receive reports of city officials
(9) Bills introduced and referred to the appropriate committees
(10) Unfinished business and miscellaneous matters
(11) Adjournment

(b) The presiding officer may order any question a special order of business irrespective of the order of business set forth in subsection (a).

Rule No. 5 Reading the journal

Following the roll call, the journal of the proceedings of the previous meeting shall be read and any alterations or corrections may be submitted and entered of record. Upon motion, duly approved, reading the journal of the proceedings of the previous meeting may be dispensed with.

Rule No. 6 Draft of bills and resolutions

(a) All bills and resolutions introduced in the city council shall be typewritten on one side only, on plain white paper, measuring eight inches by eleven and one-half inches, single spaced and in such form as prescribed the clerk of the council.

(b) No bill may be introduced in the City Council proposing to amend any existing law unless the bill sets forth the section or sections to be amended in their entirety, and indicates (i) the language in existing law, if any, which the bill would eliminate by striking through such language and (ii) any language which the bill would add to said section or sections by underlining all such additional language.

Rule No. 7 Procedures for enacting ordinances

A proposed ordinance shall be read by title at not less than two meetings of the city council with at least one week intervening between each meeting.

No proposed ordinance shall be materially amended at the same meeting at which finally adopted. No proposed amendment shall be construed as materially amending the proposed ordinance except by order of the presiding officer either upon his own motion or that of any member of the city council.

The city council may enact an ordinance at the same meeting at which it is introduced in the case of a pressing public emergency in the event delay would endanger to the public health, safety or morals. The nature of such emergency shall be set out in full in the proposed ordinance. No motion to suspend the rules shall be necessary or in order but any such proposed ordinance must be approved by an affirmative vote of two-thirds of the members elected to the city council except when otherwise provided in the

Code of West Virginia.

Rule No. 8 Reference of bills, resolutions, etc. to committees

No bill, resolution, petition, communication or report may be divided among two or more committees although it contains subjects properly within the jurisdiction of several committees but must be referred to one committee in its entirety.

When the presiding officer is of the opinion that a bill, resolution, petition, communication or report should be considered by more than one committee, at the time of referring it he may direct that when the committee to which it is referred completes its consideration thereof and makes a recommendation with respect thereto, such bill, resolution, petition, communication or report shall be automatically referred to such other committee as directed by the presiding officer upon making the initial referral.

This provision shall not be construed as limiting the right of any member of the city council to move, or the presiding officer to order, the reference of any bill, resolution, petition, communication or report to another committee upon receipt of the report of the committee to which initially referred, or to recommit to the committee to which initially referred.

Rule No. 9 Request for action; making entries in the journal

Requests for action made by a member of the city council shall not be reproduced in the journal nor forwarded to the person or persons designated by the presiding officer for action or attention unless such request is reduced to writing and filed with the clerk of the council prior to adjournment of the meeting at which such request is made.

No remarks, voting explanations or words spoken in debate by any member of the city council shall be reproduced in the journal except by unanimous consent of the members of the council present, upon motion by a member and unless a written copy thereof is delivered to the office of the clerk of the council by 12:00 noon of the following day.

The clerk of the council is authorized to condense and summarize any requests for action, remarks, vote explanations and words spoken in debate that are to be noted in the journal, but all writings filed with the clerk shall be kept and preserved as an appendix to the journal.

Rule No. 10 Reports of committees

All reports from committees shall be delivered to the clerk of the council for reading without comment, all statements or arguments to follow the reading thereof by the clerk.

Rule No. 11 Resolutions and motions to amend

All resolutions and motions to amend any motion, resolution or bill shall be reduced to writing and shall be read by the clerk of the council before being debated. Forms on which amendments are to be written shall be prescribed by the clerk of the council and made available to any member.

A member of the city council may move to reconsider the vote on any question during the meeting at which such question was voted upon or at the next regular meeting of Council if he voted on the prevailing side or, irrespective of how he voted, if there was not a roll call vote.

The following motions shall be decided without debate and without amendment:

1. Motion to adjourn
2. Motion to table
3. Motion for the previous question
4. Motion to recess

Rule No. 12 Rules of debate

No questions hall be debated until it has been propounded by the chair; and then the mover shall have the right to explain his view in preference to any other member and shall have the right to close the debate.

When two or more members of the city council arise at the same time, the presiding officer shall name the person to speak; but in all cases the member who shall first rise and address the chair shall speak first.

No one shall disturb or interrupt a member who is speaking, without his permission, except to call to order if he be transgressing the rules.

Rule No. 13 Call for a division of a question

Any member of the city council may call for a division of any question before a vote is taken thereon if it comprehends propositions in substance to distinct that, if one proposition be taken away, another substantive proposition remains for decision by the city council, but a member of the city council calling for a division of a question shall state in what manner the question shall be divided.

Rule No. 14 Use of a previous roll call

On any question, the roll call immediately next preceding may be used to record the vote of the city council upon motion by any member, provided such previous roll call was unanimous.

Rule No. 15 When a member abstains from voting

No member shall vote on any question before the city council if he is directly and immediately interested therein other than as a citizen of the city of Charleston; however, no member may abstain from voting without, prior to a vote being taken, having stated his reason for not voting and having obtained a ruling from the presiding officer excusing him from doing so.

Rule No. 16 Decisions on questions of order

The presiding officer shall decide all questions of order, subject to an appeal to the city council which shall be determined by a majority vote of those present and voting.

Rule No. 17 Presiding officer may relinquish chair

The presiding officer of the city council may call any member of the city council to the chair, who shall exercise its functions for the time being.

Rule No. 18 Demand of previous question

If the previous question be demanded by not less than three members, the presiding officer shall, without debate, put the question: "Shall the main question be now put?" If this question be decided in the affirmative, all further debate shall cease and the vote be at once taken on the proposition pending before the city council. When the council refuses to order the main question, the consideration of the subject shall be resumed as if the previous question had not been demanded.

Rule No. 19 Rescission, amendment and suspension of rules

(a) No standing order or rule of the city council shall be rescinded or amended except by a majority vote of the members elected to the city council.

(b) No rule of the city council shall be suspended in any case except by unanimous consent of the council members present, provided, that no rule shall be suspended if compliance therewith is made mandatory by state law, the city charter or an ordinance of the city of Charleston.

Rule No. 20 Calling for a division of city council

The presiding officer may in case of doubt and shall upon the request of any member call for a division of the city council on any vote by requiring first those voting in the affirmative to stand and then those voting in the negative to stand.

Rule No. 21 Parliamentary rules of order

The rules of parliamentary usage comprised in the manual known as "Manual of Legislative Procedure" by Paul Mason shall govern the city council in all cases not provided for by the rules of city council, city charger and state law. In any case not governed by said manual, said rules, city charger or state law, the city council shall be governed by the practice in the House of Delegates of the State of West Virginia.

A copy of said manual shall remain on file in the office of the clerk of the City Council.

Rule No. 22 Members of the Public speaking before City Council;

A Member of Council may ask the floor for a member of the public to speak before Council, which said motion is nondebatable. Upon such request, the presiding officer shall inquire of the Council member the subject matter of the inquiry and ask Council if there is any objection to the person speaking, and, if an objection is raised, then Council, by majority vote, shall determine whether or not the person shall be allowed to address Council. Any person addressing Council shall be allowed no more than five minutes to address his remarks, unless by unanimous consent, Council allows a longer period of time.

(b) A maximum of ten minutes shall be set aside at the outset of each meeting of the council to permit members of the public, without leave of council, to address the council on any matter pertaining to the city's business. Any member of the public wishing to address the council shall first register with the clerk of the city council, or his designated representative for such purpose, in the council's chambers not earlier than 15 minutes before the beginning of each meeting setting forth his or her name, the group, if any, on whose behalf he or she wishes to speak, and the subject matter which he or she wishes to address. If more than one person registers to address council, such persons shall be allocated time on a pro-rated basis, and shall be permitted to speak only for the time allotted. In no event shall more than five people be permitted to address the council under this Rule 22(b). Nothing in this Rule 22(b) shall affect the ability of a member of council to request that a member of the public be allowed to speak pursuant to Rule 22(a).

C E R T I F I C A T E

I, Fred M. Frisk, Jr., City Clerk of Charleston, West Virginia, do hereby certify that the attached is a true and correct copy of that certain Ordinance No. 6510, duly filed and of record in the office of the Clerk of the City of Charleston, West Virginia, passed by Council of the City of Charleston at a meeting held on August 17, 1998, and was passed by the following vote.

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Horan.

Given under my hand and the official seal of the City of Charleston, West Virginia, this 17th day of September, 1998

(seal)

Fred M. Frisk Jr., City Clerk

Bill No. 6510
August 17,1998

Adopted by Council:
August 17, 1998

Introduced in Council
August 3,1998

Referred to
Council Committee on Finance

Introduced by.
David Hardy

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO A PUBLIC FACILITY AND ISSUANCE OF CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, OF THE CITY OF CHARLESTON, IN THE AMOUNT OF $3,500,000, TO FINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING AND IMPROVEMENTS TO A PUBLIC FACILITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BONDS; PROVIDING A STATUTORY MORTGAGE LIEN ON SPECIFIED TAX REVENUES DEDICATED FOR SUCH PURPOSES AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF CITY OF CHARLESTON, WEST VIRGINIA:

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ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted pursuant to the provisions of Chapter 8, Article 16 of the West Virginia Code, as amended (the "Act") and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The City of Charleston (the "City" or "Issuer") is a municipal corporation and political subdivision of the State of West Virginia located in Kanawha County, West Virginia.

B. The Issuer now has a public facility known as the Charleston Civic Center which it desires to improve and expand. It is deemed essential, convenient and desirable for the welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the Charleston Civic Center (sometimes referred to herein as the "Facility") so as to improve the public comfort and convenience of residents of the City, including the construction and installation of all necessary appurtenant facilities (the "Project"), and generally described as and necessary appurtenances particularly described in and according to the plans and specifications prepared by the Consulting Engineer for the Project and heretofore filed in the office of the City Clerk of the City Council (the "Governing Body") of the Issuer. The construction and acquisition of the Project and the financing hereby authorized and provided for are public purposes of the Issuer.

C. It is necessary for the Issuer to issue its bond in the aggregate principal amounts of $3,500,000 to finance the costs of such construction and improvements in the manner hereinafter provided.

D. The estimated cost of the construction of the Project is $3,500,000, which will be obtained from the proceeds of sale of the Series 1998 Bonds herein authorized. The cost of such construction shall be deemed to include, without being limited to, the construction or acquisition

construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or any interest therein; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized hereby.

E. The period of usefulness of the Facility after completion of the Project is not less than twenty-five (25) years.

F. There are currently no outstanding obligations of the Issuer with which the Bonds will rank on a parity as to lien on and source of and security for payment.

G. The Issuer is not in default under the terms of any document and has complied with all requirements with respect to the issuance of Bonds.

H. The estimated revenues to be derived in each year from hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes will be sufficient to pay all the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund, if any, and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of the Bonds.

J. It is in the best interests of the Issuer that the Bonds be sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to the terms and provisions of a Bond Purchase Agreement dated September 8, 1998.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bonds by the Purchaser, this Ordinance (the "Ordinance") shall be deemed to be and shall constitute a contract between the Issuer and the Purchaser, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bonds.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 8, Article 16 of the West Virginia Code, as amended.

"1998 Bonds", "1998 Series Bonds" or "Bonds" means the $3,500,000 City of Charleston Civic Center Improvement Bonds, Series 1998, authorized by this ordinance.

"City Clerk" means the City Clerk of the Governing Body.

"Commission" means the West Virginia Municipal Bonds Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineer" means _____, Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the Project.

"Costs" or "Costs of the Project" means those costs described in Section 1.02 hereof to be a part of the cost of acquisition, construction and equipping of the Project.

"Depository Bank" means Bank One, West Virginia, N.A., Charleston, West Virginia, a bank or trust company which is a member of FDIC and its successors and assigns or such other qualified bank or trust company designated now or hereafter by Issuer.

"Facilities" or " facilities" means all the land and tangible properties of the Charleston Civic Center Coliseum and also any tangible properties which may hereafter be added to the Facility by addition, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the City Council of the Issuer.

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America.

"Herein" means in this Ordinance.

"Holder of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"Issuer" or "City" means City of Charleston, Kanawha County, West Virginia, and, where appropriate, also means the Governing Body.

"Mayor" means the Mayor or the Acting Mayor of the Governing Body.

"Ordinance" means this Ordinance and all resolutions supplemental hereto.

"Project" shall have the meaning stated in Section 1.02 B. above.

"Purchaser" means Crews & Associates, Inc. and any successor thereto.

"Qualified Investments" means and include any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidence of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank Facility; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any Bonds, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6, of the West Virginia Code of 1931, as amended; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Registrar" or "Bond Registrar" means Bank One, West Virginia, N.A., Charleston, West Virginia, or any successor thereto.

"Tax Revenues" means the receipt or collection of coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) which shall be used to pay the debt service on the Series 1998 Bonds.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations; words importing the masculine, feminine or neuter genders shall include any other gender; and any requirement for execution, sealing and/or attestation of the Bonds or any certificate or other document by the City Clerk shall mean that such Bond certificate or other document which may be executed, sealed and/or attested by an Acting City Clerk.

ARTICLE II

AUTHORIZATION OF ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

Section 2.01. Authorization of Acquisition, Construction and Equipping of the Project. There is hereby authorized the acquisition, construction and equipping of the Project, at an estimated cost of $3,500,000, in accordance with the plans and specifications which have been or will be prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions hereof, the Bonds of the Issuer to be known as "City of Charleston, Civic Center Improvement Bonds, Series 1998" in the principal amount of $3,500,000, is hereby authorized to be issued for the purpose of financing the cost of the acquisition, construction and equipping of the Project.

Section 3.02. Description of Bonds. The Bonds shall be issued in registered form, from No. R-l upward, and shall be dated on the date of delivery. The Bonds shall bear interest from date, payable semi-annually at the rates per annum and shall be sold for the par value thereof as

set forth herein or in a Supplemental Resolution.

The Bonds shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor or and its corporate seal shall be affixed thereto and attested by the City Clerk, and the Mayor or and the City Clerk are hereby authorized to execute the Bonds and such other documents as are necessary to finalize this transaction. In case any one or more of the officers who shall have signed or sealed the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Negotiability, Registration, Transfer and Exchange of Bonds. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the Bonds may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.05 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bonds shall be transferable except by means of transfer of registration of the Bonds representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Ordinance.

Whenever the Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer.

No registration of transfer of a Bond shall be permitted to be made after the 15th day next preceding any installment payment date on that Bond.

Section 3.05. Registrar. The Registrar will keep or cause to be kept by its agent at its office, sufficient books for the registration and transfer of the Bonds, and upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bonds as hereinbefore provided.

The Registrar shall accept the Bonds for registration or transfer only if ownership thereof is to be registered in the name of an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or social security numbers of the settlor and beneficiaries of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

Section 3.06. Bond Mutilated, Destroyed, Stolen or Lost. In case any of the Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Revenues. The payment of the debt service of the Bonds shall be secured forthwith by a lien on the Tax Revenues derived from and a statutory mortgage lien on the hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14 (b) of the Code of West Virginia of 1931, as amended) and coal severance taxes pledged therefor.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any supplemental resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

No. R-__ $_____

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
____%	September 1, 1998	September 1, _____	____

REGISTERED OWNER: THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: $ _____

FOR VALUE RECEIVED, the CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer"), hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York, New York, or at such other place as may hereafter be designated in writing, the principal sum of _____ and 00/100 Dollars ($_____), plus interest on the unpaid principal balance at the rate of _____ (___%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on March 1 and September 1 of each year, beginning March 1, 1999, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Issuer. Refunds and extra payments according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Registered Owner at any time assigns this Bond and insures the payment thereof, Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

This Bond, together with any additional Bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of

improvements to the Facility (the "Facility") of the Issuer, is payable solely from the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes dedicated for such purposes. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 16 of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, the CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

CITY OF CHARLESTON

(SEAL)

By:_____
Mayor

ATTEST:

By: _____
City Clerk

CERTICIATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: _____

Bank One, West Virginia, N.A.,
as Registrar

By:_____
Authorized Officer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED: _____.

_____

In the presence of:

_____

ARTICLE IV

REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund; and

(2) Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special fund is hereby created and established with the Commission:

(1) Series 1998 Bonds Sinking Fund.

Section 4.03. Bond Proceeds; Project Construction Account. All moneys received from the sale of the Bonds shall be deposited upon receipt by the Issuer in the Depository Bank, a member of Federal Deposit Insurance Corporation (FDIC), in a special account hereby now established and designated as "City of Charleston Civic Center Facility Construction Account (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of state and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

If the Issuer shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing ninety (90) days, the Issuer may invest such excess funds in Qualified Investments.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When construction and improvements of the Project have been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be promptly transmitted to the Commission with directions that such funds be used immediately to redeem or prepay the 1998 Bonds from which construction account the funds derived.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1998 Bonds Sinking Fund a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bonds as follows:

(A) Revenue Fund. The Tax Revenues shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein. Provided, however, the amount of Tax Revenues on deposit in the Revenue Fund shall be sufficient to make the next deposit of interest and/or principal into the Series 1998 Bonds Sinking Fund, with any excess Tax Revenues available to the Issuer.

(B) Disposition of Revenues. The Tax Revenues at any time of interest and/or principal on deposit in the Revenue Fund shall be disposed of as follows:

The Issuer shall on or before the due date of payment of each installment of interest and/or principal on the Bonds, transfer from the Revenue Fund and deposit into the Series 1998 Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the life of the Bonds.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 1998 Bonds Sinking Fund, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the other accounts herein provided, and all amounts required the other accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep all funds invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Ordinance shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of

Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account.

(C) Change of Depository Agent and Fiscal Agent. The Issuer may designate another bank or trust company insured by FDIC as Fiscal Agent and Depository Bank if the aforesaid Bank should cease for any reason to serve or if the Governing Body determines by ordinance that said Bank or its successor should no longer serve as Fiscal Agent or Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

(D) Charges and Fees. The Issuer shall remit from the Revenue Fund to the Commission and to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Commission and the Depository Bank then due.

(E) Investment of Excess Balances. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of state and municipal funds under the laws of the State.

(F) Remittances. All remittances made by the Issuer to the Commission and to the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

ARTICLE V

GENERAL COVENANTS

Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Purchaser.

Section 5.02. Issuance of Additional Parity Bonds or Obligations. Additional bonds or obligations payable out of the Tax Revenues pledged toward repayment of the Series 1998 Bonds may be issued at any time upon the Issuer's completion, execution and tender of its certificate demonstrating a debt service coverage ratio of 120% of Tax Revenues to pay debt service on the Series 1998 Bonds during the most recent fiscal year and a projected debt service coverage ratio of 120% of Tax Revenues to pay debt service on the Series 1998 Bonds and the additional parity bonds over the next 3 years.

Section 5.03. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the Facility, procure, carry and maintain, so long as the Bonds remains outstanding, insurance with a reputable insurance carrier

or carriers covering the following risks and in the following amounts:

(a) Real Property Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the Facility now in use, in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the Facility, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the Facility, such insurance to be procured not later than the date of delivery of the Bonds.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the Facility, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(d) Workers' Compensation Coverage for all Employees of the City Eligible Therefor and Performance and Payment Bonds, such Bonds to be in the amounts of one hundred percent (100%) of the construction contract, will be required of each prime contractor, and such payment Bonds will be filed with the Clerk of the County Commission of Kanawha County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation insurance will be maintained as required by the laws of the State of West Virginia.

(e) Fidelity Bonds will be provided as to every member of the Governing Body and every officer and employee of the City having custody of the Revenue Fund or of any revenues or other funds of the Facility in an amount at least equal to the total annual debt service requirements for all outstanding loans.

(f) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bonds are outstanding, the Issuer will carry insurance and Bonds or cause insurance and Bonds to be carried for the

protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or Bonding companies acceptable to the Purchaser.

Section 5.04. Statutory Mortgage. For the further protection of the holders of the Bonds, a statutory mortgage lien upon the Tax Revenues is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Bonds.

Section 5.05. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof and/or;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law or of this Bond Ordinance.

Section 5.06. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Registered Owner may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights and shall have all rights prescribed by the Act, W.Va. Code and other applicable law.

Section 5.07. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the City Clerk on the date of adoption hereof, subject to permitted changes.

Section 5.08. Tax Covenants as to Tax Exempt Status of Bonds.

1. The Issuer covenants that (a) it shall not permit or cause to be done any act or thing which would result in the loss of exemption from tax of interest on the Bonds under Section 103(a) of the Internal Revenue Code and the regulations thereunder, or under any successor or similar provision of the Internal Revenue Code hereinafter enacted and applicable to the Bonds and regulations thereunder; (b) it shall not invest or otherwise use or permit or cause to be invested or used, any of the proceeds of the Bonds, or moneys deemed to be proceeds of the Bonds under the Internal Revenue Code, directly or indirectly, in any manner which would result in such Bonds being classified as an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Service Code or regulations thereunder, and each shall comply with the requirements of such Section and (c) no part of the proceeds of the Bonds or any funds held under the Ordinance shall at any time be used directly or indirectly for any purpose for which

would cause the Bonds to be subject to treatment as a "private activity bond" under the Internal Revenue Code or regulations thereunder and to that end the Issuer will comply with the applicable law as long as the Bonds are outstanding.

2. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for private business use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and that (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a private business use, and (B) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for the Issuer, in respect of property or borrowed money used or to be used for said private business use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a private business use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such private business use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local Purchaser units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149 (b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Holder) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Holder) which

would adversely affect such exclusion.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Defeasance of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bonds Ordinance, then with respect to the Bonds, the pledge of Tax Revenues and other moneys and securities pledged under this Bonds Ordinance and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 6.02. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bonds, the Issuer shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such Financing Statements in the offices of the Secretary of State of West Virginia and of the Clerk of the County Commission of Kanawha County.

Section 6.03. Delivery of Bonds. The Mayor and City Clerk of the Governing Body are hereby authorized and directed to cause the Series 1998 Bonds to be delivered to the Registered Holder as soon as the Purchaser will accept such delivery.

Section 6.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bonds.

Section 6.05. Conflicting Provisions Repealed. All ordinances and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed.

Section 6.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.07. Modification or Amendment. The Bond Ordinance may not be modified or amended in any material manner after final passage without the prior written consent of the Purchaser and/or holder of the Bonds.

Section 6.08. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 6.09. Supplemental Resolutions. The Issuer may pass such supplemental resolutions, if necessary, to effectuate the purposes and intent of this Ordinance.

Section 6.10. Effective Time. This Ordinance shall take effect immediately upon its adoption.

Section 6.11 Statutory Notice and Public Hearing. A notice of public hearing and abstract of this Bond Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof was published once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Charleston, together with a notice stating that this Bond Ordinance will be adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the City Council upon a date certain, not less than ten (10) days subsequent to the date of the first publication of such notice and abstract of this Bond Ordinance, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions will be heard, and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading – August 3, 1998.

Passed on Second Reading – August 17, 1998.

Passed Following Public Hearing – August 17, 1998.

[SEAL]

CITY OF CHARLESTON

By: _____
Mayor

Attest:

By: _____
City Clerk

CERTIFICATION

I, Fred N. Frisk, Jr., City Clerk of the City of Charleston, hereby certify that the foregoing is a true and correct copy of an Ordinance approved at a meeting of the City Council of the City of Charleston held on August 17, 1998, and effective following a public hearing thereon held on August 17, 1998. I further hereby certify that the action of said City Council set forth therein remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this 17th day of September 1998.

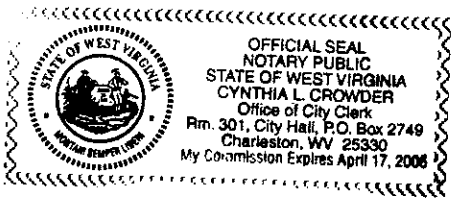
City Clerk

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this 17th day of September, 1998, by G. Kemp Melton, the Mayor of the City of Charleston, a municipal corporation and a political subdivision of the State of West Virginia, on behalf of said municipality.

My commission expires April 17, 2004.



Cynthia L. Crowder
NOTARY PUBLIC

C E R T I F I C A T E

I, Fred M. Frisk, Jr., City Clerk of Charleston, West Virginia, do hereby certify that the attached is a true and correct copy of that certain Council Minutes, duly filed and of record in the office of the Clerk of the City of Charleston, West Virginia, approved by Council of the City of Charleston at a meeting held on August 17, 1998.

Given under my hand and the official seal of the City of Charleston, West Virginia, this 24th day of September 1998

(seal)

Fred M. Frisk Jr., City Clerk

JOURNAL

OF THE

COUNCIL

CITY OF CHARLESTON

WEST VIRGINIA

August 03, 1998

The Council met in its Chamber in the City Building at 8:00 P.M. for the first meeting in the month of August and was called to order by the Mayor, the Honorable G. Kemp Melton.

Prayer was offered by the Honorable Ernest "Ernie" Layne, Councilman for the 5th Ward.

The Clerk called the roll and the following members answered to their names:

Barron
Barth
Connell

Haddad
Hardy
Hicks
Horan
Huffman

Kimberling
Lane
Lanham
Layne
Leary

Lopez
Malone
McClaskie

Morton
Nielsen
Quick
Redman
Smith
Snodgrass
Snuffer
Thompson
Mayor Melton

Twenty-five members being present, two being absent, Councilman Gilmer and Loeb, the Mayor declared a quorum.

Pending the reading of the Journal of the previous meeting, the reading thereof was dispensed with and the same duly approved.

August 03, 1998 1st MEETING

PUBLIC SPEAKERS

1. Jay Goldman, Municipal Judge, announced his resignation effective August 7, 1998.

2. Sam DeLee

CLAIMS

1. A Claim of Jennifer Becher; 817 Springdale Drive, Charleston; alleges damage to property; Referred to City Solicitor

2. A Claim of Marcus Dunn; 1000 Highland Road, Charleston; alleges damage to vehicle; Referred to City Solicitor

3. A Claim of Ann Solomon; 903 Charlotte Place, Charleston; alleges damage to property; Referred to City Solicitor

4. A Claim of Eddie Farha; 1516 Bridge Road, Charleston; alleges damage to vehicle; Referred to City Solicitor

5. A Claim of Robert Martin; Edgewood & West Washington Streets, Charleston; alleges damage to vehicle; Referred to City Solicitor

6. A Claim of Charles Shelton; 510 Stockton Street, Charleston; alleges damage to property; Referred to City Solicitor

COMMUNICATIONS

TO: Fred M. Frisk, Jr., City Clerk
FROM: G. Kemp Melton, Mayor
SUBJECT: Charleston Human Rights Commission
DATE: August 3, 1998

I am aware of the expiration of the term of Nathan A. Hicks, Jr.

I am recommending the following:

The appointment of Ivor Sheff, 1800 Roundhill Road, Charleston, a democrat to fill the expired term of Nathan A. Hicks, Jr. Said term will expire June 30, 2001.

I respectfully request City Council approval of this recommendation.

The question being on the conformation of the appointment a vote was taken. There being no dissent the Mayor declared the appointment confirmed.

EXECUTIVE DEPARTMENT

CITY OF CHARLESTON

PROCLAMATION
By the Mayor

WHEREAS, The National Association of Town Watch (NATW) is sponsoring a unique, nationwide crime and drug prevention program on August 4, 1998 called "National Night Out; America's Night Out Against Crime"; and

WHEREAS, The "15th Annual National Night Out" provides an opportunity for the City of Charleston to join forces with thousands of other communities across the country in promoting cooperative, police-community crime and drug prevention efforts; and

WHEREAS, The Neighborhood Watch Coordinating Committee (NWCC) plays a vital role in assisting the Charleston Police Department through joint crime and drug prevention programs in the City of Charleston and beyond, and is sponsoring "National Night Out 1998" locally; and

WHEREAS, It is essential that all citizens be aware of the importance of crime prevention and the impact that their participation in activities promoting neighborhood unity can have on reducing crime and drug abuse in the City of Charleston.

NOW THEREFORE, I, G. Kemp Melton, Mayor of the City of Charleston, do hereby proclaim August 4, 1998 as

NATIONAL NIGHT OUT

in the City of Charleston, West Virginia.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Executive Department to be affixed this 3rd day of August, 1998.

/s/ G. Kemp Melton
G. Kemp Melton, Mayor

Honorable G. Kemp Melton
and Members of City Council
Charleston , WV 25301

Dear Mayor and Councilmembers:

The Planning Committee of Council held a meeting on Monday, July 27, 1998, and considered a request to change the name Old 214 to RHL Boulevard. The street runs in front of

Dudley Plaza on Corridor "G". The Planning Committee recommends changing the name to RHL Boulevard.

Sincerely,
Council Committee on Planning
/s/ Phyllis White
Phyllis White, Administrative Assistant

The question being on the approval of the street name change a vote was taken. There being no dissent the Mayor declared RHL Boulevard as the new street name.

MISCELLANEOUS RESOLUTION

Resolution No. 993-98
Introduced by Chester Thompson, Fred Snuffer, Charles Loeb,
Mary Lopez, Betty Morton and Tom Lane

Resolution No. 993-98--"Exhibiting the Support of Charleston City Council for the redevelopment of Maple Terrace located directly west of Lee Terrace in Charleston's East End".

WHEREAS, the area has suffered extensive slum and blight and this redevelopment plan will correct many of these problems; and

WHEREAS, the redevelopment will restore existing townhouses that have fallen into disrepair; and

WHEREAS, the redevelopment plan will provide for construction of eight new townhouses; and

WHEREAS, the City of Charleston believes it will be in the best interest of the public to clear the present debris; and

WHEREAS, the development will provide housing to mixed income levels; and

WHEREAS, a percentage of the units will be marketed to families that meet the West Virginia Housing Development Funds first-time homebuyer criteria; and

WHEREAS, the redevelopment project will involve local non-profit and faithbased organizations; and

WHEREAS, the developers have worked diligently to inform and involve East End Community organizations; NOW, THEREFORE,

Be it Resolved by the Council of the City of Charleston, West Virginia that it is the consensus opinion of City Council that strong support be given for The Maple Terrace Redevelopment Plan.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 993-98 adopted unanimously.

REPORTS OF STANDING COMMITTEES

PLANNING

Councilwoman Jody Connell, Chairman of the Council Committee on Planning submitted the following reports.

1. Your Committee on Planning has had under consideration Bill No. 6431.

Your Committee finds that the bill should be amended as follows:

Line 11 by deleting "480+-," and inserting "50'"; and

Your Committee further finds that with the amending of the bill to include only 50' of Hart Street, the installation of a mound around the parking lot, and the Deed of Conservation Easement there should be little, if any, adverse affect on the neighborhood; and

Your Committee further finds that since these streets essentially do not exist, except on paper, are of no value or use to any adjacent property owners.

And reports the same to Council with the recommendation that the bill, as amended, pass, but first be referred to the Finance Committee for a determination of the consideration.

The question being on the passage of the amendments a vote was taken. There being no dissent the Mayor declared the amendments passed.

Mayor Melton referred Bill No. 6431, as amended, to Council Committee on Finance.

2. Your Committee on Planning has had under consideration Bill No. 6471.

Your Committee finds that this would be changing residential property to a commercial use and there are drainage problems in the area; and

Your Committee further finds that the rezoning is in conflict with the Comprehensive Plan and the Kanawha City Revitalization Plan.

And reports the same to Council with the recommendation that the bill be rejected.

Bill No. 6471, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, and the map made a part thereof, by rezoning from an R-6 district to an R-0 district those certain parcels of land at 2335 and 2339 Chesterfield Avenue, Charleston, West Virginia.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. The Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, is hereby amended by rezoning from an R-6 district, the whole of the following described parcels of land:

Parcels 91 and 92 as shown on Kanawha City Tax Map No. 20. Subject property is commonly known as 2335 and 2339 Chesterfield Avenue, Charleston, West Virginia. Said tax map is as of record in the City of Charleston Planning Office.

2. The Zoning Map, attached to and made a part of said Zoning Ordinance, is hereby amended in accordance with Section 1 of this ordinance.

3. All prior ordinances, or parts of ordinances, inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.

Councilman Brendan Leary, sponsor of the bill, made a motion to table Bill No. 6471. Motion was seconded.

The question being on the passage of the motion a vote was taken. There being no dissent the Mayor declared Bill No. 6471 tabled.

3. Your Committee on Planning has had under consideration Bill No. 6484.

Your Committee finds that the request is consistent with the Comprehensive Plan; and

Your Committee further finds the request constitutes a spot zoning, but the use is not incompatible with the surrounding uses or zoning districts.

And reports the same to Council with the recommendation that the bill pass.

Bill No. 6484, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, and the map made a part thereof, by rezoning from an R-4 district to an R-6 district, that certain parcel of land situate at 890 Centers Road, Charleston, West Virginia.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. The Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, is hereby amended by rezoning from an R-4 district to an R-6 district the whole of the following described parcel of land:

Parcel as shown on North Charleston Tax Map No. 61. Subject parcel commonly known as 890 Centers Road, Charleston, West Virginia. Said tax map is of record in the Planning Office.

2. The Zoning Map, attached to and made a part of said Zoning Ordinance, is hereby amended in accordance with Section 1 of this ordinance.

3. All prior ordinances, or parts of ordinances, inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.

The question being on the passage of the bill a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6484 passed unanimously.

4. Your Committee on Planning has had under consideration Bill No. 6486.

Your Committee finds that the request constitutes a spot zoning which creates a small island of property with use restrictions different from that of surrounding properties, solely for the benefit of a particular property owner; and

Your Committee further finds the spot zoning is incompatible with the surrounding area and would change the character of the neighborhood; and

Your Committee further finds the request is inconsistent with the West Side Community Revitalization Plan & the location has no off-street parking & is not conducive to a commercial use.

And reports to Council with the recommendation that the bill be rejected.

Bill No. 6486, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, and the map made a part thereof, by rezoning from an R-4 district to a C-4 district, that certain parcel of land situate at 1403 3rd Avenue, Charleston, West Virginia.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. The Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, is hereby amended by rezoning from an R-4 district to a C-4 district the whole of the following described parcel of land:

> Parcel 86 as shown on West Charleston Tax Map No. 23. Subject parcel commonly known as 1403 3rd Avenue, Charleston, West Virginia. Said tax map is of record in the Planning Office.

2. The Zoning Map, attached to and made a part of said Zoning Ordinance, is hereby amended in accordance with Section 1 of this ordinance.

3. All prior ordinances, or parts of ordinances, inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.

The question being on the passage of the bill a roll call was taken and there were; yeas-0, nays-25, absent-2, as follows:

YEAS: None.

NAYS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected recorded thereon as voting in the negative the Mayor declared Bill No. 6486 failed unanimously.

5. Your Committee on Planning has had under consideration Special Permit No. 860.

Your Committee finds that granting the Special Permit would have no adverse impact on the surrounding neighborhood.

And reports the same to Council with the recommendation that the Special Permit be approved.

The question being on the approval of the Special Permit a vote was taken. There being no dissent the Mayor declared Special Permit No. 860 approved unanimously.

6. Your Committee on Planning has had under consideration Special Permit No. 862.

Your Committee finds that this is a much needed service in the Charleston area; and

Your Committee further finds that it should not present any adverse impact on the surrounding area.

And reports the same to Council with the recommendation that the Special Permit be approved.

The question being on the approval of the Special Permit a vote was taken. There being no dissent the Mayor declared Special Permit No. 862 approved unanimously.

FINANCE

Councilman David J. Hardy, Chairman of the Council Committee on Finance, submitted the following reports.

1. Your Committee on Finance has had under consideration bid submitted by Dill's Fire & Safety Equipment Co., Inc., in the amount of $12,054, for 21 Composite III Kevlar, Full-wound Composite Cylinders ($574 each) to be used with existing MSASCBAs by the Charleston Fire/EMS Department; to be charged to account no. 01-706-0-0-4-59, Fire/EMS--CO/Equipment

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

2. Your Committee on Finance has had under consideration bid submitted by Gateway, in the amount of $3,900, for one (1) laptop computer, with MSPowerpoint software, to be used by the Public Works Department; to be charged to account no. 01-439-0-0-4-59, Inf. Systems--CO/Equipment

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

3. Your Committee on Finance has had under consideration bid submitted by Jefferds Corporation, in the amount of $24,068, for one (1) fork lift to be used by the Equipment Maintenance Department; to be charged to account no. 01-754-0-0-4-61, Equipment Maintenance--Capital Outlay, Lease/Purchase

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

4. Your Committee on Finance has had under consideration bid submitted by Baker Equipment Company, in the amount of $11,016, for one (1) Giant Vac Model TM6600-D Leaf Collector to be used by the Street Department; to be charged to account no. 01-750-0-0-4-61, Street--Capital Outlay, Lease/Purchase

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

5. Your Committee on Finance has had under consideration proposal submitted by General Truck Sales Corp., in the amount of $146,309.25, for three (3) dump trucks to be used by the Street and Parks & Recreation departments; to be charged to the following accounts:

$97,539.50 - Street--Capital Outlay, Lease/Purchase
$48,769.75 - P&R--Capital Outlay, Lease/Purchase

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being one nay, Councilman Hicks, the Mayor declared the committee report adopted.

6. Your Committee on Finance has had under consideration proposal submitted by Royal Oldsmobile, in the amount of $43,236, for two Jeep Cherokees to be used by the Public Works Department and the Building Commission; to be charged to the following accounts:

$21,618 - 01-566-0-0-4-61, Public Works--Capital Outlay, Lease/Purchase
$21,618 - 01-436-0-0-4-61, Bldg. Comm.--Capital Outlay, Lease/Purchase

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

7. Your Committee on Finance has had under consideration proposal submitted by Mells Griot, in the amount of $17,700, for purchase of a Spectrum 9000 Forensic Light Source System and accessory kit to be used by investigators in the Crime Scene Unit of the Police Department; to be charged to account no. 38-038-0-0-4-59, Police--LLEBG-97

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

8. Your Committee on Finance has had under consideration Resolution No. 980-98, authorizing the Mayor to sign a Lease Extension between the City of Charleston and the U.S. Postal Service for leasing of 250 spaces on the parking lot at Broad and Washington streets for the period April 5, 1998 to April 4, 1999, at an annual rental of $90,000

And reports the same to Council with the recommendation that the committee report be adopted.

<u>Resolution No. 980-98</u>--"Authorizing the Mayor to sign a Lease Extension between the City of Charleston and the U.S. Postal Service for leasing of 250 spaces on the parking lot at Broad and

Washington streets for the period April 5, 1998 to April 4, 1999, at an annual rental of $90,000."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign a Lease Extension between the City of Charleston and the U.S. Postal Service for leasing of 250 spaces on the parking lot at Broad and Washington streets for the period April 5, 1998 to April 4, 1999, at an annual rental of Ninety Thousand Dollars ($90,000).

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 980-98 adopted unanimously.

9. Your Committee on Finance has had under consideration Resolution No. 981-98, authorizing the Mayor to enter into a renewal agreement with Commercial Insurance Services, in the amount of $70,995.93, for the City's Excess Workers' Compensation coverage for the period June 30, 1998 to June 30, 1999; to be charged to the City's General and Enterprise Funds

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 981-98--"Authorizing the Mayor to enter into a renewal agreement with Commercial Insurance Services, in the amount of $70,995.93, for the City's Excess Workers' Compensation coverage for the period June 30, 1998 to June 30, 1999."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a renewal agreement with Commercial Insurance Services, in the amount of Seventy Thousand Nine Hundred Ninety-five Dollars and Ninety-three Cents ($70,995.93) for the City's Excess Workers' Compensation coverage for the period June 30, 1998 to June 30, 1999.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 981-98 adopted unanimously.

10. Your Committee on Finance has had under consideration Resolution No. 982-98, authorizing the Mayor to enter into a contract with Mountaineer Grading Co., in the amount of approximately $55,477 (final payment amount to be determined by applying contract bid unit prices to quantities used), for installation of a storm sewer and new sanitary sewer laterals on Glencove Place off South Park Road; to be charged to account no. 25-092-00-027, CDBG--Flood Drain Facilities

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 982-98--"Authorizing the Mayor to enter into a contract with Mountaineer

Grading Co., in the amount of approximately $55,477 (final payment amount to be determined by applying contract bid unit prices to quantities used), for installation of a storm sewer and new sanitary sewer laterals on Glencove Place off South Park Road."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with Mountaineer Grading Co., in the amount of approximately Fifty-five Thousand Five Hundred Seventy-seven Dollars ($55,477 - final payment amount to be determined by applying contract bid unit prices to quantities used), for installation of a storm sewer and new sanitary sewer laterals on Glencove Place off South Park Road.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 982-98 adopted unanimously.

11. Your Committee on Finance has had under consideration Resolution No. 983-98, authorizing the Mayor to enter into a contract with Garcie R. Marker & Sons, Inc., in the amount of approximately $23,750, for services related to the conversion of seven tennis courts into a 186' x 270' soccer field at Cato Park; to be charged to account no. 01-900-0-0-4-58, P&R--C/O, Special Projects

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 983-98--"Authorizing the Mayor to enter into a contract with Gracie R. Marker & Sons, Inc., in the amount of approximately $23,750, for services related to the conversion of seven tennis courts into a 186' x 270' soccer field at Cato Park.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with Garcie R. Marker & Sons, Inc., in the amount of approximately Twenty-three Thousand Seven Hundred Fifty Dollars ($23,750), for services related to the conversion of seven tennis courts into a 186" x 270' soccer field at Cato Park.

The contract will provide for demolition of tennis courts and retaining wall; site grading; and stormwater drainage and erosion control.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 983-98 adopted unanimously.

12. Your Committee on Finance has had under consideration Resolution No. 984-98, authorizing the City of Charleston to pay Don R. Richardson Associates, Inc. the sum of $80,000, in $5,000 monthly increments, for services to be rendered in connection with the design and construction of the new public safety building and a new recreation center, provided that the Charleston Building Commission receives the services in a satisfactory fashion and subject to the overall monetary limitation of $80,000; and further providing for the Charleston Building Commission to reimburse the City from the sale of the proposed bonds for said projects.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 984-98--"Authorizing the City of Charleston to pay Don R. Richardson Associates, Inc. the sum of $80,000.00, in $5,000.00 monthly increments, for services to be rendered in connection with the design and construction of the new public safety building and a new recreation center."

WHEREAS, the Charleston Building Commission has negotiated a contract with Don R. Richardson Associates, Inc. for services to be rendered in connection with the design and construction of a new public safety center and a new recreation center; and

WHEREAS, the aforesaid contract calls for the total sum of $80,000.00, to be paid in $5,000.00 monthly increments to be paid to, Don R. Richardson Associates, Inc.; and

WHEREAS, the City of Charleston will be reimbursed and the full contract amount by the Charleston Building Commission from the proceeds from the sale of the proposed bonds for said projects; and

WHEREAS, the first $5,000.00 payment is necessary in order to commence with the aforementioned projects; NOW, THEREFORE,

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the City of Charleston be authorized to issue a check in the amount of $5,000.00 to Don R. Richardson Associates, Inc. and further that the City of Charleston be authorized to continue such monthly payments in like amount provided that the Charleston Building Commission receives the services in a satisfactory fashion and subject to the overall monetary limitation of $80,000.00, and with the understanding that the Charleston Building Commission will reimburse the City of Charleston from the sale of the proposed bonds for said projects.

The question being on the adoption of the resolution a vote was taken. There being three nays, Hicks, Nielsen and Thompson, the Mayor declared Resolution No. 984-98 adopted.

13. Your Committee on Finance has had under consideration Resolution No. 985-98, authorizing the Finance Director to make revisions to the 1998-99 General Fund budget as indicated on the list of accounts for the Parks & Recreation Department; and the attached revised schedules for the Fire/Medic (EMS) classifications of the Fire Department (no monetary revisions required)

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 985-98--"Authorizing the Finance Director to make revisions to the 1998-99 General Fund budget as indicated on the list of accounts for the Parks & Recreation Department; and the attached revised schedules for the Fire/Medic (EMS) personnel of the Fire Department (no monetary revisions required)."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Finance Director is hereby authorized and directed to make revisions to the 1998-99 General Fund budget as indicated on the list of accounts for the Parks & Recreation Department; and the attached revised schedules for the Fire/Medic (EMS) personnel of the Fire Department (no monetary revisions required).

General Fund 1998-99 Budget Amendment No. 2 - August 3, 1998

01-340-44-0328	Revenue	Contributions	(2,000.00)
01-900-00-000-5-068	Parks & Recreation	Contributions	2,000.00

Provide for receipt and disbursement of funds collected for banners for the East End Association.

Enclosures: Revised Schedules to 1998-99 Municipal Budget

Fire/Medic Personnel Staffing Schedule (Revised EMS Personnel)	Page 8
Fire/Medic Wage Progression Schedule-8 hour Shift (Revised Emergency Ambulance Service Schedule)	Page 7
Fire/Medic Wage Progression Schedule-24 hour Shift (Revised Emergency Ambulance Service Schedule)	Page 8

No monetary Budget Revision is required; Salaries & Wages amount remains the same.

Charleston Fire Dep...ent
Fire/Medic Personnel (Revised EMS)

Pos/Rank	Years	Hours	S.T.	O.T.	No. Emp.	Amount	1997-98 Budget	Years	Hours	Hrly Rate	S.T.	O.T.	No. Emp.	S.T.	O.T.	1998-99 Request	Hrly Rate	S.T.	O.T.	No. Emp.	S.T.	O.T.	1998-99 Finance	Amount	1998-99 Finance (Revised)
C4	14				1	20,825	20,825																		
FM6 (8 hr)	26	8			1	38,321	38,321	27	8	18.424	38,322		1	38,322	0	38,322	19.815	41,215		1	41,215		41,215	41,215	41,215
FM5	23	12			2	37,335	74,671	24	12	16.402	32,410	5,117	2	64,820	10,234	75,054	16.846	33,288	5,256	2	66,576	10,512	77,088	37,440	74,880
	22	12			1	37,185	37,185	19	12	16.071	31,756	5,014	1	31,756	5,014	36,770	16.515	32,634	5,153	1	32,634	5,153	37,787	36,750	36,750
(8 hr)	18	8			1	33,289	33,289	19	8	16.071	33,428		1	33,428	0	33,428	16.515	34,351		1	34,351		34,351	36,750	36,750
	16	12			1	36,285	36,285	17	12	15.938	31,493	4,973	1	31,493	4,973	36,466	16.382	32,371	5,111	1	32,371	5,111	37,482	36,474	36,474
FM4	18	12			3	33,604	100,812	22	12	14.967	29,575	4,670	1	29,575	4,670	34,245	15.372	30,375	4,796	1	30,375	4,796	35,171	34,321	34,321
	16	12			1	33,304	33,304	20	12	14.834	29,312	4,628	2	58,624	9,256	67,880	15.239	30,112	4,755	2	60,224	9,510	69,734	34,045	68,090
		12						17	12	14.635	28,919	4,566	1	28,919	4,566	33,485	15.040	29,719	4,692	1	29,719	4,692	34,411	33,631	33,631
FM3	26	12			1	32,666	32,666		12					0	0	0									
	21	12			1	32,066	32,066	22	12	14.098	27,858	4,399	2	55,716	8,798	64,514	14.477	28,607	4,517	2	57,214	9,034	66,248	32,340	64,680
	20	12			1	31,916	31,916	21	12	14.031	27,725	4,378	1	27,725	4,378	32,103	14.410	28,474	4,496	1	28,474	4,496	32,970	32,202	32,202
	19	12			2	31,766	63,531	20	12	13.965	27,595	4,357	2	55,190	8,714	63,904	14.344	28,344	4,475	2	56,688	8,950	65,638	32,064	64,128
	18	12			1	31,616	31,616	19	12	13.899	27,464	4,336	1	27,464	4,336	31,800	14.278	28,213	4,455	1	28,213	4,455	32,668	31,926	31,926
	17	12			1	31,466	31,466	18	12	13.832	27,332	4,316	1	27,332	4,316	31,648	14.211	28,081	4,434	1	28,081	4,434	32,515	31,788	31,788
	16	12			1	31,316	31,316	17	12	13.766	27,202	4,295	1	27,202	4,295	31,497	14.145	27,951	4,413	1	27,951	4,413	32,364	31,650	31,650
	14	12			3	31,016	93,047	15	12	13.633	26,939	4,253	3	80,817	12,759	93,576	14.012	27,688	4,372	3	83,064	13,116	96,180	31,374	94,122
	13	12			1	30,866	30,866	14	12	13.567	26,808	4,233	1	26,808	4,233	31,041	13.946	27,557	4,351	1	27,557	4,351	31,908	31,236	31,236
	12	12			1	30,716	30,716	13	12	13.501	26,678	4,212	1	26,678	4,212	30,890	13.880	27,427	4,331	1	27,427	4,331	31,758	31,098	31,098
	11	12			2	30,566	61,131	12	12	13.434	26,546	4,191	2	53,092	8,382	61,474	13.813	27,294	4,310	2	54,588	8,620	63,208	30,960	61,920
	8	12			1	30,116	30,116	9	12	13.235	26,152	4,129	1	26,152	4,129	30,281	13.614	26,901	4,248	1	26,901	4,248	31,149	30,546	30,546
	7	12			1	29,966	29,966	8	12	13.169	26,022	4,109	1	26,022	4,109	30,131	13.548	26,771	4,227	1	26,771	4,227	30,998	30,408	30,408
FM2	13	12			1	29,539	29,539	13	12	12.921	25,532	4,031	1	25,532	4,031	29,563	13.283	26,247	4,144	1	26,247	4,144	30,391	29,579	29,579
	12	12			1	29,389	29,389	12	12	12.854	25,400	4,010	1	25,400	4,010	29,410	13.216	26,115	4,123	1	26,115	4,123	30,238	29,441	29,441
	11	12			1	29,239	29,239	11	12	12.788	25,269	3,990	2	50,538	7,980	58,518	13.150	25,984	4,103	2	51,968	8,206	60,174	29,303	58,606
(8 hr)	10	8			1	26,461	26,461	11	8	12.788	26,599		1	26,599	0	26,599	13.150	27,352		1	27,352		27,352	29,303	29,303
	10	12			1	29,089	29,089	10	12	12.721	25,137	3,969	1	25,137	3,969	29,106	13.083	25,852	4,082	1	25,852	4,082	29,934	29,165	29,165
	9	12			2	28,939	57,877	9	12	12.655	25,006	3,948	1	25,006	3,948	28,954	13.017	25,722	4,061	1	25,722	4,061	29,783	29,027	29,027
	8	12			1	28,789	28,789	8	12	12.589	24,876	3,928	2	49,752	7,856	57,608	12.951	25,591	4,041	2	51,182	8,082	59,264	28,889	57,778
	7	12			2	28,639	57,277	6	12	12.456	24,613	3,886	1	24,613	3,886	28,499	12.818	25,328	3,999	1	25,328	3,999	29,327	28,613	28,613
	5	12			1	28,339	28,339	5	12	12.390	24,483	3,866	2	48,966	7,732	56,698	12.752	25,198	3,979	2	50,396	7,958	58,354	28,475	56,950
	4	12			2	28,189	56,377	4	12	12.323	24,350	3,845	1	24,350	3,845	28,195	12.685	25,066	3,958	1	25,066	3,958	29,024	28,337	28,337
	3	12			2	28,039	56,077	3	12	12.257	24,220	3,824	3	72,660	11,472	84,132	12.619	24,935	3,937	3	74,805	11,811	86,616	28,199	84,597
	2	12			1	27,889	27,889		12																
ESO-EMT	2	12			4		100,600		12				4			110,355				4			113,666		113,666
					48		1,462,053						47	1,175,668	170,103	1,456,146				47	1,210,427	174,873	1,498,966		1,472,877
Length of Service Adj.							(4,120)									(4,000)							(4,000)		(4,000)
Overtime							263,680									278,100							288,400		314,489
Regatta Overtime							14,420									15,000							15,600		15,600
Incentive Pay							11,330									11,000							11,000		11,000
							1,747,363									1,756,246							1,809,966		1,809,966

FIRE/MEDIC (FM) CLASSIFICATION (Hourly) Revised Page 7, Eight Hour Shift/EAS

Effective August 30, 1998

Eight Hour Shift / FM

Months/ Years Service	FM-2 (ES-2) Annual	New Hourly	FM-3 (ES-3) Annual	New Hourly	FM-4 (ES-4) Annual	New Hourly	FM-5 (ES-5) Annual	New Hourly	FM-6 (ES-6) Annual	New Hourly
(Annual is based on 2,080 hours per year)										
Months										
0	25,041.19	12.039	29,304.27	14.089	31,284.83	15.041	34,128.32	16.408	37,766.56	18.157
6	27,784.89	13.358								
Years										
1	27,922.89	13.424	29,442.27	14.155	31,422.83	15.107	34,266.32	16.474	37,904.56	18.223
2	28,060.89	13.491	29,580.27	14.221	31,560.83	15.173	34,404.32	16.541	38,042.56	18.290
3	28,198.89	13.557	29,718.27	14.288	31,698.83	15.240	34,542.32	16.607	38,180.56	18.356
4	28,336.89	13.624	29,856.27	14.354	31,836.83	15.306	34,680.32	16.673	38,318.56	18.422
5	28,474.89	13.690	29,994.27	14.420	31,974.83	15.373	34,818.32	16.740	38,456.56	18.489
6	28,612.89	13.756	30,132.27	14.487	32,112.83	15.439	34,956.32	16.806	38,594.56	18.555
7	28,750.89	13.823	30,270.27	14.553	32,250.83	15.505	35,094.32	16.872	38,732.56	18.621
8	28,888.89	13.889	30,408.27	14.619	32,388.83	15.572	35,232.32	16.939	38,870.56	18.688
9	29,026.89	13.955	30,546.27	14.686	32,526.83	15.638	35,370.32	17.005	39,008.56	18.754
10	29,164.89	14.022	30,684.27	14.752	32,664.83	15.704	35,508.32	17.071	39,146.56	18.820
11	29,302.89	14.088	30,822.27	14.818	32,802.83	15.771	35,646.32	17.138	39,284.56	18.887
12	29,440.89	14.154	30,960.27	14.885	32,940.83	15.837	35,784.32	17.204	39,422.56	18.953
13	29,578.89	14.221	31,098.27	14.951	33,078.83	15.903	35,922.32	17.270	39,560.56	19.020
14	29,716.89	14.287	31,236.27	15.017	33,216.83	15.970	36,060.32	17.337	39,698.56	19.086
15	29,854.89	14.353	31,374.27	15.084	33,354.83	16.036	36,198.32	17.403	39,836.56	19.152
16	29,992.89	14.420	31,512.27	15.150	33,492.83	16.102	36,336.32	17.469	39,974.56	19.219
17	30,130.89	14.486	31,650.27	15.216	33,630.83	16.169	36,474.32	17.536	40,112.56	19.285
18	30,268.89	14.552	31,788.27	15.283	33,768.83	16.235	36,612.32	17.602	40,250.56	19.351
19	30,406.89	14.619	31,926.27	15.349	33,906.83	16.301	36,750.32	17.668	40,388.56	19.418
20	30,544.89	14.685	32,064.27	15.416	34,044.83	16.368	36,888.32	17.735	40,526.56	19.484
21	30,682.89	14.751	32,202.27	15.482	34,182.83	16.434	37,026.32	17.801	40,664.56	19.550
22	30,820.89	14.818	32,340.27	15.548	34,320.83	16.500	37,164.32	17.867	40,802.56	19.617
23	30,958.89	14.884	32,478.27	15.615	34,458.83	16.567	37,302.32	17.934	40,940.56	19.683
24	31,096.89	14.950	32,616.27	15.681	34,596.83	16.633	37,440.32	18.000	41,078.56	19.749
25	31,234.89	15.017	32,754.27	15.747	34,734.83	16.699	37,578.32	18.067	41,216.56	19.816

FIRE/MEDIC (FM) CLASSIFICATION (Hourly) Revised Page 8, Twelve Hour Shift/EAS

Effective August 30, 1998

Twenty-four Hour Shift / FM

Months/ Years Service	FM-2 (ES-2) Annual	New Hourly	Current Hourly	FM-3 (ES-3) Annual	New Hourly	Current Hourly	FM-4 (ES-4) Annual	New Hourly	Current Hourly	FM-5 (ES-5) Annual	New Hourly	(ES-6) Annual	Hourly
(Annual is based on 24 hour shift schedule which is computed at 2272 hours for less than 15 years service and 2224 hours for 15 years or more service)													
Months													
0	25,041.19	11.022	11.109	29,304.27	12.898	13.017	31,284.83	13.770	13.912	34,128.32	15.021	No 24 Hour Shift Position	
6	27,784.89	12.229	12.420										
Years													
1	27,922.89	12.290	12.486	29,442.27	12.959	13.083	31,422.83	13.830	13.978	34,266.32	15.082		
2	28,060.89	12.351	12.553	29,580.27	13.019	13.150	31,560.83	13.891	14.045	34,404.32	15.143		
3	28,198.89	12.411	12.619	29,718.27	13.080	13.216	31,698.83	13.952	14.111	34,542.32	15.203		
4	28,336.89	12.472	12.685	29,856.27	13.141	13.282	31,836.83	14.013	14.177	34,680.32	15.264		
5	28,474.89	12.533	12.752	29,994.27	13.202	13.349	31,974.83	14.073	14.244	34,818.32	15.325		
6	28,612.89	12.594	12.818	30,132.27	13.262	13.415	32,112.83	14.134	14.310	34,956.32	15.386		
7	28,750.89	12.654	12.884	30,270.27	13.323	13.481	32,250.83	14.195	14.376	35,094.32	15.446		
8	28,888.89	12.715	12.951	30,408.27	13.384	13.548	32,388.83	14.256	14.443	35,232.32	15.507		
9	29,026.89	12.776	13.017	30,546.27	13.445	13.614	32,526.83	14.316	14.509	35,370.32	15.568		
10	29,164.89	12.837	13.083	30,684.27	13.505	13.680	32,664.83	14.377	14.575	35,508.32	15.629		
11	29,302.89	12.897	13.150	30,822.27	13.566	13.747	32,802.83	14.438	14.642	35,646.32	15.689		
12	29,440.89	12.958	13.216	30,960.27	13.627	13.813	32,940.83	14.499	14.708	35,784.32	15.750		
13	29,578.89	13.019	13.283	31,098.27	13.688	13.880	33,078.83	14.559	14.775	35,922.32	15.811		
14	29,716.89	13.080	13.349	31,236.27	13.748	13.946	33,216.83	14.620	14.841	36,060.32	15.872		
15	29,854.89	13.424	13.415	31,374.27	14.107	14.012	33,354.83	14.998	14.907	36,198.32	16.276		
16	29,992.89	13.486	13.482	31,512.27	14.169	14.079	33,492.83	15.060	14.974	36,336.32	16.338		
17	30,130.89	13.548	13.548	31,650.27	14.231	14.145	33,630.83	15.122	15.040	36,474.32	16.400		
18	30,268.89	13.610	13.614	31,788.27	14.293	14.211	33,768.83	15.184	15.106	36,612.32	16.462		
19	30,406.89	13.672	13.681	31,926.27	14.355	14.278	33,906.83	15.246	15.173	36,750.32	16.524		
20	30,544.89	13.734	13.747	32,064.27	14.417	14.344	34,044.83	15.308	15.239	36,888.32	16.586		
21	30,682.89	13.796	13.813	32,202.27	14.479	14.410	34,182.83	15.370	15.305	37,026.32	16.649		
22	30,820.89	13.858	13.880	32,340.27	14.541	14.477	34,320.83	15.432	15.372	37,164.32	16.711		
23	30,958.89	13.920	13.946	32,478.27	14.604	14.543	34,458.83	15.494	15.438	37,302.32	16.773		
24	31,096.89	13.982	14.012	32,616.27	14.666	14.609	34,596.83	15.556	15.504	37,440.32	16.835		
25	31,234.89	14.044	14.079	32,754.27	14.728	14.676	34,734.83	15.618	15.571	37,578.32	16.897		

*Fire/Medic Personnel O.T. Rate shall be based on the higher of the "New Hourly" or the "Current Hourly" Rate.
Future increases will be based on the "New Hourly" Rates.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 985-98 adopted unanimously.

14. Your Committee on Finance has had under consideration Resolution No. 986-98, authorizing the Mayor to enter into an agreement with the State of West Virginia, Division of Criminal Justice Services, to receive and administer grant funds in the amount of $24,171 to be used for the Gang Resistance Education and Training (G.R.E.A.T.) program and a follow-up summer program to reinforce the anti-violence skills learned during the school year. The grant period is from July 1, 1998 to June 30, 1999

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 986-98--"Authorizing the Mayor to enter into an agreement with the State of West Virginia, Division of Criminal Justice Services, to receive and administer grant funds in the amount of $24,171 to be used for the Gang Resistance Education and Training (G.R.E.A.T.) program and a follow-up summer program to reinforce the anti-violence skills learned during the school year. The grant period is from July 1, 1998 to June 30, 1999."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into an agreement with the State of West Virginia, Division of Criminal Justice Services, to receive and administer grant funds in the amount of Twenty-four Thousand One Hundred Seventy-one Dollars ($24,171) to be used for the Gang Resistance Education and Training (G.R.E.A.T.) program and a follow-up summer program to reinforce the anti-violence skills learned during the school year. The grant period is from July 1, 1998 to June 30, 1999.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 986-98 adopted unanimously.

15. Your Committee on Finance has had under consideration Resolution No. 987-98, authorizing the Finance Director to make payment in the amount of $39,769.25, for settlement of Civil Action No. 96-C-2523, McKemy v. City of Charleston, to be paid to satisfy the City's deductible costs for this claim in exchange for the dismissal of the lawsuit and a release of all claims to be signed by the plaintiff; to be charged to account no. 01-417-0-0-2-29, Legal Department--Court Costs & Damages

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 987-98--"Authorizing the City of Charleston to settle Civil Action No. 96-C-2523, McKemy v. City of Charleston in the amount of $39,769.25."

WHEREAS, the City of Charleston, considering the facts and law arising in this lawsuit, and weighing the potential verdict and chances of prevailing in the lawsuit though expressly denying liability, does find that it is in the City of Charleston's best interest to resolve the above described lawsuit; therefore,

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the City of Charleston be authorized to settle Civil Action No. 96-C-2523 for the amount of $39,769.25 to be paid to satisfy its deductible in the referenced claim in exchange for the dismissal of the above-described lawsuit and in exchange for a release of all claims to be signed by the plaintiff.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 987-98 adopted unanimously.

16. Your Committee on Finance has had under consideration Resolution No. 988-98, authorizing a six-month extension of the maturity date for the City's 1996 Line of Credit Note with Huntington National Bank, in the amount of $500,000, from May 4, 1998 to November 4, 1998; and further authorizing the Mayor and City Clerk to execute the necessary documents to effectuate the extension. The line of credit was enacted by Ordinance No. 6276 and Resolution No. 538-96 on September 16, 1996, to temporarily finance costs for sewerage system projects. The six-month extension will allow for completion of the projects and receipt of funds from the State Revolving Loan Program.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 988-98: Finding that the Council of The City of Charleston, West Virginia, enacted Ordinance No. 6276 on September 16, 1996, as supplemented by Resolution No. 538-96 adopted September 16, 1996, which authorized an interim financing line of credit and a note to evidence the line of credit in an amount not to exceed $500,000, finding that the interim financing line of credit was entered into and the note issued on November 7, 1996, and finding that it is necessary to extend the maturity of the note six months.

WHEREAS, by Ordinance No. 6276 enacted on September 16, 1996, as supplemented by Resolution No.538-96 adopted September 16, 1996, the Council (the "Council") of The City of Charleston, West Virginia (the "City") authorized an interim financing line of credit and a note to evidence said line of credit in an amount not to exceed $500,000;

WHEREAS, the City, on November 7, 1996, entered into a Line of Credit Agreement with The Huntington National Bank, Charleston, West Virginia (the "Bank") as evidenced by a note (the "Note") in the amount of $500,000;

. WHEREAS, the Note was secured by the proceeds of certain bonds issued by the City to the State Revolving Loan Program (the "SRF");

WHEREAS, due to construction delays, the final reimbursement for the project has not been received from the SRF;

WHEREAS, pursuant to the Line of Credit Agreement, the Note's maturity date was May 4, 1998;

WHEREAS, the Bank has offered to extend the maturity of the Note for six months to allow for the receipt of the SRF reimbursements;

WHEREAS, it is necessary to extend the maturity date of the Note for six months to allow for the final completion of the project and receipt of SRF reimbursements;

NOW, THEREFORE, be it resolved by the Council of The City of Charleston, West Virginia, as follows:

Section 1. The maturity date of the Note shall be extended for six months from the date of May 4, 1998 to November 4, 1998.

Section 2. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such documents and certificates, including but not limited to the Allonge to the Note, the form of which is attached hereto as Exhibit A and incorporated herein by reference, required or desirable to effectuate the extension of the maturity of the Note to November 4, 1998.

Section 3. This Resolution shall be effective immediately upon adoption.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 988-98 adopted unanimously.

17. Your Committee on Finance has had under consideration Resolution No. 989-98, authorizing the Finance Director to allocate HOME Program funds in the amount of $27,000 for acquisition of a single family dwelling at 1120 Wilkie Drive; to be charged to account no. 30-097-00-005, HOME Program--Acquisition of Property

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 989-98--"Authorizing the Finance Director to allocate HOME Program funds in

the amount of $27,000 for acquisition of a single family dwelling at 1120 Wilkie Drive."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Finance Director is hereby authorized and directed to allocate HOME Program funds in the amount of Twenty-seven Thousand Dollars ($27,000) for acquisition of a single family dwelling at 1120 Wilkie Drive.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 989-98 adopted unanimously.

18. Your Committee on Finance has had under consideration Resolution No. 990-98, authorizing the Mayor to sign a Release of Lien in the amount of $7,259.22, for the forgiveness of a residential rehabilitation loan.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution no. 990-98--"Authorizing the Mayor to sign a Release of Lien in the amount of $7,259.22 for the forgiveness of a residential rehabilitation loan."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign a Release of Lien in the amount of Seven Thousand Two hundred Fifty-nine Dollars and Twenty-two Cents ($7,259.22) for the forgiveness of a residential rehabilitation loan.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected thereon as voting in the affirmative the Mayor declared Resolution No. 990-98 adopted unanimously.

19. Your Committee on Finance has had under consideration Resolution No. 991-98,

authorizing the Mayor to sign a subordination agreement in the amount of $7,544.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 991-98--"Authorizing the Mayor to sign a subordination agreement in the amount of $7,544."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign a subordination agreement in the amount of Seven Thousand Five Hundred Forty-four Dollars ($7,544).

The question being on the adoption of the resolution a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 991-98 adopted unanimously.

20. Your Committee on Finance has had under consideration Resolution No. 992-98, authorizing the Mayor to sign the HUD Continuum of Care Application for $1.7 million for two transitional housing projects and one permanent supportive housing project.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 992-98, authorizing the Mayor to sign the HUD Continuum of Care Application for $1.7 million for two transitional housing projects and one permanent supportive housing project.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign the HUD Continuum of Care Application for $1.7 million for two transitional housing projects and one permanent supportive housing project.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.
ABSENT: Gilmer and Loeb.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 992-98 adopted unanimously.

21. Your Committee on Finance has had under consideration payment of an invoice from Commercial Insurance Services, in the amount of $9,118.28, for an additional premium due as a result of an audit of the City's Excess Workers' Compensation for the 1996-97 policy term based on an increase in payroll from $22,083,974 to $24,665,017; to be charged to the City's General and Enterprise Funds

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

22. Your Committee on Finance has had under consideration payment of an invoice from Digital Controls Corporation, in the amount of $7,512, for annual maintenance on the UNIX operating software used by the Information Systems Department; to be charged to account no. 01-439-0-0-2-30, Information Systems--Contracted Services

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

23. Your Committee on Finance has had under consideration payment of an invoice from Moore's, in the amount of $37,026.55, totaling outstanding invoices for supplies used in World Changer's projects; to be charged to account no. 25-097-00-014, CHIP Rehabilitation

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:
YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Gilmer and Loeb.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

24. Your Committee on Finance has had under consideration payment of an invoice from INROADS/West Virginia, Inc., in the amount of $4,000, for sponsorship of two interns; to be charged to account no. 25-098-00-011, CDBG--Public Services

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

25. Your Committee on Finance has had under consideration payment of an invoice from Family Service of Kanawha Valley, in the amount of $2,192, for reimbursement of two payments made on the CDBG "Keep a Child in School" Fist collaborative ($2,100); and "Daymark" FIST collaborative ($92); to be charged to account no. 25-097-00-011, CDBG--Public Services

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Gilmer and Loeb.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

26. Your Committee on Finance has had under consideration payment of an invoice from Daymark, in the amount of $2,269.07, for reimbursement for the replacement and repair of the fire escape stairway at New Connections; to be charged to account no. 25-096-00-002, CDBG--Rehabilitation, Public/Private

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Gilmer and Loeb.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

27. Your Committee on Finance has had under consideration payment of an invoice from ARIDHI Associates, Inc., in the amount of $3,250, for rehabilitation of one residential project at 6520 MacCorkle Avenue, SE; to be charged to account no. 25-097-00-014, CDBG--CHIP Rehabilitation

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:
YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Gilmer and Loeb.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

28. Your Committee on Finance has had under consideration payment of an invoice from Risen Corporation, in the amount of $6,286.80, for rehabilitation of one residential project at 2238 Benchway Road; to be charged to account no. 25-097-00-014, CDBG--CHIP Rehabilitation

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:
YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Gilmer and Loeb.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

REPORTS OF OFFICERS

1. Application to operate a private club, private wine restaurant or tavern; located at 160 Court Street, Charleston; Received and filed.

NEW BILLS

Introduced by Councilman Ernest "Ernie" Layne on August 3, 1998;
Bill No. 6504 , a bill to repeal Ordinance No. 6473 passed by Council on May 18, 1998, relating to a 2 hour parking tow-away zone on the southerly side of Washington Street West from the westerly curb line of Garvin Avenue to a point 66 feet east of the westerly curb line of Garvin Avenue;
Referred to Council Committee on Streets and Traffic

~~**Bill No. 6505 Planning**~~
~~**Bill No. 6506Planning**~~

Introduced by Councilman David J. Hardy on August 3, 1998;
Bill No. 6507, a bill amending and re-enacting Chapter Thirty-one, Article Seven, Section Two Hundred Fourteen; and Section Two Hundred Fifteen of the Vehicles and Traffic Law of the Code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, by adding a new paragraph to Section 31-214 to include the City's West Side Parking Lot, the East End Parking Lot and the Municipal Auditorium Parking Lot; and by adding a new paragraph to Section 31-215 relating to per-hour parking fees for use of any other single on-street meters;
Referred to Council Committee on Finance

Introduced by Councilman J. E. Barron on August 3, 1998;
Bill No. 6508, a bill to establish a 15 Mile Per Hour speed limit on Wilmore Lane;
Referred to Council Committee on Streets and Traffic

Introduced by Councilman J. E. Barron on August 3, 1998;
Bill No. 6509, a bill to establish a No Parking Anytime Tow-Away zone on the easterly side of North Hills Drive;
Referred to Council Committee on Streets and Traffic

Introduced by Councilman David Hardy on August 3, 1998;
Bill No. 6510, an ordinance authorizing the acquisition and construction of improvements to a public facility and issuance of Civic Center Improvement Bonds, Series 1998, Of The City Of Charleston, in the amount of $3,500,000, to finance the acquisition, construction, equipping and improvements to a public facility; defining and prescribing the terms and provisions of the Bonds; providing generally for the rights and remedies and security of the holders of the Bonds; providing a statutory mortgage lien on specified tax revenues dedicated for such purposes and providing general terms and providing when this ordinance shall take effect;
Referred to Council Committee on Finance

UNFINISHED BUSINESS

On July 20, 1998 Bill No. 6496 was inadvertently referred to Council Committee on Finance, therefore Mayor Melton referred this bill to the Municipal Planning Commission.

At 9:30 p.m., on motion of Councilman Quick, Council adjourned until Monday, August 17, 1998.

G. Kemp Melton, Mayor

Fred M. Frisk, Jr., City Clerk

C E R T I F I C A T E

I, Fred M. Frisk Jr., City Clerk of Charleston, West Virginia, do hereby certify that the attached are true and correct copies of Council Minutes for the August 17, 1998 and September 8, 1998 meetings of Charleston City Council, duly filed and of record in the office of the Clerk of the City of Charleston, West Virginia.

Given under my hand and the official seal of the City of Charleston, West Virginia, this 21st day of September, 1998

(seal)

Fred M. Frisk Jr., City Clerk

JOURNAL

OF THE

COUNCIL

CITY OF CHARLESTON

WEST VIRGINIA

August 17, 1998

The Council met in its Chamber in the City Building at 8:00 P.M. for the second meeting in the month of August and was called to order by the Mayor, the Honorable G. Kemp Melton.

Prayer was offered by the Honorable Jody Connell, Councilwoman for the 14th Ward.

The Clerk called the roll and the following members answered to their names:

Barron	*Kimberling*	*Morton*
Barth	*Lane*	*Nielsen*
Connell	*Lanham*	*Quick*
Gilmer	*Layne*	*Redman*
Haddad	*Leary*	*Smith*
Hardy	*Loeb*	*Snodgrass*
Hicks	*Lopez*	*Snuffer*
	Malone	*Thompson*
Huffman	*McClaskie*	*Mayor Melton*

Twenty-six members being present, one being absent, Councilwoman Horan, the Mayor declared a quorum.

Pending the reading of the Journal of the previous meeting, the reading thereof was dispensed with and the same duly approved.

August 17, 1998 2nd MEETING

PUBLIC HEARING

Mayor Melton addressed the public and council:

"Pursuant to the provisions of Chapter 8, Article 16, Section 18, of the West Virginia *Code*, and after duly advertized as required by said *Code* provisions, I declare the floor now open for a Public Hearing on Bill No. 6510, an ordinance authorizing the acquisition and construction of improvements to a public facility and the issuance of Civic Center Improvement Bonds Series 1998, Of The City of Charleston, in the amount of $3,500,000, to finance the acquisition, construction, equipping and improvements to a public facility; defining and prescribing the terms and provisions of the Bonds; providing generally for the rights and remedies and security of the holders of the Bonds; providing a statutory mortgage lien on specified tax revenues dedicated for such purposes and providing general terms and providing when this ordinance shall take place.

The Chair sees no one from the public. The Chair hears no one from the public. The Chair declares Public Hearing on Bill No. 6510 closed.

CLAIMS

1. A Claim of Marlene Sharp for son, Marcus Sharp; 608 South Park Road, Charleston, WV; alleges damage to personal property; referred to City Solicitor.

2. A Claim of Elnora I. Spainhour; 5505 Staunton Avenue, Charleston, WV; alleges damage to property; referred to City Solicitor.

PUBLIC SPEAKERS

None.

COMMUNICATIONS

Mayor Melton introduced to Council Carole Bloom, the new Municipal Judge, and Shawn Taylor, the new Municipal Court Clerk.

TO: Mayor Melton and
Members of Council
DATE: August 13, 1998
SUBJECT: Bill No. 6496

As sponsor of Bill No. 6496, a bill authorizing the sale of a portion of the Grandview Drive right-of-way near the northwest intersection of Grandview and Summit Drives, Charleston, WV., I respectfully ask for this bill to be officially withdrawn

/s/ Ernest A."Ernie" Layne
Councilman 5th Ward

The question being on the approval to withdraw the bill a vote was taken. There being no dissent the Mayor declared Bill No. 6496 officially withdrawn.

Honorable G. Kemp Melton
and Members of City Council
Charleston, WV 25301

Dear Mayor and Councilmembers:

The Planning Commission held their regular monthly meeting on August 5, 1998 and considered the following cases:

Bill No. 6482 - Petition of Carol Fouty, agent for Andrew Yerrid, requesting a rezoning from a C-6 with restrictions to a C-6 in order to operate a food carryout business at 4415 MacCorkle Avenue, SE. The Planning Commission recommended that the bill be amended to add the following restrictions, no beer or alcohol, hours of 11:30 a.m. to 7 p.m., and that some type of barrier be erected to discourage the use of the alley and that the bill as amended do pass.

Bill No. 6488 - Petition of N. B. White requesting a rezoning from an R-10 district with restricted use to an R-10 district with revised restricted use that parcel of land known as Parcel No. 66 containing 6.108 acres situate east of and adjacent to Ashton Place Shopping Center on Corridor "G". The Planning Commission recommended that the bill be amended to restrict the property to one building with a maximum of 108 apartments, the exterior to look residential, a green buffer be provided between the apartments and the Emerald Heights Subdivision and the bill as amended do pass.

Bill No. 6489 - Petition of the Municipal Planning Commission requesting an establishment of an off premise sign moratoria in the City of Charleston for a period of not more than 12 months. The Planning Commission recommended that the bill be amended on line 33 by adding "provided, however, that any such variances, permits, rezonings, or temporary permits which have been issued or are pending at the date of passage of this ordinance shall be effective on their own terms, conditions, and procedural status as if this ordinance had not been passed." and on line 1 page 2 by deleting after the word prohibit "the issuance of a license resulting from the change in ownership of an existing business" and adding "the replacement and repair of existing off-premise signs blown down or otherwise damaged by wind or other acts of God, the repair and maintenance of existing off-premise signs" and that the bill as amended do pass.

Bill No. 6500 - Petition of Hemingway Place Partnership, contract purchaser of a 5.52 acre portion of land owned by Cunningham Realty, requesting to rezone from an R-4 district to an R-8 district that 5.52 acre portion of land north of Hemingway Place Subdivision on the east side of Greenbrier Street. The Planning Commission recommended that it be restricted to 53 lots and that the bill as restricted do pass.

All of the cases should be referred to the Planning Committee of Council.

Sincerely,
MUNICIPAL PLANNING COMMISSION
/s/ Phyllis White
Phyllis White, Administrative Assistant

Mayor Melton referred the cases to Council Committee on Planning.

EXECUTIVE DEPARTMENT

CITY OF CHARLESTON
PROCLAMATION
By the Mayor

WHEREAS: Marshall University and its administration, staff, students and athletes have brought great pride to the City of Charleston and the entire State of West Virginia; and

WHEREAS: Marshall University has a primary mission the provision of academic and athletic opportunities to the citizens of Charleston; and

WHEREAS: The City of Charleston is proud of Marshall University and its role in our community; and

WHEREAS: August 20, 1998, is being designated "Paint the Capital City GREEN Day" in honor of Marshall University and its athletic teams; and

WHEREAS: Football Coach Bob Pruett, Basketball Coach Greg White, the Marshall Marching Band, Marshall cheerleaders, Marshall players, Marco the mascot, and other representatives of the university are expected to be in our City; and

WHEREAS: A pep rally will begin at 6:00 P.M., August 20, 1998, at Embassy Suites Hotel in Charleston; and

NOW THEREFORE, I G. Kemp Melton, Mayor of the City of Charleston, do hereby designate Thursday, August 20, 1998 as

" PAINT THE CAPITAL CITY GREEN DAY"

throughout the City of Charleston, and urge all Charlestonians to wear green and show their support for Marshall University.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Executive Department to be affixed this 14th day of August, 1998.

/s/ G. Kemp Melton
G. Kemp Melton, Mayor

Mayor Melton presented the Proclamation to Cheryl Malano.

Received and filed.

MISCELLANEOUS RESOLUTION

Resolution No. 999-98

Introduced by Mayor G. Kemp Melton and
Members of Charleston City Council

Resolution No. 999-98 - "Paying tribute to the late Frederick L. Marshall on behalf of the citizens of Charleston; expressing sympathy to his family."

WHEREAS, the City of Charleston, its residents, businesses and institutions suffered a great loss on August 12, 1998, with the untimely death of Chief of Police Frederick L. Marshall; and

WHEREAS, Chief Marshall was known and saluted by one and all as a man of honesty, courage, dedication and conviction; and

WHEREAS, Chief Marshall was born in Charleston, graduated from West Virginia State College, the Federal Bureau of Investigation National Academy, the Academy of Military Science, the NCO Academy, and attended Marshall University; and

WHEREAS, he joined the Charleston Police Department on August 13, 1973, rising through the ranks to serve as beat patrolman, drug unit investigator, detective, budget officer, detective supervisor and commander of the East End District; and

WHEREAS, in 1996, he was appointed Chief of Police, a position he held with dignity, fairness, modesty and good humor until the time of his death; and

WHEREAS, when diagnosed with the tragic disease that would claim his life, Chief Marshall continued to display the determination and courage that were the hallmarks of his life; and

WHEREAS, despite this crippling illness, Chief Marshall remained at his post, issuing directives and leading the department in a fair and effective manner; and

WHEREAS, Chief Marshall, throughout his life, exemplified the very best of human nature, showing courage, love and compassion for his family, friends and all Charlestonians;

NOW THEREFORE, Be it Resolved by the Council of the City of Charleston, West Virginia: that we express the deep sorrow of the citizens of Charleston at the passing of Chief Frederick L. Marshall and convey our sympathy to his family.

FURTHER RESOLVED, that the City Clerk is hereby directed to provide a copy of this resolution to the family of Chief Frederick L. Marshall.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 999-98 adopted unanimously.

Mayor Melton presented the resolution to Chief Marshall's widow, Dee.

Mayor Melton announced the appointment of Cpt. Jerry Riffe to the office of Chief of Police. He will take the oath of office at 10:00 a.m., on Tuesday, August 18, 1998.

REPORTS OF STANDING COMMITTEES

CITY EMPLOYEES COMMITTEE

Councilman Chris Smith, Chairman of the Council Committee on City Employees, submitted the following report.

1. Your Committee on City Employees has had under consideration Resolution No. 967-98, "Requesting that the City of Charleston's "Affirmative Action Plan" be implemented thus maintaining trust and a working process whereby fairness and equal opportunity will be communicated in a culturally diverse work force."

And reports the same to Council with the recommendation that the committee report be adopted with previously noted corrections and the Cultural Diversity Panel's recommendations as presented.

Resolution No. 967-98--"Requesting that the City of Charleston's "Affirmative Action Plan" be implemented thus maintaining trust and a working process whereby fairness and equal opportunity will be communicated in a culturally diverse work force."

WHEREAS: Equal opportunity and treatment will be sustained and disparate treatment will not be tolerated; and

WHEREAS: Appropriate development training will be conducted for City employees to foster equity, opportunity, and empowerment for all employees;

NOW THEREFORE, Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Council of the City of Charleston, hereby approves and adopts the "Affirmative Action Plan" for the City of Charleston.

CITY OF CHARLESTON
WEST VIRGINIA

AFFIRMATIVE ACTION PROGRAM

(REVISED MARCH 1998)

PREFACE

"Freedom is the right to share, fully and equally, in American Society -- to vote, to hold a job, to enter a public place, to go to school. It is the right to be treated, in every part of our national life, as a man equal in dignity and promise to others.

"But freedom is not enough. You do not wipe away the scars of centuries by saying Now, you are free to go where you want, do as you desire, and choose the leaders you please

"You do not take a man who, for years, has been hobbled by chains, liberate him, bring him to the starting line of a race, saying, 'You are free to complete with all the others', and still justly believe you have been completely fair

"Thus it is not enough to open the gates of opportunity. All our citizens must have the ability to walk through those gates.

"This is the next and the more profound state of the battle for civil rights. We seek not just freedom but opportunity -- not just legal equity but human ability -- not just equality as a right and a theory, but equality as a fact and a result.

"For the task is to give twenty million Negroes the same chance as every other American to learn and grow -- to work and share in society -- to develop their abilities -- physical, mental and spiritual, and pursue their individual happiness.

"To this end equal opportunity is essential, but not enough. Men and women of all races are born with the same range of abilities. But ability is not just the product of birth. It is stretched or stunted by the family you live with, and the neighborhood you live in -- by the school you go to and the poverty or richness of your surroundings. It is the product of a hundred unseen forces playing upon the infant, child and the man."

PRESIDENT LYNDON B. JOHNSON
Howard University Commencement Address
June 4, 1965

INTRODUCTION

In recent years the City of Charleston has made changes in its commitment toward insuring the availability of equal opportunity for all citizens

These changes affect men and women without regard to race, sex, religion, national origin or disability and provide an atmosphere for advancement in City Hall and related entities which makes it clear that quality of performance is the major criteria upon which employment and promotions are based.

There are five major Federal Laws and one Executive Order that delineate the legal requirements that companies must meet to comply with equal employment regulations and they are:

1. Title VII of the Civil Rights Act of 1964
2. The Equal Pay Act of 1963
3. The Age Discrimination in Employment Act of 1967 As Amended
4. Rehabilitation Act of 1973
5. Americans With Disabilities Act of 1990
6. Executive Order 11246

Also, with the passage of the Equal Employment Act in 1972, state and local governments have become subject to the provisions against discrimination. The courts are authorized by the Act to enjoin unlawful conduct to order affirmative relief as appropriate, including back pay for up to two years before the filing of a charge.

But, as Dwight D. Eisenhower stated in 1964: "Equal opportunity and mutual respect are matters not only of law, but also of the human heart and spirit, and the latter are not always amenable to the law."

Therefore, the development, implementation and regular evaluation of the City of Charleston's Affirmative Action Program is one way by which we strive to ensure equal opportunity to all citizens.

Affirmative Action does not mean that we will give "preferential treatment" to minorities, females or disabled persons, or "discriminate in reverse". Reinforcement of merit employment concepts is the goal of our Affirmative Action Program, everyone may have the opportunity to enter public service on the basis of open competition and advancement according to their relative abilities.

The City of Charleston's Affirmation Action Program accomplishes this goal in a positive and constructive manner by doing away with barriers such as inadequate publicity about job openings, unrealistic job requirements, tests which lack validity and insufficient opportunity for upward mobility.

AFFIRMATIVE ACTION POLICY STATEMENT

The 1991 version of the Civil Rights Act passed by Congress and signed into law by the President of the United States expands opportunities for minority groups, women and disabled persons

The leaders of the City of Charleston are deeply receptive and committed to the new concept of FAIR and EQUAL treatment for all; therefore, it shall be the Policy of the City of Charleston to provide Fair and Equal Opportunity under the law at every level of government.

The primary motivation of this administration is to provide the best public service possible for the people of the City of Charleston. Therefore, an effective Affirmative Action/Equal Opportunity Program will be an integral part of this administration.

The City of Charleston, through its Human Resource Department and Human Rights Commission, continues to enforce its Affirmative Action/Equal Opportunity in employment policies and practices.

G. Kemp Melton
Mayor

GENERAL OBJECTIVES

1 It shall be the promotional and hiring objective of the City of Charleston that no employee or prospective employee be favored or discriminated against because of race, color, religion, national origin, ancestry, sex, age or disability.

2 According to the 1990 U. S. Census, the Charleston Metropolitan Area has a minority workforce of 6%, a female workforce of 45%, and a disabled workforce of 5%. The City of Charleston has analyzed its Workforce Statistics and compared this information to the Metropolitan Area Statistics. (See pages 8-11). The City will take affirmative steps to maintain employment of minorities, females and disabled persons and offer them opportunities for advancement within the City.

3 The City of Charleston shall continue its present policy of seeking employment applications from qualified minorities, disabled and female applicants.

4 The City of Charleston will make a continuous effort to distribute minorities, females and disabled individuals throughout all job levels in city services, where feasible.

AFFIRMATIVE ACTION PLAN

TOP LEVEL SUPPORT

1. The Affirmative Action Program of the City of Charleston is the responsibility of the Mayor, Department Heads, and all other supervisory personnel. The Plan commits all employees of the City of Charleston to support the Affirmative Action Policy on a continuing basis.

2. The Affirmative Action Coordinator, appointed by the Mayor, has the responsibility of the administrative duties of the Affirmative Action Program. These duties shall include, but not be limited to, the following:

   a. Take necessary steps to provide for effective communication to assure that all employees of the City of Charleston are knowledgeable of the City's Affirmative Action Program. Develop and conduct meetings, hearings, workshops, etc., necessary to achieve communication and compliance with the City's Affirmative Action Program.

   b. Administrative duties of the Affirmative Action Program in concert with relevant city departments to educate prime contractors, subcontractors, vendors and suppliers conducting business with the City.

   c. Establish and maintain a data system of available and germane training and educational programs, both formal and in-service, and encourage minorities, females and disabled persons to increase their skills and job potential. Assist department heads and supervisory personnel to encourage employees toward career development with the City of Charleston.

   d. Assist department heads with an annual employee review to determine employee's interests and skills with respect to higher level positions and assist, as applicable employees to secure necessary qualifications for higher level positions.

   e. Refer and assist employees in registering complaints of discrimination on the basis of race, religion, national origin, sex, ancestry, disability or age, relating to employment policies and practices of the City of Charleston. Advise the complainant of the City's grievance procedures in the rules and regulations governing city employees, as well as other appropriate agencies with which complaints may be filed.

   f. Serve as liaison person between the City Administration and the community

   g. Maintain separate data bank with affirmative action information (race, religion, national origin, sex, age and education level) completely confidential.

3. Responsibilities and duties of the Personnel Officers for each city department, including the

civilian employees of the Fire and Police Departments, as they relate to the Affirmative Action Program of the City of Charleston, include the following:

a. Assist Affirmative Action Coordinator in development of educational and training programs in implementation of goals and objectives of the Affirmative Action Program.

b. Develop and maintain job descriptions for all levels of employment to include, but not be limited to: educational requirements, experience, duties and pay scale.

c. Post vacancies and job descriptions so that prime consideration may be given to current employees citywide using the employee reviews, and keeping in mind that quality of performance is a major criteria.

d. Monitor the City's progress under the terms of the Affirmative Action Program and report any deficiencies to the Mayor.

e. Assist and encourage all city staff to extend their full cooperation and assistance to the Affirmative Action Coordinator in performing his/her duties.

f. Provide whatever employment-related information which may be required by any employee including minorities, female and disabled employees and encourage its utilization.

4. Heads of departments and supervisory personnel are reminded that passive prohibition of discriminatory acts is not enough. Only through programs of definite affirmative action to promote equal opportunity can most major employers live up to today's standards of equal opportunity. Department heads and supervisory personnel are encouraged to:

a. Give equal employment consideration to all employees based on race, sex, color, religion, age or disability regardless of any presumption of public or employee reaction.

b. Conduct employee reviews and make use of these reviews to assure that promotional opportunities are extended in compliance with the program.

c. Assist the Human Resources Director in recruitment efforts that are tailored to reach the employment disadvantaged.

d. Further the relief of minorities, female and the disabled in securing employment opportunities in the City.

5. The Mayor shall have the responsibility to annually review and evaluate the Affirmative Action Program and its administration.

6. The proper agencies of the City of Charleston will apply for available Federal Funds which contribute to the concept of equal opportunity employment in the City of Charleston and are consistent with the goals, plans and objectives of the City.

CURRENT STATUS AND LONG TERM GOALS

MINORITIES

The overall percentage of minorities in the workforce in the Charleston Metropolitan Statistical Area is 6%. The City of Charleston currently employees 17% minorities. Goals have been established and the City will continue to try to strive toward the ongoing recruitment of minorities.

FEMALES

The City of Charleston employment percentages for females is currently 23%, which is below the Charleston Metropolitan Statistical Area average of 45%. The Human Resources Department estimates an average of fifty (50) positions (new and vacated) are filled each year. The City of Charleston will attempt to fill as many of these positions as possible with eligible qualified female applicants in order to increase its percentage.

DISABLED PERSONS

The 1990 Census shows the approximately 5,217 persons in the labor force (5%) have a mobility-limitation and/or a work disability. The EEO-4 survey does not include this information and the City is currently developing a method of tracking the employment of disabled persons.

WORK FORCE ANALYSIS

SEE PAGES 9 & 11

WORK FORCE ANALYSIS - 1990 CENSUS INFORMATION

METROPOLITAN STATISTICAL AREA - CHARLESTON, WEST VIRGINIA

DISABILITY	WHITE	BLACK	OTHER MINORITIES	MALE		FEMALE
Totals Occupation	105,667 (94%)	5,794 (6%)	448	61,745 (55%)	50,547 (45%)	5,217 (5%)
Professional/Administrative/ Management	26,458 (95%)	1,143 (5%)	141	14,703 (53%)	13,226 (47%)	
Technical	4,484 (95%)	217 (5%)	15	2,322 (49%)	2,428 (51%)	
Sales	14,289 (95%)	668 (5%)	41	8,251 (55%)	6,824 (45%)	
Administrative Support/ Clerical	19,573 (94%)	1,285 (6%)	130	4,135 (20%)	16,791 (80%)	
Service Occupation	12,994 (90%)	1,376 (10%)		5,950 (41%)	8,552 (59%)	
Agricultural	945 (97%)	31 (3%)	5	803 (82%)	173 (18%)	
Precision Production	12,899 (97%)	405 (3%)		12,672 (95%)	663 (5 %)	
Operators/Laborers	14,025 (95%)	669 (5%)	46	12,909 (87%)	1,890 (13%)	

WORK FORCE ANALYSIS

COMPARISON FROM 1992/1993 CITY OF CHARLESTON, WEST VIRGINIA -- CITY GOVERNMENT*

	WHITE	BLACK	OTHER MINORITIES	MALE	FEMALE	DISABILITY
Total Employees - {860}	719 (83.6%)	141 (16.4%)	1	680 (79%)	180 (21%)	***
Professional/Administrative/ Management - {100}	91 (91%)	9 (9%)		95 (95%)	5 (5%)	
Technical/Precision - {143}	130 (91%)	13 (9%)		131 (92%)	2 (8%)	
Protective Services - {272}	232 (85%)	40 (15%)		247 (91%)	25 (9%)	
Administrative Support/ Clerical - {243}	213 (88%)	30 (12%)		112 (46%)	131 (54%)	
Operators/Laborers - {102}	53 (52%)	49 (48%)		95 (93%)	7 (7%)	

* Information taken from 1992-93 EEO-4 Report completed by Human Rights Commission & MOECD
*** Disability status is not included on the EEO-4 Form

COMPARISON FROM 1994/1995 CITY OF CHARLESTON, WEST VIRGINIA -- CITY GOVERNMENT**

	WHITE	BLACK	OTHER MINORITIES	MALE	FEMALE	DISABILITY
Total Employees - {791}	638 (80.6%)	152 (19.4%)	1	656 (82.9%)	135 (17.1%)	***
Professional/Administrative/ Management - {189}	167 (88.3%)	22 (11.7%)		164 (86.8%)	25 (13.2%)	
Technical/Precision - {123}	112 (91.1%)	11 (8.9%)		98 (79.7%)	25 (20.3%)	
Protective Services - {219}	179 (81.7%)	40 (8.3%)		200 (91.3%)	19 (8.7%)	
Administrative Support/ Clerical - {88}	70 (79.5%)	18 (20.5%)		23 (26.1%)	65 (73.9%)	
Operators/Laborers - {172)	110 (64%)	62 (36%)		171 (99.4%)	1 (0.6%)	

** Information taken from 1994-95 EEO-4 Report completed by Human Rights Commission & mailed to DC 12/27/95
*** Disability status is not included on the EEO-4 Form

DETERMINATION OF ESTIMATED AVAILABILITY IN THE CHARLESTON SMSA

Census data and national labor force projections from the 1990 Census were used to develop figures for the projected availability of minorities and females. The estimated availability for the overtime eligible positions (non-exempt) is based on data collected for the SMSA or local recruitment area

For the local government occupations listed below, the corresponding figures represent total metro area availability:

Occupations	Total Both Sexes	White	Black	Other	Total	White Male	Black	Other	Total	White Female	Black	Other
Professional/Managerial/ Administrative	12,509	11,955	496	58	7,558	7,242	258	58	4,951	4,713	238	0
Technical/Precision	13,335	12,899	405	31	12,672	12,282	365	25	663	617	40	6
Protective Services	1,681	1,569	102	10	1,500	1,414	81	5	181	155	21	5
Administrative Support/ Clerical	20,926	19,573	1,285	68	4,135	3,825	283	27	16,791	15,748	1,002	41
Operators/Laborers	14,799	14,025	669	105	12,909	12,260	566	83	1,890	1,765	103	22
Totals	63,250	60,021	2,957	272	38,744	37,023	1,553	198	24,476	22,998	1,404	74

CITY DATA -- MUNICIPAL OCCUPATION REQUIREMENTS

The following pages provide data calculated from the City of Charleston work force. This data is divided into 4 parts: ***occupations*** for which the City of Charleston would require a 4-year college degree; ***occupations*** for which the City of Charleston would require some college, ***occupations*** for which the City of Charleston would require special training/skills; and ***occupations*** which re unskilled labor.

Requirements for City occupations are outlined below:

4-years or more college degree	*2-year college degree*	*special training*	*unskilled laborer*
department heads	traffic signal maintenance repair personnel	line technicians	custodians
auditors	computer technicians	automotive repair	
attorneys		uniformed services	
engineers		office managers	
planners		clerical support	
		building inspectors	
		housing officers	
		metro personnel	
		maintenance personnel	
		equipment operators	

1990 CENSUS DATA - EDUCATIONAL ATTAINMENT CITY OF CHARLESTON

	TOTALS (exclusive of race/gender)
Less than 9th Grade	3,702
9th - 12th Grade (no diploma)	5,458
High School Graduate	11,079
Some College (no degree)	6,798
Associates Degree	1,711
Bachelors Degree	7,051
Graduate/Professional Degree	4,463
%High School Graduates or Higher	77.2%
%Bachelors Degree or Higher	28.6%

UTILIZATION ANALYSIS & ESTABLISHMENT OF EEO GOALS & TIMETABLES

1) Introduction:

The Charleston Civil Service Code addresses the following employment areas:

Composition of work force
Applicant process
Selection procedures
Transfer/promotion procedures
Seniority
Training
Education assistance - (none)

See Appendix Section for the Charleston Civil Service Code.

2) Job Groups Underutilized* for Minorities and Females:

Municipal Department Heads	15% minority	11% female	0% Minority female
Professional levels	15% minority	39% female	5% Minority female
Semi-skilled/Laborers	27% minority	5% female	3% Minority female
Uniformed Services - Police	11% minority	7% female	2% Minority female
Uniformed Services - Fire	11% minority	5% female	2% Minority female

*The use of the word *"underutilized"* in this narrative conforms to the use of that term in the regulations of the Office of Federal Contract Compliance Programs and should in no way be understood to be an admission of deficiency, shortcoming or impropriety with respect to the City's employment policies and practices.

3) Summary:

The City is committed to hiring qualified people and to promoting from within the City where possible according to job qualification. The City must adhere to the Charleston Civil Service Code in all employment matters, but will strive to hire qualified minorities and females whenever and wherever possible.

1990 CHARLESTON

POPULATION - CHARLESTON CITY LIMITS

Minority	16%
Female	54%
Disabled	7%
Male	23%

MSA WORKFORCE

Minority	6%
Female	45%
Disabled	5%
Male	44%

1/1/97 to 12/31/97 - TOTAL CITY EMPLOYEES - TOTAL -- 919 (includes uniformed)

Male	753
Female	166
Black	155
White	764
Spanish American	0
Asian American	0
American Indian	0

LEVEL	TOTAL	MINORITY	WHITE	FEMALE	MINORITY FEMALE
Department Heads/ Upper-level Management	36	3 - 9%	33 - 91%	11 - 31%	0 - 0%
G (Professional)	97	15 - 15%	82 - 85%	38 - 39%	5 - 5%
C (Clerical/Support Staff)	75	12 - 16%	63- 84%	65 - 87%	11 - 15%
PG (Skilled, Semi-skilled, and Laborers)	291	78 - 27%	213 - 73%	14 - 5%	8 - 3%
Fire	200	21 - 11%	179 - 89%	9 - 5%	3 - 2%
Police	182	20 - 11%	162 - 89%	12 - 7%	3 - 2%
R (Recreation)	8	4 - 50%	4 - 50%	3 - 4%	2 - 25%
TC (Telecommunications)	30	2 - 7%	28 - 93%	14 - 47%	2 - 7%
Totals	919	155 - 17%	764 - 83%	166 - 18%	34 - 4%

AFFIRMATIVE ACTION PROGRAM FOR MINORITIES AND WOMEN

EQUAL OPPORTUNITY POLICY: REAFFIRMATION AND DISSEMINATION

REAFFIRMATION

The City of Charleston has a tradition of good employee and community relations. Its commitment to equal employment opportunity is expressed by G. Kemp Melton, Mayor of Charleston, in the city Policy which appears in the Policy Manual. This policy is posted on bulletin boards throughout the city and describes the City's position on equal employment opportunity while notifying individual managers and department heads of their responsibilities.

DISSEMINATION

The Equal Opportunity Policy is disseminated to employees and the local community in a variety of ways.

Internally:

1. The Policy along with the Department of Labor's poster "Equal Opportunity is the Law" is posted on the appropriate bulletin boards.

2. It appears in the City Policy Manual which is disseminated to all locations.

3. Articles appear in company publications regarding the City's commitment to equal employment opportunity.

4. Supervisors and managers are trained in the EEO practices and policies and are informed of their individual responsibility to implement and follow these practices and policies.

5. The City of Charleston's equal employment opportunity policies and practices are incorporated into the employee orientation program and management training seminars

6. Communications to supervisory personnel stress that the employment and advancement of minorities, women, disabled individuals, disabled veterans and veterans of the Vietnam era are managerial responsibilities and that their performance

is evaluated on the basis or their equal employment opportunity efforts and results, as well as other criteria.

7. The EEO program is discussed at divisional and department meetings.

8. Employees are informed of the existence of the Affirmative Action Plan, and that it is available for review in the personnel office during normal working hours.

9. Non-discrimination clauses are included in all of the city's contractual agreements.

Externally:

1. Written notification of the City's EEO commitment is forwarded to external employment referral sources.

2. Written notification of the City's EEO commitment is forwarded to contractors, vendors and suppliers.

3. The equal opportunity clause is incorporated into the City's purchase orders, contracts, etc. covered b y Executive Order 11246, as amended.

4. The City is identified as an Equal Opportunity Employer in all recruitment advertisements.

5. Information regarding the City's Affirmative Action Policy is made available to prospective employees so they can avail themselves of its benefits.

AFFIRMATIVE ACTION PROGRAM FOR MINORITIES AND WOMEN

DEVELOPMENT & EXECUTION OF ACTION ORIENTED PROGRAMS

The City of Charleston consists of action-oriented programs developed to ensure equal opportunity in employment, to advance the economic development of protected group members, and to contribute to the improvement of employment, housing, education, and health care in communities where city employees and residents work and live. The components of the City of Charleston's program: Equal Employment Opportunity, Economic Development and Community Affairs, are built upon the premise that it makes good business sense for the City not only to maintain but also strengthen its tradition of good employee and community relations. The City of Charleston's program provides an integrated strategy for implementing the City's policy described.

In keeping with the City's Equal Employment Opportunity Program, job opportunities in this city are made available to qualified employees and applicants regardless of race, color, religion, sex, age, national origin, disability or status as a disabled veteran or veteran of the Vietnam era. The EEO Program is adopted in good faith, in conformity with, and in reliance upon the OFCCP's *Compliance Responsibility for Equal Employment Opportunity: Consolidated of Functions Pursuant to Executive Order 11246*, and the *Uniform Guidelines on Employee Selection Procedures*. The City of Charleston regularly reviews its established qualifications and other selection criteria for all open jobs in order to determine if the job requirements accurately reflect the actual functions and duties of the position. During these reviews, a special effort is made to ensure that selection criteria and requirements do not improperly screen out a disproportionate number of protected and/or non-protected group members.

The job requirements are then promulgated through internal and external recruiting programs. Internally, the citywide interdepartmental job posting informs employees of job openings with a description of the qualifications and the assigned duties and responsibilities. Such information enables all employees to apply for those positions for which they feel qualified and which are compatible with their interests and talents. This program provides a means for employees to achieve their personal goals while enabling the City to not only meet its staffing requirements, but also to afford employees advancement opportunities.

When an external search is required, notification of the vacancy is forwarded to external employment referral sources in such a way as to ensure notification to all segments of the labor market. All personnel involved in the recruiting, screening and selection process are trained to ensure elimination of unlawful discrimination in all personnel actions. Charleston complements its selection and recruiting efforts by identifying qualified minorities and females to fill positions in job groups wherever possible.

Various sources are used in an attempt to attract minority and female applicants, e.g., internal job posting, listing positions with employment agencies that identify minority and female applications, listing positions with state and/or local employment bureaus, and encouraging referrals from

community and/or civic groups and setting up specific recruitment programs for uniformed services. All recruitment materials and advertisements include the phrase "Equal Opportunity Employer" and do not express sex, race, color, religion, national origin, age, disability or veteran status preferences. The Human Resources Office and department heads have encouraged qualified minorities and females to apply for "non-traditional" jobs within the City.

Over the past year, the following activities were aimed at increasing the upward and lateral mobility of minorities and women:

- Diversity Training Program sponsored by the Charleston Police Department and open to citywide employees.

- Mayoral appointment of the Blue Ribbon Panel on Cultural Diversity in December of 1996. (See attached Mission Statement). Final Report to be issued approximately July 1997.

- A City-commissioned study to draft a revised employee classification/compensation plan. Final draft due approximately July 1997.

INTERNAL SOURCING & DEVELOPMENT

It is the City of Charleston's policy to fill job vacancies from within the City whenever possible or practical. The internal sourcing, training, and development programs sponsored by the City provide employees with opportunities for advancement citywide.

INTERNAL SOURCING

Job opportunities may involved promotion, a move to an equivalent position, or a move to another field within the City which would enhance the employee's career opportunities with the City. Three means are used to identify people who might be interested in another job assignment: job positing; an employee's prior indication of interest to his/her supervisor or the Human Resources Department to be considered for a job, and recommendation by a manager or supervisor of an employee.

The primary method of identifying interested employees is through the job posting system. Available jobs are posted as vacancies occur on the bulletin boards in common areas. If an employee is interested in any of these jobs, he/she submits a job opportunity statement to the Human Resources Department (HR) within a specified time period. Applications are reviewed by HR and the appropriate supervisor. Interviews are scheduled with qualified applicants

Available to any employee who chooses to participate, the internal job posting system encourages open discussion with employees regarding other opportunities, while also affording employees the opportunity to be considered for positions of interest in various divisions and locations

The selection of applicants for specific jobs is based on objective criteria

1) The method for ranking candidates for employment is general, relevant and uniformly applied. There will be no discrimination in the employment process because of race, sex, religious, national origin or disability

2) Selection procedures (including written performance or oral tests, education and experience rating, structured interviews, reference vouchers, and application forms) are designed to prevent discrimination against minority groups, women and those who may be disabled. Further, these procedures are designed to assure that they objectively measure relevant job qualification requirements. Information obtained on application forms or verbally will be kept confidential unless such information is relevant to the job qualifications.

3) Each new employee will be given an Orientation Interview by a Human Resources Officer and will be given a copy of the city's Affirmative Action Program. The Department Head will then discuss any questions the employee might have on the Affirmative Action Policy as part of the department's orientation.

TRAINING

The City of Charleston offers employees the opportunity to enhance and develop a variety of management related skills by attending city-sponsored seminars and training sessions. These programs are offered on an annual basis. Participation is encouraged and afforded to employees without regard to race, color, religion, age, sex, national origin, disability, or veteran status. Also, the City of Charleston has many formal and informal on-the-job training programs which help employees develop skills that provide increased and broadened job opportunities.

The following training was provided on a citywide basis:

Management/Employee Relations -- 1996
Drug Testing Program Policies -- 1996
Civil Service Code -- 1996
Diversity Training - Police -- 1997
Individual Training - Skill Based

RECRUITMENT SOURCES

The following external sources will be variously utilized to fill positions at the City

Charleston Gazette & Charleston Daily Mail
Beacon Digest
Educational Institutions - Garnet, West Virginia State College

Organizations (of protected groups):
Shawnee Hills
Appalachian Center for Independent Living
Veterans
State Employment Service - all except Executive & Top Management vacancies
- except positions filled internally
- except vacancies of 3 days or less

DESIGN AND IMPLEMENTATION OF INTERNAL AUDIT AND REPORTING SYSTEMS

Progress toward the achievement of the affirmative action goals and timetables is reviewed locally, at the divisional level, and at the Mayor's office. Records of personnel transactions are maintained and monitored to ensure that nondiscriminatory policies are carried out. Reports are generated and reviewed by the Affirmative Action Coordinator regarding the attainment of affirmative action goals and timetables with the assistance from the Human Resources Office which compiles the EEO-4 report for the City. These results are reviewed at management meetings, and recommendations are made to take steps to improve the results where necessary.

COMPLIANCE OF PERSONNEL POLICIES PRACTICES WITH SEX, RELIGIOUS AND NATIONAL ORIGIN GUIDELINES

The City of Charleston complies with the *OFCCP Sex Discrimination Guidelines* set forth in 41 CFR Part 60-20, and *Guidelines on Discrimination Because of Religion or National Origin* in 41 CFR Part 60-50.

The City promotes and assures equal employment to all persons employed, or seeking employment without regard to sex.

Recruitment and Advertisement

- Both sexes are recruited for all jobs unless six is a bona fide occupational qualification.
- Advertising in newspapers and other media for employment does not express a sex preference. Advertisements are not placed in newspapers or other media columns headed "Males" or "Females". The phrase "***Equal Opportunity Employer***" is used in all advertisements.

Job Policies and Practices

- Written personnel policies indicate that there must be no discrimination against employees on account of sex.
- Employees and applicants of both sexes shall have an equal opportunity for any available job

that he or she is qualified to perform

- The City makes no distinction based upon sex in employment opportunities, wages, hours, or other conditions of employment.

- No distinction is made between married and unmarried persons of one sex that is not made between married and unmarried persons of the opposite sex.

- Maternity leave for female employees is granted on an individual basis dependent on the individual's physical condition and in accord with the City's leave policies within the Charleston City Code. Women will not be penalized in their condition of employment because they require time away from work for childbearing.

- Appropriate physical facilities are assured for employees of both sexes.

- The retirement policy is the same for all employees.

Seniority System

- Seniority lines and lists are not based on sex.

Discriminatory Wages

- Wage schedules are not related or based on the sex of employees. There is equal pay for equal work.

- The City does not discriminatorily restrict one sex to certain job classifications.

Affirmative Action

- The City makes a good faith effort to recruit and encourage women to apply for those jobs where they may have been previously underutilized.

- Distinctions based on sex will not be made in any training program.

Compliance with Guidelines on Discrimination Because of Religion or National Origin

- The City maintains a policy of non-discrimination with respect to religion and/or national origin. The City has reviewed its personnel policies and practices and determined that these policies do not have the effect of discriminating on the basis of religion or national origin.

- Neither applicants nor employees will be refused any position unless it is determined that reasonable accommodations cannot be made to his/her religious observances and practices without undue hardship on the conduct of the City's business.

COMMUNITY SERVICE AND OUTREACH

Within the City of Charleston's Equal Employment Opportunity (EEO) Program, the community service component is specifically designed to support national and local community development organizations whose activities are consistent with the City's objectives relative to training and education, employment, housing, economic development, health care and culture. Support is provided to such organizations at both the local and state level.

Following is a list of some organizations which have received and/or are currently receiving support from the City of Charleston:

Community Development Block Grant (CDBG) funded groups - can be financial or technical assistance
Human Rights training - community
Domestic Violence Grant - police
PIC Summer Youth Program placements
Shawnee Hills MH/MR

CONSIDERATION OF MINORITIES AND WOMEN NOT CURRENTLY IN THE WORK FORCE WHO CAN BE RECRUITED THROUGH AFFIRMATIVE ACTION

The City will: list positions with the local job services; list positions with placement organizations that provide job training (the City may provide technical or financial assistance to such organizations through MOECD); and list positions with minority and/or female placement organizations. The City will attempt to utilize a broader base for posting job vacancies in order to attract a more varied pool of qualified applicants. The City can consider some "flex-time" depending on departmental needs to alleviate child care restrictions.

List of minority/female organizations/businesses assisted through MOECD and the City.

AFFIRMATIVE ACTION PROGRAM
FOR
CHARLESTON, WEST VIRGINIA

Program completed by:	Human Resources Department MOECD
Title:	Judy King, Director Tracey Rowan, Director
Telephone number:	(304) 348-8015 (304) 348-8035
Program read and approved by:	Mayor G. Kemp Melton and Affirmative Action Committee
Telephone number:	(304) 348-8174
Name of corporation:	The City of Charleston
City's Headquarters:	City Hall, 501 Virginia Street East Charleston, WV 25301
City's federal identification number:	55-6000160
City's state tax exempt number:	55-840027K
Affirmative Action Coordinator:	Marshall P. Moss, Executive Director Human Rights Commission

IN WITNESS WHEREOF, the MAYOR has approved the revised Affirmative Action Program.

CITY OF CHARLESTON, WV

By _____
G. Kemp Melton

MAYOR
(Title)

Date _____

CITY'S AFFIRMATIVE ACTION COMMITTEE

MEMBER	POSITION	CITY DEPARTMENT
Tom Barton	Assistant City Manager Contract Compliance Officer	City Manager's Office
Chief Ray Stewart	Fire Chief	City Fire Department
Marshall Moss	Executive Director Affirmative Action Coordinator	City Human Rights Commission
Chris Canfield	Senior Assistant to the Mayor	Mayor's Office
Paul Gilmer	Director, Community Council of Kanawha Valley	Former Assistant City Manager and Senior Assistant to the Mayor
Judy King	Director	City Human Resources Department.
Chief Fred Marshall	Chief of Police	City Police Department
Tracey Rowan	Director	Mayor's Office of Economic and Community Development (MOECD)
Deborah Smith	Human Rights Investigator	City Human Rights Department
Dr. Ervin Griffin	Administrator	West Virginia State College

AFFIRMATIVE ACTION EMPLOYMENT OUTREACH

Appalachian Center for Independent Living
Elk Office Center, Suite C
4710 Chimney Drive
Charleston, WV 25302-4804
O - 965-0376 F - 965-0377

Black Male Coalition
Gordon A. Rowe
1512 Pinewood Park
Dunbar, WV 25064
O - 768-6326

CAMC Women & Childrens Division
P. O. Box 6669
(800 Pennsylvania Avenue)
Charleston, WV 25362
O - 348-2121 F - 348-2394

CAMC Women & Childrens Division
Family Resource Center
800 Pennsylvania Avenue
Charleston, WV 25302
O - 348-2545

Career Works Associates, Ltd.
1033 Quarrier Street East Suite 303
Charleston, WV 25301
O - 344-2273 F - 343-0328

Central Child Care of WV, Inc.
P. O. Box 5340
(1204 Virginia Street East)
Charleston, WV 25361
O - 340-3667 F - 340-3590

Center For Economic Options, Inc.
(formerly Women and Employment, Inc.)
601 Delaware Avenue
Charleston, WV 25302
O - 345-1298 F - 342-0641

Charleston Black Ministerial Alliance
Rev. Emmanuel A. Heyliger
Ferguson Baptist Church
124 Marshall Avenue
Dunbar, WV 25064
O - 768-8351 H - 768-7256

Charleston Economic & Community Development Corporation (CECDC)
P. O. Box 989
Charleston, WV 25324-0989
O - 343-3604 F - 343-3625

Charleston Housing Authority
P. O. Box 86
Charleston, WV 25321-0086
O - 348-6451 F - 348-6455

Charleston Human Rights Commission
915 Quarrier Street Suite 6
Charleston, WV 25301
O - 348-6880 F -

Family Service of Kanawha Valley, Inc.
Sexual Assault Services
922 Quarrier Street, Suite 201
Charleston, WV 25301
O - 340-3676 F - 340-3575

Goodwilll Industries of Kanawha Valley, Inc.
P. O. Box 2387
(209 Virginia Street West)
Charleston, WV 25328
O - 346-0811 F - 346-0815

Grace Bible Church
Rev. Matthew Watts
600 Kanawha Boulevard West
Charleston, WV 25302
O - 342-3249

Inroads/West Virginia, Inc
100 Capitol Street Suite 303
Charleston, WV 25301
O - 345-2494 F - 345-2496

Jim Paige Learning Center
1420 Virginia Street East Apt. 303
Charleston, WV 25301
O -353-8128 H - 343-5391

Mattie V. Lee Home, Inc.
810 Donnally Street
Charleston, WV 25301
O - 340-3693

Migration & Refugee Services
Diocese of Wheeling-Charleston
1033 Quarrier Street East Suite 105
Charleston, WV 25301
O - 343-1036

NAACP
P. O. Box 61
Charleston, WV 25321
O - 343-5237

National Organization for Women
Charleston Chapter (NOW)
P. O. Box 2655
Charleston, WV 25330
O - 357-7364

Opportunities Industrialization Center (OIC)
737 Virginia Street West
P. O. Box 761
Charleston, WV 25323
O - 344-9681 F - 344-5965

Private Industry Council (PIC)
405 Capitol Street Suite 506
Charleston, WV 25301
O - 344-5760 F - 344-5762

Religious Coalition for Community Renewal (RCCR)
1516 Washington Street E.
Charleston, WV 25311
O - 346-6398 F - 346-6417

West Virginia Bureau of Employment Programs
Employment Security, Job Service Office
P. O. Box 1349 (Plaza East)
Charleston, WV 25325
O - 558-0342 F - 558-0349

West Virginia Development Office
Small Business Department (Minority)
950 Kanawha Boulevard East
Charleston, WV 25301-2406
O - 558-2960 F - 558-0127

West Virginia Rehabilitation Services Center
Barron Drive
P. O. Box 1004
Institute, WV 25112
O - 766-4600 F - 766-4966

YMCA
300 Hillcrest Drive
Charleston, WV 25311
O - 340-3540

YWCA
1114 Quarrier Street East
Charleston, WV 25301
O - 340-3550 F - 340-3614

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Horan..

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 967-98 adopted unanimously.

ENVIRONMENT AND RECYCLING

Councilwoman Linda Nielsen, Chairman of the Council Committee on Environment and Recycling, submitted the following report.

1. Your Committee on Environment and Recycling has had under consideration Bill No. 6497, an Ordinance establishing a stormwater management operation within the City of Charleston. In accordance with the Charter of the City of Charleston and under the municipal powers of the City, the following ordinance is prescribed to establish a stormwater management operation. This ordinance shall establish a means to organize, operate, and manage such an operation; shall establish and provide for collection of stormwater service charges or user fees; shall provide for rates applicable thereto, and a method of calculation of such rates; and, shall delineate all things necessary for the full implementation of a stormwater management operation which shall include a comprehensive stormwater administrative code.

And reports the same to Council with the recommendation that the bill do pass.

Mayor Melton referred Bill No. 6497 to the Council Committee on Finance.

FINANCE

Councilman David J. Hardy, Chairman of the Council Committee on Finance, submitted the following reports.

1. Your Committee on Finance has had under consideration Bill No. 6431, as amended, closing, abandoning and discontinuing as public streets: That certain portion of 30th Street, SE, lying between Virginia Avenue, SE; and that certain portion of Hart Street, west of 30th Street, SE, for a distance of 50' m/l; and reserving sewer easements for the City of Charleston; and authorizing the Mayor to execute, acknowledge and deliver a proper deed conveying to the Charleston Area Medical Center, Inc., all right, title and interest in and to said above-described rights-of-way upon payment of One dollar ($1.00) by the petitioner.

And reports the same to Council with the recommendation that the bill, as amended, pass.

Bill No. 6431, as amended,--"A bill closing, abandoning and discontinuing as public streets: That certain portion of 30th Street, SE lying between Virginia Avenue, SE; and that certain portion of Hart Street west of 30th Street, SE for a distance of 50 ft.; said streets situate in the City of Charleston, West Virginia, and reserving sewer easements for the City of Charleston.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1a. That certain portion of 30th Street, SE right-of-way lying between Virginia Avenue, SE and Hart Street is hereby closed, abandoned and discontinued.

1b. That portion of Hart Street right-of-way west of 30th Street, SE for a distance of 50 ft. to the common property corner of Lots 14 and 15 of Block "E" of Kanawha City, is hereby closed, abandoned and discontinued.

2. The City of Charleston hereby reserves a sewer easement for the full length and width of the above-described rights-of-way for the purpose of construction, maintenance, repair and removal of storm and sanitary sewer lines. No person shall construct improvements, plant trees or other vegetation, or take any other action which would interfere with this easement, nor alter the present surface profile or contour of the subject rights-of-way by more than one (1) foot without the written permission of the Charleston Sanitary Board and Charleston City Engineer.

3. The Mayor of the City of Charleston be, and is hereby, authorized and directed to execute, acknowledge and deliver a proper deed conveying to the Charleston Area Medical Center, Inc., all right, title and interest in and to said above-described rights-of-way, except as described in Section 2 of this bill, and provided a restrictive covenant limiting use of the above described right-of-way to surface parking and/or landscaping.

4. All prior ordinances, or parts of ordinances, inconsistent with this bill are hereby repealed to the extent of such inconsistency.

The question being on the passage of the bill a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Horan.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6431, as amended, passed unanimously.

2. Your Committee on Finance has had under consideration Bill No. 6510, authorizing the acquisition and construction of improvements to a public facility and the issuance of Civic Center Improvement Bonds, Series 1998, Of The City of Charleston, in the amount of $3,500,000, to finance the acquisition, construction, equipping and improvements to a public facility; defining and prescribing the terms and provisions of the Bonds; providing generally for the rights and remedies and security of the holders of the Bonds; providing a statutory mortgage

lien on specified tax revenues dedicated for such purposes and providing general terms and providing when this Ordinance shall take effect.

And reports the same to Council with the recommendation that the bill pass.

Bill No. 6510--" Ordinance authorizing the acquisition and construction of improvements to a public facility and issuance of Civic Center Improvement Bonds, Series 1998, Of The City of Charleston, in the amount of $3,500,000, to finance the acquisition, construction, equipping and improvements to a public facility; defining and prescribing the terms and provisions of the Bonds; providing generally for the rights and remedies and security of the holders of the Bonds; providing a statutory mortgage lien on specified tax revenues dedicated for such purposes and providing general terms and providing when this ordinance shall take effect.

Be it Ordained and Enacted by the Council of the City of Charleston, West Virginia:

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ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is adopted pursuant to the provisions of Chapter 8, Article 16 of the West Virginia Code, as amended (the "Act") and other applicable provisions of law.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The City of Charleston (the "City" or "Issuer") is a municipal corporation and political subdivision of the State of West Virginia located in Kanawha County, West Virginia.

B. The Issuer now has a public facility known as the Charleston Civic Center Coliseum which it desires to improve and expand. It is deemed essential, convenient and desirable for the welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain additions, betterments and improvements to the Charleston Civic Center Coliseum (sometimes referred to herein as the "Facility") so as to improve the public comfort and convenience of residents of the City, including the construction and installation of all necessary appurtenant facilities (the "Project"), and generally described as and necessary appurtenances particularly described in and according to the plans and specifications prepared by the Consulting Engineer for the Project and heretofore filed in the office of the City Clerk of the City Council (the "Governing Body") of the Issuer. The construction and acquisition of the Project and the financing hereby authorized and provided for are public purposes of the Issuer.

C. It is necessary for the Issuer to issue its revenue bond in the aggregate principal amounts of $3,500,000 to finance the costs of such construction and improvements in the manner hereinafter provided.

D. The estimated cost of the construction of the Project is $3,500,000, which will be obtained from the proceeds of sale of the Series 1998 Bonds herein authorized. The cost of such

construction shall be deemed to include, without being limited to, the construction or acquisition of the Project, the acquisition of any necessary property, real or personal, or any interest therein; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and such other expenses as may be necessary or incidental to the construction of the Project and the financing authorized hereby.

E. The period of usefulness of the Facility after completion of the Project is not less than twenty-five (25) years.

F. There are currently no outstanding obligations of the Issuer with which the Bonds will rank on a parity as to lien on and source of and security for payment.

G. The Issuer is not in default under the terms of any document and has complied with all requirements with respect to the issuance of Bonds.

H. The estimated revenues to be derived in each year from hotel and motel taxes, amusement taxes and coal severance taxes will be sufficient to pay all the principal of and interest on the Bonds (as hereinafter defined) and all debt service, reserve fund, if any, and other payments provided for herein.

I. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of the Bonds.

J. It is in the best interests of the Issuer that the Bonds be sold to Crews & Associates, Inc. (the "Purchaser"), pursuant to the terms and provisions of a Bond Purchase Agreement dated _____, 1998.

Section 1.03. Ordinance to Constitute Contract. In consideration of the acceptance of the Bonds by the Purchaser, this Ordinance (the "Ordinance") shall be deemed to be and shall constitute a contract between the Issuer and the Purchaser, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owner of the Bonds.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the text otherwise expressly requires:

"Act" means Chapter 8, Article 16 of the West Virginia Code, as amended.

"1998 Bonds", "1998 Series Bonds" or "Bonds" means the $3,500,000 City of Charleston Civic Center Improvement Bonds, Series 1998, authorized by this ordinance.

"City Clerk" means the City Clerk of the Governing Body.

"Commission" means the West Virginia Municipal Bonds Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineer" means _____, Charleston, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the Project.

"Costs" or "Costs of the Project" means those costs described in Section 1.02 hereof to be a part of the cost of acquisition, construction and equipping of the Project.

"Depository Bank" means _____ Bank, Charleston, West Virginia, a bank or trust company which is a member of FDIC and its successors and assigns or such other qualified bank or trust company designated now or hereafter by Issuer.

"Facilities" or " facilities" means all the land and tangible properties of the Charleston Civic Center Coliseum and also any tangible properties which may hereafter be added to the Facility by addition, betterments, extensions and improvements thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the City Council of the Issuer.

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America.

"Herein" means in this Ordinance.

"Holder of the Bonds" or any similar term means any person who shall be the registered owner of the Bonds.

"Issuer" or "City" means City of Charleston, Kanawha County, West Virginia, and, where appropriate, also means the Governing Body.

"Mayor" means the Mayor or the Acting Mayor of the Governing Body.

"Net Revenues" means the collection of a sufficient amount of hotel and motel taxes, amusement taxes, and coal severance taxes to pay the debt service on the Series 1998 Bonds.

"Ordinance" means this Ordinance and all resolutions supplemental hereto.

"Project" shall have the meaning stated in Section 1.02 B. above.

"Purchaser" means Crews & Associates, Inc. and any successor thereto.

"Qualified Investments" means and include any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidence of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank Facility; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any Bonds, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia State

Board of Investments pursuant to Chapter 12, Article 6, of the West Virginia Code of 1931, as amended; and

(i) Obligations of states or political subdivisions or agencies thereof, the interest on which is excluded from gross income for federal income tax purposes, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Registrar" or "Bond Registrar" means _____ Bank, Charleston, West Virginia, or any successor thereto.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations; words importing the masculine, feminine or neuter genders shall include any other gender; and any requirement for execution, sealing and/or attestation of the Bonds or any certificate or other document by the City Clerk shall mean that such Bond certificate or other document which may be executed, sealed and/or attested by an Acting City Clerk.

ARTICLE II

AUTHORIZATION OF ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT

Section 2.01. Authorization of Acquisition, Construction and Equipping of the Project. There is hereby authorized the acquisition, construction and equipping of the Project, at an estimated cost of $3,500,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bonds hereby authorized shall be applied as provided in Article IV hereof.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUANCE OF BONDS

Section 3.01. Authorization of Bonds. Subject and pursuant to the provisions hereof, the Bonds of the Issuer to be known as "City of Charleston, Civic Center Improvement Bonds, Series 1998" in the principal amount of $3,500,000, is hereby authorized to be issued for the purpose of financing the cost of the acquisition, construction and equipping of the Project.

Section 3.02. Description of Bonds. The Bonds shall be issued in registered form, from No. R-1 upward, and shall be dated on the date of delivery. The Bonds shall bear interest from date, payable monthly at the rates per annum and shall be sold for the par value thereof as set forth herein or in a Supplemental Resolution.

The Bonds shall be subject to prepayment of scheduled monthly installments, or any portion

thereof, at the option of the Issuer and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor or and its corporate seal shall be affixed thereto and attested by the City Clerk, and the Mayor or and the City Clerk are hereby authorized to execute the Bonds and such other documents as are necessary to finalize this transaction. In case any one or more of the officers who shall have signed or sealed the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Negotiability, Registration, Transfer and Exchange of Bonds. The Bonds shall be and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, but the Bonds may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.05 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bonds for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Registrar. No interest in the Bonds shall be transferable except by means of transfer of registration of the Bonds representing such interest and delivery of a new Bond or Bonds in exchange therefor in accordance with this Bond Ordinance.

Whenever the Bonds shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Registrar with respect to such transfer.

No registration of transfer of a Bond shall be permitted to be made after the 15th day next preceding any installment payment date on that Bond.

Section 3.05. Registrar. The Registrar will keep or cause to be kept by its agent at its office, sufficient books for the registration and transfer of the Bonds, and upon presentation for such purpose, the Registrar shall, under such reasonable regulations as it may prescribe, register the Bonds initially issued pursuant hereto and register the transfer, or cause to be registered by its agent, on such books, the transfer of the Bonds as hereinbefore provided.

The Registrar shall accept the Bonds for registration or transfer only if ownership thereof is to be registered in the name of an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or social security

numbers of the settlor and beneficiaries of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law.

Section 3.06. Bond Mutilated, Destroyed, Stolen or Lost. In case any of the Bonds shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his, her or its ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Bonds shall be secured forthwith by a lien on the Net Revenues derived from and a statutory mortgage lien on the hotel and motel taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14 (b) of the Code of West Virginia of 1931, as amended), amusement taxes and coal severance taxes pledged therefor.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or any supplemental resolution adopted after the date of adoption hereof and prior to the issuance thereof:

(FORM OF BOND)

No. R-__ $_____

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
____%	____, 1998	_____, _____	____

REGISTERED OWNER: THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: $ _____

FOR VALUE RECEIVED, the CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer"), hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York, New York, or at such other place as may hereafter be designated in writing, the principal sum of _____ and 00/100 Dollars ($_____), plus interest on the unpaid principal balance at the rate of _____ (___%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on _____ 1 and _____ 1 of each year, beginning _____ 1, 1998, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Issuer. Refunds and extra payments according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Registered Owner at any time assigns this Bond and insures the payment thereof, Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

This Bond, together with any additional Bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer, is payable solely from the revenues to be

derived from the collection of hotel and motel taxes, amusement taxes and coal severance taxes. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 16 of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, the CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

CITY OF CHARLESTON

(SEAL)

By:_____
Mayor

ATTEST:

By: _____
City Clerk

CERTICIATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: _____

_____
as Registrar

By: _____
Authorized Officer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED: _____.

_____

In the presence of:

_____

ARTICLE IV

REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created and established with and shall be held by the Depository Bank, separate, distinct and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund; and

(2) Project Construction Account.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special fund is hereby created and established with the Commission:

(1) Series 1998 Bonds Sinking Fund.

Section 4.03. Bond Proceeds; Project Construction Account. All moneys received from the sale of the Bonds shall be deposited upon receipt by the Issuer in the Depository Bank, a member of Federal Deposit Insurance Corporation (FDIC), in a special account hereby now established and designated as "City of Charleston Civic Center Facility Construction Account (herein called the "Project Construction Account"). The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by such bank by securities or in a manner lawful for the securing of deposits of state and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

If the Issuer shall determine at any time that all funds on deposit in the Project Construction Account exceed the estimated disbursements on account of the Project for the ensuing ninety (90) days, the Issuer may invest such excess funds in Qualified Investments.

Pending application as provided in this Section 4.03, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When construction and improvements of the Project have been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the Project Construction Account shall be promptly transmitted to the Commission with directions that such funds be used immediately to redeem or prepay the 1998 Bonds from which construction account the funds derived.

Section 4.04. Covenants of the Issuer as to Revenues and Funds. So long as any of the Bonds shall be outstanding and unpaid, or until there shall have been set apart in the Series 1998 Bonds Sinking Fund a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bonds remaining unpaid, together with interest accrued and to accrue thereon, the Issuer further covenants with the holder of the Bonds as follows:

(A) Revenue Fund. The Net Revenues shall be deposited as collected by the Issuer in a special fund in a bank or trust company in the State of West Virginia which is a member of FDIC, which Fund, known as the "Revenue Fund" established with the Depository Bank. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and used only for the purposes and in the manner provided herein.

(B) Disposition of Revenues. The Net Revenues at any time on deposit in the Revenue Fund shall be disposed of as follows:

The Issuer shall on or before the due date of payment of each installment on the Bonds, transfer from the Revenue Fund and deposit into the Series 1998 Bonds Sinking Fund (or such other place as may be provided pursuant to the Bonds), the amount required to pay the interest on the Bonds, and to amortize the principal of the Bonds over the life of the Bonds.

The Commission is hereby designated as the Fiscal Agent for the administration of the Series 1998 Bonds Sinking Fund, and the Depository Bank is hereby designated as the Fiscal Agent for the administration of the other accounts herein provided, and all amounts required the other accounts will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written advice stating the amount remitted for deposit into each such fund.

All the funds provided for in this Section shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Bondholder shall have a lien thereon for further securing payment of the Bonds and the interest thereon, but the Commission and the Depository Bank shall not be a trustee as to such funds.

The Commission and the Depository Bank, at the direction of the Issuer, shall keep all funds invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Ordinance shall, unless otherwise provided herein or required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and interest accruing thereon and any profit or loss realized from such

581 investment shall be credited or charged to the appropriate fund or account.
582
583 (C) Change of Depository Agent and Fiscal Agent. The Issuer may designate another
584 bank or trust company insured by FDIC as Fiscal Agent and Depository Bank if the aforesaid Bank
585 should cease for any reason to serve or if the Governing Body determines by ordinance that said
586 Bank or its successor should no longer serve as Fiscal Agent or Depository Bank. Upon any such
587 change, the Governing Body will cause notice of the change to be sent by registered or certified
588 mail to the Purchaser.
589
590 (D) Charges and Fees. The Issuer shall remit from the Revenue Fund to the
591 Commission and to the Depository Bank such additional sums as shall be necessary to pay the
592 charges and fees of the Commission and the Depository Bank then due.
593
594 (E) Investment of Excess Balances. The moneys in excess of the sum insured by the
595 maximum amounts insured by FDIC in any of such funds or accounts shall at all times be secured,
596 to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of
597 state and municipal funds under the laws of the State.
598
599 (F) Remittances. All remittances made by the Issuer to the Commission and to the
600 Depository Bank shall clearly identify the fund or account into which each amount is to be
601 deposited.
602
603 (G) Gross Revenues. The Gross Revenues of the Facility shall only be used for
604 purposes of the Facility.
605
606 ARTICLE V
607
608 GENERAL COVENANTS
609
610 Section 5.01. General Statement. So long as the Bonds shall be outstanding and unpaid,
611 the covenants and agreements contained herein shall be and constitute valid and legally binding
612 covenants between the Issuer and the Purchaser.
613
614 Section 5.02. Issuance of Additional Parity Bonds or Obligations. Additional bonds or
615 obligations payable out of the Net Revenues pledged toward repayment of the Series 1998 Bonds
616 may be issued at any time upon the Issuer's completion, execution and tender of its certificate
617 demonstrating a debt service coverage ratio of 135% of Net Revenues to pay debt service on the
618 Series 1998 Bonds during the most recent fiscal year and a projected debt service coverage ratio of
619 120% of Net Revenues to pay debt service on the Series 1998 Bonds and the additional parity
620 bonds over the next 3 years.
621
622 Section 5.03. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as
623 an expense of construction, operation and maintenance of the Facility, procure, carry and maintain,
624 so long as the Bonds remains outstanding, insurance with a reputable insurance carrier or carriers

covering the following risks and in the following amounts:

(a) Real Property Insurance, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the Facility now in use, in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the Facility, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

(b) Public Liability Insurance, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the Facility, such insurance to be procured not later than the date of delivery of the Bonds.

(c) Vehicular Public Liability Insurance, in the event the Issuer owns or operates any vehicle in the operation of the Facility, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

(d) Workers' Compensation Coverage for all Employees of the City Eligible Therefor and Performance and Payment Bonds, such Bonds to be in the amounts of one hundred percent (100%) of the construction contract, will be required of each prime contractor, and such payment Bonds will be filed with the Clerk of the County Commission of Kanawha County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' compensation insurance will be maintained as required by the laws of the State of West Virginia.

(e) Fidelity Bonds will be provided as to every member of the Governing Body and every officer and employee of the City having custody of the Revenue Fund or of any revenues or other funds of the Facility in an amount at least equal to the total annual debt service requirements for all outstanding loans.

(f) Flood Insurance to be procured, to the extent available at reasonable cost to the Issuer.

(g) Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bonds are outstanding, the Issuer will carry insurance and Bonds or cause insurance and Bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry

insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or Bonding companies acceptable to the Purchaser.

Section 5.04. Statutory Mortgage. For the further protection of the holders of the Bonds, a statutory mortgage lien upon the Net Revenues is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Bonds.

Section 5.05. Events of Default. Each of the following events is hereby declared an "Event of Default":

(A) Failure to make payment of any monthly amortization installment at the date specified for payment thereof and/or;

(B) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bonds or herein, or violation of or failure to observe any provision of any pertinent law or of this Bond Ordinance.

Section 5.06. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, the Registered Owner may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights and shall have all rights prescribed by the Act, W.Va. Code and other applicable law.

Section 5.07. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the City Clerk on the date of adoption hereof, subject to permitted changes.

Section 5.08. Tax Covenants as to Tax Exempt Status of Bonds.

1. The Issuer covenants that (a) it shall not permit or cause to be done any act or thing which would result in the loss of exemption from tax of interest on the Bonds under Section 103(a) of the Internal Revenue Code and the regulations thereunder, or under any successor or similar provision of the Internal Revenue Code hereinafter enacted and applicable to the Bonds and regulations thereunder; (b) it shall not invest or otherwise use or permit or cause to be invested or used, any of the proceeds of the Bonds, or moneys deemed to be proceeds of the Bonds under the Internal Revenue Code, directly or indirectly, in any manner which would result in such Bonds being classified as an "arbitrage Bonds" within the meaning of Section 148 of the Internal Revenue Service Code or regulations thereunder, and each shall comply with the requirements of such Section and (c) no part of the proceeds of the Bonds or any funds held under the Ordinance shall at any time be used directly or indirectly for any purpose for which would cause the Bonds to be subject to treatment as a "private activity Bonds" under the Internal Revenue Code or regulations

thereunder and to that end the Issuer will comply with the applicable law as long as the Bonds is outstanding.

2. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of ten percent (10%) of the Net Proceeds of the Bonds are used for private business use if, in addition, the payment of more than ten percent (10%) of the principal or ten percent (10%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a private business use or in payments in respect of property used or to be used for a private business use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a private business use, and that (ii) in the event that both (A) in excess of five percent (5%) of the Net Proceeds of the Bonds are used for a private business use, and (B) an amount in excess of five percent (5%) of the principal or five percent (5%) of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said private business use or in payments in respect of property used or to be used for the Issuer, in respect of property or borrowed money used or to be used for said private business use, then said excess over said five percent (5%) of Net Proceeds of the Bonds used for a private business use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such private business use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of five percent (5%) of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local Purchaser units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149 (b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Holder) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Holder) which would adversely affect such exclusion.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Defeasance of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holder of the Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bonds Ordinance, then with respect to the Bonds, the pledge of Net Revenues and other moneys and securities pledged under this Bonds Ordinance and all covenants, agreements and other obligations of the Issuer to the Registered Owner of the Bonds, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 6.02. Filing Under Uniform Commercial Code. Contemporaneously with the delivery of the Bonds, the Issuer shall execute Financing Statements meeting the requirements of the Uniform Commercial Code of West Virginia and promptly thereafter shall file such Financing Statements in the offices of the Secretary of State of West Virginia and of the Clerk of the County Commission of Kanawha County.

Section 6.03. Delivery of Bonds. The Mayor and City Clerk of the Governing Body are hereby authorized and directed to cause the Series 1998 Bonds to be delivered to the Registered Holder as soon as the Purchaser will accept such delivery.

Section 6.04. Severability of Invalid Provision. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof or the Bonds.

Section 6.05. Conflicting Provisions Repealed. All ordinances and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed.

Section 6.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 6.07. Modification or Amendment. The Bonds Ordinance may not be modified or amended in any material manner after final passage without the prior written consent of the Purchaser and/or holder of the Bonds.

Section 6.08. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed

and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State applicable thereto; and that the Mayor, City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 6.09. Supplemental Resolutions. The Issuer may pass such supplemental resolutions, if necessary, to effectuate the purposes and intent of this Ordinance.

Section 6.10. Effective Time. This Ordinance shall take effect immediately upon its adoption.

Section 6.11 Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Bond Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for two (2) successive weeks within a period of fourteen (14) consecutive days, with at least six (6) full days intervening between each publication, in a qualified newspaper published and of general circulation in the City of Charleston, together with a notice stating that this Bond Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the City Council upon a date certain, not less than ten (10) days subsequent to the date of the first publication of such abstract of this Bond Ordinance and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard, and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading – August 3, 1998.

Passed on Second Reading – August __, 1998.

Passed on Final Reading
Following Public Hearing – August __, 1998.

CITY OF CHARLESTON

By: _____
Mayor

[SEAL]

Attest:

By: _____
City Clerk

CERTIFICATION

I, _____, City Clerk of the City of Charleston, hereby certify that the foregoing is a true and correct copy of an Ordinance approved at a meeting of the City Council of the City of Charleston held on August ___, 1998. I further hereby certify that the action of said City Council set forth therein remains in full force and effect and has not been amended or repealed.

WITNESS my signature on this ____ day of August 1998.

_____
City Clerk

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

The foregoing instrument was acknowledged before me this ____ day of August, 1998, by G. Kemp Melton, the Mayor of the City of Charleston, a municipal corporation and a political subdivision of the State of West Virginia, on behalf of said municipality.

My commission expires _____.

_____
NOTARY PUBLIC

The question being on the passage of the bill a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Horan.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6510 passed unanimously.

3. Your Committee on Finance has had under consideration bids submitted by West Virginia Tractor Co., in the amount of $17,000, for two stainless steel, hopper style salt spreaders to be used by the Street Department; and two drum type brush chippers, in the amount of $36,000, to be used by the Refuse Collection/Recycling Department;
To be charged to the following accounts:

$17,000 - 01-750-0-0-4-61, Street Department--Capital Outlay, Lease/Purchase
$36,000 - 01-800-0-0-4-61, Refuse Collection--Capital Outlay, Lease/Purchase

And reports the same to Council with the recommendation the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

4. Your Committee on Finance has had under consideration bid submitted by K. Van Bourgondien and Sons, Inc., in the amount of $3,282.49, for purchase of fall planting bulbs to be planted in various areas throughout the City;
To be charged to account no. 01-900-0-0-3-41, P&R--Materials & Supplies

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

5. Your Committee on Finance has had under consideration bid submitted by Sherwin Williams, in the amount of $15,950, for purchase of 1100 gallons of white quick-dry traffic marking paint ($5,555); and 1980 gallons of yellow traffic marking paint ($10,395) to be used in the paint stripper by the Traffic Engineering Department;
To be charged to account no. 01-712-0-0-3-41, Traffic Engineering--Materials & Supplies

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

6. Your Committee on Finance has had under consideration bid submitted by Dyna-Pak Corporation, in the amount of $100,716, for 21,000 cases of Plastic Refuse Bags at $47.96 per 1000 to be distributed to the citizens of Charleston for the six month period from September 1998 to March 1999;
To be charged to account no. 01-800-0-0-3-41, Refuse Collection--Materials & Supplies

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being two nays, Hicks and Snodgrass, the Mayor declared the committee report adopted.

7. Your Committee on Finance has had under consideration bid submitted by Dyna-Pak Corporation, in the amount of $31,221.75, for purchase of 19,000 rolls of clear yard waste bags, packaged 35 bags per roll, at $46.95 per 1000, for the six month period from September 1998 to March 1999;
To be charged to account no. 01-800-0-0-3-41, Refuse Collection--Materials & Supplies

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

8. Your Committee on Finance has had under consideration bid submitted by Computer Discount Warehouse, in the amount of $4,609.66, for one (1) Microsoft BackOffice Server 4.0; twelve (12) Intel NetportExpress Print Servers; and miscellaneous materials for the integration of the Mobile Data, Police Records and Digital Booking systems in the Police Department;
To be charged to account no. 37-037-0-0-4-59, Police--Local Law Enforcement Block Grant 96 (LLEBG)

#6

BID RESULTS FOR COMPUTER SOFTWARE, PRINTERS AND RELATED COMPUTER EQUIPMENT FOR THE POLICE DEPT

	Virtucom	Micro Warehouse	KJM Mktg.	(*) CDW	Intelicom USA	CoMark	Natcor	Lowest Line Item Bid
(1) MS BackOffice Server 4.0	No Bid	$2,299.95	$1,848.00	$1,379.75	$2,658.00	No Bid	$4,434.00	**$1,379.75**
(10) MS BackOffice 4.0 CAL	No Bid	$2,359.90	$10,190.00	$1,699.30	$1,455.00	No Bid	$2,263.00	**$1,455.00**
(70) MS BackOffice 4.0 SBS CAL	No Bid	$4,059.30	$19,320.00	$12,471.20	$10,185.00	No Bid	$3,743.00	**$3,743.00**
(1) Seagate Backup Exec	No Bid	$779.99	$868.00	$351.15	$318.20	$338.56	$792.00	**$318.20**
(1) Adobe PageMaker 6.5	No Bid	$189.95	$546.00	$525.85	$505.05	$507.50	$530.00	**$189.95**
(1) HP SureStore Tape Backup	$1,148.43	$1,279.95	$1,230.00	$1,348.38	$1,292.55	$1,130.75	$1,382.00	**$1,130.75**
(2) HP LaserJet 5000 Printers	$2,797.78	$5,220.98	$2,962.00	$2,817.50	$2,707.00	$2,747.00	$2,978.00	**$2,707.00**
(1) HP 6P Printer	$728.37	$815.94	$765.00	$743.00	$693.25	$702.50	$765.00	**$693.25**
(1) HP DeskJet 722C	$294.75	$315.94	$302.00	$290.88	$270.00	$272.50	$300.00	**$270.00**
(1) HP DesignJet Plotter	$2,728.30	$3,037.00	$2,873.00	$2,712.40	$2,593.07	$2,646.25	$2,913.00	**$2,593.07**
(1) HP DesignJet Roll Feeder	$197.50	$245.00	$201.00	$204.80	$181.65	$180.93	$278.00	**$180.93**
(1) HP DesignJet Stand	$237.70	$245.00	$243.00	$248.73	$218.91	$233.75	$251.00	**$218.91**
(1) Okidata ML590 Printer	$438.44	$455.94	$451.00	$438.73	$400.00	$416.07	$436.00	**$400.00**
(12) Intel Print Servers	$2,556.00	$2,999.88	$4,068.00	$2,344.92	$2,655.00	$2,949.00	$2,952.00	**$2,344.92**
(1) Snappy Video Capture Board	No Bid	$139.95	$48.00	$92.32	$78.75	No Bid	$122.00	**$48.00**
(1) APC 1400VA UPS	$616.38	$629.95	$581.00	$469.81	$558.00	$635.50	$630.00	**$469.81**
(6) APC 700VA UPS	$2,122.68	$2,339.94	$2,016.00	$2,071.38	$1,939.50	$2,298.96	$2,180.00	**$1,939.50**
(25) APC SurgeArrest	$739.50	$924.75	$725.00	$687.00	$643.75	$625.00	$775.00	**$625.00**
(6) 1000' Rolls Cat 5 Wire	No Bid	$719.94	$1,080.00	$2,062.14	$894.00	$594.00	$630.00	**$594.00**
(100) RJ-45 Modular Connectors	No Bid	$1,195.00	$3,000.00	$22.94	$23.00	$25.00	$35.00	**$23.00**
(1) 3COM Courier Modem	$138.75 *	$269.99	$235.00	$254.72	$224.25	$232.25	$252.00	**$224.25**
(20) 100 MB Zip Disks	No Bid	$259.00	$2,060.00	$199.01	$192.00	$321.00	$216.00	**$192.00**
(20) DDS-3 Data Tapes	No Bid	$699.80	$2,040.00	$392.24	$400.00	$471.00	$445.00	**$392.24**
(1) 36" x 100' HP Roll Paper	No Bid	$49.95	$42.00	$146.11	$38.00	$37.75	$45.00	**$37.75**
Total Bids:		**$31,532.99**	**$57,694.00**	**$33,974.26**	**$31,123.93**		**$29,347.00**	
Lowest Bid Per Item Totals:	**$0.00**	**$189.95**	**$48.00**	**$4,609.66**	**$11,011.18**	**$2,568.43**	**$3,743.00**	**$22,170.22**

* did not meet bid specification

[ ] denotes lowest line item bid

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

9. Your Committee on Finance has had under consideration bid submitted by Intelicom USA, Inc., in the amount of $11,011.18, for purchase of ten (10) Microsoft BackOffice 4.0 Client Access Licenses; five (5) printers; and miscellaneous materials for the integration of the Mobile Data, Police Records and Digital Booking systems in the Police Department;
To be charged to account no. 38-038-0-0-4-59, Police--LLEBG 97

BID RESULTS FOR COMPUTER SOFTWARE, PRINTERS AND RELATED COMPUTER EQUIPMENT FOR THE POLICE DEPT

	Virtucom	Micro Warehouse	KJM Mktg.	CDW	(*) Intelicom USA	CoMark	Natcor	Lowest Line Item Bid
(1) MS BackOffice Server 4.0	No Bid	$2,299.95	$1,848.00	$1,379.75	$2,658.00	No Bid	$4,434.00	$1,379.75
(10) MS BackOffice 4.0 CAL	No Bid	$2,359.90	$10,190.00	$1,699.30	$1,455.00	No Bid	$2,263.00	$1,455.00
(70) MS BackOffice 4.0 SBS CAL	No Bid	$4,059.30	$19,320.00	$12,471.20	$10,185.00	No Bid	$3,743.00	$3,743.00
(1) Seagate Backup Exec	No Bid	$779.99	$868.00	$351.15	$318.20	$338.56	$792.00	$318.20
(1) Adobe PageMaker 6.5	No Bid	$189.95	$546.00	$525.85	$505.05	$507.50	$530.00	$189.95
(1) HP SureStore Tape Backup	$1,148.43	$1,279.95	$1,230.00	$1,348.38	$1,292.55	$1,130.75	$1,382.00	$1,130.75
(2) HP LaserJet 5000 Printers	$2,797.78	$5,220.98	$2,962.00	$2,817.50	$2,707.00	$2,747.00	$2,978.00	$2,707.00
(1) HP 6P Printer	$728.37	$815.94	$765.00	$743.00	$693.25	$702.50	$765.00	$693.25
(1) HP DeskJet 722C	$294.75	$315.94	$302.00	$290.88	$270.00	$272.50	$300.00	$270.00
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(1) HP DesignJet Stand	$237.70	$245.00	$243.00	$248.73	$218.91	$233.75	$251.00	$218.91
(1) Okidata ML590 Printer	$438.44	$455.94	$451.00	$438.73	$400.00	$416.07	$436.00	$400.00
(12) Intel Print Servers	$2,556.00	$2,999.88	$4,068.00	$2,344.92	$2,655.00	$2,949.00	$2,952.00	$2,344.92
(1) Snappy Video Capture Board	No Bid	$139.95	$48.00	$92.32	$78.75	No Bid	$122.00	$48.00
(1) APC 1400VA UPS	$616.38	$629.95	$581.00	$469.81	$558.00	$635.50	$630.00	$469.81
(6) APC 700VA UPS	$2,122.68	$2,339.94	$2,016.00	$2,071.38	$1,939.50	$2,298.96	$2,180.00	$1,939.50
(25) APC SurgeArrest	$739.50	$924.75	$725.00	$687.00	$643.75	$625.00	$775.00	$625.00
(6) 1000' Rolls Cat 5 Wire	No Bid	$719.94	$1,080.00	$2,062.14	$894.00	$594.00	$630.00	$594.00
(100) RJ-45 Modular Connectors	No Bid	$1,195.00	$3,000.00	$22.94	$23.00	$25.00	$35.00	$23.00
(1) 3COM Courier Modem	$138.75 *	$269.99	$235.00	$254.72	$224.25	$232.25	$252.00	$224.25
(20) 100 MB Zip Disks	No Bid	$259.00	$2,060.00	$199.01	$192.00	$321.00	$216.00	$192.00
(20) DDS-3 Data Tapes	No Bid	$699.80	$2,040.00	$392.24	$400.00	$471.00	$445.00	$392.24
(1) 36" x 100' HP Roll Paper	No Bid	$49.95	$42.00	$146.11	$38.00	$37.75	$45.00	$37.75
Total Bids:		$31,532.99	$57,694.00	$33,974.26	$31,123.93		$29,347.00	
Lowest Bid Per Item Totals:	$0.00	$189.95	$48.00	$4,609.66	$11,011.18	$2,568.43	$3,743.00	$22,170.22

* did not meet bid specification

[ ] denotes lowest line item bid

And reports the same to council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

10. Your Committee on Finance has had under consideration bid submitted by CoMark, Inc., in the amount of $2,568.43, for purchase of one (1) external tape backup unit; one (1) roll feeder; and miscellaneous materials for the integration of the Mobile Data, Police Records and Digital Booking systems in the Police Department;
To be charged to account no. 38-038-0-0-4-59, Police--LLEBG 97

BID RESULTS FOR COMPUTER SOFTWARE, PRINTERS AND RELATED COMPUTER EQUIPMENT FOR THE POLICE DEPT

	Virtucom	Micro Warehouse	KJM Mktg.	CDW	Intelicom USA	(*) CoMark	Natcor	Lowest Line Item Bid
(1) MS BackOffice Server 4.0	No Bid	$2,299.95	$1,848.00	$1,379.75	$2,658.00	No Bid	$4,434.00	$1,379.75
(10) MS BackOffice 4.0 CAL	No Bid	$2,359.90	$10,190.00	$1,699.30	$1,455.00	No Bid	$2,263.00	$1,455.00
(70) MS BackOffice 4.0 SBS CAL	No Bid	$4,059.30	$19,320.00	$12,471.20	$10,185.00	No Bid	$3,743.00	$3,743.00
(1) Seagate Backup Exec	No Bid	$779.99	$868.00	$351.15	$318.20	$338.56	$792.00	$318.20
(1) Adobe PageMaker 6.5	No Bid	$189.95	$546.00	$525.85	$505.05	$507.50	$530.00	$189.95
(1) HP SureStore Tape Backup	$1,148.43	$1,279.95	$1,230.00	$1,348.38	$1,292.55	$1,130.75	$1,382.00	$1,130.75
(2) HP LaserJet 5000 Printers	$2,797.78	$5,220.98	$2,962.00	$2,817.50	$2,707.00	$2,747.00	$2,978.00	$2,707.00
(1) HP 6P Printer	$728.37	$815.94	$765.00	$743.00	$693.25	$702.50	$765.00	$693.25
(1) HP DeskJet 722C	$294.75	$315.94	$302.00	$290.88	$270.00	$272.50	$300.00	$270.00
(1) HP DesignJet Plotter	$2,728.30	$3,037.00	$2,873.00	$2,712.40	$2,593.07	$2,646.25	$2,913.00	$2,593.07
(1) HP DesignJet Roll Feeder	$197.50	$245.00	$201.00	$204.80	$181.65	$180.93	$278.00	$180.93
(1) HP DesignJet Stand	$237.70	$245.00	$243.00	$248.73	$218.91	$233.75	$251.00	$218.91
(1) Okidata ML590 Printer	$438.44	$455.94	$451.00	$438.73	$400.00	$416.07	$436.00	$400.00
(12) Intel Print Servers	$2,556.00	$2,999.88	$4,068.00	$2,344.92	$2,655.00	$2,949.00	$2,952.00	$2,344.92
(1) Snappy Video Capture Board	No Bid	$139.95	$48.00	$92.32	$78.75	No Bid	$122.00	$48.00
(1) APC 1400VA UPS	$616.38	$629.95	$581.00	$469.81	$558.00	$635.50	$630.00	$469.81
(6) APC 700VA UPS	$2,122.68	$2,339.94	$2,016.00	$2,071.38	$1,939.50	$2,298.96	$2,180.00	$1,939.50
(25) APC SurgeArrest	$739.50	$924.75	$725.00	$687.00	$643.75	$625.00	$775.00	$625.00
(6) 1000' Rolls Cat 5 Wire	No Bid	$719.94	$1,080.00	$2,062.14	$894.00	$594.00	$630.00	$594.00
(100) RJ-45 Modular Connectors	No Bid	$1,195.00	$3,000.00	$22.94	$23.00	$25.00	$35.00	$23.00
(1) 3COM Courier Modem	$138.75 *	$269.99	$235.00	$254.72	$224.25	$232.25	$252.00	$224.25
(20) 100 MB Zip Disks	No Bid	$259.00	$2,060.00	$199.01	$192.00	$321.00	$216.00	$192.00
(20) DDS-3 Data Tapes	No Bid	$699.80	$2,040.00	$392.24	$400.00	$471.00	$445.00	$392.24
(1) 36" x 100' HP Roll Paper	No Bid	$49.95	$42.00	$146.11	$38.00	$37.75	$45.00	$37.75
Total Bids:		$31,532.99	$57,694.00	$33,974.26	$31,123.93		$29,347.00	
Lowest Bid Per Item Totals:	$0.00	$189.95	$48.00	$4,609.66	$11,011.18	$2,568.43	$3,743.00	$22,170.22

* did not meet bid specification

[ ] denotes lowest line item bid

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

11. Your Committee on Finance has had under consideration bid submitted by Natcor, in the amount of $3,743, for purchase of 70 Microsoft BackOffice 4.0 Small Business Server Client Access Licenses for the integration of the Mobile Data, Police Records and Digital Booking systems in the Police Department;
To be charged to account no. 38-038-0-0-4-59, Police--LLEBG 97

BID RESULTS FOR COMPUTER SOFTWARE, PRINTERS AND RELATED COMPUTER EQUIPMENT FOR THE POLICE DEPT

	Virtucom	Micro Warehouse	KJM Mktg.	CDW	Intelicom USA	CoMark	(*) Natcor	Lowest Line Item Bid
(1) MS BackOffice Server 4.0	No Bid	$2,299.95	$1,848.00	$1,379.75	$2,658.00	No Bid	$4,434.00	$1,379.75
(10) MS BackOffice 4.0 CAL	No Bid	$2,359.90	$10,190.00	$1,699.30	$1,455.00	No Bid	$2,263.00	$1,455.00
(70) MS BackOffice 4.0 SBS CAL	No Bid	$4,059.30	$19,320.00	$12,471.20	$10,185.00	No Bid	$3,743.00	$3,743.00
(1) Seagate Backup Exec	No Bid	$779.99	$868.00	$351.15	$318.20	$338.56	$792.00	$318.20
(1) Adobe PageMaker 6.5	No Bid	$189.95	$546.00	$525.85	$505.05	$507.50	$530.00	$189.95
(1) HP SureStore Tape Backup	$1,148.43	$1,279.95	$1,230.00	$1,348.38	$1,292.55	$1,130.75	$1,382.00	$1,130.75
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(1) HP 6P Printer	$728.37	$815.94	$765.00	$743.00	$693.25	$702.50	$765.00	$693.25
(1) HP DeskJet 722C	$294.75	$315.94	$302.00	$290.88	$270.00	$272.50	$300.00	$270.00
(1) HP DesignJet Plotter	$2,728.30	$3,037.00	$2,873.00	$2,712.40	$2,593.07	$2,646.25	$2,913.00	$2,593.07
(1) HP DesignJet Roll Feeder	$197.50	$245.00	$201.00	$204.80	$181.65	$180.93	$278.00	$180.93
(1) HP DesignJet Stand	$237.70	$245.00	$243.00	$248.73	$218.91	$233.75	$251.00	$218.91
(1) Okidata ML590 Printer	$438.44	$455.94	$451.00	$438.73	$400.00	$416.07	$436.00	$400.00
(12) Intel Print Servers	$2,556.00	$2,999.88	$4,068.00	$2,344.92	$2,655.00	$2,949.00	$2,952.00	$2,344.92
(1) Snappy Video Capture Board	No Bid	$139.95	$48.00	$92.32	$78.75	No Bid	$122.00	$48.00
(1) APC 1400VA UPS	$616.38	$629.95	$581.00	$469.81	$558.00	$635.50	$630.00	$469.81
(6) APC 700VA UPS	$2,122.68	$2,339.94	$2,016.00	$2,071.38	$1,939.50	$2,298.96	$2,180.00	$1,939.50
(25) APC SurgeArrest	$739.50	$924.75	$725.00	$687.00	$643.75	$625.00	$775.00	$625.00
(6) 1000' Rolls Cat 5 Wire	No Bid	$719.94	$1,080.00	$2,062.14	$894.00	$594.00	$630.00	$594.00
(100) RJ-45 Modular Connectors	No Bid	$1,195.00	$3,000.00	$22.94	$23.00	$25.00	$35.00	$23.00
(1) 3COM Courier Modem	$138.75 *	$269.99	$235.00	$254.72	$224.25	$232.25	$252.00	$224.25
(20) 100 MB Zip Disks	No Bid	$259.00	$2,060.00	$199.01	$192.00	$321.00	$216.00	$192.00
(20) DDS-3 Data Tapes	No Bid	$699.80	$2,040.00	$392.24	$400.00	$471.00	$445.00	$392.24
(1) 36" x 100' HP Roll Paper	No Bid	$49.95	$42.00	$146.11	$38.00	$37.75	$45.00	$37.75
Total Bids:		$31,532.99	$57,694.00	$33,974.26	$31,123.93		$29,347.00	
Lowest Bid Per Item Totals:	$0.00	$189.95	$48.00	$4,609.66	$11,011.18	$2,568.43	$3,743.00	$22,170.22

* did not meet bid specification

[ ] denotes lowest line item bid

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

12. Your Committee on Finance has had under consideration bid submitted by Vision Software, Inc., in the amount of $65,760, for purchase of software and training in connection with integration of the Mobile Data, Police Records and Digital Booking systems in the Police Department;
To be charged to account no. 38-038-0-0-4-59, Police LLEBG 97

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

13. Your Committee on Finance has had under consideration proposal submitted by DataMaxx, in the amount of $7,464, for purchase of software to connect to the new West Virginia State Police WEAPONS and NCIC network;
To be charged to account no. 31-299-0-0-3-41, Police--Forfeited Funds--Materials and Supplies

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

14. Your Committee on Finance has had under consideration proposal submitted by Airspace USA, Inc., in the amount of $6,975, for an inflatable slide pool for the North Charleston Community Center;
To be charged to account no. 25-097-00-059, CDBG--Parks & Recreation/NCCC Improvements

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Horan.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor

declared the committee report adopted unanimously.

15. Your Committee on Finance has had under consideration Resolution No. 994-98, authorizing the Mayor to enter into a contract with Plymovent, in the amount of $13,400, for installation of a diesel exhaust system at Fire Station No. 8 ($8,400); and one drop to be added to existing system at Fire Station No. 6 ($5,000).
To be charged to the following accounts:
$5,000 - 01- 706-0-0-4-59, Fire Department--Capital Outlay, Equipment (FS #6)
$8,400 - 25- 097-00-054, CDBG--Neighborhood Facilities (FS #8)

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 994-98--"Authorizing the Mayor to enter into a contract with Plymovent, in the amount of $13,400, for installation of a diesel exhaust system at Fire Station No. 8 ($8,400); and one drop to be added to existing system at Fire Station No. 6 ($5,000)."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with Plymovent, in the amount of Thirteen Thousand Four Hundred Dollars ($13,400), for installation of a diesel exhaust system at Fire Station No. 8 ($8,400); and one drop to be added to existing system at Fire Station No. 6 ($5,000).

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Horan.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 994-98 adopted unanimously.

16. Your Committee on Finance has had under consideration Resolution No. 995-98, authorizing the Finance Director to make revisions to the 1998-99 General Fund budget as indicated on the attached list of accounts.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 995-98--"Authorizing the Finance Director to make revisions to the 1998-99 General Fund budget as indicated on the attached list of accounts."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Finance Director is hereby authorized and directed to make revisions to the 1998-99 General Fund budget as indicated on the attached list of accounts; and be it

FURTHER RESOLVED, that this budgetary revision is being made prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists.

General Fund 1998-99 Budget Amendment No. 3 - August 17, 1998

01-437-00-000-4-061	Planning	C/O-Lease Purchase	3,000.00
01-699-00-000-5-098	Contingency		(3,000.00)

Provide for lease purchase of copier for the 4th floor to serve Building Commission, Planning, Legal & Information Systems.

24-427-00-000-5-072	Rehabilitation of Property	Interest on Bonds	138,000.00
24-750-00-000-4-058	Street	Capital Outlay-Special Projects	(138,000.00)

To correct for the application of coal severance revenues to debt service commitment.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-24, nays-2, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer and Mayor Melton.

NAYS: Hicks and Thompson.

ABSENT: Horan.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 995-98 adopted.

17. Your Committee on Finance has had under consideration Resolution No. 996-98, authorizing the Mayor to enter into a Lease/Purchase Agreement with American Office Systems, at a rate of $241.65 per month for 36 months, for one (1) Lanier copier to be utilized by the Planning Department, Building Commission, City Attorneys, and Information Systems departments located on the fourth floor of the City Hall building;
To be charged to account no. 01-437-0-0-4-61, Planning--Capital Outlay, Lease/Purchase

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 996-98--"Authorizing the Mayor to enter into a Lease/Purchase Agreement with American Office Systems, at a rate of $241.65 per month for 36 months, for one (1) Lanier copier to be utilized by the Planning Department, Building Commission, City Attorneys, and Information Systems department located on the fourth floor of the City Hall building.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a Lease/Purchase Agreement with American Office Systems, at a rate of Two Hundred Forty-one Dollars and Sixty-five Cents

($241.65) per month for 36 months, for one (1) Lanier copier to be utilized by the Planning Department, Building Commission, City Attorneys, and Information Systems departments located on the fourth floor of the City Hall building.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 996-98 adopted unanimously.

18. Your Committee on Finance has had under consideration Resolution No. 997-98, authorizing the Finance Director to make payment in the amount of $21,525.69 to Alpha Therapeutic Corporation, representing settlement of a civil action suit seeking a refund of B&O taxes paid;
To be charged to account no. 01-305-0-012, Gross Sales Tax/Prior Years

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 997-98--"Authorizing the Finance Director to make payment in the amount of $21,525.69 to Alpha Therapeutic Corporation representing settlement of a civil action seeking a refund of B&O taxes paid."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Finance Director is hereby authorized and directed to pay the amount of $21,525.69 to Alpha Therapeutic Corporation representing settlement of a civil action seeking a refund of B&O taxes paid.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 997-98 adopted unanimously.

19. Your Committee on Finance has had under consideration Resolution No. 998-98, authorizing the Mayor to enter into a contract with the First Union National Bank for a 3-year lease, in the amount of approximately $382,000, at a rate of 4.55%, for purchase of police cars; and a 5-year lease, in the amount of approximately $748,000, at a rate of 4.60%, for purchase of equipment for various City departments.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 998-98--"Authorizing the Mayor to enter into a contract with the First Union National Bank for a 3-year lease, in the amount of approximately $382,000, at a rate of 4.55%, for purchase of police cars; and a 5-year lease, in the amount of approximately $748,000, at a rate of 4.60%, for purchase of equipment for various City departments."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with the First Union National Bank for a 3-year lease, in the amount of approximately Three Hundred Eighty-two Thousand Dollars ($382,000), at a rate of 4.55%, for purchase of police cars; and a 5-year lease, in the amount of approximately Seven Hundred Forty-eight Thousand Dollars ($748,000), at a rate of 4.60%, for purchase of equipment for various City departments.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 998-98 adopted unanimously.

20. Your Committee on Finance has had under consideration Resolution No. 001-98, finding that the Council of The City of Charleston, West Virginia shall be responsible for all expenses incurred by the Charleston Building Commission in connection with the new Public Safety Facility, new Ice Skating Rink, and new Police Building and the issuance of the bonds in its capacity as the lessee of the Projects, as more fully addressed in the lease agreement between the Commission and the City.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 001-98--"Finding that the Council of The City of Charleston, West Virginia shall be responsible for all expenses incurred by the Charleston Building Commission in connection with the Projects described below for which the Charleston Building Commission has been asked and intends to issue its lease-revenue bonds.

WHEREAS, the City of Charleston (the "City") has requested the Charleston Building Commission (the "Commission") to assist it in the financing of three capital improvement projects of the City; and

WHEREAS, the City has requested the Commission to issue (1) up to $1,500,000 of lease-revenue bonds to finance a new public safety facility to be located along Corridor G, (2) up to $2,500,000 of its lease-revenue bonds to finance a new ice skating rink, and (3) up to $1,500,000 of its lease-revenue bonds to finance a new police building on the west side of Charleston (collectively, the "Projects"); and

WHEREAS, the Commission has requested that it be reimbursed for any costs or expenses associated with such undertaking.

NOW, THEREFORE, Be it Resolved by the Council of the City of Charleston, West Virginia:

1. All expenses incurred by the Commission in connection with the Projects, not otherwise reimbursed by the aforesaid lease-revenue bond proceeds shall be paid or reimbursed by the City

2. Any legal or other expenses associated with the issuance of the bonds for the Projects incurred by the Commission shall be reimbursed or paid by the City, unless otherwise reimbursed by the aforesaid lease-revenue bond proceeds.

3. The City shall bear responsibility for all actions related to the Projects ans the issuance of the bonds in its capacity as the lessee of the Projects as will be more fully addressed in the lease agreements between the Commission and the City

This resolution is made this 17 day of August 1998.

The question being on the adoption of the resolution a vote was taken. There being one nay, Thompson, the Mayor declared Resolution No. 001-98 adopted.

21. Your Committee on Finance has had under consideration Resolution No. 002-98, finding that the Council of The City of Charleston, West Virginia, intends to provide for the reimbursement of expenditures associated with the new Public Safety Facility, Ice Rink and Police Building, for which the Charleston Building Commission has agreed and intends to issue its lease-revenue bonds, from the bond proceeds of such bonds.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 002-98--"Finding that the Council of The City of Charleston, West Virginia intends to provide for the reimbursement of expenditures associated with the Projects described below, for which the Charleston Building Commission has agreed and intends to issue its lease-revenue bonds, from the bond proceeds of such bonds.

WHEREAS, the Charleston Building Commission (the"Commission"), a public corporation created by the City of Charleston, West Virginia (the"City"), organized and existing under the laws of the State of West Virginia, has been asked by the City to issue its lease-revenue bonds to assist with the financing necessary to design, acquire, construct and equip a new public safety center to be located along Corridor G, a new ice skating rink to be located in Kanawha City, and a new police station to be located on the West Side (collectively, the "Facilities"), all to be located in Charleston, West Virginia, and anticipates incurring capital expenditures in an amount not to exceed $5,500,000 for the purposes of designing, acquiring, constructing and equipping the Facilities as described in Exhibit A hereto which is incorporated herein by reference (the"Projects"); and

WHEREAS, pursuant to Regulation Section 1.150-2 of the Internal Revenue Code of 1986, as amended (the "Reimbursement Regulations"), the City has determined to declare its intention to reimburse the aforementioned capital expenditures with proceeds of a tax-exempt borrowing and, in so doing, to otherwise comply with the requirements of the Reimbursement Regulations; and

WHEREAS, there has been presented to the City Council of the City for adoption a Declaration of Official Intent in the form attached hereto as Exhibit B which is incorporated by reference herein.

NOW, THEREFORE, Be it Resolved by the Council of the City of Charleston, West Virginia:

1. The Declaration of Official Intent attached hereto and incorporated by reference herein is hereby adopted and deemed effective.

2. The Mayor of the City is hereby directed to cause the Declaration of Official Intent and this Resolution to be made available for public inspection in the office of the Commission for the time period set forth in the Declaration of Official Intent.

3. This Resolution shall take effect immediately.

EXHIBIT A

THE PROJECT

1. A new public safety center to be located on property to be donated by the Dudley family behind Applebee's restaurant at the Dudley Farms intersection of Corridor G (U.S. Route 119). The facility is estimated to cost $1,500,000 and would house fire and emergency ambulance equipment and personnel.

2. A new police station to be located on the West Side of the City in the vicinity of the Five Corners area. The facility is estimated to cost $1,500,000 and would house police equipment and personnel to better serve the residents of that section of the City.

3. A new ice skating rink to be located either attached to the east side of the existing Kanawha City Recreation Center or on the parking lot on the west side of Watt Powell Park. The facility would replace the existing ice rink attached to the Civic Center. The facility is estimated to cost $2,500,000, would provide a facility with much greater utility to the City's residents and would create space for expansion of the Civic Center to its greater utility.

EXHIBIT B

CITY OF CHARLESTON, WEST VIRGINIA

DECLARATION OF OFFICIAL INTENT PURSUANT TO REGULATE SECTION 1.150-2 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

1. The City does hereby declare, pursuant to Regulation Section 1.150-2, its intention to reimburse its expenditures in connection with the Projects in an amount not to exceed $5,500,000

from the proceeds of a tax-exempt borrowing which the City reasonably expects to incur within the time and in the manner set forth in the Reimbursement Regulations.

2. As more fully described in Exhibit A, the Projects consist of the design, acquisition, construction and equipping of a new public safety center, a new police station, and a new ice skating rink, all located in Charleston, West Virginia, with a cost not to exceed $5,500,000.

3. Pursuant to and in compliance with Regulation Section 1.150-2, this Declaration of Official Intent shall be available for public inspection at the office of the City Clerk of the City of Charleston, West Virginia until the date of issuance of the anticipated tax-exempt borrowing.

Effective this 17th day of August, 1998.

The question being on the adoption of the resolution a vote was taken. There being one nay, Thompson, the Mayor declared Resolution No. 002-98 adopted.

22. Your Committee on Finance has had under consideration Resolution No. 003-98, finding that the Council of The City of Charleston, West Virginia, passed Ordinance No. 6510 on August 17, 1998, effective August 17, 1998, all as more fully set out therein; authorizing the issuance of The City of Charleston, West Virginia Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds") ; and providing for the reimbursement of expenditures associated with the Project for which the Series 1998 Bond Proceeds are to be used from Bond Proceeds.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 003-98--"Finding that the Council of The City of Charleston, West Virginia, passed Ordinance No. 6510 on August 17, 1998, effective August 17, 1998, all as more fully set out therein; authorizing the issuance of The City of Charleston, West Virginia Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds"); and providing for the reimbursement of expenditures associated with the Project for which the Series 1998 Bond Proceeds are to be used from Bond Proceeds.

WHEREAS, the Charleston (the"City"), a public corporation organized and existing under the laws of the State of West Virginia, intends to issue its bonds to assist with the financing necessary to design, acquire, construct, equip and make improvements to the Charleston Civic Center (the "Facility"), located in Charleston, West Virginia, and anticipates incurring capital expenditures in an amount not to exceed $3,500;000, for the purpose of designing, acquiring, constructing, equipping and making improvements to the Facility as described in Exhibit A hereto which is incorporated herein by reference (the "Project"); and

WHEREAS, pursuant to Regulation Section 1.150-2 of the Internal Revenue Code of 1986, as mended (the"Reimbursement Regulations"), the City has determined to declare its intention to reimburse the aforementioned capital expenditures with proceeds of tax-exempt borrowing and, in so doing, to otherwise comply with the requirements of the Reimbursement Regulations; and

WHEREAS, there has been presented to the City Council of the City for adoption a Declaration of Official Intent in the form attached hereto as Exhibit B which is incorporated by reference herein.

NOW, THEREFORE, Be it Resolved by the Council of the City of Charleston, West Virginia:

1. The Declaration of Official Intent attached hereto and incorporated by reference herein is hereby adopted and deemed effective.

2. The Mayor of the City is hereby directed to cause the Declaration of Official Intent and this Resolution to be made available for public inspection in the office of the City Clerk for the time period set forth in the Declaration of Official Intent.

3. This Resolution shall take effect immediately.

EXHIBIT A

CITY OF CHARLESTON

THE PROJECT

The Project

The Project consists of the acquisition, construction, equipping and improvements to certain portions of the Charleston Civic Center (the "Facility"). The property to be acquired includes certain equipment to be installed in the Facility.

EXHIBIT B

CITY OF CHARLESTON, WEST VIRGINIA

DECLARATION OF OFFICIAL INTENT
PURSUANT TO REGULATION SECTION 1.150-2
OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

1. The City does hereby declare, pursuant to Regulation Section 1.150-2, its intention to reimburse its expenditures in connection with the Project in an amount not to exceed $3,500,000 from the proceeds of a tax-exempt borrowing which the City reasonably expects to incur within the time and in the manner set forth in the Reimbursement Regulations.

2. As more fully described in Exhibit A, the Project consists of the design, acquisition, construction and equipping of improvements to the Charleston Civic Center located in Charleston, West Virginia, with a cost not to exceed $3,500,000.

3. Pursuant to and in compliance with the Regulation Section 1.150-2, this Declaration of

Official Intent shall be available for public inspection at the office at the City Clerk until the date of the issuance of the anticipated tax-exempt borrowing.

Effective this 17th day of August, 1998.

The question being on the adoption of the resolution a vote was taken. There being one nay, Hicks, The Mayor declared Resolution No. 003-98 adopted.

23. Your Committee on Finance has had under consideration payment of an invoice from Bowles, Rice, McDavid, Graff & Love, in the amount of $3,996.14, for professional services rendered during the month of June 1998, for challenge to curfew ordinance;
To be charged to account no. 01-417-0-0-2-23, Legal Department--Professional Services

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent, with two abstentions, Lane and Loeb, the Mayor declared the committee report adopted.

24. Your Committee on Finance has had under consideration payment of an invoice from Mountaineer Waste Systems, in the amount of $2,516.84, for hauling services and Landfill fees for the World Changers project;
To be charged to account no. 25-097-00-014, CDBG--CORP Rehabilitation

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Huffman, Kimberling, Lane, Lanham, Layne, Leary, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Horan.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

25. Your Committee on Finance has had under consideration payment of an invoice from City Electric Company, in the amount of $6,187.01, for emergency electrical repairs following power failure in various areas of the Civic Center;
To be charged to account no. 81-910-01-0-2-15, Civic Center--Maintenance & Repair/Building & Grounds

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

REPORTS OF OFFICERS

1. Municipal Court report for the month of July, 1998; Received and filed.

NEW BILLS

Introduced by Councilman Paul Gilmer on August 17, 1998;
BILL NO. 6498, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, and the map made a part thereof, by rezoning from a I-2 zoning district and a C-10 zoning district that certain parcel of land situated at the southwest corner of Fifth Avenue and Patrick Street.
Referred to Municipal Planning Commission

Introduced by Councilman Bill Kimberling on August 17, 1998;
BILL NO. 6505, a bill closing, abandoning and discontinuing as a public street that certain unimproved portion of the 4600 block of Staunton Avenue, SE, in the City of Charleston, Kanawha County, West Virginia, and reserving sewer easements for the City of Charleston.
Referred to Municipal Planning Commission

Introduced by Councilwoman Joyce Horan on August 17, 1998;
BILL NO. 6506, a bill closing, abandoning and discontinuing as a public alley an Eighteen foot strip located on the North side of Hansford Street, in the 1500 Block, City of Charleston, Kanawha County, West Virginia.
Referred to Municipal Planning Commission

Introduced by Councilwoman Jody Connell on August 17, 1998;
BILL NO. 6511, a bill amending the Comprehensive Plan for the City of Charleston, Kanawha County, West Virginia, pursuant to Chapter 8, Article 24, of the West Virginia *Code* 1931, as amended, said amended Kanawha City Community Revitalization Plan being for the general purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of Kanawha City and to promote the health, safety, morals, order, convenience, prosperity and general welfare of the inhabitants covered by the plan and calling for a public hearing thereon.
Referred to Municipal Planning Commission

Introduced by Councilwoman Linda Nielsen on August 17, 1998;
BILL NO. 6512, a bill amending and re-enacting Chapter Thirteen, Section Thirty-seven, Article V. as it relates to Separation of recyclable materials from municipal waste, of the Garbage, Refuse and Weeds Law, as amended, of the *Code* of the City of Charleston, one thousand nine hundred seventy-five, as amended, by the following: In paragraph (a) on line number 49 by deleting the word "and"; and adding after the word newspaper, "semicolan and plastics identified by the Society of Plastics Industry (SPI) code numbers 1, 2, 3, and 5"
Referred to Council Committee on Environmental and Recycling

UNFINISHED BUSINESS

Mayor Melton announced the creation of a Civilian Police Review Board. Members of the panel include: Charleston attorney Jim McIntyre; former City Police Sgt. Ed Clark; a former pastor and head of the city's neighborhood watch programs Marvin Frame; Charleston attorney Nelson Bickley; and Charleston Public Safety Council president John Chapman.

The 28th Annual Charleston Sternwheel Regatta will begin on August 28, 1998.

At 10:00 p.m., on motion of Councilman Quick, Council adjourned until Tuesday, September 8, 1998.

G. Kemp Melton, Mayor

Fred M. Frisk, Jr., City Clerk

CHARLESTON NEWSPAPERS
P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

INVOICE DATE	08/14/98
ACCOUNT NBR	089361005
SALES REP ID	0014
INVOICE NBR	559920001

Legal pricing is based upon 67 words per column inch at a rate of $.0925 per word.
Each successive insertion is discounted by 25% of the first insertion rate ($.069375 per word).

ISSUE DATE	AD TYPE	PUB	DESCRIPTION / REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE / TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
			LEGAL DISCOUNT 25%				15.88-	47.64
			TOTAL INVOICE AMOUNT					111.16

AUG 20 1998

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, Sandra Begg of
THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER,
THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER,
published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:
PUBLIC HEARING
was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the 8TH day of AUGUST 1998. Published during the following dates: 08/07/98-08/13/98
Subscribed and sworn to before me this 17 day of August.
Printers fee $ 111.16

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LYNN R. FIELDER
2245 PUTNAM AVE.
HURRICANE, WV 25526
My Commission Expires December 11, 2000

Lynn R Fielder
Notary Public of Kanawha County, West Virginia

CHARLESTON NEWSPAPERS
P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

INVOICE DATE	08/14/98
ACCOUNT NBR	089361005
SALES REP ID	0014
INVOICE NBR	559920001

Legal pricing is based upon 67 words per column inch at a rate of $.0925 per word
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ISSUE DATE	AD TYPE	PUB	DESCRIPTION / REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE / TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
08/07	LEGF	GZ	PUBLIC HEARING	L397130	1X0513			
			559920001		5.13	6.19	31.76	
08/07	LEGF	DM	PUBLIC HEARING	L397130	1X0513			
			559920001		5.13	6.19	31.76	63.52
08/13	LEGR	GZ	PUBLIC HEARING		1X0513			
			559920002		5.13	6.19	31.76	
08/13	LEGR	DM	PUBLIC HEARING		1X0513			
			559920002		5.13	6.19	31.76	

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, _____ of

published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:

was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the day of . Published during the following dates:
Subscribed and sworn to before me this_____day of_____.
Printers fee $

_____
Notary Public of Kanawha County, West Virginia

NOTICE OF PUBLIC HEARING

Pursuant to Chapter 8, Article 16, Section 18 of the West Virginia Code, notice is hereby given that a Public Hearing will be held on Monday, August 17, 1998, at 8:00 p.m. in Council Chambers, City Hall, Charleston, West Virginia, on Bill No. 6510, introduces on August 3, 1998; Council will act upon final reading of said Ordinance following Public Hearing.

BILL NO. 6510, AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS TO A PUBLIC FACILITY AND ISSUANCE OF CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998, OF THE CITY OF CHARLESTON, IN THE AMOUNT OF $3,500,000, TO FINANCE THE ACQUISITION, CONSTRUCTION, EQUIPPING AND IMPROVEMENTS TO A PUBLIC FACILITY; DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BONDS; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES AND SECURITY OF THE HOLDERS OF THE BONDS; PROVIDING A STATUTORY MORTGAGE LIEN OF SPECIFIED TAX REVENUES DEDICATED FOR SUCH PURPOSES AND PROVIDING GENERAL TERMS AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE PLACE.

A certified copy of the Ordinance is on file in the office of the City Clerk of the City for review by interested persons during regular office hours, 9:00 a.m. to 5:00 p.m., Mondays through Fridays.

Fred M. Frisk, Jr.
City Clerk
Charleston, WV

(397130)

Minutes of Public Hearing

held on August 17, 1998

(See Tab 4)

C E R T I F I C A T E

I, Fred M. Frisk, Jr., City Clerk of Charleston, West Virginia, do hereby certify that the attached is a true and correct copy of that certain Resolution No. 005-98, duly filed and of record in the office of the Clerk of the City of Charleston, West Virginia, adopted by Council of the City of Charleston at a meeting held on September 8, 1998, and was adopted by the following vote.

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

Given under my hand and the official seal of the City of Charleston, West Virginia, this 17th day of September, 1998

(seal)

Fred M. Frisk, Jr., City Clerk

Resolution No. 005-98

Introduced in Council:

September 8, 1998

Introduced by:

David Haddad

Adopted by Council:

September 8, 1998

Referred to:

Resolution No. 005-98 "Amending and supplementing an Ordinance enacted on August 17, 1998, providing for the dates, maturities, interest rates, principal payment schedules, sale prices and other terms relating to the Bonds, designating a registrar and paying agent, ratifying a preliminary official statement, approving an official statement, approving a bond purchase agreement and making other provisions relating to the Bonds."

WHEREAS, the City Council of The City of Charleston, West Virginia, enacted an Ordinance on August 17, 1998, as more fully set out therein, which Ordinance became effective on August 17, 1998, following a public hearing (said Ordinance is hereinafter referred to as the "Ordinance");

WHEREAS, the Ordinance provides for the issuance of Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds"), and further provides that the dates, interest rates, maturities, sales prices and other terms and matters relating to such Bonds should be established by supplemental resolution;

WHEREAS, the Bonds are proposed to be sold to the Original Purchaser (as defined in the Ordinance) pursuant to a Bond Purchase Agreement (the "Purchase Agreement");

WHEREAS, capitalized terms used herein and not otherwise defined shall have the same meanings given to such terms in the Ordinance; and

WHEREAS, the City Council of the City deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted and that the prices, maturity dates, redemption provisions, interest rates and the interest and principal payment dates of the Bonds be fixed, that the Purchase Agreement be approved, that the distribution of the Preliminary Official Statement and Official Statement be ratified and approved, respectively, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, be it resolved by the City Council of The City of Charleston, West Virginia, as follows:

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Civic Center Improvement Bonds, Series 1998, in the aggregate principal amount of $3,635,000, all in the form set forth in the Ordinance.

(a) The Series 1998 Bonds shall be originally issued in book-entry form of a single bond for each year of maturity, numbered consecutively R-1 and upwards, and shall be in the aggregate principal amount of $3,635,000. The Series 1998 Bonds shall be dated September 1, 1998, and shall mature on September 1 in the years, bear interest per annum and be subject to optional and mandatory sinking fund redemption, all as set forth on Exhibit A attached hereto.

(b) The Series 1998 Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity, provided that initially the Series 1998 Bonds will issued in the book-entry form, registered to Cede & Co., as nominee for The Depository Trust Company. Interest on the Series 1998 Bonds is payable on March 1 and September 1 of each year beginning March 15, 1999, by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by Bank One, West Virginia, N.A., Charleston, West Virginia, as registrar (the "Registrar"), for the registration and transfer of bonds (the "Register") as of the thirtieth (30th) day of the month preceding such interest payment date or, in the event of a default in the payment of the Series 1998 Bonds, that special record date to be fixed by the Registrar by notice given to the registered owners not less than 10 days prior to said special record date (the "Record Date"). Principal of and premium on the Series 1998 Bonds is payable to the owner thereof upon surrender thereof at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent").

(c) The proceeds of the Series 1998 Bonds shall be deposited as follows:

(1) $10,453.92 of such proceeds, representing accrued interest from September 1, 1998, to September 22, 1998, shall be deposited in the Series 1998 Bonds Sinking Fund,

(2) $54,500.00 of such proceeds shall be deposited in the Cost of Issuance Account and used to pay Costs of Issuance, and

(3) $3,500,000 of such proceeds shall be deposited in the Construction Fund.

Section 2. The sale of the Bonds to the Original Purchaser and the Purchase Agreement, dated September 8, 1998, in the form attached hereto as Exhibit B are hereby approved. The Mayor is authorized and directed to execute and deliver the Purchase Agreement with such changes and insertions as he may approve. The Mayor's signature on such Purchase Agreement shall be conclusive evidence of such approval.

Section 3. The City hereby ratifies and approves the distribution of a Preliminary Official Statement dated August 28, 1998, with respect to the Bonds, attached hereto as Exhibit C. The City further authorizes and approves the execution and delivery of the Official Statement dated September 8, 1998, in the form attached hereto as Exhibit D, and hereby authorizes and directs the Mayor to execute the same and deliver the Official Statement to the Original Purchasers.

Section 4. All other provision relating to the Bonds shall be as provided in the Ordinance and this Supplemental Resolution, and the Bonds shall be in substantially the form provided in the

Ordinance, with such changes, insertions and omissions as may be approved by the Mayor. The Mayor's execution of the Bonds shall be conclusive evidence of such approval.

Section 5. The total sources and uses of the funds for Project are as follows:

Sources:

Par Amount of Bonds	$3,635,000.00
Accrued Interest September 1 to September 22	10,453.92
Original Issue Discount	(46,513.80)
Total Sources	$3,598,940.12

Uses:

Construction Fund	$3,500,000.00
Underwriter's Discount	32,715.00
Costs of Issuance	54,500.00
Sinking Fund (accrued interest)	10,453.92
Rounding Amount	1,271.20
Total Uses	$3,598,940.12

Section 6. The City hereby appoints and designates Bank One, West Virginia, N.A., as Registrar for the Bonds.

Section 7. The City hereby appoints and designates the West Virginia Municipal Bond Commission, as Paying Agent for the Bonds,

Section 8. The City hereby finds and determines that the Bonds are to be issued for a public purpose, and shall not permit at any time any of the proceeds of the Bonds or other funds of the City to be used directly or indirectly in any manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

Section 9. Bank One, West Virginia, N.A. is hereby authorized to invest the Moneys in the Construction Fund in Qualified Investments pending disbursement for Project Costs.

Section 10. The definition of Tax Revenues, as set forth in Section 1.04 of the Ordinance, shall be deleted and restated as follows:

"Tax Revenues" means (i) the specified tax revenues dedicated for such purposes by the City to pay debt service on the Series 1998 Bonds and consisting of coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received or collected by the City and (ii) any other revenues dedicated for such purposes by the City to pay debt service on the Series 1998 Bonds and on any additional bonds issued under the Ordinance.

Section 11. The debt service coverage requirement and test for the issuance of additional parity bonds, as set forth in Section 5.02 of the Ordinance, shall be deleted and restated as follows:

Additional bonds or obligations payable out of the Tax Revenues pledged toward repayment of the Series 1998 Bonds may be issued at any time upon the Issuer's completion, execution and tender of its certificate demonstrating a debt service coverage ratio of one hundred ten percent (110%) of Tax Revenues to pay debt service on the Series 1998 Bonds during the most recent fiscal year and a projected debt service coverage ratio of one hundred ten percent (110%) of Tax Revenues to pay debt service on the Series 1998 Bonds and the additional parity bonds over the next three (3) years.

In the event that the collection of Tax Revenues falls below one hundred ten percent (110%), the City will use its best efforts to request and secure legislative approval to increase the rates of and /or percentages from the different components of Tax Revenues which are paid to the City.

Section 12. The City and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year 1998, and the City hereby designates the Bonds as "qualified tax-exempt obligations," as defined in Section 265 (b)(3)(B) of the Code.

Section 13. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, including without limitation, Registrar's Agreement, Letter of Representation, Tax Regulatory Agreement, Non-Arbitrage Certificate, Rule 15c2-12 Certificate, Non-Default Certificate and Continuing Disclosure Certificate required or desired in connection with the sale and issuance of the Bonds.

Section 14. This Supplemental Resolution shall take effect immediately upon its adoption.

Adopted this 8th day of September, 1998.

THE CITY OF CHARLESTON

By: _____
Mayor

[SEAL]

By: _____
City Clerk

EXHIBIT A

AMOUNTS, MATURITY SCHEDULE AND INTEREST RATES
FOR THE SERIES 1998 BONDS

Year	Amount	Coupon	Yield	Price	CUSIP
2010	$1,235,000	4.6%	4.6%	100%	160519 BE 3
2018	$1,290,000	5.1%	5.2%	98.764%	160519 BF 0
2023	$1,110,000	5.1%	5.3%	97.246%	160519 BG 8

Optional Redemption.

The Series 1998 Bonds are not subject to optional redemption prior to September 1, 2008. At the option of the City, the Series 1998 Bonds will be subject to redemption prior to maturity on or after September 1, 2008, in whole at any time and in part on any interest payment, in inverse order of maturity and by random selection within maturities, if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption

Period During Which Redeemed	Redemption Price
September 1, 2008 to August 31, 2009	102%
September 1, 2009 to August 31, 2010	101%
September 1, 2010 and thereafter	100%

Mandatory Redemption.

The Series 1998 Bonds maturing September 1, 2010, September 1, 2018, and September 1, 2023, are subject to annual mandatory redemption prior to maturity by random selection in accordance with the requirements of the Ordinance at the principal amount thereof, plus accrued interest to the date fixed for redemption on September 1 in each of the years and in the principal amounts set forth below:

2010 TERM BONDS		2018 TERM BONDS		2023 TERM BONDS	
Year	Principal Amount	Year	Principal Amount	Year	Principal Amount
1999	$80,000	2011	$135,000	2019	$200,000
2000	80,000	2012	140,000	2020	210,000
2001	85,000	2013	150,000	2021	220,000
2002	90,000	2014	155,000	2022	235,000
2003	95,000	2015	165,000	2023(Maturity)	245,000
2004	100,000	2016	175,000		
2005	105,000	2017	180,000		
2006	110,000	2018(Maturity)	190,000		
2007	115,000				
2008	120,000				
2009	125,000				
2010(Maturity)	130,000				

C E R T I F I C A T E

I, Fred M. Frisk Jr., City Clerk of Charleston, West Virginia, do hereby certify that the attached are true and correct copies of Council Minutes for the August 17, 1998 and September 8, 1998 meetings of Charleston City Council, duly filed and of record in the office of the Clerk of the City of Charleston, West Virginia.

Given under my hand and the official seal of the City of Charleston, West Virginia, this 21st day of September, 1998

(seal)

Fred M. Frisk Jr., City Clerk

JOURNAL

OF THE

COUNCIL

CITY OF CHARLESTON

WEST VIRGINIA

September 8, 1998

The Council met in its Chamber in the City Building at 8:00 P.M. for the first meeting in the month of September and was called to order by the Mayor, the Honorable G. Kemp Melton.

Prayer was offered by the Honorable Ernest A. Layne, Councilman for the 5th Ward.

The Clerk called the roll and the following members answered to their names:

Barron
Barth
Connell
Gilmer
Haddad
Hardy
Hicks
Horan
Huffman
Kimberling
Lane
Lanham
Layne
Loeb
Lopez
Malone
McClaskie
Morton
Nielsen
Quick
Redman
Smith
Snodgrass
Snuffer
Thompson
Mayor Melton

Twenty-six members being present, one being absent, Councilman Leary, the Mayor declared a quorum.

Pending the reading of the Journal of the previous meeting, the reading thereof was dispensed with and the same duly approved.

September 8, 1998 1st MEETING

PUBLIC SPEAKERS

None.

CLAIMS

1. A Claim of Sarah McClanahan; 3500 Staunton Avenue, Charleston, WV; alleges personal damage; Referred to City Solicitor

2. A Claim of Gail M.Swatzel; 1215 Ridge Drive, Charleston, WV; alleges damage to vehicle; Referred to City Solicitor

3. A Claim of Philip W. Holley; 128 Pine Street, Dunbar, WV; alleges damage to vehicle; Referred to City Solicitor

4. A Claim of John K. Brewster; Box 94, Foster, WV; alleges damage to vehicle; Referred to City Solicitor

5. A Claim of Thomas R. Morris for Stephanie Morris; 3709 Staunton Avenue, Charleston, WV; alleges personal injury; Referred to City Solicitor

6. A Claim of William Meadows; 2906 2nd Avenue, Charleston, WV; alleges damage to property; Referred to City Solicitor

7. A Claim of Brenda J. Racimo; 4608 Washington Avenue, SE., Charleston, WV; alleges damage to vehicle; Referred to City Solicitor

8. A Claim of Fred Fazio; 860 Larchmont Drive, Charleston, WV; alleges damage to personal property; Referred to City Solicitor

9. A Claim of William M. Potter; PO Box 622, Poca, WV; alleges damage to vehicle; Referred to City Solicitor

10. A Claim of Roger Withrow; 1631 Pansy Drive, Charleston, WV; alleges damage to vehicle; Referred to City Solicitor

COMMUNICATIONS

Mayor Melton asked Parking Director, Archie Chestnut, to present his report on the Parking System as requested previously by Council. A handout was also given to council members.

MISCELLANEOUS RESOLUTION

Introduced by Mayor G. Kemp Melton on September 8, 1998

Resolution No. 014-98, WHEREAS, it is provided by Chapter 7, Article 12, Section 3 of the *Code* of West Virginia, relating to the Board of Members of the County Redevelopment Authorities, that "the city and town council of each municipality located within the county shall submit to the County Court the name of one representative to be appointed to the Board",

NOW THEREFORE, Be it Resolved by the Council of the City of Charleston, West Virginia:

That the council of the (City) (Town) of Charleston, Kanawha County, West Virginia, does hereby submit to the County Commission of Kanawha County the name of R. Dan Halloran, to be appointed as the representative of said (City) (Town) on the Board of the Regional Development Authority of Charleston, Kanawha County, West Virginia Metropolitan Region, to serve for a term of three years and until (his) (her) successor has been appointed and qualified, unless sooner removed by appropriate action of said council.

Be it Further Resolved: That a certified copy of this resolution be forthwith delivered by the (City) (Town) clerk to the Kanawha County Commission.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 014-98 adopted unanimously.

REPORTS OF STANDING COMMITTEES

PLANNING

Councilwoman Jody Connell, Chairman of the Council Committee on Planning submitted the following reports.

1. Your Committee on Planning has had under consideration Bill No. 6457.

Your Committee finds that the bill should be amended as follows:

Line 10 after the word "district" by adding the words "the petitioner shall construct an anchor diamond peerless retaining wall system between Craigmar Road and the petitioners property within two months and said wall will be maintained by the petitioner."

Line 13 after the words "office/residential structure" by adding the words "and offices, business or professional, but excluding government offices and offices of the allied healing arts including, but not limited to physicians, dentists, chiropractors, etc."

Your Committee further finds that with the restrictions being placed on the property and the changes in the traffic pattern, and the wall between the petitioner's property and the Craigmar

Road there should be little, if any, adverse affects on the neighborhood.

And reports the same to Council with the recommendation that the bill, as amended, pass.

A motion was made to amend the bill. Motion was seconded.

The question being on the motion to amend the bill a vote was taken. There being no dissent the Mayor declared the amendments passed unanimously.

Bill No. 6457, as amended, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, and the map made a part thereof, by rezoning from a C-4 district, with restricted use imposed by Ordinance No. 5085, as amended, to a C-4 district, with revised restricted use, those certain parcels of land at 1013 and 1015 Oakhurst Drive, Charleston, West Virginia.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. The Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, is hereby amended by rezoning from a C-4 district the petitioner shall construct an anchor diamond peerless retaining wall system between Craigmar Road and the petitioners' property within two months and said wall will be maintained by the petitioner, with the use restricted to offices in the existing garage structure and up to two (2) dwelling units in the existing office/residence structure, to a C-4 district, with the use restricted to offices and one apartment upstairs in the office/residence structure and offices, business or professional, but excluding government offices and offices of the allied healing arts including, but not limited to physicians, dentist, chiropractors, etc., the whole of the following described parcels of land:

Parcels 32 and 33 as shown on South Annex Tax Map no. 5.
Subject property is commonly known as 1013 and 1015 Oakhurst Drive, Charleston, West Virginia. Said tax map is of record in the Charleston Planning Department.

2. The Zoning Map, attached to and made a part of said Zoning Ordinance, is hereby amended in accordance with Section 1 of this ordinance.

3. All prior ordinances, or parts of ordinances, inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.

The question being on the passage of the bill a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6457, as amended, passed unanimously.

2. Your Committee on Planning has had under consideration Bill No. 6482.

Your Committee finds that the bill should be amended as follows:

Line 20 after the words "a C-6 district" by adding the words "restricting the use to no dispensing or sales beer, wine, or alcohol and hours of operation from 11:30 a.m. to 7:00 p.m."

Your Committee further finds that with the restrictions placed on the dispensing of beer, wine or alcohol and the hours of operation there should be little, if any, adverse affect on the neighborhood.

And reports the same to Council with the recommendation that the bill, as amended, pass.

A motion was made to amend the bill. Motion was seconded.

The question being on the motion to amend the bill a vote was taken. There being no dissent the Mayor declared the amendments passed unanimously.

Bill No. 6482, as amended, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, and the map made a part thereof, by rezoning from a C-6 district, with use restrictions, to a C-6 district, those certain parcels of land situate at 4415 MacCorkle Avenue, SE, Charleston, West Virginia.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. The Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, is hereby amended by rezoning from a C-6 district, with use restrictions (See Ordinance No. 3728, as amended) to a C-6 district restricting the use to no dispensing or sales beer, wine, or alcohol and hours of operation from 11:30 a.m. to 7:00 p.m. the whole of the following described parcels of land:

> Parcels 121 and 122 as shown on the Kanawha City Tax Map No. 16. The Property is commonly known as 4415 MacCorkle Avenue, SE, Charleston, West Virginia. Said tax map is on record in the City Planning Department.

2. The Zoning Map, attached to and made a part of said Zoning Ordinance, is hereby amended in accordance with Section 1 of this ordinance.

3. All prior ordinances, inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.

The question being on the passage of the bill a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6482, as amended, passed unanimously.

3. Your Committee on Planning has had under consideration Bill No. 6487.

Your Committee finds that the bill should be amended as follows:

Line 13 after the words "R-O district" by adding the words "with the use restricted to professional offices."

Your Committee further finds that it would create less traffic than the previous use and would improve the neighborhood.

And reports the same to Council with the recommendation that the bill, as amended, pass.

A motion was made to amend the bill. Motion was seconded.

The question being on the motion to amend the bill a vote was taken. There being no dissent the Mayor declared the amendment passed unanimously.

Bill No. 6487, as amended, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, and the map made a part thereof, by rezoning from an R-4 district to an R-0 district, that certain parcel of land situate at 813 Mariana Street, Charleston, West Virginia.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. The Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, is hereby amended by rezoning from an R-4 district to an R-0 district with the use restricted to professional offices the following described portion of Parcel Nos. 105 and 106:

BEGINNING at a point at the intersection of the southerly line of Price Street with the westerly line of Mariana Street, and running thence from said beginning point with the westerly line of Mariana Street, S. 19 degrees 50' W., 43.50' to a point; thence N. 70 degrees 40'56" W., 11.17' to a point; S. 19 degrees 50' W., 34', more or less to a point; thence N. 70 degrees 00' W., 29.57' to a point; thence N. 19 degrees 50' E., 63.50' to a point; thence S. 70 degrees 00' E., 45.67' to a point; thence N. 19 degrees 50' E., 18.00' to a point in the southerly

line of Price Street, thence S. 70 degrees 00' E., 41' to the place of beginning.

2. The Zoning Map, attached to and made a part of said Zoning Ordinance, is hereby amended in accordance with Section 1 of this ordinance.

3. All prior ordinances, or parts of ordinances, inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.

The question being on the passage of the bill a roll call was taken and there were; yeas-25, nays-0, absent-2, as follows:

YEAS: Barron, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Barth and Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6487, as amended, passed unanimously.

4. Your Committee on Planning has had under consideration Bill No. 6488.

Your Committee finds that the bill should be amended as follows:

Line 22 after the word "living" by deleting "120" and adding "108" and

Line 27 & 28 by deleting them in their entirety and adding "c. One (1) of the four (4) floors shall be underground and facing away from the houses in Shamrock Road."

Line 30 after the word "shall" by deleting the word "plan" and adding the word "plant" and after the word "evergreens" by deleting the words "all along the property line (parallel; and

Line 31 by deleting "with Shamrock Road" and adding "all around the building" and after the word "buffer" adding "to protect Shamrock Road and Devondale Circle and ensure a year round buffer"

And reports the same to Council with no recommendation.

A motion was made to amend the bill. Motion was seconded.

The question being on the motion to amend the bill a vote was taken. There being no dissent the Mayor declared the amendments passed unanimously.

Councilwoman Connell made a motion to table the bill for two weeks. Motion was seconded. Mayor Melton declared Bill No. 6488, as amended, tabled for two weeks.

5. Your Committee on Planning has had under consideration Bill No.6489.

Your Committee finds that the bill should be amended as follows:

Page 2, line 2 after the word "businesses" by adding "the replacement and repair of existing off-premise signs blown down or otherwise damaged by wind or other acts of God, or the maintenance and repair of existing off-premise signs."

And reports the same to Council with the recommendation that the bill, as amended pass.

A motion was made to amend the bill. Motion was seconded.

The question being on the motion to amend the bill a vote was taken. There being no dissent the Mayor declared the amendments passed unanimously.

Bill No. 6489, as amended, a bill approving the establishment of an Off-premise sign Moratoria in the City of Charleston, West Virginia, for a period of not more than 12 months..

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. The City Council finds that:

(a) The Planning Department of the City of Charleston has recommended an Off-premise sign moratoria be enacted while the Sign Section of the Zoning Ordinance is being revised;

(b) Boundaries for the Moratoria are the corporate limits of the City of Charleston;

(c) This Moratoria will hold in abeyance all new construction for off-premise signs:

(d) The Moratoria shall be enforced for a period of 12 months from the date of the passage of this ordinance; and

(e) City Council has determined that this Moratoria is necessary as a means of interim control to protect the municipality from off-premise signs that may be non complying with the Zoning Ordinance of the City of Charleston.

2. The action of this ordinance is in compliance with prevailing zoning laws and is hereby found to be feasible.

3. The intent of aforementioned resolution is described as follows:

An Off-premise sign Moratoria shall be enacted in the City of Charleston for a period of 12 months from the passage of this resolution. During the moratoria no variances, permits, rezonings, or temporary permits, for the construction of off-premise signs will be granted.

Nothing in this bill shall be construed to prohibit the issuance of a license resulting from the change in ownership of an existing business the replacement and repair of existing off-premise signs blown down or otherwise damaged by wind or other acts of God, or the maintenance and repair of existing off-premise signs.

The purpose of this off-premise Moratoria is a necessary measure by City Council to protect the City of Charleston from changes that might be inconsistent with the Zoning Ordinance of the City of Charleston.

The question being on the passage of the bill a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6489, as amended, passed unanimously.

6. Your Committee on Planning has had under consideration Bill No. 6500.

Your Committee finds that the bill should be amended as follows:

Page 1, line 32, by moving Section 2 to page 2, and adding a new Section 1.1 to read:

"1.1 The use of the above-described property and the other 17.13 acres, more or less, is hereby restricted to a maximum of 53 townhouse units and appurtenant leisure and recreational facilities (See also Bill No. 6383, passed by City Council November 3, 1997)."

And reports the same to Council with the recommendation that the bill, as amended, pass.

A motion was made to amend the bill. Motion was seconded.

The question being on the motion to amend the bill a vote was taken. There being no dissent the Mayor declared the amendment passed unanimously.

Bill No. 6500, as amended, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, and the map made a part thereof, by rezoning from an R-4 district to an R-8 district that certain 5.52 acre portion of the tract of land which lies immediately north of the Hemingway Place Subdivision on the east side of Greenbrier Street, Charleston, West Virginia.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. The Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, is hereby amended by rezoning that certain 5.52 acre portion of the tract of land which lies immediately north of Hemingway Place Subdivision, said portion of the tract more particulary described as follows:

Beginning at a pin in the easterly right-of-way line of WV State Route 14, said pin located 130 feet right of the highway centerline and being at the corner to Hemingway Place Subdivision; thence leaving the Hemingway Place line running with the highway right-of-way line for eight calls: N 3°33'41" E 183.00 feet to a pin; thence N 32°43'26" E 65.00 feet; thence N 57°16'34" W 10.00 feet; thence N 29°22'06" E 48.40 feet; thence N 25°16'30" E 40.31 feet; thence N 16°43'04" E 40.01 feet; thence N 10°53'48" E 55.44 feet; thence S 89°35'41" E 26.25 feet to a pin at the corner of the I. V. Cunningham tract; thence leaving the highway right-of-way running with the Cunningham line N 34°05'43" E 17.59 feet to a pin; thence leaving the Cunningham line, severing the property of Cunningham Realty Co., S 46°58'00" E638.79 feet to a pin in the Pinnacle Subdivision line; thence running with the Pinnacle Subdivision line S 35°53'00" W 410.00 feet to a pin at the corner to Hemingway Place Subdivision; thence running with the Hemingway Place Subdivision line N 46°58'00" W 492.31 feet back to the place of beginning, containing 5.52 acres ±.

1.1. The use of the above-described property and the other 17.13 acres, more or less, is hereby restricted to a maximum of 53 townhouse units and appurtenant leisure and recreational facilities (See also Bill No. 6383, passed by City Council November 3, 1997).

2. The Zoning Map, attached to and made a part of said Zoning Ordinance, is hereby amended in accordance with Section 1 of this ordinance.

3. All prior ordinances, or parts of ordinances, inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.

The question being on the passage of the bill a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6500, as amended, passed unanimously.

ENVIRONMENT & RECYCLING

Councilwoman Linda Nielsen, Chairman of the Council Committee on Environment and Recycling submitted the following report.

1. Your Committee on Environment and Recycling has had under consideration Bill No. 6512, Committee Substitute, a bill to amend and re-enact Section Thirty-seven, Article Five, Chapter Thirteen of the Administrative Law of the *Code* of the City of Charleston, one thousand nine hundred seventy-five, as amended, relating to separation of recyclable materials from municipal waste.

And reports the same to Council withe the recommendation that the bill pass.

Bill No. 6512, Committee Substitute, a bill to amend and re-enact Section Thirty-seven, Article Five, Chapter Thirteen of the Administrative Law of the *Code* of the City of Charleston, one thousand nine hundred seventy-five, as amended, relating to separation of recyclable materials from municipal waste.

Be it Ordained by the Council of the City of Charleston, West Virginia

That section Thirty-seven, Article Five, Chapter Thirteen of the Administrative Law of the *Code* of the City of Charleston, one thousand nine hundred seventy-five, as amended, is hereby amended and re-enacted to read as follows:

Sec. 13-37. Separation of recyclable materials form municipal waste.

(a) Residences - Persons shall separate all aluminum cans; bi-metal, steel and tin-plated steel food and beverage cans; newspaper; and plastics identified by the Society of Plastics Industry (SPI) code numbers 1, 2, 3 and 5 from municipal waste generated at residences and shall store the materials until they are collected for recycling.

(b) All residents receiving municipal waste collection or on behalf of the City shall source

separate all designated recyclable materials into a recycling bin and place for collection in a manner designated in Section 13-36.

(c) Special recycling containers shall be provided to each property owner and/or tenant free of charge. A replacement fee of five dollars shall be charged if a recycling container must be replaced.

(d) An owner, landlord, or agent of an owner or landlord of a multi-family rental dwelling with four or more units picked up by the City shall be deemed to have complied with its separation responsibilities if it establishes a collection system at each such property. Unless otherwise approved by the City Manager, the collection system shall include separate suitable receptacles specifically for collecting and storing the separated recyclables which tenants have deposited, and written instructions to the occupants concerning the use and availability of the collection system. The receptacles shall be clearly marked as designated only for recyclable materials and shall be placed in a location easily accessible to the tenants. Separate receptacles shall be provided and marked to enable the tenant to separate recyclables. Owners, landlords, or agents of owners or landlords who provide a collection system under this section shall not be liable for non-compliance of occupants of their buildings.

(e) Commercial, Industrial, Institutional, and Governmental Establishments, and Community Activities - "Community Activities" as used here includes events that are sponsored by public or private agencies or individuals that include but are not limited to regattas, fairs, bazaars, socials, picnics, performances, and organized sporting events attended by five hundred or more individuals per day. "Commercial" as used here includes commercial, industrial, instituitional, and governmental establishments. Persons shall separate at least three materials from municipal waste generated at commercial establishments and shall store such materials until they are collected for recycling. Community Activities shall separate at least three materials and shall store such materials until they are collected for recycling. The three materials shall be chosen from the following group: high-grade office paper, computer paper, corrugated paper, newspaper, low-grade office paper, clear glass jugs/jars/bottles, aluminum and bi-metal beverage cans, steel cans, automotive or industrial lead acid batteries, tires, and computer ribbons, laser toner cartridges, or copier toner cartridges. Commercial establishments shall ensure that recycling efforts result in the reduction of solid waste within their establishment from 1991 by waste generation rates of twenty percent by January 1, 1994, of thirty percent by January 1, 2000, and fifty percent by January 1, 2010. At least three months prior to any deadline (s) established by the Legislature of the State of West Virginia for recycling requirements for reduction of solid waste, each commercial waste hauler that provides solid waste collection services to Charleston commercial establishments shall submit a recyclables collection plan to the Charleston Recycling Department on forms prescribed by the department, and must provide at least the minimum level of recycling services to all commercial customers by any deadline established by the Legislature of the State of West Virginia.

(f) An owner, landlord, or agent of an owner or landlord of a commercial establishment that leases its premises to other such establishments shall be deemed to have complied with its separation responsibilities if it establishes a collection system meeting the requirements of the

collection system for multi-family dwellings described in subsection (d) of this section.

The question being on the passage of the bill a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Bill No. 6512, Committee Substitute, passed unanimously.

FINANCE

Councilman David Hardy, Chairman of the Council Committee on Finance submitted the following reports:

1. Your Committee on Finance has had under consideration bid submitted by Shanklin Greenhouse, in the amount of $8,801.16, for Spring Bedding Plants to be planted in various areas throughout the City by the Parks & Recreation Department; to be charged to account no. 01-900-0-0-3-41, P&R Department--Materials & Supplies

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

2. Your Committee on Finance has had under consideration Resolution no. 004-98, authorizing the Finance Director to make revisions to the 1998-99 General Fund budget as indicated on the attached list of accounts.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 004-98--"Authorizing the Finance Director to make revisions to the 1998-98 General Fund budget as indicated on the attached list of accounts."

Be it Resolved by the Council of the City of Charleston, West Virginia

That the Finance Director is hereby authorized and directed to make revisions to the 1998-99 General Fund budget as indicated on the attached list of accounts; and be it

FURTHER RESOLVED, that this budgetary revision is being made to adjust the proper accounts in the 1998-99 Municipal Budget for those amounts included in "Reverse for

Encumberances" as stated in the Financial Statements for the Fiscal Year Ended June 30, 1998, and to comply with instructions from the Chief Inspector Division, Department of Tax and Revenue, State of West Virginia

General Fund 1998-99 Budget Amendment No. 4 - September 8, 1998

01-417-00-000-2-029	Legal	Prior Year Court Costs & Damages	117,397.00
01-420-00-000-4-058	Engineering	Capital Outlay-Special Projects	479,893.00
01-420-00-000-4-059		Capital Outlay-Equipment	20,900.00
01-439-00-000-4-059	Information Systems	Capital Outlay-Equipment	32,638.00
01-442-00-000-2-024	Internal Audit	Audit Costs	11,324.00
01-566-00-000-4-058	Public Works	Capital Outlay-Special Projects	3,500.00
01-700-00-000-2-022	Police-Uniform	Dues & Subscriptions	719.00
01-700-00-000-3-041		Materials & Supplies	562.00
01-700-00-000-3-045		Uniforms	1,749.00
01-700-00-000-4-059		Capital Outlay-Equipment	59,919.00
01-706-00-000-2-015	Fire-Uniform	M&R-Buildings & Grounds	1,350.00
01-706-00-000-2-017		M&R-Auto/Truck	1,900.00
01-712-00-000-2-016	Traffic Engineering	M&R-Equipment	585.00
01-712-00-000-2-021		Training	105.00
01-712-00-000-2-030		Contracted Services	40.00
01-712-00-000-3-041		Materials & Supplies	1,275.00
01-712-00-000-4-059		Capital Outlay-Equipment	23,500.00
01-750-00-000-3-041	Street	Materials & Supplies	8,601.00
01-754-00-000-2-016	Equipment Maintenance	M&R-Equipment	127.00
01-754-00-000-2-021		Training	156.00
01-754-00-000-4-059		Capital Outlay-Equipment	94,953.00
01-800-00-000-2-021	Refuse Coll. & Recycling	Training	320.00
01-900-00-000-2-015	Parks & Recreation	M&R-Buildings & Grounds	2,284.00
01-900-00-000-2-016		M&R-Equipment	609.00
01-900-00-000-2-030		Contracted Services	620.00
01-900-00-000-3-041		Materials & Supplies	320.00
01-900-00-000-3-051		Athletic Supplies	399.00
01-900-00-000-4-059		Capital Outlay-Equipment	15,140.00
01-299-0	Fund Balance		(880,885.00)

To adjust the proper accounts in the 1998-99 Municipal Budget for those amounts included in "Reserve for Encumberances" as stated in the Financial Statements for the Fiscal Year Ended June 30, 1998. This is in compliance with instruction from the Chief Inspector Division, Department of Tax and Revenue, State of West Virginia.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 004-98 adopted unanimously.

3. Your Committee on Finance has had under consideration Resolution No. 005-98, amending and supplementing Ordinance No. 6510, enacted on August 17, 1998, authorizing issuance of Civic Center Improvement Bonds, approving the dates, maturities, interest rates, principal payment schedules, sale prices, and other terms relating to the Bonds, in the aggregate principal amount of $3,653,000; designating a registrar and paying agent, ratifying a preliminary official statement, approving an official statement, approving a bond purchase agreement, and making other provisions relating to the Bonds, all in the form set forth in the Ordinance.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 005-98 "Amending and supplementing an Ordinance enacted on August 17, 1998, providing for the dates, maturities, interest rates, principal payment schedules, sale prices and other terms relating to the Bonds, designating a registrar and paying agent, ratifying a preliminary official statement, approving an official statement, approving a bond purchase agreement and making other provisions relating to the Bonds."

WHEREAS, the City Council of The City of Charleston, West Virginia, enacted an Ordinance on August 17, 1998, as more fully set out therein, which Ordinance became effective on August 17, 1998, following a public hearing (said Ordinance is hereinafter referred to as the "Ordinance");

WHEREAS, the Ordinance provides for the issuance of Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds"), and further provides that the dates, interest rates, maturities, sales prices and other terms and matters relating to such Bonds should be established by supplemental resolution;

WHEREAS, the Bonds are proposed to be sold to the Original Purchaser (as defined in the Ordinance) pursuant to a Bond Purchase Agreement (the "Purchase Agreement");

WHEREAS, capitalized terms used herein and not otherwise defined shall have the same meanings given to such terms in the Ordinance; and

WHEREAS, the City Council of the City deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted and that the prices, maturity dates, redemption provisions, interest rates and the interest and principal payment dates of the Bonds be fixed, that the Purchase Agreement be approved, that the distribution of the Preliminary Official Statement and Official Statement be ratified and approved, respectively, and that other matters relating to the Bonds be herein provided for.

NOW, THEREFORE, be it resolved by the City Council of The City of Charleston, West Virginia, as follows:

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Civic Center Improvement Bonds, Series 1998, in the aggregate principal amount of $3,635,000, all in the form set forth in the Ordinance.

(a) The Series 1998 Bonds shall be originally issued in book-entry form of a single bond for each year of maturity, numbered consecutively R-1 and upwards, and shall be in the aggregate principal amount of $3,635,000. The Series 1998 Bonds shall be dated September 1, 1998, and shall mature on September 1 in the years, bear interest per annum and be subject to optional and mandatory sinking fund redemption, all as set forth on Exhibit A attached hereto.

(b) The Series 1998 Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof for any year of maturity, provided that initially the Series 1998 Bonds will issued in the book-entry form, registered to Cede & Co., as nominee for The Depository Trust Company. Interest on the Series 1998 Bonds is payable on March 1 and September 1 of each year beginning March 15, 1999, by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books kept by Bank One, West Virginia, N.A., Charleston, West Virginia, as registrar (the "Registrar"), for the registration and transfer of bonds (the "Register") as of the thirtieth (30th) day of the month preceding such interest payment date or, in the event of a default in the payment of the Series 1998 Bonds, that special record date to be fixed by the Registrar by notice given to the registered owners not less than 10 days prior to said special record date (the "Record Date"). Principal of and premium on the Series 1998 Bonds is payable to the owner thereof upon surrender thereof at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent").

(c) The proceeds of the Series 1998 Bonds shall be deposited as follows:

(1) $10,453.92 of such proceeds, representing accrued interest from September 1, 1998, to September 22, 1998, shall be deposited in the Series 1998 Bonds Sinking Fund,

(2) $54,500.00 of such proceeds shall be deposited in the Cost of Issuance Account and used to pay Costs of Issuance, and

(3) $3,500,000 of such proceeds shall be deposited in the Construction Fund.

Section 2. The sale of the Bonds to the Original Purchaser and the Purchase Agreement, dated September 8, 1998, in the form attached hereto as Exhibit B are hereby approved. The Mayor is authorized and directed to execute and deliver the Purchase Agreement with such changes and insertions as he may approve. The Mayor's signature on such Purchase Agreement shall be conclusive evidence of such approval.

Section 3. The City hereby ratifies and approves the distribution of a Preliminary Official Statement dated August 28, 1998, with respect to the Bonds, attached hereto as Exhibit C. The City further authorizes and approves the execution and delivery of the Official Statement dated September 8, 1998, in the form attached hereto as Exhibit D, and hereby authorizes and directs the Mayor to execute the same and deliver the Official Statement to the Original Purchasers.

Section 4. All other provision relating to the Bonds shall be as provided in the Ordinance and this Supplemental Resolution, and the Bonds shall be in substantially the form provided in the

Ordinance, with such changes, insertions and omissions as may be approved by the Mayor. The Mayor's execution of the Bonds shall be conclusive evidence of such approval.

Section 5. The total sources and uses of the funds for Project are as follows:

Sources:

Par Amount of Bonds	$3,635,000.00
Accrued Interest September 1 to September 22	10,453.92
Original Issue Discount	(46,513.80)
Total Sources	$3,598,940.12

Uses:

Construction Fund	$3,500,000.00
Underwriter's Discount	32,715.00
Costs of Issuance	54,500.00
Sinking Fund (accrued interest)	10,453.92
Rounding Amount	1,271.20
Total Uses	$3,598,940.12

Section 6. The City hereby appoints and designates Bank One, West Virginia, N.A., as Registrar for the Bonds.

Section 7. The City hereby appoints and designates the West Virginia Municipal Bond Commission, as Paying Agent for the Bonds,

Section 8. The City hereby finds and determines that the Bonds are to be issued for a public purpose, and shall not permit at any time any of the proceeds of the Bonds or other funds of the City to be used directly or indirectly in any manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

Section 9. Bank One, West Virginia, N.A. is hereby authorized to invest the Moneys in the Construction Fund in Qualified Investments pending disbursement for Project Costs.

Section 10. The definition of Tax Revenues, as set forth in Section 1.04 of the Ordinance, shall be deleted and restated as follows:

"Tax Revenues" means (i) the specified tax revenues dedicated for such purposes by the City to pay debt service on the Series 1998 Bonds and consisting of coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received or collected by the City and (ii) any other revenues dedicated for such purposes by the City to pay debt service on the Series 1998 Bonds and on any additional bonds issued under the Ordinance.

Section 11. The debt service coverage requirement and test for the issuance of additional parity bonds, as set forth in Section 5.02 of the Ordinance, shall be deleted and restated as follows:

Additional bonds or obligations payable out of the Tax Revenues pledged toward repayment of the Series 1998 Bonds may be issued at any time upon the Issuer's completion, execution and tender of its certificate demonstrating a debt service coverage ratio of one hundred ten percent (110%) of Tax Revenues to pay debt service on the Series 1998 Bonds during the most recent fiscal year and a projected debt service coverage ratio of one hundred ten percent (110%) of Tax Revenues to pay debt service on the Series 1998 Bonds and the additional parity bonds over the next three (3) years.

In the event that the collection of Tax Revenues falls below one hundred ten percent (110%), the City will use its best efforts to request and secure legislative approval to increase the rates of and /or percentages from the different components of Tax Revenues which are paid to the City.

Section 12. The City and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year 1998, and the City hereby designates the Bonds as "qualified tax-exempt obligations," as defined in Section 265 (b)(3)(B) of the Code.

Section 13. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates, including without limitation, Registrar's Agreement, Letter of Representation, Tax Regulatory Agreement, Non-Arbitrage Certificate, Rule 15c2-12 Certificate, Non-Default Certificate and Continuing Disclosure Certificate required or desired in connection with the sale and issuance of the Bonds.

Section 14. This Supplemental Resolution shall take effect immediately upon its adoption.

Adopted this 8th day of September, 1998.

THE CITY OF CHARLESTON

[SEAL]

By:_____
Mayor

By:_____
City Clerk

EXHIBIT A

AMOUNTS, MATURITY SCHEDULE AND INTEREST RATES
FOR THE SERIES 1998 BONDS

Year	Amount	Coupon	Yield	Price	CUSIP
2010	$1,235,000	4.6%	4.6%	100%	160519 BE 3
2018	$1,290,000	5.1%	5.2%	98.764%	160519 BF 0
2023	$1,110,000	5.1%	5.3%	97.246%	160519 BG 8

Optional Redemption.

The Series 1998 Bonds are not subject to optional redemption prior to September 1, 2008. At the option of the City, the Series 1998 Bonds will be subject to redemption prior to maturity on or after September 1, 2008, in whole at any time and in part on any interest payment, in inverse order of maturity and by random selection within maturities, if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption

Period During Which Redeemed	Redemption Price
September 1, 2008 to August 31, 2009	102%
September 1, 2009 to August 31, 2010	101%
September 1, 2010 and thereafter	100%

Mandatory Redemption.

The Series 1998 Bonds maturing September 1, 2010, September 1, 2018, and September 1, 2023, are subject to annual mandatory redemption prior to maturity by random selection in accordance with the requirements of the Ordinance at the principal amount thereof, plus accrued interest to the date fixed for redemption on September 1 in each of the years and in the principal amounts set forth below:

2010 TERM BONDS		2018 TERM BONDS		2023 TERM BONDS	
Year	Principal Amount	Year	Principal Amount	Year	Principal Amount
1999	$80,000	2011	$135,000	2019	$200,000
2000	80,000	2012	140,000	2020	210,000
2001	85,000	2013	150,000	2021	220,000
2002	90,000	2014	155,000	2022	235,000
2003	95,000	2015	165,000	2023(Maturity)	245,000
2004	100,000	2016	175,000		
2005	105,000	2017	180,000		
2006	110,000	2018(Maturity)	190,000		
2007	115,000				
2008	120,000				
2009	125,000				
2010(Maturity)	130,000				

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 005-98 adopted unanimously.

4. Your Committee on Finance has had under consideration Resolution No. 006-98, authorizing the Finance Director to make payment, on behalf of the City, in the amount of $20,000, to settle Civil Action No. 96-C-774, Zitzelsberger v. City of Charleston, and that said amount be paid to the plaintiffs as full satisfaction for the claims in exchange for dismissal of the lawsuit and the signing of a release of all claims by the plaintiffs; to be charged to account no. 01-417-0-0-2-29, Legal Department--Court Costs & Damages

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 006-98--"Authorizing the City of Charleston to settle Civil Action No. 96-C-774, Zitzelsberger v. City of Charleston in the amount of $20,000.00."

WHEREAS, the City of Charleston, is a defendant in a lawsuit alleging property damage as a result of a broken sewer line:

WHEREAS, though the City of Charleston expressly denies any liability for the claims alleged in the lawsuit, it recognizes that any case that proceeds to trial has certain settlement value and that in the case before it the plaintiff will be able to present evidence of substantial damages and that it is impossible to predict how a jury will rule on such claims;

WHEREAS, the City of Charleston is also cognizant of the costs of preparing the cases for trial and believes that, in light of all of the above, a settlement is in the best interest of the City of Charleston; Therefore;

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the City of Charleston be authorized to settle Civil Action No. 96-C-774 for the amount of $20,000.00 to be paid to the plaintiffs as full satisfaction for the claims and in exchange for the dismissal of the above-described lawsuit as well as a release of all claims to be signed by the plaintiffs.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 006-98 adopted unanimously.

5. Your Committee on Finance has had under consideration Resolution No. 007-98, authorizing the Mayor to sign Change Order No. 1 with Mountaineer Grading Company, in the amount of $1,950, for repair of approximately 130 feet of the sanitary sewer line which failed during construction of the storm sewer project at Glencove Place. The change order will increase the project cost from $55,477 to $57,427; to be charged to account no. 25-092-00-027, CDBG--Flood Drain Facilities

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 007-98--"Authorizing the Mayor to sign Change Order No. 1 with Mountaineer Grading Company, in the amount of $1,950, for repair of approximately 130 feet of the sanitary sewer line which failed during construction of the storm sewer project at Glencove Place. The change order will increase the project cost from $55,477 to $57,427."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign Change Order No. 1 with Mountaineer Grading Company, in the amount of One Thousand Nine Hundred Fifty Dollars ($1,950), for repair of approximately 130 feet of the sanitary sewer line which failed during construction of the storm sewer project at Glencove Place. The change order will increase the project cost from $55,477 to $57,427.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 007-98 adopted unanimously.

6. Your Committee on Finance has had under consideration Resolution No. 008-98, authorizing the Mayor to enter into an agreement with the State of West Virginia, Division of Criminal Justice Services, to receive and administer grant funds in the amount of $20,000 to purchase classroom supplies for active D.A.R.E. programs in West Virginia. The grant is for the period September 1, 1998 through September 30, 1999.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 008-98--"Authorizing the Mayor to enter into an agreement with State of West Virginia, Division of Criminal Justice Services, to receive and administer grant funds in the

amount of $20,000 to purchase classroom supplies for active D.A.R.E. programs in West Virginia."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into an agreement with the State of West Virginia, Division of Criminal Justice Services, to receive and administer grant funds in the amount of Twenty Thousand Dollars ($20,000) to purchase classroom supplies for active D.A.R.E. programs in West Virginia. The grant is for the period September 1, 1998 through September 30, 1999.

The question being on the adoption of the resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 008-98 adopted unanimously.

7. Your Committee on Finance has had under consideration Resolution No. 009-98, authorizing the Finance Director to amend the 1995, 1997 and 1998 Community Development Block Grant budgets as indicated on the attached list of accounts. This is contingent upon no adverse citizen comments being received during the 30-day comment period required through the Mayor's Office of Economic and Community Development citizen participation.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 009-98--"Authorizing the Finance Director to amend the 1995, 1997 and 1998 Community Development Block Grant budgets as indicated on the attached list of accounts."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Finance Director is hereby authorized and directed to amend the 1995, 1997 and 1998 Community Development Block Grant budgets as indicated on the attached list of accounts. This is contingent upon no adverse citizen comments being received during the 30-day comment period required through the Mayor's Office of Economic and Community Development citizen participation.

Amendments to 1995, 1997, 1998 CDBG Budgets

Account No.	Description	Decrease
25-095-00-019	Mountaineer Habitat	$ 18,550
25-095-00-013	CD Project Planning	9,000
25-097-00-199	Contingencies	46,000
	Total	$ 73,550

		Increase
25-095-00-006	Mountaineer Habitat	$ 18,550
25-097-00-001	CD Admin	9,000
25-098-00-011	Shawnee Hills Vans	46,000
	Total	$ 73,550

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melotn.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 009-98 adopted unanimously.

8. Your Committee on Finance has had under consideration Resolution No. 010-98, authorizing the Mayor to enter into an agreement with RKG Associates, Inc., to render consulting services in the preparation of an Enterprise Zone Application for the City of Charleston, South Charleston and Kanawha County at a fixed cost of $25,000. The City's cost will be $9,000, with South Charleston and Kanawha County paying $8,000 respectively; to be charged to account no.25-097-00-001, CDBG--Administration ($9,000).

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 010-98--"Authorizing the Mayor to enter into an agreement with RKG Associates, Inc. to render consulting services in the preparation of an Enterprise Zone Application for the City of Charleston, South Charleston and Kanawha County at a fixed cost of $25,000. The City's cost will be $9,000, with South Charleston and Kanawha County paying $8,000 respectively."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into an agreement with RKG Associates, Inc. to render consulting services in the preparation of an Enterprise Zone Application for the City of Charleston, South Charleston and Kanawha County at a fixed cost of Twenty-five Thousand Dollars ($25,000). The City's cost will be Nine Thousand Dollars ($9,000), with South Charleston and Kanawha County paying Eight Thousand Dollars ($8,000) respectively. The fixed sum does not include reimbursable expenses which will be reimbursed by the client on an actual cost basis.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 010-98 adopted unanimously.

9. Your Committee on Finance has had under consideration Resolution No. 011-98, authorizing the Mayor to sign a Governor's Community Partnership Grant in the amount of $28,000 for the West Side Neighborhood Association Master Plan.

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 011-98--"Authorizing the Mayor to sign a Governor's Community Partnership Grant in the amount of $28,000 for the West Side Neighborhood Association Master Plan."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign a Governor's Community Partnership Grant in the amount of Twenty-eight Thousand Dollars ($28,000) for the West Side Neighborhood Association Master Plan.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 011-98 adopted unanimously.

10. Your Committee on Finance has had under consideration Resolution No. 012-98, authorizing the Finance Director to allocate Community Development Block Grant funds in the amount of $2,500 for down payment and closing cost assistance for acquisition of a single family dwelling at 1221 Lyndale Drive; to be charged to account no. 25-096-00-019, CDBG--Home Ownership Assistance

And reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 012-98--"Authorizing the Finance Director to allocate Community Development Block Grant funds in the amount of $2,500 for down payment and closing cost assistance for acquisition of a single family dwelling at 1221 Lyndale Drive."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the finance Director is hereby authorized and directed to allocate Community Development Block Grant funds in the amount of Two Thousand Five hundred Dollars ($2,500) for down payment and closing cost assistance for acquisition of a single family dwelling at 1221 Lyndale Drive.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 012-98 adopted unanimously.

11. Your Committee on Finance has had under consideration Resolution No. 013-98, authorizing the Finance Director to allocate HOME Program funds in the amount of $31,000 for acquisition of a single family dwelling at 917-C Carte Street; to be charged to account no. 30-098-00-005, HOME Program--Acquisition of Property

And reports the same to council with the recommendation that the committee report be adopted.

Resolution No. 013-98--"Authorizing the Finance Director to allocate HOME Program funds in the amount of $31,000 for acquisition of a single family dwelling at 917-C Cart Street."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Finance Director is hereby authorized and directed to allocate HOME Program funds in the amount of Thirty-one Thousand Dollars ($31,000) for acquisition of a single family dwelling at 917-C Cart Street.

The question being on the adoption of the resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.

NAYS: None.

ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No. 013-98 adopted unanimously.

12. Your Committee on Finance has had under consideration payment of an invoice from Garcie R. Marker and Sons, Inc., in the amount of $4,350, for removal of rock on Darby Street, off Wertz Avenue, which was precariously positioned and called for correction of a hazardous situation; to be charged to account no. 01-420-0-0-4-58, Engineering--Capital Outlay, Special Projects

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

13. Your Committee on Finance has had under consideration payment of an invoice from Michael Baker Jr., Inc., in the amount of $5,625.75, for engineering services in connection with floorbeam analysis and repair at Municipal Parking Building No. 4; to be charged to account no. 85-571-0-0-2-015, Parking System--Maintenance & Repair/Buildings & Grounds

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

14. Your Committee on Finance has had under consideration payment of an invoice from Kanawha County Ambulance Authority, in the amount of $2,400, for 1998 Fall Semester Paramedic Class for four Fire/EMS students; to be charged to account no. 01-706-0-0-2-021, Fire/EMS--Training

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

15. Your Committee on Finance has had under consideration payment of invoices from Bowles, Rice, McDavid, Graff & Love, in the total amount of $5,153.43, for professional services rendered during July 1998, for Police Civil Service Commission Claims and challenge to curfew law; to be charged to the following accounts:

$4,563.50 - 01-417-0-0-2-23, Legal Department--Professional Services
$ 589.93 - 01-417-0-0-2-29, Legal Department--Court Costs & Damages

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent, with two abstentions, Lane and Loeb, the Mayor declared the committee report adopted.

16. Your Committee on Finance has had under consideration payment of an invoice from Environmental Services International, in the amount of $16,130.50, for asbestos testing of 41 structures slated for demolition; to be charged to account no. 01-436-0-0-2-30, Building Commission--Contracted Services

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

17. Your Committee on Finance has had under consideration payment of an invoice from the Department of Military Affairs and Public Safety, in the amount of $9,000, covering tuition for nine (9) police recruits to receive training for certification as a law enforcement officer; to be charged to account no. 01-700-0-0-2-21, Police--Training

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

18. Your Committee on Finance has had under consideration payment of two invoices from Fletcher Data Systems, in the total amount of $12,811, covering annual support of computer software and hardware and equipment used for the Police Department's Records and Wide Area Network systems for the period July 1, 1998 through June 30, 1999; to be charged to account no. 01-700-0-0-2-16, Police--Maintenance & Repair, Equipment

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

19. Your Committee on Finance has had under consideration payment of an invoice from Kanawha Valley Senior Services, in the amount of $100,000, for purchase of building at 2428 Kanawha Boulevard for an expanded Senior Citizens Center, Provided, however, that this grant is subject to satisfaction of all necessary zoning requirements; to be charged to the following accounts:

$50,000 - 25-097-00-006, CDBG--Acquisition
$50,000 - 25-098-00-006, CDBG--Acquisition

And reports the same to Council with the recommendation that the committee report be adopted, as amended.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Leary.

So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report, as amended, adopted unanimously.

20. Your Committee on Finance has had under consideration payment of an invoice from the James H. Paige Learning Center, in the amount of $3,495.83, for reimbursement of salaries for July 1998; to be charged to account no. 25-098-00-011, CDBG--Public Services

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-26,.nays-0, absent-1, as follows:
YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Leary.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

21. Your Committee on Finance has had under consideration payment of an invoice from Hand in Hand Child Care, in the amount of $3,394.44, for reimbursement of salaries from July 25, 1998 through August 12, 1998; to be charged to account no. 25-098-00-011, CDBG--Public Services

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Barron, Barth, Connell, Gilmer, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Lopez, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Leary.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted unanimously.

22. Your Committee on Finance has had under consideration payment of an invoice from the Community Council of Kanawha Valley, in the amount of $6,047.07, for reimbursement of expenses for the Schoenbaum Family Resource Center from May through July 1998; to be charged to account no. 25-094-00-043, CDBG--Schoenbaum Center

And reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a roll call was taken and there were; yeas-23, nays-0, absent-2, abstentions-1, as follows:

YEAS: Barron, Barth, Connell, Haddad, Hardy, Hicks, Horan, Huffman, Kimberling, Lane, Lanham, Layne, Loeb, Malone, McClaskie, Morton, Nielsen, Quick, Redman, Smith, Snodgrass, Snuffer, Thompson and Mayor Melton.
NAYS: None.
ABSENT: Leary and Lopez.
ABSTAIN: Gilmer.
So, a majority of all members elected recorded thereon as voting in the affirmative the Mayor declared the committee report adopted.

REPORTS OF OFFICERS

1. Application to operate a private club, located at 5703 MacCorkle Avenue, SE; Received and filed.

2. City Treasurer's Report to City Council month ending July 1998: Received and filed.

3. City of Charleston Financial Statements for the year ended June 30, 1998; Received and filed.

NEW BILLS

Introduced by Councilman Paul Gilmer on September 8, 1998:
BILL NO. 6498, a bill to amend the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, and the map made a part thereof, by rezoning from a I-2 zoning district to a C-10 zoning district that certain parcel of land situated at the southwest corner of Fifth Avenue and Patrick Street.
Referred to Municipal Planning Commission

Introduced by Councilman Ernest A. Layne on September 8, 1998:
BILL NO. 6513, a bill closing, abandoning and discontinuing as a public street that certain portion of Grandview Drive adjacent to 1303 Summit Drive, Charleston, Kanawha County, West Virginia.
Referred to Municipal Planning Commission

Introduced by Councilman Carl Hicks on September 8, 1998:
BILL NO. 6514, a bill to repeal Ordinance No. 3870 passed by Council on April 15, 1985, relating to a Handicap Parking zone on the north side of Beech Avenue form a point 55' west of Burgess Street to a point 78' west of Burgess Street (1204 Beech Avenue).
Referred to Council Committee on Streets and Traffic

Introduced by Councilman Larry Malone on September 8, 1998:
BILL NO. 6515, a bill closing, abandoning and discontinuing as a Public Alley or other Public Right-Of-Way, that certain portion of an alley known as Heron Alley, extending from Stone Road to the rear of property owned by petitioners, James O. Hill and Timothy L. Mayo; reserving sewer easements for the City of Charleston, WV.
Referred to Municipal Planning Commission

Introduced by Councilman Fred Snuffer on September 8, 1998:
BILL NO. 6516, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March, 1983, as amended, and the map made a part thereof, by rezoning from an R-8 district to an R-0 district, that certain parcel of land situate at 11 Greenbrier Street, Charleston, WV.
Referred to Municipal Planning Commission

Introduced by Councilman Loren Snodgrass on September 8, 1998:
BILL NO. 6517, a bill amending the Zoning Ordinance of the City of Charleston, West Virginia, enacted the 7th day of March 1983, as amended, and the map made a part thereof, by rezoning from an R-6 district and a C-10 district, that certain parcel of land situate at 6600 MacCorkle Avenue SE, Charleston, WV.
Referred to Municipal Planning Commission

Introduced by Councilman J. E. Barron on September 8, 1998:
BILL NO. 6518, a bill to repeal Ordinance No. 553 passed by Council on February 5, 1992, relating to fifteen (15) minute parking zones on the north side of Seventh Avenue abutting property located at 2308 Seventh Avenue, and on the east side of Summers Street from Donnally Street to a point 100 feet north.
Referred to Council Committee on Streets and Traffic

Introduced by Councilman Ernest A. Layne on September 8, 1998:
BILL NO. 6519, a bill to repeal Ordinance No. 4154 passed by Council on April 21, 1987, relating to a Handicap Parking zone on the east side of Hawthorn Drive from a point 384 feet north of Forest Drive to a point 407 feet north of Forest Drive (337 Hawthorn Dr.).
Referred to Council Committee on Streets and Traffic

Introduced by Councilwoman Ivalou H. Barth on September 8, 1998:
BILL NO. 6520, a bill to amend and re-enact Ordinance No. 3723 passed by Council on April 2, 1984, a two hour parking zone is established on the southerly side of Central Avenue from the intersection of Central Avenue and Park Avenue to a point 173 feet east of the intersection of Central Avenue and Park Avenue.
Referred to Council Committee on Streets and Traffic

Introduced by Councilman David Hardy on September 8, 1998:
BILL NO. 6521, a bill to establish a 20 Mile Per Hour speed limit on Gail Drive.
Referred to Council Committee on Streets and Traffic

Introduced by Councilman David Hardy on September 8, 1998:
BILL NO. 6522, a bill to establish a 20 Mile Per Hour speed limit on Eureka Road.
Referred to Council Committee on Streets and Traffic

Introduced by Jody Connell, Tom Lane and Howard Quick on September 8, 1998:
BILL NO. 6523, a bill amending and re-enacting Chapter Eighteen, Section 1.1 of the Offenses-Miscellaneous Law of the Code of the City of Charleston, one thousand nine hundred seventy-five, as amended, as it pertains to advertisements, handbills and signs within the City of Charleston.
Referred to Council Committee on Rules and Ordinances

~~**Bill No. 6524, Planning**~~

Introduced by Councilman David Hardy on September 8, 1998:
Bill No. 6525, a bill amending and re-enacting Chapter Thirty-one, Article Seven, Section Two Hundred Thirteen of the Vehicles and Traffic Law of the *Code* of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, adding sub-section (m), authorizing the Parking Facilities Committee to institute promotions and/or specials to attract new customers, retain current customers, and generate additional revenue for the City parking lots and parking garages, but not to effect the set daily rates or set monthly rates.
Referred to Council Committee on Finance

SPECIAL PERMIT NO. 863, application for proposed Activities Center; 1863 Oakridge Drive, Charleston.
Referred to Municipal Planning Commission

SPECIAL PERMIT NO. 864, application for off-premise parking at 1321 Virginia Street, SE, Charleston.
Referred to Municipal Planning Commission

UNFINISHED BUSINESS

Halloween in the City of Charleston will be Thursday, October 29th, from 6:00 p.m. until 8:00 p.m.

At 9:30 p.m., on motion of Councilman Quick, Council adjourned until Monday, September 21, 1998.

G. Kemp Melton, Mayor

Fred M. Frisk, Jr., City Clerk

This Preliminary Official Statement and the information contained herein is subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE-Full Book Entry

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, and subject to compliance by the City with certain conditions, representations and certifications, interest on the Bonds is excludable from the gross income of the holders thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and such interest will not be treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations. Under the Code, however, such interest is included in the adjusted current earnings of a corporation for the purposes of computing the alternative minimum tax. In addition, under the Act, the Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof (see "TAX EXEMPTION" herein).

$3,590,000*

CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS,
SERIES 1998

Dated: September 1, 1998 **Due: September 1, as shown below**

The Bonds will be issued in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only in the principal amount of five thousand dollars ($5,000) or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. See "DESCRIPTION OF BONDS—Book-Entry Only System" herein.

The Bonds will be issued, together with other funds available therefore, for the purpose of acquiring, constructing, equipping and making improvements to the Charleston Civic Center. The Bonds will be secured by a lien on specified tax revenues dedicated for such purposes (the "Tax Revenues") by the City of Charleston (the "City"). See "FINANCING PLAN" herein.

The City has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

Interest on the Bonds will accrue from September 1, 1998, and will be payable March 1, 1999, and semi-annually thereafter on September 1 and March 1 in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Bonds are subject to optional and mandatory redemption as more fully described herein (see "DESCRIPTION OF BONDS").

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain an informative investment decision.

THE BONDS ARE PAYABLE FROM AND SECURED BY A LIEN ON SPECIFIED TAX REVENUES DEDICATED FOR SUCH PURPOSES BY THE CITY, AND DO NOT CONSTITUTE A DEBT OR GENERAL OBLIGATION OF THE CITY OF CHARLESTON, WEST VIRGINIA WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS OR LIMITATIONS.

MATURITY SCHEDULE

$1,480,000	__%	Term Bond Due _____, 2012	Price ____%
$1,005,000	__%	Term Bond Due _____, 2018	Price ____%
$1,105,000	__%	Term Bond Due _____, 2023	Price ____%

(accrued interest to be added)

The Bonds are offered when, as and if issued and received, subject to the approval of their legality by Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel, and to certain other conditions. Certain legal matters will be passed on for the City by Vaughan & Withrow, Charleston, West Virginia, and for the Underwriter by Goodwin & Goodwin, LLP, Charleston, West Virginia. It is expected that the Bonds will be available for delivery at DTC, New York, New York, on or about September 22, 1998.

CREWS & ASSOCIATES, INC.

Dated: September __, 1998

*Preliminary. Subject to Change.

THE CITY OF CHARLESTON, WEST VIRGINIA

MAYOR

G. Kemp Melton

CITY COUNCIL

J. E. "Skeeter" Barron
Carl Hicks
James "Mose" Lanham
Bob E. Redman
Ernest A. "Ernie" Layne
Ivalou H. Barth
Paul A. Gilmer, Jr.
George W. McClaskie
Betty Morton
Chester F. Thompson
Fred Snuffer
Joyce Horan
Linda M. Nielson
Jody Connell
Lawrence J. Malone
William Ward Huffman, II
Brendan S. Leary
William R. "Bill" Kimberling
Loren E. Snodgrass
David J. "Dave" Hardy
Sam Haddad
J. Thomas Lane
Charles W. Loeb, Jr.
Mary Jane Lopez
Y. Howard Quick, Jr.
Chris Smith

CITY ADMINISTRATION

Fred N. Frisk, Jr., City Clerk
Chris Wickham and Jill Jerabek, City Attorneys
Ron Eddy, Finance Director
Andrew A. Payne, III, Treasurer

The Bonds are exempt from registration under the Securities Act of 1933. As obligations of a political subdivision of the State of West Virginia, the Bonds are also exempt from registration under the securities laws of West Virginia. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein have been obtained from the City and other sources deemed to be reliable but are not guaranteed as to accuracy or completeness by, and are not to be construed as representations of, the Underwriter. The information herein is subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the Facility since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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$3,590,000*
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS,
SERIES 1998

INTRODUCTION

This Official Statement, including the cover page (excluding prices), and Appendices hereto, is provided for the purpose of setting forth certain information concerning The City of Charleston, West Virginia (the "City"), certain tax revenues of the City pledged and available for payment of debt service, the Charleston Civic Center (the "Facility") and the $3,590,000* The City of Charleston, West Virginia Civic Center Improvement Bonds, Series 1998 (the "Bonds"). The Bonds are being issued pursuant to the constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 16 (the "Act"), of the Code of West Virginia, 1931, as amended, and an Ordinance passed by City Council of the City on August 17, 1998, and effective on August 17, 1998, following a public hearing thereon (together, the "Ordinance" or "Bond Ordinance").

The Bonds are being issued to provide funds to acquire, construct, equip and make improvements to the Charleston Civic Center located in the City of Charleston, West Virginia (the "Project") and to pay certain costs of issuance. See "FINANCING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS".

The Bonds are payable from and secured by the specified Tax Revenues dedicated for such purposes, as defined and provided in the Ordinance, to be derived from coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received by the City (the "Tax Revenues"). The Bonds do not constitute a corporate indebtedness to the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Bonds or any premium or the interest thereon except from such Tax Revenues. Pursuant to the Ordinance, the City has covenanted and agreed to maintain such collected tax revenues to always provide revenues in each fiscal year at least sufficient to pay one hundred ten percent (110%) of the largest amount of principal and interest maturing and becoming due on the Bonds then outstanding in any succeeding fiscal year, and all obligations or indebtedness other than the Bonds payable from the Tax Revenues in such fiscal year. See "Additional Security for the Bonds – Tax Collection Covenant."

In 1996, the City Council of the City appointed a committee to prepare a Facility improvement feasibility study (the "Study") to identify improvements which needed to be made to the Facility to ensure its future viability and to assist the City in competing with other cities in attracting conventions, concerts, theatrical productions and sporting events. In 1997, the Study, prepared by Silling Associates, Architects and Planners, was delivered to the City. A copy of the Study is on file and available through the City Manager at City Hall. The Study made a number of

*Preliminary, subject to change.

recommendations including a variety of improvements to the Facility. Based upon the Study and the committee's recommendations, the City concluded that certain improvements had to be made to the Facility.

Under certain conditions, the City may issue additional bonds for the purpose of (i) financing the cost of the construction or acquisition of additions, improvements and betterments to the Facility, (ii) refunding all or a portion of one or more series of bonds issued pursuant to the Ordinance, or (iii) all of such purposes, subject, in each case, to certain tests and conditions provided for by the Ordinance (the Bonds and any such additional parity bonds are hereinafter referred to as the "Bonds"). See "DESCRIPTION OF BONDS - Issuance of Additional Bonds".

Brief descriptions of the Bonds, the Ordinance, the Project, the Facility, Financial Operations, the City and certain provisions of the Act are set forth in this Official Statement as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act, or other applicable laws of the State are qualified in their entirety by reference to each such document. Reference herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents.

FINANCING PLAN

The Project

The Project consists of the acquisition, construction, equipping and improvements to certain portions of the Charleston Civic Center (the "Facility"). The property to be acquired includes certain equipment to be installed in the Facility.

The Financing

The City estimates the cost of the Project to be $3,500,000. In the event the actual costs are less than the estimated costs, the excess funds will be used to make other capital renovations or improvements to the Facility.

The proceeds of the Bonds will be deposited with Bank One, West Virginia, N.A., Charleston, West Virginia, as Depository Bank, and will be advanced, along with funds to be contributed by the City, as requisitioned to complete the acquisition and creation of the Project.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds are estimated to be as follows:

Sources of Funds

Principal Amount of Bonds	$_____
Accrued Interest from September 1, 1998 to September ___, 1998	_____
Original Issue Discount	(_____)
Total	$_____

Uses of Funds

Construction Fund (1)	$_____
Original Issue Discount	_____
Underwriter's Discount	_____
Cost of Issuance	_____
Accrued Interest from September 1, 1998 to September __, 1998	_____
Total	$_____

(1) The Construction Fund will be held by Bank One, West Virginia, N.A. and disbursed as required by the Ordinance for the payment of the costs of the Project.

DESCRIPTION OF BONDS

The Bonds

The Bonds are available in book-entry form only. See "Book-Entry Only System" below. So long as Cede & Co. is the registered owner of the Bonds as nominee of The Depository Trust Company, New York, New York, references herein to the Bondholders or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. The West Virginia Municipal Bond Commission, Charleston, West Virginia, shall be the Paying Agent ("Paying Agent") and Bank One, West Virginia, N.A., Charleston, West Virginia, shall be the Registrar for the Bonds (the "Registrar").

The principal of, premium, if any, and interest on the Bonds will be payable at the office of the Paying Agent.

The Bonds will be dated September 1, 1998. The Bonds will bear interest at the rates and mature in the amounts set forth on the cover page of this Official Statement. Principal on the Bonds is payable September 1 of each year, commencing on September 1, 1999. Interest on the

Bonds will accrue from September 1, 1998 and will be payable on March 1, 1999, and semi-annually thereafter on September 1 and March 1 in each year to maturity.

The Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof. Interest on the Bonds is payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books (the "Register") kept by the Registrar for the registration and transfer of Bonds as of the first (1st) day of the month preceding such interest payment date or, in the event of a default in the payment of the Bonds, that special record date to be fixed by the Registrar by notice given to the owners not less than 10 days prior to said special record date (the "Record Date").

Redemption*

Optional Redemption

The Bonds are not subject to optional redemption prior to September 1, 2008. At the option of the City, the Bonds maturing on and after September 1, 2009, will be subject to redemption prior to maturity on or after September 1, 2008, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed	Redemption Price
September 1, 2008 through August 31, 2009	102%
September 1, 2009 through August 31, 2010	101
September 1, 2010 and thereafter	100

Mandatory Sinking Fund Redemption

The Bonds maturing on September 1, 2012, September 1, 2018 and September 1, 2023 (the "Term Bonds") are subject to mandatory redemption by lot from Sinking Fund Installments on September 1 of the years set forth below at a Redemption Price equal to the principal amount thereof plus accrued interest to the dates fixed for redemption and in the amounts set forth below:

*Preliminary, subject to change.

Term Bonds Maturing September 1, 2012

Year	Amount	Year	Amount
1999	$ 75,000	2006	$105,000
2000	80,000	2007	110,000
2001	85,000	2008	115,000
2002	90,000	2009	125,000
2003	95,000	2010	130,000
2004	95,000	2011	135,000
2005	100,000	2012(Maturity)	140,000

Term Bonds Maturing September 1, 2018

Year	Amount	Year	Amount
2013	$145,000	2016	$170,000
2014	155,000	2017	180,000
2015	165,000	2018(Maturity)	190,000

Term Bonds Maturing September 1, 2023

Year	Amount	Year	Amount
2019	$200,000	2022	$230,000
2020	210,000	2023(Maturity)	245,000
2021	220,000		

Notice of Redemption

The Registrar shall cause notice of any redemption of Bonds to be mailed by first class mail to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Registration Books. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein. Failure to give such notice of redemption (including any failure to mail such notice) shall not affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

Under the requirements of the Ordinance, the City cannot redeem all or any part of the Bonds unless funds are available to make such payment prior to the notice of redemption.

Book-Entry Only System

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for each maturity of each respective series of Bonds in the aggregate principal amount of each maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the United States Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within a series are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, or redemption of, and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to DTC is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY, THE UNDERWRITER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OR ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT

OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN BY DTC TO BONDHOLDERS; (IV) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR (V) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS.

So long as the Bonds are held by DTC under a book-entry system, the Paying Agent will send any notice of redemption or other notices with respect to the Bonds required or permitted to be given under the Ordinance only to DTC. Any failure of DTC to advise any Participant, or of any Participant to notify any Indirect Participant or any Beneficial Owner of any such notice and its content or effect will not affect the validity of the proceedings for the redemption of the Bonds or of any other action permitted upon such notice. If fewer than all of the Bonds are selected for redemption, DTC will select the particular account of Participants to which the amount of such redemption will be credited in accordance with DTC's own rules or other agreements with Participants; Participants may then credit such redemption to the particular accounts of Beneficial Owners for whom such Participants act as nominee accordingly. Any such selection of Participants and Beneficial Owners to which any such partial redemption will be credited will not be governed by the Ordinance and will not be made by the City or the Paying Agent.

Issuance of Additional Bonds

Under certain conditions, the City may issue additional bonds for the purpose of (i) financing the cost of the construction or acquisition of additions, improvements and betterments to the Facility, (ii) refunding all or a portion of one or more series of bonds issued pursuant to the Ordinance, or (iii) all of such purposes, subject, in each case, to certain tests and conditions provided for by the Ordinance (the Bonds and any such additional parity bonds are hereinafter referred to as the "Bonds"). See Appendix B - "Summary of Certain Provisions of the Bond Ordinance".

Authorization for Issuance

The Bonds are being issued pursuant to the Act and the Ordinance. The Act authorizes the issuance of bonds of the City to pay for the cost of additions and improvements to the Facility. The issuance of revenue bonds by the City is not required by the Act or any other statute to be submitted to referendum for approval.

ADDITIONAL SECURITY FOR THE BONDS

The Bonds will be secured by the Bond Ordinance with a lien on specified Tax Revenues dedicated for such purposes. No lien is or may be created on any physical property of the Facility.

NEITHER THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE CITY, NOR ANY FUNDS OTHER THAN THE TAX REVENUES ARE PLEDGED TO THE PAYMENT OF THE BONDS, AND THE BONDS DO NOT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

Application of Tax Revenues

The revenues derived from specified Tax Revenues dedicated for such purposes must be deposited in the Civic Center Improvement Fund (the "Revenue Fund") established under the Ordinance, for disposition in the following manner and order of priority:

(i) for deposit in the Sinking Fund established with the Commission for paying interest and principal on the Bonds as follows: (a) a sum equal to one-sixth of the amount of interest which will become due on such Bonds on the next ensuing semi-annual interest payment date or, in the event there are less than six (6) months between the closing date and the next semi-annual interest payment date, such monthly payments shall be of such proportional sum as to provide the required amount of interest maturing on the next semi-annual interest payment date, (b) a sum equal to one-twelfth of the amount of principal which will mature and become due on such Bonds on the next ensuing principal payment date or, in the event there are less than twelve (12) months between the closing date and the next annual principal payment date, such monthly payments shall be of such proportional sum as to provide the required amount of principal maturing on the next annual principal payment date and (c) such additional sums as shall be necessary to pay the fiscal agency charges due for paying such Bonds and the interest thereon if a deficiency of revenue exists; and

(ii) any amount set forth in the Supplemental Resolution to be used to construct or acquire additions, extensions, improvements and replacements of capital assets or for debt service on the Bonds in the event monies in the Sinking Fund are insufficient therefor;

(iii) to make up any deficiency in the payments previously described.

Collection Covenant

The City covenants to collect the specified Tax Revenues dedicated for such purposes as will produce amounts sufficient to maintain a balance each year equal to at least one hundred ten percent (110%) of the maximum annual amount required to pay the interest on and principal of the Bonds and accomplish retirement of all Bonds for the payment of which such Tax Revenues have or shall have been pledged, charged or otherwise encumbered. The City also covenants in the Ordinance that it will segregate the Tax Revenues as provided in the Ordinance.

THE FACILITY

The Facility is one of the region's largest multipurpose meeting, convention and entertainment facilities. The complex includes a coliseum (seating 13,500), theater (seating 750),

eighteen meeting rooms, and exhibition and banquet facilities. The Facility hosts more than 800,000 persons annually at a varied schedule of events including basketball games, ice shows, circuses, touring concerts, Broadway shows and theatrical productions, exhibitions, banquets, meetings and conventions.

The Civic Center/Auditorium Board of Charleston was created in 1958 to supervise, operate and maintain the Charleston Civic Center and Municipal Auditorium. The Board, which is appointed by the Mayor with approval by City Council, meets monthly to develop policies and procedures appropriate for the management of the Facility, employ personnel required for the operation of the Facility, and determine fees for use of the Facility. The Board develops an annual operating budget which is submitted to City Council for approval. John D. Robertson, CFE, has served as General Manager of the Facility since 1983. He oversees twenty-five full time and several hundred part time employees and the daily operations of the Facility

FINANCIAL OPERATIONS

The accounts of the Facility are maintained as a part of the general accounts of the City and are maintained in accordance with generally accepted accounting principals. The firm of Gibbons & Kawash, Certified Public Accountants, Charleston, West Virginia, has audited the financial statements of the City for the year ended June 30, 1996. See APPENDIX C - Audited Financial Statements of City of Charleston. The financial statements contained in Appendix C are included merely to show the City's receipt and collection of the Tax Revenues. There are no other accounts, revenues or funds of the City available for the payment of such debt service, and the Bonds should not be construed to be a general obligation of the City.

LEGISLATIVE RISK

Although the City's receipt and collection of the Tax Revenues has generally trended upward for the past several years, there can be no guarantee that such trend will continue. The City's ability to receive and collect the Tax Revenues has been granted by the West Virginia Legislature. There can be no guarantee that the West Virginia Legislature will not modify or abolish the statutory authorities governing the City's ability to receive and collect the Tax Revenue, adjust the rates thereof or restrict the City's authority to use the Tax Revenues as provided in the Bond Ordinance.

BANKRUPTCY

The United States Bankruptcy Code permits political subdivisions that are insolvent or unable to meet their debts to file a petition for relief in federal bankruptcy courts if authorized by state law. Although no West Virginia legislation currently authorizes such a filing, prior decisions and future legislation may permit the City to undertake bankruptcy proceedings.

Bankruptcy proceedings by the City could have additional adverse effects on Bondholders, including (a) delay in the enforcement of Bondholders' remedies, (b) subordination of the Bondholders' liens to claims of those supplying goods and services to the City after the initiation

of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without the consent of all Bondholders of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to insure that, in any reorganization plan not accepted by the holders of at least a majority in aggregate principal amount of the Bonds, Bondholders will have the benefit of their original lien or the "indubitable equivalent." The effect of these and other new provisions of the Bankruptcy Code cannot be predicted with any certainty and may be significantly affected by judicial interpretation.

LITIGATION

There are no actions, suits, proceedings, inquiries or investigations at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Bonds, the Bond Ordinance, the Supplemental Resolution or any agreements to which the City is a party and which are a result of the issuance of the Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to state law, the Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia.

FINANCIAL STATEMENTS

Included in APPENDIX C are the audited financial statements of the City as of and for the year ended June 30, 1996, and the report with respect to the audited financial statements as of June 30, 1996, dated May 16, 1997, of Gibbons & Kawash, Certified Public Accountants for such period. The financial statements contained in Appendix C are included merely to show the City's receipt and collection of the Tax Revenues for the period set forth in the aforesaid report.

THERE ARE NO OTHER ACCOUNTS, REVENUES OR FUNDS OF THE CITY AVAILABLE FOR THE PAYMENT OF SUCH DEBT SERVICE, AND THE BONDS SHOULD NOT BE CONSTRUED TO BE A GENERAL OBLIGATION OF THE CITY.

TAX EXEMPTION

Opinion of Bond Counsel

Bond Counsel is of the opinion that under existing statutes and court decisions of the United States of America, as currently written and applied, the interest on the bonds will be excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed with respect to individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of

computing the alternative minimum tax that may be imposed with respect to corporations. Bond Counsel is of the further opinion that, under the Act, the Bonds and the interest thereon are exempt from direct taxation by the State of West Virginia and by any political subdivision thereof. Except as provided herein, Bond Counsel expresses no opinion regarding other tax consequences arising with respect to the bonds.

The City has designated the Bonds as "qualified tax-exempt obligations" and has covenanted that it does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds) during the calendar year 1998. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and the provisions of the Code, and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or to purchase or carry most tax-exempt obligations does not apply to the Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Bonds is deductible for federal income tax purposes.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use, investment and expenditure of bond proceeds and the requirements that certain earnings be rebated to the federal government. The City has covenanted to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Noncompliance with such requirements may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance is ascertained.

UNDERWRITING

Crews & Associates, Inc. (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds from the City at an aggregate discount from the initial public offering prices set forth on the cover page of this Official Statement. The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions set forth in the purchase contract entered into between the Underwriter and the City. The Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial public offering prices may be changed, from time to time, by the Underwriter.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds by the City are subject to the approval of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. The proposed form of Bond Counsel's opinion is appended hereto as APPENDIX D.

Certain legal matters will be passed upon for the City by Vaughan & Withrow, Charleston, West Virginia, Counsel for the City, and for the Underwriter by Goodwin & Goodwin, LLP, Charleston, West Virginia.

CONTINUING DISCLOSURE

The City has agreed to an undertaking for the benefit of the Registered Owners of the Bonds to provide certain financial and operating information (the "Annual Information") not later than one hundred eighty (180) days following the end of the fiscal year of the City (currently June 30), commencing in 1998, and to provide the Annual Information to each National Recognized Municipal Securities Information Repository ("National Repository") and any State Information Depository ("State Depository") and to provide notice of the occurrence of the enumerated events to each National Repository or the Municipal Securities Rulemaking Board ("MSRB") and to any State Depository. This obligation shall be evidenced by the Continuing Disclosure Certificate from the City, the form of which is attached hereto as Appendix E.

The Annual Information will consist generally of information of the type contained herein in Appendix C of the Official Statement. Any of the foregoing information may be supplied by including by specific reference information previously supplied to each National Repository and any State Depository or the Securities and Exchange Commission ("SEC"). Information will not be included by reference from any final official statement unless such final official statement is available from the MSRB.

This continuing disclosure obligation is being undertaken by the City to assist the Underwriter in complying with Rule 15c-12 promulgated by the SEC. The City has agreed to give notice in a timely manner to each National Repository, or the MSRB, and to each State Depository of any failure to supply the requested information. However, any such failure will not constitute a default under the terms of the Bonds. Registered Owners may contact the Finance Director of the City at 501 Virginia Street, East, Charleston, WV 25301 (304) 348-8028 for more information.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the Owners of the Bonds.

Copies of the Ordinance, the Supplemental Resolution and other applicable documents may be obtained from the City at the following address or telephone number:

The City of Charleston
501 Virginia Street, East
Charleston, WV 25301
Attention: City Manager
(304) 348-8014

or, during the period of offering the Bonds, from the Underwriter. Ongoing financial information concerning the City and the Facility may be obtained from the above-referenced source.

The City has duly authorized the execution and distribution of this Official Statement.

THE CITY OF CHARLESTON, WEST VIRGINIA

By:_____
Mayor

APPENDIX A

CITY OF CHARLESTON, WV AND KANAWHA COUNTY, WV

INTRODUCTION

Charleston, located at the convergence of the Kanawha and Elk Rivers in the southwestern part of West Virginia, is the Capital of West Virginia, the county seat of Kanawha County, and the center of the State's greatest concentration of people and commerce. Charleston, which encompasses an area of twenty-nine and three tenths (29.3) square miles, had a 1990 U.S. Census population of fifty-seven thousand two hundred eighty-seven (57,287). The Charleston Standard Metropolitan Statistical Area ("SMSA") includes fifteen (15) municipalities and one thousand two hundred sixty-four (1,264) square miles along the ninety-seven (97) miles long valley formed by the Kanawha River and had a 1990 U.S. Census population of two hundred fifty thousand four hundred fifty-four (250,454). (The United States Department of Labor, Bureau of the Census presently defines the Charleston SMSA as including Kanawha and Putnam Counties, the first (1st) and the thirteenth (13th) most populous counties in the State, respectively.)

The City's economic base is diversified on the cornerstones of retail and wholesale trade, manufacturing, government and services. The increasing diversity of the area's employment base has been enhanced by improved transportation facilities, including the interconnection of interstate highways in Charleston.

Principal manufactured products in the Charleston area include a broad range of chemicals, plastics, industrial and mining equipment, petroleum products and steel fabrication.

Charleston is the core of industrial, commercial and cultural activity in the Charleston SMSA.

GOVERNMENT SERVICES

The present charter of the City is a legislative charter enacted in 1929, which provides for a mayor-council form of government. Elected officials are the mayor, city treasurer, municipal judge and members of the Council from each of the twenty (20) wards in the City, plus six (6) Council persons-at-large, all elected to serve concurrent terms on a quadrennial basis. In addition, the City has certain appointed officials including: city manager, city clerk, director of finance, city auditor, public works director, chief of police, city solicitor, chief of fire department, director of mayor's office of economic and community development, director of parks, recreation and public grounds. All appointive officers have salaries fixed by the Council.

The mayor is the chief executive officer of the City and the presiding officer and a member of the Council with right to vote on all issues. The mayor, without any requirement or confirmation by Council, has the right of appointment and removal of the director of finance, city auditor, public works director, chief of police, director of finance, chief of fire department, director of mayor's office of economic and community development, director of parks, recreation, and public grounds.

The mayor also appoints the city manager by and with the consent of Council. The city manager is the chief business and administrative officer of the City under the supervision and direction of the mayor. All real property of the City is under his immediate care and supervision, and he is required to make all contracts for labor and supplies. Custody of all contracts, insurance policies, and papers relating to the business affairs of the City are under the supervision of the city manager who is required to make monthly reports to the Council.

The Council acts as the legislative body for the City and selects one of its members as president pro tempore, to preside in the absence of the mayor. The duties of the Council are primarily carried on through standing and special committees: finance, streets and traffic, planning, parks and recreation, cemetery, ordinance and rules, public safety, special committees of housing and human rights, and a select committee of urban renewal. Council also appoints a city clerk, who in addition to keeping minutes of all meetings, is the custodian of all records and papers of the City for which no other custodian is designated.

CENSUS INFORMATION

Population statistics are summarized as follows:

	1990	1980	1970
Kanawha County	207,619	231,414	229,515
Charleston	57,287	63,968	71,505
Charleston SMSA	250,454	269,595	257,140

Source: United States Department of Labor, Bureau of the Census; Charleston Chamber of Commerce

KANAWHA COUNTY ECONOMY

Kanawha County's employment and business structure today reveals a multi-faceted economic base. The most identifiable enterprises, coal and chemical, actually count for a relatively small portion of the region's total economic activity.

The relative strength of the economy may be seen by the following:

Year		Kanawha County	West Virginia
1996	Labor Force	105,420	808,000
	Total Employed	99,710	747,000
	Total Unemployed	5,710	61,000
	Percent Unemployed	5.4%	7.5%

1995	Labor Force	102,370	785,000
	Total Employed	96,520	723,000
	Total Unemployed	5,850	62,000
	Percent Unemployed	5.7%	7.9%
1994	Labor Force	102,560	787,000
	Total Employed	95,780	717,000
	Total Unemployed	6,780	70,000
	Percent Unemployed	6.6%	8.9%
1993	Labor Force	102,470	789,000
	Total Employed	94,080	703,000
	Total Unemployed	8,390	86,000
	Percent Unemployed	8.2%	10.9%

Source: West Virginia Department of Employment Security, Labor and Economic Research Division

The estimated civilian labor force in Kanawha County in March 1998, includes the following:

	Total Workers	Average Annual Wage
Civilian Labor Force		
Agriculture	441	$15,159
Manufacturing	8,720	47,353
Non Manufacturing		
Mining	1,870	52,030
Construction	4,913	29,205
Transportation & Public Utilities	7,746	39,326
Trade- Wholesale	5,866	34,367
Trade- Retail	19,917	14,236
Finance, Insurance & Real Estate	6,757	30,812
Services and Health	32,485	24,878
Government		
Federal	2,536	39,048
State	10,041	26,561
Local	8,154	24,460

Source: West Virginia Department of Employment Security (West Virginia Labor Market Trends Prepared quarterly by the Labor and Economic Research Division)

TOP 15 EMPLOYERS IN CHARLESTON AREA:

Employer	Number
1. State Government	10,700
2. Charleston Area Medical Center	6,000
3. Kanawha County Schools	4,000
4. Union Carbide Corporation	2,640
5. Federal Government	2,500
6. Bell Atlantic-West Virginia, Inc.	1,600
7. Columbia Gas Transmission	1,070
8. American Electric Power	1,060
9. Rhone Poulenc Ag Company	1,035
10 Putnam County Schools	1,030
11. Thomas Memorial Hospital	1,000
12. Shawnee Hills MH/MR Center	975
13. One Valley Bank	900
14. South Charleston Stamping & Manufacturing	885
15. City of Charleston	835

Source: West Virginia Bureau of Employment Programs, June 1997

TRANSPORTATION

The convergence of three interstate highways, I-64, I-77 and I-79, interconnecting Charleston as well as Appalachian Corridor "G," brings the SMSA within the overnight road-travel distance of 60% of the nation's principal industrial and commercial markets. Charleston is one of 13 cities in the nation where three interstate highways converge. East-West I-64 extends from Norfolk, Virginia to St. Louis, Missouri; North-South I-77 from Cleveland, Ohio to Columbia, South Carolina; Northeast-Southwest I-79 from Erie, Pennsylvania to Charleston, West Virginia; and Appalachian Corridor "G" from Charleston, West Virginia to Pikeville, Kentucky. In addition to the superhighways, three national and several state highways presently serve the SMSA.

Over 40 motor freight companies operate in the Kanawha Valley, of which over 20 maintain terminals, making the SMSA one of the major trucking centers in the Eastern United States. The nation's eight largest motor freight companies are among those with terminals in the SMSA. Charleston is the most direct route from the Upper Midwest to the southeast and serves as a logical transfer point for goods shipped from the Carolinas to Ohio, and parts of the Midwest.

The Greyhound Bus Line offers interstate and intrastate service, with both freight and passenger capacity.

Local bus service is furnished by the Kanawha Regional Transportation Authority. It operates a 60+ fleet bus system throughout the Kanawha Valley. The system, commonly known as KRT, serves approximately 20 routes covering nearly 200 miles. Service is provided 7 days a week from 4:00 a.m. to 1:00 a.m.

Yeager Airport accommodates commercial, general aviation and military air traffic. Major improvements to the airport have been made in the last few years including terminal remodeling, additional parking, and a building within the airport complex to house FAA offices and the National Weather Service. Charter air service and cargo air services are available from several companies at the airport. Charleston was officially designated a "port of entry" by the United States Customs in 1973.

Three major rail companies operate within the region: Norfolk Southern, CSX Transportation, and Amtrak.

UTILITIES

As a leading energy-producing state, West Virginia offers excess utility capacity at competitive rates. Electricity is provided by American Electric Power, one of the nation's largest energy companies, providing electric service to nearly 7 million people in parts of seven states. AEP serves over 838,000 customers in southern West Virginia and southwestern Virginia at rates well below the national average.

The area's largest gas utility, Mountaineer Gas Company, serves nearly 200,000 customers and delivers more than 55 billion cubic feet of natural gas throughout West Virginia.

TELECOMMUNICATIONS

Metro Charleston has one of the nation's most advanced telecommunications networks, consisting of fiber optic lines, digital switching, dual redundancy and microwave and satellite transmission facilities. The local carrier is Bell Atlantic-West Virginia. A host of companies, including AT&T, MCI and US Sprint, provide long distance service to Metro Charleston area customers.

WATER

The Kanawha and Elk Rivers, tributaries of the Ohio River system, flow through the area. Both rivers are navigable, with the Kanawha River Basin being the largest northwardly flowing river system in the nation. Approximately 69% of the Basin lies within West Virginia. The U.S. Army Corps of Engineers maintains a nine-foot channel for navigation with three locks located on the Kanawha River to accommodate barges. Waterborne commerce has tripled in the last 30 years with commodities transported on the Kanawha River including: coal and coke (35%); sand and gravel (25%); oil and gas (10%); iron, steel and other miscellaneous products (30%).

FINANCIAL

The SMSA serves as the financial center and governmental capital of the State, with several of the State's largest bank holding companies being headquartered in Charleston. Extensive correspondent networks extend to the rural areas of the State and are inter-connected with the major money markets.

EDUCATION

Local schools offer a superior public educational program with traditional curriculums and progressive instructional approaches, as well as providing programs for gifted and learning impaired students. Catholic, Christian and private elementary and secondary schools enhance Metro Charleston's public educational system.

In Kanawha County, there are 60 elementary schools (grades K-5 or K-6), 15 middle schools or junior high schools (grades 6-8 or 7-9) and 9 high schools (grades 9-12 or 10-12). In addition, there are two vocational-technical schools, an adult career center, an alternative high school and a special education school.

Putnam County operates 15 elementary (grades K-5), 4 middle (grades 6-8) and 4 high (grades 9-12) schools and a vocational-technical school.

Five-member county boards govern public schools in West Virginia. Board members are elected on a non-partisan ballot and are representative of the geographic regions of the county. Board members are elected on a staggered schedule to terms of six years.

The area's commitment to education is strengthened by local partnerships between businesses and schools. Innovative programs, such as Community Alliance to Support Education (CASE), the Management Information Sharing Team (MIST), Project TEACH (Teaching Everyone About Computers Helps) and BEAMS (Bold Educational Achievement in Math and Science) are cooperative, private-sector initiatives benefiting students.

The University of Charleston is a 4-year co-educational institution offering undergraduate degree programs from its five colleges. West Virginia State College, located in Institute, offers courses in business, the arts and teaching. The West Virginia College of Graduate Studies, located in South Charleston, offers the opportunity for degree-holders to obtain a Masters degree without losing work time. In addition, Marshall University, located 50 miles west in Huntington, offers degrees in various disciplines. The WV College of Graduate Studies recently merged with Marshall University.

RECREATION AND CULTURE

The SMSA offers a variety of cultural and recreational facilities. The newest addition to the capitol complex, the Science and Cultural Center, houses a great hall, state theatre, state library and museum. An $80 million dollar facility, the "Center for the Arts & Sciences of WV", is scheduled to open in the fall of 2000. This facility will house a science museum, art museum, planetarium, and a Concert Hall—all in downtown Charleston. Since many visitors to the State start or end their visit in the SMSA, there are numerous restaurant and lodging facilities. There are approximately 2,640 hotel and motel rooms in the Charleston Area.

There are over 11,000 acres devoted to public recreation in Kanawha County. The Kanawha County Parks and Recreation Commission operates five regional parks in Kanawha County. The largest of these, Coonskin Park, has 1,200 wooded acres near Yeager Airport and offers a 18-hole, par 3 golf course, heated 50-meter swimming pool, a clubhouse with dining facilities, 9 tennis courts, skeet shooting range and 15 picnic areas. Kanawha State Forest, just 15 minutes from Charleston, is a 9,200-acre forest, which provides 45 campsites, swimming pool, fishing and nature trails.

Cultural interests may be satisfied in a diverse number of facilities. The Kanawha County Public Library is a countywide system with the main library in downtown Charleston, seven branches and a bookmobile. The library system contains over 558,000 volumes with a circulation of 1,038,000. Sunrise, Charleston's multifaceted cultural complex perched above the south bank of the Kanawha River, is a symbol of the City's community-wide participation in the arts. Established in 1961 by civic-minded residents, Sunrise occupies two magnificent old mansions on a 13-acre estate. It coordinates the Brooks Bird Club, located on the Sunrise grounds, featuring classes, workshops, lectures, nature walks, field trips, scientific and art exhibitions, star shows, gardening talks, and dance performances.

To assist with the growth of the arts, the Fund for the Arts was established in 1981. Community and civic leaders raise money for and offer financial management to arts groups who are members of the fund-raising organization. Only businesses are solicited.

MEDICAL

The SMSA has become a major center of specialized care and advanced medical training, providing complete health services in modern well-equipped institutions. Charleston is home to the State's largest hospital complex, the Charleston Area Medical Center, with approximately 962 beds. It is the home of the Charleston Division of the West Virginia University School of Medicine. In addition, there are other hospitals operating in the SMSA with approximately 530 licensed beds, including Thomas Memorial Hospital and St. Francis Hospital.

HOUSING

While home styles vary from a comfortable country farmhouse to a stylish hillside contemporary, value is consistent. The median sale price in Metro Charleston in 1996 was $90,400, 31 percent less than the national median sale price. Competitive home prices, combined with property taxes that are among the lowest in the nation, mean "more house for less money."

Source: Unless indicated otherwise, information regarding the County was provided by The Business and Industrial Development Corporation (BIDCO) and the City.

THE METRO CHARLESTON AREA

Metro Charleston consists of Kanawha and Putnam counties. The area is the leading employment center for the state. There are more business establishments and employment opportunities in Metro Charleston than in any other region in West Virginia.

DEMOGRAPHICS AND ECONOMIC INDICATORS

Metro Charleston's per capita income in 1992 was $19,119—higher than any other MSA in West Virginia and exceeding the State per capita income by 23 percent. Kanawha County ranked second in the State in terms of highest per capital income, $19,803. Putnam County ranked eleventh with a per capita income of $15,986.

By comparison, the State's per capita income was $15,598, while the nation's was $20,105. The average annual growth rate of per capita income over the past ten years was 5.6 percent in Kanawha County and 5.1 percent in Putnam. These figures compare to an average growth rate of 5.5 percent for the State and 5.7 percent for the nation.

Service industries accounted for nearly 21 percent of total personal income earnings in Metro Charleston in 1992. Earnings from trade and government follow contributing 12.0 and 11.3 percent, respectively. Manufacturing accounted for 10.2 percent of total personal income earnings. Remaining industries contributed less than 10 percent each.

As in Kanawha County, service industries account for the lion's share of total personal income earnings in Putnam County. Services contribute 19.4 percent of total earnings, followed by transportation and public utilities at 14.6 percent, construction at 14.2 percent, and retail trade at 12.8 percent. Remaining industries contributed less than 10 percent each.

Metro Charleston's 1992 total personal income of $4.8 billion was the highest in West Virginia. Between 1982 and 1992, total personal income in Metro Charleston increased 61 percent. Metro Charleston's central county, Kanawha, had a total personal income of $4.1 billion, ranking it first in the State and accounting for 14.6 percent of the State total. Putnam County's total personal income was $725 million. The average annual growth rate of total personal income over the past ten years was 4.6 percent in Kanawha County and 6.7 percent in Putnam County. The average annual growth rate for the State was 4.7 percent and 6.7 percent for the nation.

Per Capita Income, 1994 Personal Income		Median Household Income, 1993	
Kanawha County	$22,003	Kanawha County	$23,999
Putnam County	$18,287	Putnam County	$27,405
Metro Charleston	$21,304	West Virginia	$20,795
West Virginia	$17,113	United States	$30,056
United States	$21,696		

Metro Charleston draws a significant commuting population from nine counties—Boone, Clay, Fayette, Jackson, Kanawha, Lincoln, Logan, Putnam and Roane. The nine-county regional population exceeds 400,000.

Population Projections

	1990	2000 (p)	2010 (p)	2020 (p)
Charleston SMSA	250,454	260,906	276,176	294,675
Kanawha County	207,619	207,757	216,237	229,192
Fayette County	47,952	45,236	44,273	43,909
Logan County	43,032	39,337	36,444	34,359
Putnam County	42,835	53,149	59,939	65,483
Jackson County	25,938	26,993	27,691	28,185
Boone County	25,870	24,408	23,192	22,116
Lincoln County	21,382	21,882	22,364	22,672
Roane County	15,120	15,686	16,428	17,025
Clay County	9,983	9,921	9,996	10,077

By gender, 52.5 percent of the 1990 population in Metro Charleston were female and 47.5 percent were male. Of the male population, 62.8 percent were married and 24.2 percent had never married. The remainder were separated, widowed or divorced. The female distributions were smaller in both categories, 54.3 percent married and 18.1 percent never married. One explanation for the difference: widowed females outnumber widowed males more than 6 to 1.

The population of Metro Charleston is predominantly white, 93.7 percent. Blacks, the largest minority group in Metro Charleston, comprise 5.6 percent. Asians and Pacific Islanders represent slightly more than one-half percent of the Metro population. Combined, American Indian/Eskimo/Aleuts and Other Races make up only two-tenths of one percent of the population in Metro Charleston.

By ethnic group, persons reporting a German heritage make up the Metro area's largest ethnic group. German ancestry was reported by 18.2 percent of Metro Charleston's residents. Other significant ethnic groups include English (14.0%) and Irish (11.3%).

Eighty-three (83) percent of the Metro population was born in West Virginia, while only 15 percent were born in a different state. This compares to 62 percent of the nation's population born in its state of residence and 29 percent born in a different state (the remainder in both cases were born outside the United States' borders).

Age Distribution, 1994		Racial Distribution, 1994	
Under 18	23.4%	White	93.7%
18 to 24	8.7%	Black	5.6%
25 to 44	31.6%	Other Races	0.7%
45 to 64	21.4%		
Over 65	14.9%		

Gender Distribution, 1994		Households, 1996	
Female	52.5%	Region	175,000
Male	47.5%	Metro Charleston	103,800

Retail Sales, 1996
Metro Charleston

Total Sales ($000)	$2,681,936
Median Household Effective Buying Income	$ 29,171

Kanawha County is the state's premier business center and plays a critical role in the regional economy. Due to its industrial diversity and numerous job opportunities, Kanawha County is a major employment center for eight surrounding counties—Boone, Clay, Fayette, Jackson, Lincoln, Logan, Putnam and Roane.

Labor force information presented is reflective of two geographic areas—the Charleston, West Virginia Standard Metropolitan Statistical Area (SMSA) and the Metro Charleston Labor Draw Area (LDA). The SMSA consists of Kanawha and Putnam counties, while the LDA consists of the SMSA plus six counties. These areas represent a minimum labor force area (SMSA) and a more realistic labor force area (LDA).

Kanawha County is the state's business center. According to the United States Commerce's 1991 West Virginia County Business Patterns, there were 5,586 business establishments in Kanawha County—more than any other county in West Virginia. Seven counties surrounding Kanawha County are included in Metro Charleston's Labor Draw Area based on employment opportunities in each of the counties and historic commuting patterns. In addition to Kanawha County, the Labor Draw Area consists of the following counties:

- Putnam—Primarily a "bedroom community" of Kanawha and Cabell Counties, job opportunities are few relative to its resident labor force. Linked to Charleston by I-64, average commuting time is between 20 and 35 minutes.

- Boone—A coal-based county, few alternative employment opportunities exist within the county. Boone County residents are linked to Charleston by US 119 (Corridor G), a four-lane, divided highway.

- Clay—Very rural area with the county government as the largest employer. Few employment opportunities exist. Clay residents commute to Charleston via I-79.

- Fayette—Although substantially greater employment opportunities exist in Fayette County when compared to Boone and Clay Counties, a significant imbalance exists between available jobs and the total labor force. Fayette County is linked to Charleston by I-77 and US 60.

- Jackson—As with Fayette County, chances for employment in Jackson County are greater than in neighboring Clay and Roane Counties; however, a significant imbalance exists. Interstate 77 provides convenient access from Jackson County to Charleston.

- Lincoln—Much like Clay County, Lincoln is a very rural area with few employment opportunities. Lincoln County residents commute to Charleston via U.S. 119.

- Roane—Roane County is a rural area, and job opportunities are very limited. Residents commute to Charleston via I-79 or I-77.

Outlying areas approximate a 30 to 45-mile radius with a commuting time of less than one hour. Over 8,000 people commute from Putnam County, while over 1,000 each commute from Boone, Fayette, Jackson, and Lincoln Counties. It should be noted that when compared with all Americans, West Virginians are more likely to travel outside their home counties to work (26.2 percent compared with a national average of 23.9 percent), according to Commuting Patterns for West Virginia Counties prepared by the West Virginia University Office of Health Services Research.

Labor Force Statistics
Annual Averages, 1996

	Metro Charleston	Region
Civilian Labor Force	130,100	201,630
Total Employment	123,200	187,540
Total Unemployment	6,900	14,090
Unemployment Rate	5.3%	7.0%

Labor Force Trends
Metro Charleston, 1987-1996

Year	Labor Force	Percent Unemployed
1996	130,100	5.3%
1995	127,010	5.7
1994	125,500	6.7
1993	120,000	8.3
1992	118,000	8.8
1991	120,330	7.9
1990	119,690	6.3
1989	117,670	6.9
1988	115,781	8.6
1987	116,897	9.2

Source: Metro Charleston Information provided by the Business and Industrial Development Corporation (BIDCO)

THE CHARLESTON CIVIC CENTER

HISTORY

The original portion of the Charleston Civic Center was officially opened in 1959. The $3,000,000 facility had 6,000 seats for sporting events and 7,500 seats for meetings in the Grand Arena. The Little Theater was designed to seat 750 persons. A $1.8 million expansion in 1968 added 2,400 seats to the west balcony of the Grand Arena and included installation of air conditioning, construction of a recreational ice skating rink and other improvements.

In the mid-1970's city officials realized that if Charleston was to take its place as a regional entertainment and convention center, expanded public assembly facilities were necessary. The decision was made to construct a new coliseum and a two-story lobby connecting it to the existing Civic Center. The existing Civic Center would then be renovated into a first-class convention center featuring meeting rooms, exhibit halls and major banquet facilities.

Ground was broken on July 24, 1978, for the coliseum and lobby. The $19 million project was financed with federal funding (from Economic Development Block Grant funds from the Department of Housing and Urban Development), a $10 million general obligation bond issue and other tax revenues.

The project used more than 2,250 cubic yards of pre-cast concrete and more than 12,500 cubic yards of poured-in-place concrete, 1,200 tons of structural steel and 100,000 square feet of

roofing. Nearly 425,000 man-hours were involved. Wages and purchases of materials and equipment made a major contribution to the local economy.

Sixty feet above the floor, 410 computer-controlled incandescent and mercury vapor lights provide color-corrected lighting for television broadcasting and photography. Two speaker clusters containing 43 horns and 11 bass cabinets offer balanced sound from either a center court or end-stage configuration.

For basketball, the press is seated at courtside. Four scoreboards on the walls are constantly visible to the players on the floor and from every seat. The conventioneer or spectator can enter at either of two entrance lobby levels. The levels are connected by elevators, glass-sided escalators and stairs. Five outside and eight inside ticket windows are located in the lower lobby. The Mini-Convention Center includes a VIP room, four combinable meeting rooms, a concession area and restrooms. Meetings, receptions and dances can be held at the facility.

The upper lobby contains the West Virginia Sportswriters Hall of Fame and serves as the entrance to the quarter-mile long concourse. The concourse provides access to all seating, contains nine concession areas and seven restrooms, and has ample wheelchair seating at choice locations. The lower level contains offices, eight team locker rooms with restrooms and showers, four star dressing rooms with private restrooms and showers, complete facilities for the media, officials, ushers and trainers, and 12,000 square feet of storage space.

In October 1982, the original grand arena was closed and work began on a major $5 million dollar renovation project which transformed the grand arena into a first-class convention hall. The renovation project was completed in one year, and the convention hall was officially dedicated on October 23, 1983.

Joined to the 13,500-seat coliseum by a two-level entrance lobby which spans 19,000 square feet, the convention hall contains a complete line of services to meet the requirements of meetings and trade shows. The grand hall's unobstructed 36,256 square feet of floor space can be halved at the touch of a button, when a giant, 50-ton moveable wall descends from the ceiling to separate the main floor into north and south halls. In addition, the grand hall has water, telephone, drainage, cable television and 110 and 220v-power access available through built-in utility conduits spaced evenly beneath the floor. The grand hall can easily accommodate 180-10'x10' booths, making it an ideal location for specialized programs. Adjoining the Grand Hall are meeting rooms offering 6,666 square feet of additional space.

The facilities offered on the first floor of the convention hall are capped by modern catering facilities capable of handling up to 3,200 persons and a lobby lounge. The second floor, easily accessible by elevator, escalator or stairs, offers nine conference rooms containing modern audio-visual systems including telephone, public address systems, conference boards and podiums. A spacious, contemporary breakout gallery overlooks the Grand Hall 25 feet below, offering a view of the exhibit area.

Additionally, two parking structures capable of handling 1,300 vehicles were constructed adjacent to the facility at a cost of $9 million dollars. The parking structures opened on March 1,

1983 and brought the number of parking spaces available for Charleston Civic Center events to over 2,000.

Since officially opening in 1959, the Charleston Civic Center has undergone several improvements and expansions. Originally designed as a multi-use facility to include sporting events, conventions, meetings and theater, the Civic Center complex has grown from a $3 million dollar facility to a major regional convention, exhibition, sporting and entertainment center with an estimated replacement cost of at least $75 million.

BOARD MEMBERSHIP

The Civic Center/Auditorium Board meets monthly to transact business involving the operation of Charleston's public assembly facilities. This group has the responsibility to supervise, operate and maintain the Charleston Civic Center and Municipal Auditorium facilities. The Board develops policies and procedures appropriate for the management of the facilities, determines fees for the use of the facilities and employs personnel required for the operation of the facilities. The Board develops an annual budget for their operation, which is submitted to Council for approval. Council also approves recommendations from the Board in establishing rental fees for the facilities.

Current Board members include:

A. Lawrence Crimmins, Jr. Chairman	William T. Brotherton, III Vice Chairman
Karen Haddad Secretary	John K. Fischer Treasurer
J. Kemp McLaughlin, Jr.	Joyce Horan
Edward L. Howard, DDS	John G. Hutchinson
William "Bill" Kenny	Ernest A. Layne
Paul L. Nusbaum	David Sadd
David H. Wallace	Jack Vaughan

THE PROJECT

The project associated with the Civic Center is solely for improvement and renovation purposes. The following two charts, labeled Phase I and Phase II respectively, provide brief descriptions of the projects at hand. Phase I projects are envisioned to be completed with this

financing. The items listed under Phase II will be addressed by another bond issue, which will most likely be offered in the next budget year.

	Phase I Projects	Cost
1.	Replace telescopic seating in Coliseum	$1,100,000
2.	Replace stage flyway/curtains in Little Theater	109,000
3.	Reroof Coliseum/Convention Hall sloped area	305,000
4.	Renovate Parlors ABCD & public space adjoining	194,000
5.	Renovate WV Rooms 103-105	142,000
6.	Repaint and caulk exterior precast	7,500
7.	Upgrade Little Theater electrical system	10,500
8.	Replace Little Theater air conditioning/HVAC repairs	100,000
9.	Replace public toilets in lobby/ADA compliance	265,000
10.	Replace freight elevator	71,500
11.	Renovate & seal elevated walkways	100,000
12.	Upgrade storage area	66,000
13.	Renovate Coliseum restrooms/ADA compliance	61,000
14.	Replace exterior lighting	40,000
15.	Repaint exterior Coliseum	125,000
16.	Renovate Little Theater dressing rooms	86,000
17.	Replace original telephone system	90,000
18.	Replace meeting room seating	50,000
19.	Replace basketball goals and floor	80,000
		$3,002,500

	Phase II Projects	Cost
1.	Renovate Grand Hall	$1,914,500
2.	Replace original fire alarm system/ADA compliance	192,500
3.	Replace original electrical switch gear in Grand Hall	38,000
4.	Upgrade building automation system/energy management	257,000
5.	Replace original Grand Hall chiller/HVAC improvements	415,000
6.	Renovate public toilets in Grand Hall	242,000
7.	Renovate & upgrade Little Theater lobby	150,000
8.	Renovate Little Theater seating/ADA compliance	100,000
9.	Renovate miscellaneous—Little Theater	30,000
10.	Renovate Coliseum lighting	82,000
11.	Replace and Repair Doors	79,000
12.	Conference Room roof cover	110,000
13.	Renovate Lobby lighting/flooring	285,000
14.	Replace kitchen plumbing/air conditioning	125,000

15.	Renovate Coliseum concourse	150,000
16.	Replacement & upgrade of equipment	250,000
17.	Reupholster Coliseum lower level seating/ADA compliance	80,000
		$4,500,000

SOURCES OF REVENUE

Bond proceeds will be used to pay the costs of renovations and improvements to the Charleston Civic Center (the "Project"). The bonds do not constitute a general obligation or moral obligation of the City. The Bonds are payable solely from Specified Tax Revenues dedicated for such purposes and collected by the City from hotel/motel occupancy taxes, (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes. The Bonds will be secured by a lien on such revenues. The Bonds will not be secured by a lien on the Project.

Listed below is historical information relating to these sources for the prior three fiscal years, and partial information for the current fiscal year.

Hotel/Motel Occupancy Tax:

1997/98 as of 3/31/98	$648,576	($850,000 projected for the full year)
1996/97	788,846	
1995/96	725,537	
1994/95	684,431	

Source: City of Charleston, Internal Financials

Coal Severance:

1997/98 as of 3/31/98	$69,103	($135,000 projected for the full year)
1996/97	132,990	
1995/96	123,011	
1994/95	151,794	

Source: City of Charleston and Financial Audits

HOTEL DATA

The following hotels are located in Charleston:

Hotel	Rooms
Charleston Marriott Hotel	352
Elk River Town Center Inn	300

Heart O' Town	281
Charleston House Holiday Inn	256
Embassy Suites	253
Civic Center Holiday Inn	200
Knight's Inn Charleston East	133
Red Roof Inn	109
Hampton Inn	104
Motel 6	102
Sleep Inn	61
Cutlip's Motor Inn	55
Kanawha City Motor Lodge	50
Ivy Terrace Motel	33
Sunset Motel	32
Riverside Inn	26
Edens Motel	5
Total	2,352

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

The Bonds are issued under an Ordinance, as defined below. The following is a summary of certain terms, provisions and covenants of the Bond Ordinance. This summary makes use of certain terms defined in the Ordinance, some of which are defined below. This summary is not to be considered a full statement of the terms of the Bond Ordinance, and, accordingly, is qualified by reference thereto and is subject to the full text thereof.

DEFINITIONS

"Authorized Officer" means the Mayor of the City or such other officer of the City specifically designated by the Governing Body.

"Bonds" means the Series 1998 Bonds and any pari passu additional bonds issued under the Ordinance.

"Bond Ordinance" or "Ordinance" means the Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory thereof.

"Bond Year" means the twelve month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year except that the first Bond Year shall begin on the Closing Date.

"City" means The City of Charleston, West Virginia.

"City Clerk" means the City Clerk of the City.

"Closing Date" shall mean the date or dates upon which there is an exchange of the Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations issued pursuant thereto.

"Commission" shall mean the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Commission.

"Construction Fund" means the fund by that name created by Section 4.01 of the Ordinance.

"Costs of Issuance" shall mean those costs of issuing the Bonds, including, but not limited to, legal, accounting, fiscal agent fees and expenses and other fees and expenses in connection therewith.

"Depository Bank" means the depository bank as designated by the Issuer in a Supplemental Resolution.

"DTC" shall mean The Depository Trust Company, New York, New York.

"DTC Eligible" shall mean Bonds meeting the qualifications prescribed by The Depository Trust Company, New York, New York.

"Event of Default" shall mean any occurrence or events Specified in Section 5.05 of the Ordinance.

"Facility" means the Charleston Civic Center located in the City, including any improvements thereto.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Mayor and the City Council of the City, or such other body that succeeds to the function as the Governing Body of the City.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in Specified direct obligations of, or Specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Herein," "hereto" and similar words shall refer to the entire Bond Legislation.

"Independent Certified Public Accountants" shall mean any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the City or for any other purpose.

"Issuer" means The City of Charleston, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Mayor" means the Mayor of the City.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar, at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Section 6.01 of the Ordinance; and (iv) for purposes of consents or other action by a Specified percentage of Bondholders, any Bonds registered to the Issuer.

"Participant" shall mean the person or entity registered as such with The Depository Trust Company.

"Paying Agent" shall mean the paying agent for the Bonds, as designated in the Supplemental Resolution.

"Private Business Use" shall mean use directly or indirectly in any trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project" means the design, acquisition, construction and equipping of improvements to the Facility.

"Purchaser" or "Original Purchaser" means Crews & Associates, Inc., as the original purchasers of the Bonds.

"Qualified Investments" shall mean and include any of the following:

(a) Government Obligations;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

Export - Import Bank
Farmers Home Administration
General Services Administration
U. S. Maritime Administration
Small Business Administration
Government National Mortgage Association (GNMA)
U.S. Department of Housing & Urban Development (PHA's)
Federal Housing Administration;

(c) bonds, notes or other evidences of indebtedness rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investor Services, Inc., issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(d) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating, on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Corporation and "A-1" by Moody's Investor Services, Inc. and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(e) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's Corporation and "A-1" by Moody's Investor Services, Inc. and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Corporation; and

(g) pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date Specified in the notice; and (A) which are rated, based on the escrow, in the highest rating category of Standard & Poor's Corporation and Moody's Investor Services, Inc. or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (a) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the Specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates Specified in the irrevocable instructions referred to above, as appropriate.

"Record Date" shall mean the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or other legal holiday.

"Redemption Price" shall mean such amount as is established in a Resolution supplemental to the Ordinance.

"Registrar" means the Registrar for the Bonds, which shall be designated in a Supplemental Resolution.

"Regulations" shall mean temporary and permanent regulations promulgated under the Code.

"Representation Letter" shall mean the Letter Agreement among the City, DTC and the Paying Agent.

"Revenue Fund" shall mean the fund by that name created by Section 4.01 of the Ordinance.

"Series 1998 Bonds" means the City of Charleston Civic Center Improvement Bonds, Series 1998, authorized to be issued by the Ordinance.

"Series 1998 Bonds Sinking Fund" means the Series 1998 Bonds Sinking Fund created by Section 4.01 of the Ordinance.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending the Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Bonds; provided, that any matter intended by the Ordinance to be included in the Supplemental Resolution with respect to the Bonds, and not so included may be included in another Supplemental Resolution.

"Tax Revenues" means (i) the specified tax revenues dedicated for such purposes by the City to pay debt service on the Series 1998 Bonds and consisting of coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received or collected by the City and (ii) any other revenues dedicated for such purposes by the City to pay debt service on any additional bonds issued under the Ordinance.

"Value," which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times); the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times; the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) as to certificates of deposit and bankers acceptances; the face amount thereof, plus accrued interest.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

AUTHORITY FOR THE ORDINANCE

The Ordinance (together with any ordinance, order or resolution supplemental thereto or amendatory thereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 8, Article 16 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

AUTHORIZATION FOR THE PROJECT

The acquisition, construction and equipping of the Project has been approved at a cost estimated to be $3,500,000.

AUTHORIZATION AND TERMS OF SERIES 1998 BONDS

For the purpose of financing, in part, the acquisition, construction and equipping of the Project, there shall be issued the Civic Center Improvement Bonds, Series 1998 of the City. The Series 1998 Bonds shall be in such aggregate principal amount estimated to be $3,500,000, shall be dated such date; shall bear interest payable semiannually at such dates and at such rate or rates not exceeding the rate permitted by the Act; shall mature at such time or times, not exceeding forty (40) years after the date of issuance; and shall contain such other terms, provisions, conditions and limitations, all as provided by the Ordinance and as the Governing Body shall prescribe by Supplemental Resolutions adopted in connection with the sale of such Series 1998 Bonds.

The Series 1998 Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency, which on the respective date of payment of principal and interest, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1998 Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address that appears on the books of the Registrar.

The Series 1998 Bonds shall, at the option of the City, be redeemable in whole or in part, at the times, in the manner, and upon payment of the redemption prices, as provided in the Supplemental Resolutions.

The Series 1998 Bonds shall be sold as soon as practical and in the best interests of the City, as may be authorized and permitted by applicable law, and delivered to the Original Purchaser thereof, provided, that such Original Purchaser and the City shall have agreed to the terms of the purchase thereof.

CREATION OF FUNDS AND ACCOUNTS

There will be created with the Commission the Series 1998 Bonds Sinking Fund.

There will be created with the Depository Bank the Revenue Fund and the Project Construction Account.

DISPOSITION OF REVENUES

All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(A) The City shall, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1998 Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1998 Bonds Sinking Fund, a sum equal to one-sixth (1/6) of the amount of interest which will become due on the Series 1998 Bonds on the next ensuing semiannual interest payment date: Provided, however, That in the event that the period to elapse between the closing date and the next semi-annual interest payment date is less that seven months, then such monthly payments shall be increased proportionately to provide the required amount of interest maturing on the next semiannual interest payment date.

The City shall also apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 Bonds Sinking Fund, on the first day of each month, beginning 13 months prior to the first date of payment of principal of the Series 1998 Bonds, a sum equal to one-twelfth (1/12) of the amount of the principal which will mature and become due on the Series 1998 Bonds on the next ensuing principal payment date: Provided, however, That in the event that the period to elapse between the closing date and the next annual principal payment date is less that twelve (12) months, then such monthly payments shall be increased proportionately to provide the required amount of principal maturing on the next annual principal payment date.

The City shall also, from the Revenue Fund, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the Bonds and the interest thereon.

The Commission will be designated as the Fiscal Agent for the administration of the Sinking Fund created under the Ordinance, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds as provided in the Ordinance, by the City, at the times provided therein.

Moneys in the Series 1998 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1998 Bonds as the same shall become due.

(B) If on any payment date the Tax Revenues are insufficient to place the required amount in any of the funds, the deficiency shall be made up in subsequent payments to such funds.

(C) All of the funds provided for above shall constitute trust funds and shall be used only for the purposes provided herein. The moneys in excess of the sum of $100,000 in said Revenue Fund shall at all times be secured, to the full extent thereof in excess of the sum of $100,000, by direct obligations of the United States of America, or such other obligations as shall be eligible as security for deposits of State and municipal funds under the laws of the State.

(D) Moneys at any time remaining on deposit in the Series 1998 Bonds Sinking Fund may be invested in direct obligations of the United States of America maturing not later that the dates on which such moneys will be needed for the purposes of such funds.

APPLICATION OF BOND PROCEEDS, PLEDGE OF UNEXPENDED BOND PROCEEDS

The proceeds received from the sale of any or all of the Bonds shall be applied as provided the Supplemental Resolution.

The Depository Bank shall act as a trustee and fiduciary for the Bondholders with respect to the Construction Fund and shall comply with all requirements with respect to the disposition of the Construction Fund as set forth in the Bond Legislation. Moneys in the Construction Fund shall be used solely to pay costs of the Project and, until so expended, will be pledged as additional security for the Bonds.

DISBURSEMENTS FROM THE CONSRUCTION FUND

(a) Except as otherwise provided in the Ordinance, any moneys deposited in the Construction Fund from the proceeds of the Bonds as soon as practicable after the delivery thereof shall be paid to the firms, corporations or persons entitled thereto for legal, administrative, financing and incidental expenses of the City relating to the issuance of the Bonds.

(b) Except with respect to Costs covered in paragraph (a), the City shall submit to the Depository Bank a requisition signed by an Authorized Officer stating, with respect to each payment to be made:

(i) the requisition number;

(ii) if other than the Issuer, the name and address of the person to whom payment is due;

(iii) the amount to be paid;

(iv) that each obligation mentioned therein has been incurred as a Cost and has not been the basis of any previous withdrawal;

(v) accompanied by a bill, invoice or statement; and

(vi) accompanied by a valid bill or agreement of sale, certificate of title, deed, receipt or other evidence of ownership containing warranties of title free and clear of all claims.

In making any disbursement the Depository Bank shall pay each such obligation or deliver to the Issuer a check or draft for the payment thereof payable to the order of the payee to whom payment is due, as set forth in the requisition of the City directing such disbursement. All payments made from the Construction Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund. Pending disbursement, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

GENERAL COVENANTS OF THE CITY

All the covenants, agreements and provisions of the Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of the Ordinance, the City covenants and agrees with the Holders of the Bonds as provided in Article V of the Ordinance. All such covenants, agreements and provisions shall be irrevocable, except as provided therein, as long as any of said Bonds, or the interest thereon, is outstanding and unpaid.

BONDS NOT TO BE INDEBTEDNESS OF THE CITY

The Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Tax Revenues as therein provided. No holder or holders of any Bonds issued thereunder shall ever have the right to compel the exercise of the taxing power of the City to pay said Bonds or the interest thereon.

BONDS SECURED BY FIRST LIEN PLEDGE OF TAX REVENUES

The payment of the debt service on the Series 1998 Bonds shall be secured equally and ratably and with each other, by a first lien on the specified Tax Revenues dedicated for such purposes by the City to the extent necessary to make the payments required under the Ordinance. The Tax Revenues, in an amount sufficient to pay the principal of and interest on the Series 1998 Bonds, and to make the payments into the Series 1998 Bonds Sinking Fund and make all other payments provided for in the Ordinance, will be irrevocably pledged in the manner provided in the Ordinance, to the payment of the principal of and interest on the Series 1998 Bonds as the same become due and for the other purposes provided in the Ordinance.

COLLECTIONS

The Tax Revenues shall at all times be adequate to make the prescribed payments into the funds and accounts created. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in tax collections and revenues, the City covenants and agrees to budget an amount each year equal to at least one hundred ten percent (110%) of the maximum annual amount required to pay the interest on and principal of the Bonds and all other obligations secured by or payable from the Tax Revenues prior to or on a parity with the Bonds, as the same become due and accomplish retirement of all Bonds for the payment of which such Tax Revenues have or shall have been pledged, charged or otherwise encumbered.

ISSUANCE OF OTHER OBLIGATIONS PAYABLE OUT OF THE TAX REVENUES AND GENERAL COVENANT AGAINST ENCUMBRANCES

The City shall not issue any other obligations whatsoever, except additional parity bonds provided for in Section 5.02 of the Ordinance, payable from the Tax Revenues, which rank prior to, or equally, as to lien on and source of and security for payment from the Tax Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Tax Revenues, except such additional bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from the Tax Revenues, and in all other respects to the Bonds.

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said additional parity bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon the Tax Revenues pledged for payment of the Bonds and the interest thereon in the Ordinance.

ADDITIONAL PARITY BONDS

No additional parity bonds, as defined in Section 5.02 of the Ordinance, payable out of the Tax Revenues, shall be issued after the issuance of the Bonds pursuant to the Ordinance, except under the conditions and in the manner therein provided.

No such additional parity bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of improvements and betterments to the Facility or refunding the entirety of one or more series of Bonds issued pursuant thereto, or both such purposes.

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Certified Public Accountants, based upon the necessary investigation and certification by a consulting engineer, reciting the conclusion that the Tax Revenues collected and received by the City during the previous twelve (12) months immediately preceding the date of the actual issuance of such additional parity bonds is equal to at least one hundred ten percent (110%) of the amount of debt service payable in the then current year, and the annual Tax Revenues projected to be received and collected in each of the three

(3) succeeding years after the completion of the improvements to be financed by such additional parity bonds shall not be less than one hundred ten percent (110%) of the maximum annual debt service payable over the next three (3) years.

Not later than simultaneously with the delivery of such additional parity bonds, the Issuer shall have entered into written contracts for the immediate acquisition, construction or equipping of such improvements and betterments to the Facility which are to be financed by such additional parity bonds.

The term "additional parity bonds," as used in this Section, shall be deemed to mean additional bonds issued under the provisions and within the limitations of Section 5.02 of the Ordinance, payable from the specified Tax Revenues on a parity with the Series 1998 Bonds and all the covenants and other provisions of the Ordinance (except as to details of such additional parity bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 1998 Bonds and the Holders of any additional parity bonds subsequently issued from time to time within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the specified Tax Revenues and their source of and security for payment from specified Tax Revenues, without preference of any bond over any other. The Issuer shall comply fully with all the increased payments into the various funds created in the Ordinance required for and on account of such additional parity bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

The term "additional parity bonds," as used in this Section, shall not be deemed to include any bonds, notes, certificates or other obligations subsequently issued, the lien of which on the specified Tax Revenues is subject to the prior and superior lien of the Bonds on such specified Tax Revenues. The Issuer shall not issue any obligations whatsoever payable from the specified Tax Revenues which rank prior to or equally, as to lien and source of and security for payment from such specified Tax Revenues, with the Bonds except in the manner and under the conditions provided in this Section.

No additional parity bonds, as in this Section defined, shall be issued at any time, however, unless all the payments into the respective funds and accounts provided for in the Ordinance on account of the Bonds then Outstanding, and any other payments provided for in the Ordinance shall have been made in full as required to the date of delivery of the additional parity bonds.

The City may issue additional parity bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds, provided that the annual debt service required on account of the refunding bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

INSURANCE

The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the Facility, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks.

The City will require that each of its contractors and all subcontractors maintain, during the life of the Project or any other construction contract, and carry workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Ordinance. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the Facility.

ENFORCEMENT OF COLLECTIONS

The City will diligently enforce and collect all hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes and take all steps, actions and proceedings for the enforcement and collection of such taxes that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia.

CONTINUING DISCLOSURE

The City shall cause its books and records to be completely audited by Independent Certified Public Accountants, shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Bondholder, and shall file said report as provided in the Continuing Disclosure Certificate executed on behalf of the City and delivered at closing.

OPERATING BUDGET

The City shall include in its annual budget adopted prior to the beginning of each Fiscal Year, and as a separate part thereof, a detailed budget of the estimated Tax Revenues during the succeeding Fiscal Year. The City shall mail copies of such annual budget to any Bondholder who shall file his or her address with the City and request in writing that copies of any such budgets be furnished him or her, and shall make available such budgets at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

EXISTENCE OF CIVIC CENTER/AUDITORIUM BOARD

The management, operation and control of the Facility shall be vested in the Civic Center/Auditorium Board, or some other separate successor agency of the City, during the period in which any Bonds issued are Outstanding.

PUBLIC PURPOSE BONDS

The Facility will be solely operated for a public purpose and as a local governmental activity of the City.

PRIVATE ACTIVITY BONDS

The City shall not permit at any time or times any of the proceeds of the Bonds to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

FILINGS

The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

RIGHT TO AMEND

The City retains the right to make any amendments, insertions or deletions by Supplemental Resolutions of the Ordinance as the City deems desirable or necessary prior to the issuance of the Bonds, including but not limited to amendments, insertions or deletions to comply with the Code. Notwithstanding the provisions of Section 6.07 of the Ordinance, the City through City Council shall, without consent of the Registered Owners of the Bonds, amend or supplement the Ordinance by resolutions supplemental thereto or any amendatory ordinance to comply with the Code if such amendment or supplement is necessary to preserve the tax exempt status of the Bonds. In making their determination to amend or supplement the Ordinance, the City Council may rely on the opinion of a nationally recognized bond counsel.

The City also retains the right to make any amendments, insertions or deletions by Supplemental Resolution of the Ordinance, as the City deems necessary prior to the issuance of the Bonds to meet the requirements of the Original Purchaser.

EVENTS OF DEFAULT

Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bonds;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in the Ordinance, the Supplemental Resolution or in the Bonds and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by the Depository Bank holding any fund or account hereunder or a Registered Owner of a Bond; or

(C) If the City files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

REMEDIES

Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and in particular (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the City to perform its duties under the Act and the Ordinance relating thereto, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Ordinance with respect to the Bonds, or the rights of such Registered Owners.

Upon the occurrence of an Event of Default, the Commission shall, by written notice to the City, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Ordinance or in the Bonds to the contrary notwithstanding.

INVESTMENTS

Any moneys held as a part of the funds and accounts created by the Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission or the Depository Bank, as the case may be, at the direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, the Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in Section 4.04 of the Ordinance.

Except as otherwise provided, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held and used for the purpose of such fund or account. The interest accruing thereof and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The determination of the Value of the investments shall be made once a month. The Commission or the Depository Bank, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any account is insufficient to make the payments required from such fund or account, regardless of the loss of such liquidation. Such Depository Bank may make any and all investments permitted by Section 4.04 of the Ordinance through its own trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

ARBITRAGE

The City covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the City's reasonable expectations at the time of

issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

MODIFICATION OR AMENDMENT

No material modification or amendment of the Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the Holders of the Bonds then outstanding provided, however, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City, to pay such principal and interest without the consent of the Holder thereof.

DEFEASANCE OF SERIES 1998 BONDS

If the City has paid or has caused to be paid, or there shall otherwise be paid to the Holders of all Series 1998 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1998 Bonds only, the pledge of specified Tax Revenues under this Bond Legislation and all covenants, agreements and other obligations of the City to the Registered Owners of the Series 1998 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay, as and when due, the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section 6.01 of the Ordinance. All Bonds shall, prior to the maturity or redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 6.01 of the Ordinance if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given the Commission, in form satisfactory to it, irrevocable instructions to publish as provided herein notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Commission either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay when due the principal of and redemption premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and an opinion of nationally recognized bond counsel to the effect that such action will not adversely effect the exclusion of the interest on the Bonds from gross income for federal income tax purposes and a verification from an Independent Certified Public Accountant of the sufficiency of the amounts described in clause (b) for their intended purpose, and (c) in the event said Bonds are not by their terms subject to redemption, or are otherwise not to be redeemed by the City, within the next succeeding sixty (60) days, the City shall have given the

Commission in form satisfactory to it irrevocable instructions to publish, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Commission and that said Bonds are deemed to have been paid in accordance with Section 6.01 of the Ordinance and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, interest on, and redemption premium, if applicable, on said Bonds. Neither securities nor moneys deposited with the Commission pursuant to Section 6.01 of the Ordinance nor principal or interest payments on any such securities shall be held in trust for the payment of the principal of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if applicable, on and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of Section 6.01 of the Ordinance, securities shall mean and include only Government Obligations.

APPENDIX C

Audited Financial Statements of City of Charleston

CITY OF CHARLESTON, WEST VIRGINIA

Schedule of Funds and Account Group Included in Report

Year Ended June 30, 1996

GOVERNMENTAL FUND TYPES

General Fund

Special Revenue Funds

Coal Severance Tax
Municipal Beautification
Community Development
Special Demolition
Human Rights
Rental Rehabilitation
Solid Waste and Disposal
Asset Forfeiture and Reimbursement

Debt Service Fund

Local Sinking

Capital Projects Funds

Special Development
Civic Center Renewal and Replacement
South Side Recreation Center
Infrastructure Repair
Cemetery Improvement and Mausoleum Maintenance
Civic Center Project

PROPRIETARY FUND TYPE

Enterprise Funds

Civic Center Revenue
Parking System
Sanitary Board

CITY OF CHARLESTON, WEST VIRGINIA

Schedule of Funds and Account Group Included in Report

Year Ended June 30, 1996

FIDUCIARY FUND TYPES

Pension Trust Funds

Policemen's Pension and Relief
Firemen's Pension and Relief

Nonexpendable Trust Funds

Spring Hill Permanent Endowment Trust
Spring Hill General Endowment Trust

Expendable Trust Fund

Municipal Police Court Trust

Agency Funds

Utility Collection Fund
Metro Drug Enforcement Network Task Force
Civic Center Ticket Fund

ACCOUNT GROUP

General Long-Term Debt

CITY OF CHARLESTON, WEST VIRGINIA

Audited Financial Statements

Year Ended June 30, 1996

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CITY OF CHARLESTON, WEST VIRGINIA

Audited Financial Statements

Year Ended June 30, 1996

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CITY OF CHARLESTON, WEST VIRGINIA

Audited Financial Statements

Year Ended June 30, 1996

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CITY OF CHARLESTON, WEST VIRGINIA

MUNICIPAL OFFICIALS

June 30, 1996

Elective

Office	Name	Term
Mayor	G. Kemp Melton	May 1, 1995 - June 14, 1999
Treasurer	Andrew A. Payne, III	May 1, 1995 - June 14, 1999
Municipal Judge	Jay Goldman	May 1, 1995 - June 14, 1999
Councilmembers-at-Large		
	Sam Haddad	May 1, 1995 - June 14, 1999
	Thomas J. Lane	May 1, 1991 - June 14, 1999
	Charles W. Loeb, Jr.	May 1, 1995 - June 14, 1999
	Mary Jane Lopez	May 1, 1995 - June 14, 1999
	Y. Howard Quick, Jr.	May 1, 1995 - June 14, 1999
	Chris Smith	May 1, 1995 - June 14, 1999
Councilmembers:		
First Ward	J.E. "Skeeter" Barron	May 1, 1995 - June 14, 1999
Second Ward	Carl Hicks	May 1, 1995 - June 14, 1999
Third Ward	James "Mose" Lanham	May 1, 1995 - June 14, 1999
Fourth Ward	Bob E. Redman	May 1, 1995 - June 14, 1999
Fifth Ward	Ernest A. Layne	May 1, 1995 - June 14, 1999
Sixth Ward	Tony Serreno	May 1, 1995 - June 3, 1996
	Ivalou Hanna Barth	June 3, 1996 - June 14, 1999
Seventh Ward	Clyde W. Ranson, Jr.	May 1, 1995 - June 14, 1999
Eighth Ward	George McClaskie	May 1, 1995 - June 14, 1999
Ninth Ward	Paul Wright	May 1, 1995 - June 8, 1996
	Betty Morton	July 1, 1996 - June 14, 1999
Tenth Ward	Chester F. Thompson	May 1, 1995 - June 14, 1999
Eleventh Ward	Fred Snuffer	May 1, 1995 - June 14, 1999
Twelfth Ward	Joyce Horan	May 1, 1995 - June 14, 1999
Thirteenth Ward	Linda M. Nielsen	May 1, 1995 - June 14, 1999
Fourteenth Ward	Jody Connell	May 1, 1995 - June 14, 1999
Fifteenth Ward	Lawrence J. Malone	May 1, 1995 - June 14, 1999
Sixteenth Ward	William W. Huffman, II	May 1, 1995 - June 14, 1999
Seventeenth Ward	Brendan S. Leary	May 1, 1995 - June 14, 1999
Eighteenth Ward	William R. Kimberling	May 1, 1995 - June 14, 1999
Nineteenth Ward	Loren Snodgrass	May 1, 1995 - June 14, 1999
Twentieth Ward	David J. Hardy	May 1, 1995 - June 14, 1999

CITY OF CHARLESTON, WEST VIRGINIA

MUNICIPAL OFFICIALS
(Continued)

June 30, 1996

Appointive

Office	Name
City Manager	William E. Kenny
City Attorney	James S. Arnold
Finance Director	Robert L. Ruckle
City Auditor	D. Richard Barnett
City Clerk	Fred M. Frisk
Assistant to the Mayor	Ronald Gregory
Assistant City Manager	Paul Gilmer
City Collector	James E. Jones
City Engineer	W. Kyle Stollings
Director of Public Works	Mark Holstine
Director of Mayor's Office of Economic and Community Development	Tracy Rowen

Gibbons
& Kawash
Certified Public Accountants

Bank One Center, Suite 500
707 Virginia Street East
Charleston, West Virginia 2530
Telephone (304) 345-8400
Telecopier (304) 345-8451

INDEPENDENT ACCOUNTANTS' REPORT

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the accompanying general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Sanitary Board, which represent 74.6% and 62.5%, respectively, of the assets and revenues of the Proprietary Fund type. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sanitary Board, is based solely on the report of the other auditor.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinion.

As discussed in Note 4, the general purpose financial statements referred to above do not include fixed assets and related depreciation, and contributions-in-aid of construction for the Civic Center Revenue Fund. In our opinion, these items should be recorded in the general purpose financial statements to conform with generally accepted accounting principles. The effect on the financial statements of the preceding practices is not reasonably determinable.

Also, as discussed in Note 4, the cost of fixed assets used in governmental fund type operations has not been recorded in a general fixed assets account group. In our opinion, all capital expenditures of governmental fund types should be recorded in a general fixed assets account group to conform with generally accepted accounting principles. The effect on the financial statements of the preceding practice is not reasonably determinable.

As discussed in Note 4, the Sanitary Board of the City of Charleston does not provide for depreciation of the sewer system. In the opinion of the other auditor, these assets should be depreciated over their estimated useful lives to conform with generally accepted accounting principles. If the financial statements were corrected for this departure from generally accepted

accounting principles, based on a straight-line depreciation method, accumulated depreciation would be increased by $18,445,048 as of June 30, 1996, and net income would have decreased by $1,224,991 for the year then ended.

In our opinion, based on our audit and the report of the other auditor, except for the effect on the financial statements of the information discussed in the preceding four paragraphs, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Charleston, West Virginia, as of June 30, 1996, and the results of its operations and cash flows of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note 14, the City is self-insured for workers' compensation. The liability that may result from reported and unreported claims incurred has not been determined. Accordingly, no provision for any losses which may result from such claims has been recorded in the accompanying general purpose financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated May 16, 1997, on our consideration of the City of Charleston's internal control structure and a report dated May 16, 1997, on its compliance with laws and regulations.

Gibbons & Kawash

May 16, 1997

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS				
Cash and cash equivalents (Note 6)	$ 3,165,118	$ 455,390	$1,410,016	$ 264,095
Investments (Note 6)	-	-	-	-
Receivables:				
Taxes	6,220,559	-	72,444	-
Accounts receivable	971,134	-	-	-
Contributions	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	2,420,976	-	-
Due from other funds	1,530,107	-	-	-
Other	282,813	-	-	-
Restricted assets:				
Deposits with Municipal Bond Commission:				
Regular account	-	-	-	-
Reserve account	-	-	679,393	-
Investments:				
Bond construction fund	-	-	-	-
Cash (Note 6):				
Renewal and replacement	-	-	-	-
Operating and maintenance	-	-	-	-
Fixed assets, net of accumulated depreciation (Note 8)	-	-	-	-
Deferred charges:				
Unamortized bond issuance costs	-	-	-	-
Other debits:				
Amount available in Debt Service Fund	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets	$12,169,731	$ 2,876,366	$2,161,853	$ 264,095

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust and Agency	Account Group General Long-Term Debt	Total (Memorandum Only)
$ 1,103,318	$ 1,282,489	$ -	$ 7,680,426
-	15,430,587	-	15,430,587
-	-	-	6,293,003
970,837	-	-	1,941,971
-	140,778	-	140,778
-	310,399	-	310,399
-	-	-	2,420,976
-	-	-	1,530,107
99,257	-	-	382,070
1,015,701	-	-	1,015,701
2,727,355	-	-	3,406,748
13,063	-	-	13,063
115,224	-	-	115,224
1,086,870	-	-	1,086,870
77,534,896	-	-	77,534,896
390,470	-	-	390,470
-	-	252,649	252,649
-	-	22,539,406	22,539,406
$ 85,056,991	$ 17,164,253	$ 22,792,055	$ 142,485,344

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
(Continued)

June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	$ 601,479	$ 219,475	$ -	$ 1,446
Salaries payable	484,313	-	-	-
Due to other funds	46,203	40,087	1,191,410	10,000
Compensated absences (Note 10)	-	-	-	-
Other accrued and withheld liabilities	20,398	-	-	-
Deposits on hand	-	-	-	-
Current portion of long-term debt	-	-	-	-
Other	61,531	-	-	-
Claims and judgments (Note 13):				
General liability claims	-	-	-	-
Employee health claims	576,617	-	-	-
Liabilities currently payable from restricted assets:				
Current maturities of revenue bonds (Note 11)	-	-	-	-
Accrued interest payable	-	-	-	-
Long-term debt, less current maturities (Note 11):				
General obligation bonds	-	-	-	-
Revenue bonds	-	-	-	-
Capital lease obligations, less current maturities (Note 12)	-	-	-	-
Total liabilities	$ 1,790,541	$ 259,562	$1,191,410	$ 11,446

Proprietary Fund Type Enterprise	Fiduciary Fund Types Trust and Agency	Account Group General Long-Term Debt	Total (Memorandum Only)
$ 301,626	$ 128,806	$ -	$ 1,252,832
63,330	-	-	547,643
242,407	-	-	1,530,107
142,832	-	1,117,505	1,260,337
13,788	-	-	34,186
51,809	-	-	51,809
371,597	-	-	371,597
34,412	-	-	95,943
-	-	650,000	650,000
12,494	-	254,893	844,004
460,000	-	-	460,000
525,624	-	-	525,624
-	-	17,615,000	17,615,000
27,086,255	-	-	27,086,255
-	-	3,154,657	3,154,657
29,306,174	128,806	22,792,055	55,479,994

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
(Continued)

June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Fund equity:				
Contributed capital:				
Municipality	$ -	$ -	$ -	$ -
Contributions-in-aid of construction	-	-	-	-
Retained earnings:				
Reserved for bonded indebtedness	-	-	-	-
Reserved for operation and maintenance	-	-	-	-
Reserved for renewal and replacement	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for noncurrent loans	-	2,420,976	-	-
Reserved for debt service	-	-	970,443	-
Reserved for capital projects	-	-	-	252,649
Reserved for policemen's and firemen's retirement systems	-	-	-	-
Reserved for encumbrances	1,200,169	-	-	-
Reserved for endowments	-	-	-	-
Unreserved	9,179,021	195,828	-	-
Total fund equity	10,379,190	2,616,804	970,443	252,649
Total liabilities and fund equity	$12,169,731	$ 2,876,366	$2,161,853	$ 264,095

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Type Enterprise	Fiduciary Fund Types Trust and Agency	Account Group General Long-Term Debt	Total (Memorandum Only)
$ 7,658,595	$ -	$ -	$ 7,658,595
21,738,294	-	-	21,738,294
1,897,390	-	-	1,897,390
897,239	-	-	897,239
115,224	-	-	115,224
23,444,075	-	-	23,444,075
-	-	-	2,420,976
-	-	-	970,443
-	-	-	252,649
-	16,522,023	-	16,522,023
-	-	-	1,200,169
-	510,542	-	510,542
-	2,882	-	9,377,731
55,750,817	17,035,447	-	87,005,350
$ 85,056,991	$ 17,164,253	$ 22,792,055	$ 142,485,344

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES

Year Ended June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	$ 35,005,279	$ -	$ 1,381,857	$ -
License and permits	424,075	-	-	-
Intergovernmental	2,099,187	3,038,625	-	-
Charges for services	4,571,601	-	-	-
Fines and forfeits	-	36,983	-	-
Interest	249,092	36,405	73,042	14,581
Contributions and fees	-	1,585,606	-	-
Miscellaneous	149,657	8,330	-	-
Total revenues	42,498,891	4,705,949	1,454,899	14,581
Expenditures:				
General government	3,110,074	-	-	-
Public safety	20,775,119	49,078	-	-
Highways and streets	5,587,918	33,766	-	-
Sanitation and health	2,950,377	1,122,803	-	-
Recreation	2,925,667	-	-	-
Economic and physical development	1,039,014	2,718,987	-	-
Administrative and other	4,458,684	-	-	-
Capital outlay	1,770,265	-	-	29,269
Debt service:				
Principal	-	-	1,405,000	-
Interest and other charges	-	-	1,268,562	-
Total expenditures	42,617,118	3,924,634	2,673,562	29,269
Excess of revenues over (under) expenditures	(118,227)	781,315	(1,218,663)	(14,688)

Total (Memorandum Only)
$ 36,387,136
424,075
5,137,812
4,571,601
36,983
373,120
1,585,606
157,987
48,674,320
3,110,074
20,824,197
5,621,684
4,073,180
2,925,667
3,758,001
4,458,684
1,799,534
1,405,000
1,268,562
49,244,583
(570,263)

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
(Continued)

Year Ended June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Excess of revenues over (under) expenditures (carryforward)	$ (118,227)	$ 781,315	$ (1,218,663)	$ (14,688)
Other financing sources (uses):				
Operating transfer in	960,770	-	-	28,238
Operating transfer out	(350,470)	(476,319)	-	(10,000)
Total other sources	610,300	(476,319)	-	18,238
Excess of revenues and other sources over (under) expenditures and other uses	492,073	304,996	(1,218,663)	3,550
Fund balances at beginning of year	9,887,117	2,311,808	2,189,106	249,099
Fund balances at end of year	$ 10,379,190	$ 2,616,804	$ 970,443	$ 252,649

The accompanying notes are an integral part of these financial statements.

Total (Memorandum Only)
$ (570,263)
989,008
(836,789)
152,219
(418,044)
14,637,130
$ 14,219,086

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND COAL SEVERANCE FUNDS (BUDGETARY BASIS)

Year Ended June 30, 1996

	General		
	Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:			
Taxes	$ 33,149,965	$ 34,914,206	$ 1,764,241
Licenses and permits	491,500	424,075	(67,425)
Intergovernmental	1,640,000	2,099,187	459,187
Charges for services	4,653,000	4,571,601	(81,399)
Interest	140,000	249,092	109,092
Miscellaneous	150,000	149,657	(343)
Total revenues	40,224,465	42,407,818	2,183,353
Expenditures:			
General	3,236,600	3,110,074	126,526
Public safety	20,295,162	20,775,119	(479,957)
Highways and streets	5,628,701	5,587,918	40,783
Sanitation and health	2,685,076	2,950,377	(265,301)
Economic and physical development	787,478	1,039,014	(251,536)
Culture and recreation	3,571,593	2,925,667	645,926
Administrative support	4,573,524	3,839,489	734,035
Capital outlays	3,929,425	1,770,265	2,159,160
Total expenditures	44,707,559	41,997,923	2,709,636
Excess of revenues over (under) expenditures	(4,483,094)	409,895	4,892,989

Coal Severance Tax		
Budget	Actual	Variance-Favorable (Unfavorable)
$ -	$ -	$ -
-	-	-
130,000	123,011	(6,989)
-	-	-
1,000	2,821	1,821
-	-	-
131,000	125,832	(5,168)
-	-	-
-	-	-
131,000	33,766	97,234
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
131,000	33,766	97,234
-	92,066	92,066

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND COAL SEVERANCE FUNDS (BUDGETARY BASIS)
(Continued)

Year Ended June 30, 1996

	General		
	Budget	Actual	Variance-Favorable (Unfavorable)
Excess of revenues over (under) expenditures (carryforward)	$ (4,483,094)	$ 409,895	$ 4,892,989
Other financing sources (uses):			
Operating transfers in	635,000	960,770	325,770
Operating transfers out	-	(350,470)	(350,470)
Total other financing sources	635,000	610,300	(24,700)
Excess of revenues and other sources over (under) expenditures and other uses	(3,848,094)	1,020,195	4,868,289
Fund balances at beginning of year	3,848,094	3,924,840	76,746
Fund balances at end of year (Note 3)	$ -	$ 4,945,035	$ 4,945,035

The accompanying notes are an integral part of these financial statements.

Coal Severance Tax		
Budget	Actual	Variance-Favorable (Unfavorable)
$ -	$ 92,066	$ 92,066
-	-	-
-	(26,319)	(26,319)
-	(26,319)	26,319
-	65,747	65,747
-	30,513	30,513
$ -	$ 96,260	$ 96,260

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS

Year Ended June 30, 1996

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Total (Memorandum Only)
Operating revenues:			
Charges for services	$ 7,111,032	$ -	$ 7,111,032
Fines and forfeits	-	678,017	678,017
Interest	-	1,156,161	1,156,161
Contributions and fees	-	4,049,297	4,049,297
Parking fees	2,224,970	-	2,224,970
Rental income	668,184	-	668,184
Dividends	-	6,049	6,049
Capital gains	-	90,457	90,457
Miscellaneous	38,521	5,115	43,636
Total operating revenues	10,042,707	5,985,096	16,027,803
Operating expenses:			
General government	1,547,247	-	1,547,247
Sanitation and health	3,644,605	-	3,644,605
Recreation	1,748,268	-	1,748,268
Benefit payments	-	4,567,919	4,567,919
Refunds	-	48,238	48,238
Administrative and other	1,035,610	65,636	1,101,246
Payments to State Treasurer	-	192,210	192,210
Depreciation	783,250	-	783,250
Total operating expenses	8,758,980	4,874,003	13,632,983
Operating income	1,283,727	1,111,093	2,394,820

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES -PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS
(Continued)

Year Ended June 30, 1996

	Proprietary Fund Type	Fiduciary Fund Type	Total (Memorandum Only)
	Enterprise	Trust	
Operating income (carryforward)	$ 1,283,727	$ 1,111,093	$ 2,394,820
Nonoperating revenues (expenses):			
Interest and other charges	(1,417,391)	-	(1,417,391)
Miscellaneous	(2,999)	-	(2,999)
Interest earned	463,425	-	463,425
Bond discounts and issuance costs	(38,892)	-	(38,892)
Other	340,496	-	340,496
	(655,361)	-	(655,361)
Net income before other financing sources	628,366	1,111,093	1,739,459
Other financing sources (uses):			
Operating transfer in	331,000	-	331,000
Operating transfer out	-	(483,219)	(483,219)
Total other sources (uses)	331,000	(483,219)	(152,219)
Net income	959,366	627,874	1,587,240
Retained earnings/fund balances at beginning of year	25,394,562	16,407,573	41,802,135
Retained earnings/fund balances at end of year	$ 26,353,928	$ 17,035,447	$ 43,389,375

The accompanying notes are an integral part of these financial statements.

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF CASH FLOWS -
ENTERPRISE FUNDS AND NONEXPENDABLE TRUST FUNDS

Year Ended June 30, 1996

	Proprietary Fund Type	Fiduciary Fund Type	Total
	Enterprise	Nonexpendable Trust	Memorandum Only
Cash flows from operating activities:			
Operating income	$ 1,283,727	$ 66,467	$ 1,350,19
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	909,506	-	909,50
Accretion, net	84,385	-	84,38
Change in assets and liabilities:			
(Increase) decrease:			
Accounts receivable	133,819	-	133,81
Deposits with Municipal Bond Commission	34,391	-	34,39
Prepaid and other assets	(42,340)	(83,059)	(125,39
Increase (decrease):			
Accounts payable	(52,498)	-	(52,49
Salaries payable	17,478	-	17,47
Accrued vacation	2,377	-	2,37
Deposits on hand	15,389	-	15,38
Due to other funds	(20,652)	-	(20,65
Other	6,389	-	6,38
Net cash provided by (used in) operating activities	2,371,971	(16,592)	2,355,37
Cash flows from noncapital financing activities:			
Operating transfers to/from other funds	331,000	(8,769)	322,23
Cash flows from capital and related financing activities:			
Principal paid on revenue bonds	(534,495)	-	(534,49
Interest and fees paid on revenue bonds	(1,456,283)	-	(1,456,28
Payments of note payable - line-of-credit	(371,903)	-	(371,90
Increase in sinking funds	(38,244)	-	(38,24
Contributions in aid of construction	90,843	-	90,84
Purchases of property, plant, and equipment	(5,958,780)	-	(5,958,78
Net cash provided by capital and related financing activities	(8,268,862)	-	(8,268,86

(Continue

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF CASH FLOWS -
ENTERPRISE FUNDS AND NONEXPENDABLE TRUST FUNDS
(Continued)

Year Ended June 30, 1996

	Proprietary Fund Type	Fiduciary Fund Type	Total Memorandum Only
	Enterprise	Nonexpendable Trust	
Cash flows from investing activities:			
Interest earned on investments	$ 460,426	$ 19,312	$ 479,73
Dividends earned on investments	-	6,049	6,04
Net disposal of investments	4,422,697	-	4,422,69
Other	340,496	-	340,49
Net cash provided by investing activities	5,223,619	25,361	5,248,98
Net decrease in cash and cash equivalents	(342,272)	-	(342,27
Cash and cash equivalents, beginning of year (including Civic Center Revenue and Parking Systems restricted assets of $216,204 and $3,198,617, respectively)	4,440,001	-	4,440,00
Cash and cash equivalents, end of year (including Civic Center Revenue and Parking Systems restricted assets of $217,301 and $2,790,173, respectively)	$ 4,097,729	$ -	$ 4,097,72

The accompanying notes are an integral part of these financial statements.

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS

1 - DESCRIPTION OF ENTITY

The financial statements of the City of Charleston, West Virginia (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except as noted below. Generally accepted accounting principles are prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The City is a municipal corporation governed by an elected mayor and a twenty-six member council. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. For financial reporting purposes, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the government. The City has no discretely presented component units.

Blended Component Unit

The Charleston Sanitary Board (the Board) serves all the citizens of the City and its members consist of the mayor and two persons appointed by the City. The rates for user charges and bond issuance authorizations are subject to approval by the City's council and the legal liability for the Board's debt remains with the City. The Board, which has a June 30 fiscal year end, is reported as an enterprise fund.

2 - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounts of the City are organized and operated on the basis of funds and an account group. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The account group is a reporting device to account for certain liabilities of the governmental funds not recorded directly in those funds.

2 - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

The City has the following fund types and account group:

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Taxes, licenses, interest and fees for services are susceptible to accrual. Property taxes collected and held by a local government at year end on behalf of the City are also recognized as revenue. Business and occupational taxes assessed as of year-end and collected soon enough after year-end to be used to pay liabilities of the current period are also recognized as revenue. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *capital projects funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

2 - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, unless the GASB specifically adopts the FASB statement or interpretation. The City's proprietary funds include the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. The City's fiduciary funds include the following:

The *nonexpendable trust fund* and *pension trust fund* are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be expended. The pension trust funds account for the assets of the City's public safety employees pension plans.

The *expendable trust fund* is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be expended.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

Account Group. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

3 - BUDGETARY COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general and coal severance funds, except that business and occupation taxes are not reported on the accrual basis for budgetary purposes. The budgets are then submitted for approval by the West Virginia Department of Tax and Revenue. All annual appropriations lapse at fiscal year end.

During January and February of each year, all departments of the City submit requests for appropriations so that a budget may be prepared. Before March 31, the proposed budget is presented to the City's Council for review and preliminary approval. The budget is then submitted to the West Virginia Department of Tax and Revenue prior to April 1. Prior to April 20, City Council formally approves the budget.

The appropriated budget is prepared by function and department for each budgeted fund. Transfers of appropriations between budget classifications require the approval of the City Council. The legal level of budgetary control is the budget classification.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

A reconciliation of the general fund excess of revenues and other financing sources over expenditures and other financing uses and fund balance for the year ending June 30, 1996, from the budgetary basis to the GAAP basis follows:

	Excess of Revenues over Expenditures	Fund Balance
Budgetary basis	$ 409,896	$ 4,945,035
Basis of accounting difference (budgetary to GAAP)	82,177	5,434,155
GAAP basis	$ 492,073	$ 10,379,190

3 - BUDGETARY COMPLIANCE AND ACCOUNTABILITY (Continued)

The City monitors fiscal data throughout the year. The original budgeted expenditures and enacted amendments are as follows:

Original budget	$ 44,387,705
Amendments	319,854
Revised Budget	$ 44,707,559

4 - DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The City records the purchase of fixed assets used in governmental fund type operations as expenditures in the various funds in accordance with GAAP. Generally accepted accounting principles prescribe that purchases of capital assets be accounted for in a general fixed asset group of accounts. The City's failure to record such assets in this account group is not in accordance with generally accepted accounting principles. The effect of this departure from GAAP is not reasonably determinable.

The City also records the purchase of fixed assets used in the Civic Center Revenue Fund as expenditures. Generally accepted accounting principles for proprietary funds prescribe that all such expenditures be capitalized and depreciated over their useful lives. As a result of not recording the fixed assets and related depreciation, the financial statements of the Civic Center Revenue Fund are not presented in accordance with generally accepted accounting principles. The effect of this departure from GAAP is not reasonably determinable.

The Sanitary Board of the City of Charleston does not provide for depreciation of the sewer system. These assets should be depreciated over their estimated useful lives to conform with generally accepted accounting principles. If the financial statements were corrected for this departure from generally accepted accounting principles, based on a straight-line depreciation method, accumulated depreciation would be increased by $18,445,048 as of June 30, 1996, and net income would be decreased by $1,224,991 for the year then ended.

5 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

Cash equivalents include amounts in demand deposits as well as short-term investments which have maturity dates within three months of the date acquired by the City and are readily convertible to known amounts of cash.

5 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are stated at cost or amortized cost.

Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Fixed Assets

Fixed assets of the Parking System and Sanitary Board are stated at cost. Land and land improvements are recorded at estimated cost. Additions and improvements that significantly extend the useful life of an asset are capitalized. Depreciation is computed based on estimated useful lives, except for the Sanitary Board's sewer system as described in Note 4.

Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to third-party restrictions.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group.

Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

6 - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 1996, the carrying amount of the City's deposits included in cash and cash equivalents was $7,848,986 and the bank balances were $8,999,659. Of the bank balances, $1,633,953 was covered by federal depository insurance, and $6,566,529 was collateralized. Collateralized deposits include those collateralized with securities held by the pledging financial institution, or by its trust department or agent in the City's name. The remaining $799,177 was uncollateralized and uninsured.

Investments

State statutes authorize the City to invest in obligations of the United States or certain agencies thereof; certificates of deposit secured by obligations of the United States and certain agencies thereof, general obligations or revenue bonds of any other state, or any other county, school board or municipality in the State of West Virginia; and the West Virginia State Consolidated Fund. In addition, the pension trust funds are also authorized to invest in securities that are secured by first lien deeds of trust or mortgages on real property situated within West Virginia. Repurchase agreements are not specifically allowed by statute, but are interpreted by the City as buy and sell transactions which are allowable provided the underlying securities are those in which the City is otherwise authorized to invest.

The City's investments are categorized below to give an indication of the level of risk assumed by the city at June 30, 1996. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent but not in the City's name. At June 30, 1996, the City's investment balances were as follows:

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - DEPOSITS AND INVESTMENTS (Cont.)

	Category				
	1	2	3	Carrying Amount	Market Value
U.S. Treasury notes	$ 5,652,140	$ -	$ -	$ 5,652,140	$ 5,837,517
Federal Nat.'l Mortgage Assoc. obligations	1,193,359	-	-	1,193,359	1,161,756
Federal Farm Credit Bank obligations	1,236,813	-	-	1,236,813	1,259,378
Federal Home Loan Bank obligations	6,060,078	-	-	6,060,078	6,092,207
Student Loan Mortgage Assoc. obligations	689,654	-	-	689,654	685,671
	$14,832,044	$ -	$ -	14,832,044	15,036,529
Investments not subject to categorization:					
Investments in mutual funds				1,645,140	1,645,140
State Board of Investments' Consolidated Investment Pool				4,422,449	4,422,449
				$ 20,899,633	$ 21,104,118

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the City follows:

Disclosed above:	
Carrying amounts of deposits	$ 7,848,986
Carrying amounts of investments	20,899,633
Total	$ 28,748,619

Financial reporting classification:	
Cash and cash equivalents	$ 7,680,426
Restricted cash	1,202,094
Restricted deposits with Municipal Bond Commission	4,422,449
Restricted Investments	13,063
Investments	15,430,587
Total	$ 28,748,619

7 - PROPERTY TAXES

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July. There is no lien denominated as such on personal property; however, statutes provide that the sheriff of the county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on the first day of September in the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on the first day of the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

All municipalities within the State of West Virginia are authorized to levy taxes not in excess of the following maximum levies per $100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5¢); on Class II property, twenty-five cents (25¢); and on Class IV property, fifty cents (50¢). In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.

The levy rates levied by the City per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 1996, were as follows:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Permanent Excess	Bond Improvements
Class I	$ 298,321,669	4.96¢	5.03¢	5.04¢
Class II	$ 562,852,366	9.92¢	10.06¢	10.08¢
Class IV	$1,099,104,818	19.84¢	20.12¢	20.16¢

At a special election held on March 12, 1994, the City was authorized to lay an excess levy in the amount of $3,012,265 annually during each of the three fiscal years July 1, 1994, through June 30, 1997.

8 - FIXED ASSETS

Fixed assets recorded in the Parking System Enterprise Fund consisted of the following at June 30, 1996:

Land and land improvements	$ 3,174,405
Buildings	24,570,947
Equipment	480,690
Less accumulated depreciation	(9,929,351)
	$ 18,296,691

Fixed assets recorded in the Sanitary Board Enterprise Fund consisted of the following at June 30, 1996:

Land and land rights	$ 545,388
Structure and improvements	4,332,987
Collection system	37,690,419
Pumping system	937,506
Treatment and disposal plant equipment	14,159,075
General plant equipment	1,674,882
Construction in progress	1,100,988
Sewer system, July 1, 1952 (nominal value)	1
Total property and equipment	60,441,246
Less accumulated depreciation of general plant equipment (See Note 4)	(1,203,041)
	$ 59,238,205

9 - EMPLOYEES RETIREMENT SYSTEMS

All eligible City employees, with the exception of uniformed policemen and firemen, participate in the West Virginia Public Employees' Retirement System (the System), a multiple-employer public retirement system covering employees of the State of West Virginia and participating political subdivisions of the State. In addition, the City maintains a Policemen's Pension and Relief Fund and Firemen's Pension and Relief Fund, single-employer, defined benefit pension plans which cover all eligible police and fire department employees.

9 - EMPLOYEES RETIREMENT SYSTEMS (Continued)

West Virginia Public Employees' Retirement System

The Public Employees' Retirement System (PERS) is a multiple-employer, defined benefit, cost-sharing public employee retirement system covering substantially all employees of the State and its component units, as well as employees of participating non-State government entities who are not participants of another State or municipal retirement system. The payroll for City employees covered by the System for the year ended June 30, 1996 was $11,965,306 and total payroll was $23,700,115.

Employees who retire at or after age 60 with 5 years of contributory service, or attain age 55 and have 25 years of service, are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final average salary for each year of credited service. Employees who have either attained age 55 and completed 10 years of credited service, or who have completed 20 years of credited service may elect to receive reduced retirement benefits beginning at age 55. Participants become vested after five years of service. PERS has special provisions for early retirement, death and disability benefits.

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to PERS.

The pension benefit obligation at July 1, 1995, which is the date of the latest actuarial update, is as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 887,672,152
Active participants:	
Employee contributions	368,822,733
Employer financed:	
Vested	145,897,783
Non-vested	313,924,642
Total pension benefit obligation	1,716,317,310

9 - EMPLOYEES RETIREMENT SYSTEMS (Continued)

West Virginia Public Employees' Retirement System (Continued)

Net assets available for benefits at cost	1,886,372,606
Excess of net assets available for benefits over the pension benefit obligation	$ 170,055,296
Net assets available for benefits at market value	$ 1,910,399,606

The retirement system's funding policies have been established by action of the State Legislature. State statute requires that participating employees make mandatory contributions of 4.5% of compensation. PERS requires that employers contribute 9.5% of employee compensation. The required contribution for the City for the year ended June 30, 1996, was $1,674,413, which consisted of $1,136,183 from the City and $538,230 from employees.

Historical trend information showing the PERS progress in accumulating sufficient assets to pay benefits when due is currently being prepared by the Consolidated Public Retirement Board (the Board) and is anticipated to be presented in the Board's next annual report.

Policemen's and Firemen's Pension and Relief Funds

The City maintains the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund (the Funds) to provide retirement, death, and disability benefits to all policemen and firemen paid on a full-time basis with public funds, as authorized by West Virginia Code Sec. 8-22-16. The payrolls covered by the Policemen's and Firemen's' Pension and Relief Funds for the year ended June 30, 1996, were $5,734,589 and $4,910,441, respectively.

Policemen and Firemen attaining the age of 50 who have completed 20 or more years of service are entitled to an annual benefit, payable in twelve monthly installments, in an amount equal to 60 percent of their average annual earnings received during the three twelve-consecutive-month periods of employment yielding the highest earnings, or an amount of $500 per month, whichever is greater. An additional two percent is added to the 60 percent for each of the first five additional years of service in excess of 20; one additional percent is added for each year of service in excess of 25, up to a maximum of 75 percent. Any member or surviving spouse receiving less than $700 per month is entitled to receive a supplemental benefit based on a percentage increase equal to the average increase in the Consumer Price Index as calculated by the United States Department of Labor for the preceding year.

9 - EMPLOYEES RETIREMENT SYSTEMS (Continued)

Policemen's and Firemen's Pension and Relief Funds (Continued)

Disability benefits are paid for temporary total and permanent total disability in an amount not to exceed the greater of 60 percent of the monthly salary being received by such member at the time of disability, or $500 per month, plus an additional one percent for each year served in active military duty, up to a maximum of four percent. The funds also provide death benefits to surviving spouses and dependents of members and former members who have completed five or more years of continuous service.

Policemen and firemen are required to contribute 7 percent of their salary to the Funds. Any member who is terminated from employment prior to becoming eligible for a retirement or disability benefit, shall be refunded all contributions deducted from their salary, without interest.

The Funds also receive contributions from the West Virginia Municipal Pensions and Protection Fund when the Treasurer of the City certifies that required contributions have been irrevocably made.

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess progress made in accumulating sufficient assets to pay for benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Funds.

The unfunded pension benefit obligation at July 1, 1995, which is the date of the latest actuarial update, is as follows:

	Policeman's Pension and Relief Fund	Fireman's Pension and Relief Fund
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 31,288,470	$ 38,341,984
Active participants:		
Employee	2,643,057	2,501,311
Employer financed:		
Vested	8,219,681	9,583,253
Non-vested	15,197,244	14,256,844
Total pension benefit obligation	57,348,452	64,683,392
Net assets available for benefits at market	9,876,294	5,923,471
Unfunded pension benefit obligation	$ 47,472,158	$ 58,759,921

9 - EMPLOYEES RETIREMENT SYSTEMS (Continued)

Policemen's and Firemen's Pension and Relief Funds (Continued)

The minimum City contribution to the Funds is required by State statute and is determined as either:

- The sum of:
  - The normal cost, plus
  - A payment towards the unfunded actuarial accrued liability minus the State insurance premium tax allocation (not less than $0)
- An alternative funding standard of 107% of the preceding fiscal year contribution, predicated on the 15-year projected solvency test, with a minimum contribution by the City of the normal cost.

The contributions to the Policemen's and Fireman's Pension and Relief Funds for the year ended June 30, 1996, were as follows:

	Policemen's Pension and Relief Fund	Firemen's Pension and Relief Fund
City of Charleston	$ 776,676	$ 986,556
Employees	428,415	364,811
West Virginia Municipal Pensions and Protection Fund	786,845	705,994
	$ 1,991,936	$ 2,057,361

Historical trend information is required by the Governmental Accounting Standards Board Statement No. 5 to be presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable. This trend information has not been prepared and is not available.

10 - COMPENSATED ABSENCES

The City's obligation for accrued vacation leave time is reported in the general long-term debt account group. This obligation includes leave time and related costs to be paid to employees in the future and is determined using wage levels in effect at the date the obligation is calculated. The City's obligation for vacation leave attributable to employees of governmental fund types is $1,117,505 at June 30, 1996.

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT

The following is a summary of changes in the General Long-Term Debt Account Group:

	July 1, 1995	Change	June 30, 1996
Compensated Absences	$ 1,020,447	$ 97,058	$ 1,117,505
Claims and Judgements	580,687	324,206	904,893
General Obligations Bonds	19,020,000	(1,405,000)	17,615,00
Capital Lease Obligations	1,454,438	1,700,219	3,154,657
Totals	$ 22,075,572	$ 716,483	$ 22,792,055

Following is summary of general obligation bonds payable at June 30, 1996:

Issue Dates	Maturity Dates	Interest Rates	Amounts Issued	Amounts Retired	Amounts Outstanding
1972	6-1-97	4.5 %-5.5%	$ 5,220,000	$ 4,740,000	$ 480,000
1978	6-1-03	5.625%-6.0%	10,000,000	5,360,000	4,640,000
1989	10-1-09	7.1%-7.0%	15,000,000	2,505,000	12,495,000
Totals			$ 30,220,000	$ 12,605,000	$ 17,615,000

General provisions of the bond ordinances are as follows:

Bond Issue of 1972

The bond issue of 1972 was authorized by the governing body of the City of Charleston and ratified by the voters at a special election held March 21, 1975, for the purpose of constructing storm sewers and the Virginia Street underpass. The bonds were issued in the denomination of $5,000, bearing interest rates of 4.5% to 5.5%, payable annually on the first day of June each year.

Maturities are as follows:

Maturity Dates	Amounts
6-1-97	$ 480,000
Total outstanding	$ 480,000

11 - LONG-TERM DEBT (Continued)

Public Improvement Bonds, Series 1978

The bond issue of 1978 was authorized by the governing body of the City of Charleston and ratified by the voters at a special election held February 28, 1978, for the purpose of constructing a municipal civic center and auditorium. The bonds were issued in the denomination of $5,000 bearing interest rates of 5.625% to 6.0%, payable annually on the first day of June each year.

Maturities are as follows:

Maturity Dates	Amounts
6-1-97	$ 480,000
6-1-98	495,000
6-1-99	660,000
6-1-00	695,000
6-1-01	730,000
6-1-02	770,000
6-1-03	810,000
Total outstanding	$4,640,000

Public Improvement Bonds, Series 1989

The bond issue of 1989 was authorized by the governing body of the City of Charleston and ratified by the voters at a special election held July 18, 1989, for the purpose of financing part of the costs of the construction, reconstruction and improvement to certain streets and bridges in the City. The bonds were issued in registered form in the denomination of $5,000, bearing interest rates of 7.1% to 7.2%, payable on the first day of October each year.

Maturities are as follows:

Maturity Dates	Amounts
10-1-96	$ 535,000
10-1-97	575,000
10-1-98	620,000
10-1-99	665,000
10-1-00	715,000
10-1-01	765,000
10-1-02	825,000

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT (Continued)

Public Improvement Bonds, Series 1989 (continued)

Maturity Dates	Amounts
10-1-03	$ 885,000
10-1-04	955,000
10-1-05	1,025,000
10-1-06	1,100,000
10-1-07	1,185,000
10-1-08	1,275,000
10-1-09	1,370,000
Total outstanding	$ 12,495,000

Following is a summary of bonds payable by enterprise funds at June 30, 1996.

Parking System

The following is a summary of parking system revenue bonds payable at June 30, 1996:

	Outstanding at June 30, 1996
Series 1993 Parking System Refunding Revenue Bonds -- issued $5,235,000 on June 1, 1993, at variable interest rates, due in varying installments from June 1, 2007 through June 1, 2013	$ 4,715,000
Series 1994A Parking System Revenue Bonds -- issued $4,545,000 on December 15, 1994, at variable interest rates, due in varying installments from June 1, 1997 through June 1, 2016	4,545,000

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT (Continued)

Parking System (Continued)

	Outstanding at June 30,1996
Series 1994B Parking System Subordinate Revenue Bonds -- issued $5,455,000 on December 15, 1994, at variable interest rates, due in varying installments from June 1, 1997 through June 1, 2016	5,455,000
Series 1995A Parking System Subordinate Revenue Bonds -- issued $1,620,000 on January 1, 1995, at variable interest rates, due in varying installments from June 1, 1997 through June 1, 2016	1,620,000
	16,335,000
Less:	
Current portion	460,000
Unamortized discounts, issue costs, and loss on refunding	1,056,224
Long-term revenue bonds payable at June 30, 1996	$ 14,818,776

Debt service requirements for the Parking System revenue bonds as of June 30, 1996, are as follows:

Year Ending June 30	Principal Maturities	Interest	Payment Required
1997	$ 460,000	$ 1,025,328	$ 1,485,328
1998	480,000	1,004,363	1,484,363
1999	510,000	981,493	1,491,493
2000	525,000	956,408	1,481,408
2001	555,000	929,638	1,484,638
Thereafter	13,805,000	8,492,718	22,297,718
	$ 16,335,000	$ 13,389,948	$ 29,724,948

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT (Continued)

Parking System (Continued)

The Revenue Bonds under both indentures are secured by a pledge of substantially all of the Parking System's operating revenues and all monies deposited into accounts created by the Indentures. The Indentures also require that rates charged for the use of the System's facilities be adequate to provide funds to cover current expenses, current debt service requirements, maintain a balance in the Reserve Account equal to the maximum annual debt service on all outstanding bonds and maintain a Debt Service Account equal to one-twelfth of the debt service which will accrue in the next succeeding fiscal year. A reserve for repair, operation and maintenance equal to ten percent of the amount estimated to be expended for this purpose in the next fiscal year is also required by the Indentures.

Issue of 1966 - Civic Center Improvements

The City of Charleston is required by its bond ordinance of 1966 to establish and make deposits to a sinking fund, reserve account, renewal and replacement fund, and a surplus fund.

Maturities are as follows:

Maturity Dates	Amounts
8-1-96	$ 50,000
Total outstanding	$ 50,000

Sanitary Board

At June 30, 1996, Sanitary Board Service Revenue Bonds payable consisted of the following:

Service Revenue Bonds Dates of Issuance	Maturity Date	Interest Rate	1996 Face Amount	1996 Current Portion
April 1, 1989	1996-2029	8.4%	$ 1,869,475	$ 10,812
	1996-2029	None	247,116	7,268
November 21, 1989	1996-2029	8.4%	811,317	4,692
	1996-2029	None	107,244	3,154
June 1, 1992	1996-2012	3.8-6.2%	2,595,000	100,000
November 1, 1992	1996-2017	3.1-6.5%	6,270,000	165,000
December 2, 1993	1996-2014	3.0%	705,889	30,671
			12,606,041	$ 321,597

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT (Continued)

Sanitary Board (Continued)

Less current portion	321,597
Long-term debt	12,284,444
Less unamortized bond discounts	16,965
	$ 12,267,479

Scheduled principal repayments on Sanitary Board revenue bonds for five years subsequent to June 30, 1996 are as follows:

Year Ending June 30	Amount
1997	$ 321,597
1998	338,831
1999	356,203
2000	373,721
2001	395,895
Thereafter	10,819,794
Total	$ 12,606,041

General provisions of the various bond issues are as follows:

A. Bond principal payments and semi-annual interest payments are to be deposited with the State of West Virginia Sinking Fund Commission.

B. All bond issues are callable prior to maturity at the option of the Sanitary Board at various dates for each issue at rates ranging from 100.5 to 103 percent of the par value.

C. The bonds are collateralized by a first lien on the net revenues derived from operations of the sewer system except for subordinate sewer revenue bonds.

D. The bonds were issued under authority of Chapter 25, Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, and Ordinances enacted by the Council of the City of Charleston.

11 - LONG-TERM DEBT (Continued)

Sanitary Board (Continued)

E. The Sanitary Board is required to maintain on deposit with the West Virginia Municipal Bond Commission, a reserve account which equals the largest amount of principal and interest which will become due in any succeeding year. As of June 30, 1996, the Board was in compliance with this provision.

The Sanitary Board has available a line of credit with a local bank in the amount of $800,000 which is secured by accounts receivable and bears interest at 70% of prime rate, not to exceed 12%. As of June 30, 1996, the Sanitary Board has not borrowed against this line of credit.

12 - CAPITAL LEASES

The City is obligated under certain leases accounted for as capital leases. The obligations are recorded in the General Long-Term Debt Account Group. The following is a schedule of future minimum lease payments as of June 30, 1996:

Year ending June 30	
1997	$ 1,105,806
1998	1,006,919
1999	725,324
2000	393,914
2001	292,506
	3,524,469
Less: Amount representing interest	369,812
Present value of minimum lease payments	$ 3,154,657

13 - COMMITMENT AND CONTINGENCIES

Claims and judgements include estimated property and general liability claims of $650,000 at June 30, 1996. The City's property and general liability insurance policies provide for self-insured retention of $25,000 and $50,000, respectively, per occurrence. A stop-loss insurance policy covers claims in excess of $650,000 in the aggregate.

13 - COMMITMENT AND CONTINGENCIES (Continued)

The City is primarily self-insured for employee health claims, with a stop-loss insurance policy which covers health claims in excess of $75,000 individually. Claims incurred prior to June 30, 1996, and paid subsequent thereto in the amount of $844,004 have been accrued in the accompanying balance sheet of the General Fund, Enterprise funds, and general long-term debt account group. Management believes the liability for health claims incurred but not reported, if any, is not material to the general purpose financial statements.

The City is a defendant in several lawsuits which, in the opinion of management, the potential claims against the City resulting from such litigation not covered by insurance will not materially affect the general purpose financial statements of the City.

The Internal Revenue Code of 1986, as amended (the Code), prescribed regulations applicable to the City as issuers of various improvement and revenue bonds, Series 1989, including restrictions on the earnings on the bond proceeds. The Code requires remittance to the federal government of investment earnings on certain bond proceeds in excess of the amount that would have been earned if the proceeds were invested at a rate equal to the yield on the Bonds. Management believes the liability under these regulations, if any, at June 30, 1996, is not material to the general purpose financial statements.

14 - UNCERTAINTY

The City is primarily self-insured for workers' compensation. The City has a stop-loss insurance policy which covers individual claims in excess of $250,000. The liability that may result from reported and unreported claims incurred has not been determined. Accordingly, no provision for any losses which may result from such claims has been recorded in the general purpose financial statements.

ACCOMPANYING INFORMATION

Gibbons
& Kawash
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON INFORMATION ACCOMPANYING THE GENERAL PURPOSE FINANCIAL STATEMENTS

Our report on our audit of the general purpose financial statements of the City of Charleston, West Virginia, for the year ended June 30, 1996, appears on pages 3 and 4. That audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund financial statements shown on pages 39-54 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, based on our audit and the report of the other auditor, except for the effects of not recording fixed assets and related depreciation in the Civic Center Revenue Fund, and contributions-in-aid of construction, as explained in the fourth paragraph of our report on pages 3 and 4, and the effect of not providing for depreciation on the Sanitary Board's sewer system, as described in the fifth paragraph of our report, such information is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Gibbons & Kawash

May 16, 1997

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

June 30, 1996

	Coal Severance Tax	Municipal Beautification	Community Development
ASSETS			
Cash and cash equivalents	$108,439	$ 7,102	$ 2,271
Loans receivable	-	-	1,721,873
Total assets	$108,439	$ 7,102	$ 1,724,144
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 3,025	$ -	$ 106,034
Due to other funds	9,154	-	30,933
Total liabilities	12,179	-	136,967
Fund balances:			
Reserved for non-current loans	-	-	1,721,873
Unreserved	96,260	7,102	(134,696)
Total fund balances	96,260	7,102	1,587,177
Total liabilities and fund balances	$108,439	$ 7,102	$ 1,724,144

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Special Demolition	Human Rights	Rental Rehabilitation	Solid Waste and Disposal	Asset Forfeiture and Reim-bursement	Total
$ 10,297	$ 12,954	$ 56,831	$ 231,232	$ 26,264	$ 455,390
-	-	699,103	-	-	2,420,976
$ 10,297	$ 12,954	$ 755,934	$ 231,232	$ 26,264	$ 2,876,366
$ -	$ -	$ 9,303	$ 99,697	$ 1,416	$ 219,475
-	-	-	-	-	40,087
-	-	9,303	99,697	1,416	259,562
-	-	699,103	-	-	2,420,976
10,297	12,954	47,528	131,535	24,848	195,828
10,297	12,954	746,631	131,535	24,848	2,616,804
$ 10,297	$ 12,954	$ 755,934	$ 231,232	$ 26,264	$ 2,876,366

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS

Year Ended June 30, 1996

	Coal Severance Tax	Municipal Beautification	Community Development
Revenues:			
Intergovernmental:			
Federal	$ -	$ -	$ 2,822,700
State	123,011	-	-
Refuse fees	-	-	-
Asset forfeiture	-	-	-
Interest	2,821	170	12,033
Contributions	-	40	-
Miscellaneous	-	-	-
Total revenues	125,832	210	2,834,733
Expenditures:			
Public safety	-	-	-
Highways and streets	33,766	-	-
Economic and physical development	-	-	2,706,914
Disposal fees	-	-	-
Total expenditures	33,766	-	2,706,914
Excess of revenues over (under) expenditures	92,066	210	127,819
Other financing uses:			
Operating transfers out	(26,319)	-	-
Total other sources (uses)	(26,319)	-	-
Excess of revenues and other sources over (under) expenditures and other uses	65,747	210	127,819
Fund balances at beginning of year	30,513	6,892	1,459,358
Fund balances at end of year	$ 96,260	$ 7,102	$ 1,587,177

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Special Demolition	Human Rights	Rental Rehabilitation	Solid Waste and Disposal	Asset Forfeiture and Reimbursement	Total
$ -	$ 17,340	$ 75,574	$ -	$ -	$ 2,915,614
-	-	-	-	-	123,011
-	-	-	1,585,566	-	1,585,566
-	-	-	-	36,983	36,983
106	-	-	19,701	1,574	36,405
-	-	-	-	-	40
7,980	350	-	-	-	8,330
8,086	17,690	75,574	1,605,267	38,557	4,705,949
-	-	-	-	49,078	49,078
-	-	-	-	-	33,766
-	9,664	2,409	-	-	2,718,987
-	-	-	1,122,803	-	1,122,803
-	9,664	2,409	1,122,803	49,078	3,924,634
8,086	8,026	73,165	482,464	(10,521)	781,315
-	-	-	(450,000)	-	(476,319)
-	-	-	(450,000)	-	(476,319)
8,086	8,026	73,165	32,464	(10,521)	304,996
2,211	4,928	673,466	99,071	35,369	2,311,808
$ 10,297	$ 12,954	$746,631	$ 131,535	$ 24,848	$ 2,616,804

CITY OF CHARLESTON, WEST VIRGINIA

BALANCE SHEET - DEBT SERVICE FUND

June 30, 1996

ASSETS	
Cash	$ 1,410,016
Property taxes receivable	72,444
Deposits with Municipal Bond Commission	679,393
Total assets	$ 2,161,853

LIABILITIES AND FUND BALANCE	
Liabilities:	
Due to other funds	$ 1,191,410
Fund balance:	
Reserved for debt service	970,443
Total liabilities and fund balance	$ 2,161,853

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

CITY OF CHARLESTON, WEST VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND

Year Ended June 30, 1996

Revenues:	
Taxes	$ 1,381,857
Interest	73,042
Total revenues	$ 1,454,899
Expenditures:	
Bond principal retirement	1,405,000
Bond interest and other charges	1,268,562
Total expenditures	2,673,562
Excess of revenues under expenditures	(1,218,663)
Fund balance at beginning of year	2,189,106
Fund balance at end of year	$ 970,443

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS

June 30, 1996

	Special Development	Civic Center Renewal and Replacement	South Side Recreation Center
ASSETS			
Cash and cash equivalents	$ 4,922	$ 1,004	$ 92,661
Total assets	$ 4,922	$ 1,004	$ 92,661
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ 1,446
Due to other funds	-	-	-
Total liabilities	-	-	1,446
Fund balances:			
Reserved for capital projects	4,922	1,004	91,215
Total fund balances	4,922	1,004	91,215
Total liabilities and fund balances	$ 4,922	$ 1,004	$ 92,661

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Infrastructure Repair	Cemetery Improvement & Mausoleum Maintenance	Civic Center Project	Total
$ 80,352	$ 84,070	$ 1,086	$ 264,095
$ 80,352	$ 84,070	$ 1,086	$ 264,095
$ -	$ -	$ -	$ 1,446
-	10,000	-	10,000
-	10,000	-	11,446
80,352	74,070	1,086	252,649
80,352	74,070	1,086	252,649
$ 80,352	$ 84,070	$ 1,086	$ 264,095

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS

Year Ended June 30, 1996

	Special Development	Civic Center Renewal and Replacement	South Side Recreation Center
Revenues:			
Interest	$ 118	$ 50	$ 4,744
Expenditures:			
Capital outlay	-	2,701	1,446
Excess of revenues over (under) expenditures	118	(2,651)	3,298
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	118	(2,651)	3,298
Fund balances at beginning of year	4,804	3,655	87,917
Fund balances at end of year	$ 4,922	$ 1,004	$91,215

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Infrastructure Repair	Cemetery Improvement & Mausoleum Maintenance	Civic Center Project	Total
$ 4,209	$ 5,433	$ 27	$ 14,581
11,210	13,692	220	29,269
(7,001)	(8,259)	(193)	(14,688)
-	28,238	-	28,238
-	(10,000)	-	(10,000)
(7,001)	9,979	(193)	3,550
87,353	64,091	1,279	249,099
$80,352	$74,070	$ 1,086	$ 252,649

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - ENTERPRISE FUNDS

June 30, 1996

	Civic Center Revenue	Parking System
ASSETS		
Current assets:		
Cash and cash equivalents	$ 56,201	$ 147,940
Accounts receivable	-	111,140
Prepaids and other assets	-	33,938
Unamortized bond issuance costs	-	-
Total current assets	56,201	293,018
Restricted assets:		
Deposits with Municipal Bond Commission:		
Regular account	-	220,277
Reserve account	27,670	1,544,370
Investments:		
Bond construction fund	-	13,063
Cash:		
Renewal and replacement fund	-	115,224
Operating and maintenance fund	189,631	897,239
	217,301	2,790,173
Fixed assets, net of accumulated depreciation	-	18,296,691
Deferred charges:		
Unamortized bond issuance costs	-	-
Total assets	$ 273,502	$ 21,379,882

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Sanitary Board	Total
$ 899,177	$ 1,103,318
859,697	970,837
29,114	63,052
36,205	36,205
1,824,193	2,173,412
795,424	1,015,701
1,155,315	2,727,355
-	13,063
-	115,224
-	1,086,870
1,950,739	4,958,213
59,238,205	77,534,896
390,470	390,470
$ 63,403,607	$ 85,056,991

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - ENTERPRISE FUNDS
(Continued)

June 30, 1996

	Civic Center Revenue	Parking System
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	$ 67,181	$ 25,907
Salaries payable	12,938	14,180
Accrued vacation	22,517	27,296
Accrued health claims	12,494	-
Deposits on hand	51,809	-
Current portion of long-term debt	50,000	-
Accrued pension	-	-
Due to other funds	79,348	163,059
Other	792	35,149
Total current liabilities	297,079	265,591
Liabilities currently payable from restricted assets:		
Current maturities of revenue bonds payable	-	460,000
Accrued interest payable	-	82,575
	-	542,575
Revenue bonds payable, less current maturities and unamortized costs	-	14,818,776
Long-term debt, net of current portion	-	-
Total liabilities	297,079	15,626,942
Fund equity:		
Contributed capital:		
Municipality	-	7,658,595
Contributions in aid of construction	-	-
Retained earnings:		
Reserved for bonded indebtedness	-	1,897,390
Reserved for operation and maintenance	-	897,239
Reserved for renewal and replacement	-	115,224
Unreserved	(23,577)	(4,815,508)
Total retained earnings (deficit)	(23,577)	(1,905,655)
Total fund equity	(23,577)	5,752,940
Total liabilities and fund equity	$ 273,502	$ 21,379,882

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Sanitary Board	Total
$ 208,538	$ 301,626
36,212	63,330
91,490	141,303
-	12,494
-	51,809
321,597	371,597
13,788	13,788
-	242,407
-	35,941
671,625	1,234,295
-	460,000
443,049	525,624
443,049	985,624
-	14,818,776
12,267,479	12,267,479
13,382,153	29,306,174
-	7,658,595
21,738,294	21,738,294
-	1,897,390
-	897,239
-	115,224
28,283,160	23,444,075
28,283,160	26,353,928
50,021,454	55,750,817
$ 63,403,607	$ 85,056,991

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - ENTERPRISE FUNDS

Year Ended June 30, 1996

	Civic Center Revenue	Parking System
Operating revenues:		
Charges for services	$ 854,553	$ -
Parking fees	-	2,224,970
Rental income	612,892	36,792
Miscellaneous	-	38,521
Total operating revenues	1,467,445	2,300,283
Operating expenses:		
General government	-	1,547,247
Recreation	1,748,268	-
Depreciation	-	783,250
Collecting expense	-	-
Pumping system	-	-
Treatment and disposal system	-	-
Billing and collection department	-	-
Administrative and general	-	-
Total operating expenses	1,748,268	2,330,497
Operating income (loss)	(280,823)	(30,214)
Nonoperating revenues (expenses):		
Interest and other charges	(2,685)	(631,106)
Miscellaneous	-	(2,999)
Interest earned	16,897	446,528
Bond discounts and issuance costs	-	-
Other	-	-
Total nonoperating revenues (expenses)	14,212	(187,577)
Net income (loss) before other financing sources	(266,611)	(217,791)
Other financing sources:		
Operating transfers in	331,000	-
Net income (loss)	64,389	(217,791)
Retained earnings at beginning of year	(87,966)	(1,687,864)
Retained earnings (deficit) at end of year	$ (23,577)	$ (1,905,655)

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Sanitary Board	Total
$ 6,256,479	$ 7,111,032
-	2,224,970
18,500	668,184
-	38,521
6,274,979	10,042,707
-	1,547,247
-	1,748,268
-	783,250
519,170	519,170
821,067	821,067
1,780,901	1,780,901
523,467	523,467
1,035,610	1,035,610
4,680,215	8,758,980
1,594,764	1,283,727
(783,600)	(1,417,391)
-	(2,999)
-	463,425
(38,892)	(38,892)
340,496	340,496
(481,996)	(655,361)
1,112,768	628,366
-	331,000
1,112,768	959,366
27,170,392	25,394,562
$ 28,283,160	$ 26,353,928

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

Year Ended June 30, 1996

	Civic Center Revenue	Parking System
Cash flows from operating activities:		
Operating income (loss)	$ (280,823)	$ (30,214)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	-	783,250
Accretion, net	-	84,385
Change in assets and liabilities:		
(Increase) decrease:		
Deposits - restricted	-	-
Accounts receivable	-	(10,610)
Prepaid and other	-	(33,938)
Increase (decrease):		
Accounts payable	(93,655)	13,412
Salaries payable	3,298	14,180
Accrued vacation	-	2,377
Accrued interest payable	-	-
Accrued health claims	-	-
Due to other funds	79,348	(100,000)
Deposits on hand	15,389	-
Other	(3,760)	20,149
Net cash (used in) operating activities	(280,203)	742,991
Cash flows from noncapital financing activities:		
Operating transfers from other funds	331,000	-
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(45,000)	(180,000)
Proceeds from revenue bond	-	-
Interest and fees paid on revenue bonds	(2,685)	(631,106)
Payments of note payable - line-of-credit	-	-
Increase (decrease) in sinking funds	-	-
Contributions in aid of construction	-	-
Purchases of property, plant and equipment	-	(5,155,638)
Net cash used in capital and related financing activities	(47,685)	(5,966,744)

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Sanitary Board	Total
$ 1,594,764	$ 1,283,727
126,256	909,506
-	84,385
34,391	34,391
144,429	133,819
(8,402)	(42,340)
27,745	(52,498)
-	17,478
-	2,377
-	-
-	-
-	(20,652)
-	15,389
(10,000)	6,389
1,909,183	2,371,971
-	331,000
(309,495)	(534,495)
-	-
(822,492)	(1,456,283)
(371,903)	(371,903)
(38,244)	(38,244)
90,843	90,843
(803,142)	(5,958,780)
(2,254,433)	(8,268,862)

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
(Continued)

Year Ended June 30, 1996

	Civic Center Revenue	Parking System
Cash flows from investing activities:		
Interest earned on investments	$ 16,897	$ 443,529
Proceeds from sale of investments	-	4,412,697
Proceeds from sale of property	-	-
Other	-	-
Net cash provided by investing activities	16,897	4,856,226
Net increase (decrease) in cash and cash equivalents	20,009	(367,527)
Cash and cash equivalents, beginning of year (including Civic Center Revenue and Parking Systems restricted assets of $216,204 and $3,198,617, respectively)	253,493	3,292,577
Cash and cash equivalents, end of year (including Civic Center Revenue and Parking Systems restricted assets of $217,301 and $2,790,173 respectively)	$ 273,502	$ 2,925,050

See Independent Accountants' Report on Information
Accompanying the General Purpose Financial Statements

Sanitary Board	Total
$ -	$ 460,426
-	4,412,697
10,000	10,000
340,496	340,496
350,496	5,223,619
5,246	(342,272)
893,931	4,440,001
$ 899,177	$ 4,097,729

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - TRUST FUNDS

June 30, 1996

	Pension Trust		Nonexpendable Trust	
	Policemen's Pension and Relief	Firemen's Pension and Relief	Spring Hill Endowments	
			Permanent	General
ASSETS				
Cash and cash equivalents	$ 448,512	$ 790,289	$ -	$ -
Investments	9,990,934	4,841,111	173,524	337,018
Accrued interest	202,527	107,872	-	-
Contribution receivable	81,945	58,833	-	-
Total assets	$ 10,723,918	$ 5,798,105	$ 173,524	$ 337,018
FUND BALANCES				
Fund balances:				
Reserved for Policemen's and Firemen's retirement system	$ 10,723,918	$ 5,798,105	$ -	$ -
Reserved for endowments	-	-	173,524	337,018
Unreserved	-	-	-	-
Total fund balances	$ 10,723,918	$ 5,798,105	$ 173,524	$ 337,018

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Expendable Trust Municipal Police Court	Total
$ 2,882	$ 1,241,683
-	15,342,587
-	310,399
-	140,778
$ 2,882	$ 17,035,447

-	16,522,023
-	510,542
2,882	2,882
$ 2,882	$ 17,035,447

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - TRUST FUNDS

Year Ended June 30, 1996

	Pension Trust		Nonexpendable Trust	
	Policemen's Pension and Relief	Firemen's Pension and Relief	Spring Hill Endowments	
			Permanent	General
Revenues:				
Police fines and forfeits	$ -	$ -	$ -	$ -
Contributions:				
West Virginia Municipal Pensions and Protection Fund	786,845	705,994	-	-
Employer	776,676	986,556	-	-
Employees	428,415	364,811	-	-
Interest earned	724,661	412,188	6,203	13,109
Capital gains	2,441	2,379	39,423	46,214
Dividends	-	-	2,468	3,581
Miscellaneous	-	-	22	5,093
Total revenues	2,719,038	2,471,928	48,116	67,997
Expenses:				
Benefit payments	2,021,123	2,546,796	-	-
Refunds	6,442	11,529	-	-
Administrative expense	15,046	37,718	5,783	3,659
Operation and maintenance	-	8,034	13,721	1,122
Payments to State Treasurer	-	-	-	-
Total expenses	2,042,611	2,604,077	19,504	4,781
Excess of revenues over (under) expenses	676,427	(132,149)	28,612	63,216
Other financing uses:				
Operating transfers out	-	-	(5,882)	(2,887)
Excess of revenues over (under) expenditures and other uses	676,427	(132,149)	22,730	60,329

Expendable Trust Municipal Police Court	Total
$ 678,017	$ 678,017
-	1,492,839
-	1,763,232
-	793,226
-	1,156,161
-	90,457
-	6,049
-	5,115
678,017	5,985,096
-	4,567,919
7,005	24,976
3,430	65,636
385	23,262
192,210	192,210
203,030	4,874,003
474,987	1,111,093
(474,450)	(483,219)
537	627,874

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - TRUST FUNDS
(Continued)

Year Ended June 30, 1996

	Pension Trust		Nonexpendable Trust	
			Spring Hill Endowments	
	Policemen's Pension and Relief	Firemen's Pension and Relief	Permanent	General
Excess of revenues over (under) expenditures and other uses (carryforward)	$ 676,427	$ (132,149)	$ 22,730	$ 60,329
Fund balances at beginning of year	10,047,491	5,930,254	150,794	276,689
Fund balances at end of year	$ 10,723,918	$ 5,798,105	$ 173,524	$ 337,018

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Expendable Trust Municipal Police Court	Total
$ 537	$ 627,874
2,345	16,407,573
$ 2,882	$ 17,035,447

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF CASH FLOWS - NONEXPENDABLE TRUST FUNDS

Year Ended June 30, 1996

	Spring Hill Endowment		
	Permanent	General	Total
Cash flows from operating activities			
Operating income	$ 19,941	$ 46,526	$ 66,467
Adjustments to reconcile operating income to net cash provided by operating activities:			
Decrease in other assets	(22,730)	(60,329)	(83,059)
Net cash used in operating activities	(2,789)	(13,803)	(16,592)
Cash flows from noncapital financing activities:			
Operating transfers to other funds	(5,882)	(2,887)	(8,769)
Cash flows from investing activities:			
Interest earned on investments	6,203	13,109	19,312
Dividends earned on investments	2,468	3,581	6,049
Net cash provided by investing activities	8,671	16,690	25,361
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	-	-
Cash and cash equivalents, end of year	$ -	$ -	$ -

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS

June 30, 1996

	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
UTILITY COLLECTION FUND				
ASSETS				
Cash	$ -	$ 116,445	$ 116,445	$ -
METRO DRUG ENFORCEMENT NETWORK TASK FORCE				
ASSETS				
Cash	$ 27,587	$ 81,349	$ 105,645	$ 3,291
LIABILITIES				
Accounts payable	$ 27,587	$ 94,462	$ 118,758	$ 3,291
CIVIC CENTER TICKET				
ASSETS				
Cash	$ 102,661	$ 3,547,857	$ 3,613,003	$ 37,515
Investments	77,799	15,029	4,828	88,000
Total assets	$ 180,460	$ 3,562,886	$ 3,617,831	$ 125,515
LIABILITIES				
Due to exhibitors, promoters, vendors	$ 180,460	$ 3,551,886	$ 3,606,831	$ 125,515

REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the City is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

The reportable conditions are as follows:

ACCOUNTS RECEIVABLE

Condition:

We noted that a detailed subsidiary ledger of individual accounts receivable is not maintained. Therefore, no reconciliation of individual accounts receivable to a general ledger control account is performed. A subsidiary ledger should be maintained to provide a record of individual account balances and be reconciled to the general ledger control account on a monthly basis.

Recommendation:

We recommend that a subsidiary ledger and related reconciliation procedures be developed to provide the City with the ability to monitor the accuracy of recording individual receivable transactions.

Management Response:

A subsidiary ledger will be set up on a spreadhseet and this detailed ledger will be reconciled monthly to the control account in the General Fund.

POLICEMEN'S PENSION

Conditions:

When performing procedures for the Policemen's Pension and Relief Trust fund we noted that the pension benefit calculations are not reviewed by a person separate from the preparer. Also, we noted that numerous benefit recipient files did not contain sufficient documentation to support the benefit calculation.

Recommendation:

We recommend that the City implement a review process in which the benefit calculations are reviewed and approved by an individual separate from the person completing the original calculation and that a standard calculation form be developed and included in each recipients file to document the calculation.

Management Response:

The City will work diligently to implement a review process in which the benefit calculations are reviewed and approved by an individual separate from the person completing the original calculation and establish a standard calculation form to be included in each recipients file to document the calculation. In addition, the Internal Auditor plans to audit benefit calculations for the Policemen's Pension in the near future.

FEDERAL AWARDS

Condition:

The personnel responsible for administering federal grants (other than MOECD grants) maintains accounting records for the grants which are not reconciled to the City's general ledger, except at the end of the fiscal year.

Recommendation;

To ensure the accuracy and completeness of federal financial reporting during the year, we recommend that financial activity be reconciled to general ledger control accounts on a monthly basis, with reconcilements of the accounts submitted to the City Auditor for review and approval.

Management Response:

The City plans to establish a separate Grant Fund for the Police Grants. Receipts and disbursements for each grant will be accounted for separately. In addition, a separate bank account will be established and all receipts and disbursements will flow through this account/fund and will not be commingled with General Fund monies. Policemen's salaries and wages that are paid by the General Fund but are reimbursed by the various grants will be set up in a "Due From Other Fund" account and the reimbursement when received will be applied against this account.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management and council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the federal cognizant audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant federal audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997. The general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Sanitary Board, which represent 74.6% and 62.5%, respectively, of the assets and revenues of the Proprietary Fund Type. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sanitary Board, is based solely on the report of the other auditor.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Gibbons & Kawash

May 16, 1997

CITY OF CHARLESTON, WEST VIRGINIA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Year Ended June 30, 1996

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Grant Number	Award Amount
U.S. Department of HUD			
Direct programs:			
Community Development Block Grant	14.218	B-94-MC-54-0001	$ 2,709,000
Community Development Block Grant	14.218	B-95-MC-54-0001	2,654,000
Community Development Block Grant	14.218	B-96-MC-54-0001	2,565,000
Rental Rehabilitation Program	14.220	R-91-MC-54-0503	28,000
HOME Program	14.239	M-94-MC-54-0201	444,000
HOME Program	14.239	M-95-MC-54-0201	475,000
HOME Program	14.239	M-96-MC-54-0201	438,000
Fair Housing Assistance Program	-	FF203K933001	20,815
Emergency Shelter Grants Program	14.231	S-94-MC-54-0001	71,000
Emergency Shelter Grants Program	14.231	S-95-MC-54-0001	98,000
Emergency Shelter Grants Program	14.231	S-96-MC-54-0001	67,000

[1] Major federal financial assisstance program.

See Independent Accountants Report on Schedule of Federal Financial Assistance.

Cash Basis		
Receipts	Disbursements	
$ 2,114,520	$2,114,520	1
245,853	245,853	1
-	-	1
10,135	10,135	
396,977	396,977	1
117,822	117,822	1
-	-	1
17,340	9,664	
30,522	30,522	
65,654	65,654	
-	-	

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
(Continued)

Year Ended June 30, 1996

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Grant Number	Award Amount
U.S. Department of Justice			
Passed through State of West Virginia Governor's Office of Community and Industrial Development, Criminal Justice and Highway Safety Office:			
Supplemental Police Hiring Grant	16.710	94-DM-CX-0127	$ 768,975
Neighborhood Mobilization Grant	16.710	94-DD-CX-0054	49,800
Community Policing Grant	16.710	94-DD-CX-0053	200,000
Drug Control and System Improvement Formula Grant	16.710	94-DB-CX-0054	84,500
COPS AHEAD Program	16.710	95-CC-WX-0115	556,326
COPS MORE Program	16.710	96-CM-WX-1110	20,043
MDENT Program	16.579	95-DC-0032	199,615
Drug Abuse Resistance Education	16.579	94-DC-011	62,088
Victim Assistance	16.575	95-VA-GX-0054	10,800
Violent Crime	16.579	94-OO-DC-0039	-
East End Project	16.540	95-JJV-004	-
Highway Safety	20.600	96HS/96HB-03	134,153
Highway Safety	20.600	95HSP/95HS-05	154,695
Federal Emergency Management Agency			
Passed through State of West Virginia Office of Emergency Services:			
Emergency Management Assistance	83.503	EMP-96-PA-0323	26,164
Facilities and Equipment	83.532	EMP-95-K-0315	28,017

[1] Major federal financial assistance program.

See Independent Accountants' Report on Schedule of Federal Financial Assistance.

Cash Basis		
Receipts	Disbursements	
$ 276,633	$ 276,633	1
34,185	34,185	1
99,822	99,822	1
12,792	12,792	1
-	-	1
-	-	1
160,885	156,094	
30,842	45,842	
-	1,865	
-	-	
-	4,472	
20,529	20,529	
47,816	16,508	
17,831	17,831	
14,712	14,712	
$ 3,714,870	$ 3,692,432	

SINGLE AUDIT REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997. We have also audited the compliance of the City with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 16, 1997.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the City in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the City and on the compliance of the City with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated May 16, 1997.

The management of the City is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose

financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Cash receipts
- Cash disbursements
- Payroll
- Financial reporting

Controls Used in Administering Federal Programs

General Requirements:
- Political activity
- Davis Bacon Act
- Civil Rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific Requirements:
- Types of services allowed or unallowed
- Special reporting requirements
- Special tests and provisions
  - Obligation of funds
  - Monitoring subrecipients
  - Environmental review
  - Program income

Claims for advances and reimbursements

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the City of Charleston, West Virginia, expended 75 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to each of the City's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

The reportable condition is as follows:

FEDERAL AWARDS

Condition:

The personnel responsible for administering federal grants (except MOECD grants) maintain accounting records for the grants which are not reconciled to the City's general ledger, except at the end of the fiscal year.

Recommendation:

To ensure the accuracy and completeness of federal financial reporting during the year, we recommend that financial activity be reconciled to general ledger control accounts on a monthly basis, with reconcilements of the accounts submitted to the City Auditor for review and approval.

Management Response:

The City plans to establish a separate Grant Fund for the Police Grants. Receipts and disbursements for each grant will be accounted for separately. In addition, a separate bank account will be established and all receipts and disbursements will flow through this account/fund and will not be commingled with General Fund monies. Policemen's salaries and wages that are paid by the General Fund but are reimbursed by the various grants will be set up in a "Due from Other Fund" account and the reimbursement when received will be applied against this account.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we do not believe the reportable condition described above is a material weakness.

This report is intended for the information of the management and council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant federal audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

SINGLE AUDIT REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997.

We have also audited the City's compliance with the requirements governing types of services allowed or unallowed; special reporting requirements; and special tests and provisions related to obligation of funds, environmental review, program income, and agreements with subrecipients that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the City is responsible for compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirement referred to above.

In our opinion, the City complied, in all material respects, with the requirements governing types of services allowed or unallowed; special reporting requirements; and special tests and provisions related to obligation of funds, environmental review, program income, and agreements with subrecipients that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of management, the council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant federal audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

SINGLE AUDIT REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997.

We have applied procedures to test the City's compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements, which is described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management and the council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant federal audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

SINGLE AUDIT REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia, as of and for the year ended June 30, 1996, and have issued thereon dated May 16, 1997.

In connection with our audit of the general purpose financial statements of the City of Charleston, West Virginia (the City), and with our consideration of the City's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those requirements.

This report is intended for the information of management and council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

CITY OF CHARLESTON, WEST VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 1996

Findings/Noncompliance	Questioned Costs
General Requirements	
Aministrative Requirements - Procurement	
Community Development Block Grant	
Grant No. B-94-MC-54-0001	
Finding:	
One contract entered into by the grantee prior to the year ended June 30, 1996 did not contain provisions specifying compliance with the Clean Air Act, Clean Water Act, and EPA regulations. This is in noncompliance with OMB "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (OMB Common Rule)," Section 36(i).	$ -
Recommendation:	
We recommend that the City amend its standard contract language to ensure that all contracts greater than $100,000, as stipulated by the OMB Common Rule, include these provisions.	
Grantee Response:	
The City has added the required provisions to all contracts greater than $100,000, as stipulated by the OMB Common Rule. This particular contract was entered into prior to the amendment of standard contract language to include the necessary provisions.	
	$

APPENDIX D

Form of Approving Bond Counsel Opinion

APPENDIX D

Form of Approving Bond Counsel Opinion

The City of Charleston
P.O. Box 2749
Charleston, West Virginia 25330

Re: $_____ The City of Charleston, West Virginia,
Civic Center Improvement Bonds, Series 1998

Gentlemen:

We are Bond counsel to The City of Charleston (the "City"), a municipal corporation created under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to the issuance of a series of bonds of the City, denoted as Civic Center Improvement Bonds. Series 1998, dated September 1, 1998 (the "Series 1998 Bonds"), issued pursuant to an Ordinance enacted by the Council of the City on August 17, 1998, and effective on August 17, 1998, following a public hearing thereon, as amended and supplemented by Supplemental Resolution adopted on September 8, 1998 (the "Ordinance").

The Series 1998 Bonds are in the aggregate principal amount of $_____ issued in the form of one bond for each maturity, registered in the name of the nominee of the Depository Trust Company, as to principal and interest, with interest payable March 1 and September 1, of each year, beginning September 1, 1999, at the respective rate and with principal payable in installments on September 1 in each of the years 1999 through 2023 all as set forth in the Official Statement relating to the Series 1998 Bonds. The Series 1998 Bonds are subject to optional and mandatory redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance.

The Series 1998 Bonds are issued for the purpose of providing a portion of the funds to finance the acquisition, construction, equipping and improvement of a municipal facility being the Charleston Civic Center (the "Facility") and paying the costs of issuance thereof.

We have also examined the applicable provisions of Chapter 8, Article 16 of the Code of West Virginia, 1931, as amended (the "Act"), under which the Series 1998 Bonds are issued.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The City is a duly organized and presently existing municipal corporation, with full power and authority to operate and maintain the Facility referred to in the Ordinance and to issue and sell the Series 1998 Bonds, all under the Ordinance, the Act and other applicable provisions of law.

2. The City has legally and effectively enacted the Ordinance and all other necessary actions and certifications in connection with the issuance and sale of the Series 1998 Bonds.

3. The Series 1998 Bonds are valid and legally enforceable special obligations of the City, payable from specified Tax Revenues dedicated for such purposes referred to in the Ordinance and secured by a first lien on and pledge of such Tax Revenues including certain coal severance taxes and hotel/motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended).

4. The City has reserved the right to issue additional bonds ranking on a parity with the Series 1998 Bonds, as provided in the Ordinance.

5. The interest on the Series 1998 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth above is subject tot he condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Series 1998 Bonds in order that the interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with such covenants and representations could cause the interest on the Series 1998 Bonds to be so included in gross income retroactive to the date of issuance. We express no opinion regarding other federal tax consequences with respect to the Series 1998 Bonds.

6. The City has designated the Series 1998 Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 1998. Therefore, the Series 1998 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

7. The Series 1998 Bonds and the interest thereon are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The rights of the owners of the Series 1998 Bonds and the enforceability of the Series 1998 Bonds and the Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights heretofore or hereafter enacted to the extent constitutionally applicable, an that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Series 1998 Bond numbered R-1, and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Respectfully submitted,

GOODWIN & GOODWIN, LLP

APPENDIX E

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by The City of Charleston (the "Issuer") in connection with the issuance of $_____ The City of Charleston Civic Center Improvement Bonds, Series 1998 (the "Bonds"). The Bonds are being issued pursuant to an Ordinance enacted on August 17, 1998, and effective on August 17, 1998, following a public hearing thereon, as amended and supplemented by a Supplemental Resolution adopted September 8, 1998 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated September _, 1998, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Certificate, there is no State Repository.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 1999 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to each Repository or the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within one hundred eighty (180) days after the end of its 1999 fiscal year and each subsequent fiscal year, to each National Repository and any State Depository, unaudited general purpose financial statements of the Issuer, and

(b) Within fifteen (15) days after receipt by the Issuer of its 1999 fiscal year-end, and each subsequent fiscal year, to each nationally recognized municipal securities information repository ("National Repository") and to any West Virginia State information repository ("State Repository"), core financial information and operating data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in this Official Statement under the caption "Financial Operation":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;
2. non-payment related defaults;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions or events affecting the tax-exempt status of the security;
7. modifications to rights of security holders;
8. bond calls;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the securities;
11. interruptions in normal assessment and ad valorem property tax procedures and collections;
12. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board or the Repositories and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in

subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the

basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: September __, 1998

THE CITY OF CHARLESTON

By:_____
G. Kemp Melton, Mayor

EXHIBIT A
NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Issuer: The City of Charleston, West Virginia

Name of Issuer: The City of Charleston, West Virginia

Name of Issue: $_____ The City of Charleston Civic Center Improvement Bonds, Series 1998

Date of Issuance: September 15, 1998

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

THE CITY OF CHARLESTON

By: _____

EXHIBIT B

NATIONALLY RECOGNIZED MUNICIPAL
SECURITIES INFORMATION REPOSITORIES

Bloomberg Municipal Repository
P. 0. Box 840
Princeton, NJ 08542

The Bond Buyer
Secondary Market Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014

Disclosure, Inc.
Document Augmentation/Municipal Securities
5161 River Road
Bethesda, MD 20816

JJ Kenny Information Services
The Repository
65 Broadway, 16th Floor
New York, NY 10006

Moody's NRMSIR
Public Finance Information Center
99 Church Street
New York, NY 10007

$3,635,000
CITY OF CHARLESTON
CIVIC CENTER IMPROVEMENT BONDS
SERIES 1998

September 8, 1998

BOND PURCHASE AGREEMENT

City of Charleston
501 Virginia Street, East
Charleston, WV 25301

Gentlemen:

On the basis of the representations, warranties and covenants contained in this Bond Purchase Agreement, the undersigned, Crews & Associates, Inc. (the "Underwriter"), hereby offers to purchase from the City of Charleston (the "Issuer") its $3,635,000 City of Charleston Civic Center Improvement Bonds, Series 1998 (the "Bonds").

SECTION 1. ISSUER'S REPRESENTATIONS, WARRANTIES AND AGREEMENT.

By the Issuer's acceptance hereof, the Issuer hereto represents and warrants to, and agrees with the Underwriter that:

(a) The Issuer is authorized by the Chapter 8, Article 16, of the Code of West Virginia of 1931, as amended (the "Act") to issue the Bonds and to pay costs of issuance.

(b) The Issuer is authorized by the Act to use the proceeds of the Bonds to acquire, construct, equip and make improvements to the Charleston Civic Center.

(c) The Issuer has complied with all provisions of the Constitution and laws of the State of West Virginia, including the Act, and has full power and authority to consummate all transactions contemplated by this Bond Purchase Agreement.

(d) The information describing the Issuer in the Official Statement dated September 8, 1998, used in connection with the offer and sale of the Bonds by the Underwriter (the "Official Statement"), under the caption "THE ISSUER" as of the Closing Date (hereinafter defined) is true and does not contain any untrue statement of any material fact and does not omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading.

(e) The Issuer has duly authorized all necessary action for: (1) the issuance and sale of the Bonds upon the terms set forth herein; (2) the execution and delivery of the Ordinance and Supplemental Resolution providing for the issuance of and security for the Bonds (including the pledge

by the Issuer of the payments to be received thereunder sufficient to pay the principal of, premium, if any, and interest on the Bonds); (3) appointing the Trustee as trustee and paying agent under the Ordinance; (4) the use of the Official Statement by the Underwriter in connection with the offer and sale of the Bonds (provided, however, that the Issuer neither has nor will assume any responsibility for the accuracy or completeness of the information contained in the Official Statement or in the Appendices attached thereto, except such information as relates to the Issuer under the caption "THE ISSUER"); (5) the execution and delivery of a Continuing Disclosure Certificate dated September 22, 1998, by the Issuer (the "Continuing Disclosure Certificate") to assist the Underwriter to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission; (6) the execution, delivery, receipt and due performance of this Bond Purchase Agreement, the Bonds, the Ordinance and Supplemental Resolution, the Continuing Disclosure Certificate and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated hereby; and (7) the carrying out, giving effect to and consummation of the transactions contemplated hereby. Executed counterparts of the Ordinance and Supplemental Resolution, the Continuing Disclosure Certificate and copies of the Official Statement will be delivered to the Underwriter at the Closing Time (hereinafter defined).

(f) To the best of the Issuer's knowledge after reasonable inquiry, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or threatened against or affecting the Issuer (or to the Issuer's actual knowledge any basis therefor) wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby or the validity of the Bonds, the Ordinance and Supplemental Resolution, the Continuing Disclosure Certificate, this Bond Purchase Agreement or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(g) To the best of the Issuer's knowledge, the delivery of the Official Statement, and the execution and delivery of this Bond Purchase Agreement, the Bonds, the Ordinance and Supplemental Resolution, the Continuing Disclosure Certificate and any other agreements contemplated hereby, will not contravene any law governing the Issuer and will not conflict with any provision of the Act.

(h) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is a bond issuer whose arbitrage certifications may not be relied upon.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS.

On the basis of the representations, warranties and covenants contained herein and in the other agreement referred to herein, and subject to the terms and conditions herein set forth, at the Closing Time the Underwriter agrees to purchase from the Issuer and the Issuer agrees to sell to the Underwriter the Bonds for $3,635,000 plus accrued interest and less original issue discount and underwriter's discount on the Series 1998 Bonds from the date thereof to the Closing Date (as defined herein). The Underwriter agrees to provide the Issuer with such information regarding the issue price of the Bonds as will enable the Issuer to comply with its obligations relating to arbitrage rebate as set forth in the Ordinance and Supplemental Resolution.

The Bonds shall be issued under and secured as provided in the Ordinance. The Bonds will be payable (except to the extent payable from proceeds of the sale of the Bonds and the earnings from the temporary investment thereof) from the tax revenues described in the Ordinance and Supplemental Resolution. The Bonds shall mature, shall bear interest at the interest rates and be subject to redemption as set forth in the Ordinance and Supplemental Resolution.

Payment for the Bonds shall be made in bank clearing house funds by certified or official bank check or draft payable to the order of the Trustee for the account of the Issuer, at such place, time and date as shall be mutually agreed upon by the Issuer and the Underwriter. The date of such delivery and payment is herein called the "Closing Date," and the hour and date of such delivery and payment is herein called the "Closing Time." The delivery of the Bonds shall be made in definitive form, bearing CUSIP numbers (provided neither the printing of a wrong CUSIP number on any Bond nor the failure to print a CUSIP number thereon shall constitute cause to refuse delivery of any Bond) and issued as fully registered Bonds (in such denominations as the Underwriter shall have specified in writing at least twenty-four (24) hours prior to the Closing Time). The Bonds shall be available for examination and packaging by the Underwriter at least twenty-four (24) hours prior to the Closing Time.

SECTION 3. CONDITIONS TO THE UNDERWRITER'S OBLIGATIONS.

The Underwriter's obligations hereunder shall be subject to the due performance by the Issuer of its obligations and agreement to be performed hereunder at or prior to the Closing Time and to the accuracy of and compliance with your representations and warranties contained herein, as of the date hereof and as of the Closing Time, and are also subject to the following conditions:

(a) The Bonds, the Ordinance and Supplemental Resolution, and the Continuing Disclosure Certificate shall each have been duly authorized, executed and delivered in the form mutually agreed upon the Issuer and the Underwriter.

(b) At Closing, the Underwriter shall receive:

(1) the opinions dated the Closing Date of Goodwin & Goodwin, LLP, Bond Counsel, relating to the valid authorization and issuance of the Bonds, the due authorization, execution and delivery of the Ordinance and Supplemental Resolution, and the Continuing Disclosure Certificate, the tax-exempt status of the Bonds and certain other matters;

(2) a certificate, satisfactory to the Underwriter, of the Issuer's Mayor attested by the Issuer's City Clerk, dated as of the Closing Date, to the effect that: (i) the Issuer has duly performed all obligations to be performed by it at or prior to the Closing Time and that each of the representations and warranties given by the Issuer and contained herein is true as of the Closing Date; (ii) the execution, delivery, receipt and due performance of the Bonds, the Ordinance and Supplemental Resolution and the Continuing Disclosure Certificate and any and all such other agreement and documents as may be required to be executed, delivered and received by the Issuer to carry out, give effect to and consummate the transactions contemplated hereby has occurred; (iii) no litigation is pending, or, to the Issuer's actual knowledge, threatened, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds, the Ordinance and Supplemental Resolution and the Continuing Disclosure Certificate or the Issuer's existence or powers or the Issuer's right to use the proceeds of the Bonds to finance the Project; and (iv) the execution, delivery, receipt and due performance of the Bonds, the Ordinance and Supplemental Resolution and the Continuing Disclosure Certificate and the other agreements contemplated hereby under the circumstances contemplated hereby and the Issuer's compliance with the provisions thereof comply with the Act;

(3) a certificate, satisfactory in form and substance to the Underwriter, of the authorized officers of the Issuer dated as of the Closing Date, to the effect that (i) except as set forth or incorporated by reference in the Official Statement, there is no action, suit, proceeding or, to their knowledge after reasonable inquiry, any investigation or inquiry at law or in equity or before or by any public board or body pending or, to their knowledge after reasonable inquiry, threatened against or affecting the Issuer or its property or, to the best of their knowledge, any basis therefore, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or the validity or enforceability of the Bonds, the Ordinance and Supplemental Resolution, the Continuing Disclosure Certificate or this Bond Purchase Agreement, (ii) to their knowledge, the information contained in the Official Statement is true in all material respects and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (iii) the Issuer has duly authorized, by all necessary corporate action, the execution, delivery and due performance by the Issuer of this Bond Purchase Agreement; and

(4) such additional certificates, opinions and other documents as the Underwriter may reasonably request shall have been delivered, including any certificates or opinions to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.

SECTION 4. THE UNDERWRITER'S RIGHT TO CANCEL.

The Underwriter shall have the right to cancel its obligation hereunder to purchase the Bonds (and cancellation shall not constitute a default by the Underwriter for purposes of Section 7 hereof) by notifying the Issuer in writing or by telegram of its election so to do prior to the Closing Time, if at any time prior to the Closing Time:

(a) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States of America, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in, or be passed by, the House of Representatives or the Senate, or recommended to the Congress of the United States of America for passage by the Congress of the United States of America, or be enacted by the Congress of the United States of America, or a decision by a court established under Article III of the Constitution of the United States of America, or the Tax Court of the United States of America, shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States of America or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation or any other event shall have occurred which results in the imposition of federal income taxation, upon revenues or other income of the federal character to derived by you or by any similar body or upon interest received on obligations of the general character of the Bonds, or the Bonds, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(b) any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds;

(c) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, the Securities of 1933, as amended and as then in effect, or the registration provisions of the Securities Exchange Act of 1934, as amended and as then in effect, or the qualification provisions of the Trust Ordinance Act of 1939, as amended and as then in effect;

(d) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that, obligations of the general character of the Bonds, or the Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or that the Ordinance and Supplemental Resolution are not exempt from qualification under or from other requirements of the Trust Ordinance Act of 1939, as amended and as then in effect;

(e) any event shall have occurred, or, information become known, which, in the Underwriter's opinion, makes untrue in any material respect any statement or information contained in the Official

Statement or the Appendices thereto, or has the effect that the Official Statement or the Appendices thereto as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

(f) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) any national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(h) a general banking moratorium shall have been established by federal, New York or the State's authorities; or

(i) a war involving the United States of America shall have been declared, or any conflict involving the armed forces of any country shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds.

SECTION 5. CONDITIONS OF ISSUER'S OBLIGATIONS.

The Issuer's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder and to the due completion of all proceedings, and the due satisfaction of all conditions required by the Act for the issuance of the Bonds.

No covenant contained in this Bond Purchase Agreement shall be deemed to be the covenant or agreement of any officer, director, member, attorney, agent or employee of the Issuer in an individual capacity. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds, or for any claim based herein or on any instruments and documents executed and delivered by the Issuer in connection with the Project, against any officer, director, member, agent, attorney or employee, past, present or future, of the Issuer or of any successor body, or their respective heirs, personal representatives or successors as such, either directly or through the Issuer or any such successor body whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all of such liability being hereby released as a condition of and as a consideration for the execution and delivery of this Bond Purchase Agreement.

SECTION 6. REPRESENTATIONS, WARRANTIES AND AGREEMENT TO SURVIVE DELIVERY.

All of the Issuer's representations, warranties and agreement shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter on its behalf, and such representations, warranties and agreements shall survive delivery of the Bonds to the Underwriter.

SECTION 7. PAYMENT OF EXPENSES.

Whether or not the Bonds are sold by the Issuer to the Underwriter (unless such sale shall be prevented at the Closing Time by the Underwriter's default), the Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the Issuer hereunder. All expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Bonds (including, without limitation, the fees and disbursements of bond counsel and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Bonds, the Official Statement, the Ordinance and Supplemental Resolution and the Continuing Disclosure Certificate, this Bond Purchase Agreement and all other agreements and documents contemplated hereby) shall be paid by the Issuer (but solely out of the proceeds of the Bonds) or, if the Bonds are not sold to the Underwriter (unless such sale shall be prevented at the Closing Time by the Underwriter's default), shall be paid by the Issuer.

SECTION 8. USE OF OFFICIAL STATEMENT.

The Issuer hereby authorizes the use of, and will make available, the Official Statement for the use by the Underwriter in connection with the sale of the Bonds.

SECTION 9. NOTICE.

Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by mailing or delivering the same in writing to 501 Virginia Street, East, Charleston, West Virginia 25301, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by mailing or delivering the same in writing to Crews & Associates, Inc., 124 W. Capitol, 2000 Union National Plaza, Little Rock, Arkansas 72201.

SECTION 10. MISCELLANEOUS.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. This Bond Purchase Agreement may not be amended except in writing and signed by the Underwriter and the Issuer. The Bond Purchase Agreement shall be construed in accordance with the laws of the State of West Virginia and may not be assigned by the parties hereto.

Very truly yours,

CREWS & ASSOCIATES, INC.

By: _____
Vice-President

Accepted as of the date first
above written:

CITY OF CHARLESTON

By: _____
Mayor

NEW ISSUE-Full Book Entry

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, and subject to compliance by the City with certain conditions, representations and certifications, interest on the Bonds is excludable from the gross income of the holders thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and such interest will not be treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals and corporations. Under the Code, however, such interest is included in the adjusted current earnings of a corporation for the purposes of computing the alternative minimum tax. In addition, under the Act, the Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof (see "TAX EXEMPTION" herein).

$3,635,000

CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS,
SERIES 1998

Dated: September 1, 1998 **Due: September 1, as shown below**

The Bonds will be issued in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only in the principal amount of five thousand dollars ($5,000) or integral multiples thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. See "DESCRIPTION OF BONDS—Book-Entry Only System" herein.

The Bonds will be issued, together with other funds available therefore, for the purpose of acquiring, constructing, equipping and making improvements to the Charleston Civic Center. The Bonds will be secured by a lien on specified tax revenues dedicated for such purposes (the "Tax Revenues") by the City of Charleston (the "City"). See "FINANCING PLAN" herein.

The City has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

Interest on the Bonds will accrue from September 1, 1998, and will be payable March 1, 1999, and semi-annually thereafter on September 1 and March 1 in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds, as described herein.

The Bonds are subject to optional and mandatory redemption as more fully described herein (see "DESCRIPTION OF BONDS").

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to make an informative investment decision.

THE BONDS ARE PAYABLE FROM AND SECURED BY A LIEN ON SPECIFIED TAX REVENUES DEDICATED FOR SUCH PURPOSES BY THE CITY, AND DO NOT CONSTITUTE A DEBT OR GENERAL OBLIGATION OF THE CITY OF CHARLESTON, WEST VIRGINIA WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS OR LIMITATIONS.

MATURITY SCHEDULE

$1,235,000	4.6%	Term Bond Due September 1, 2010	Price 100%
$1,290,000	5.1%	Term Bond Due September 1, 2018	Price 98.764%
$1,110,000	5.1%	Term Bond Due September 1, 2023	Price 97.246%

(accrued interest to be added)

The Bonds are offered when, as and if issued and received, subject to the approval of their legality by Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel, and to certain other conditions. Certain legal matters will be passed on for the City by Vaughan & Withrow, Charleston, West Virginia, and for the Underwriter by Goodwin & Goodwin, LLP, Charleston, West Virginia. It is expected that the Bonds will be available for delivery at DTC, New York, New York, on or about September 22, 1998.

CREWS & ASSOCIATES, INC.

Dated: September 8, 1998

THE CITY OF CHARLESTON, WEST VIRGINIA

MAYOR

G. Kemp Melton

CITY COUNCIL

J. E. "Skeeter" Barron
Carl Hicks
James "Mose" Lanham
Bob E. Redman
Ernest A. "Ernie" Layne
Ivalou H. Barth
Paul A. Gilmer, Jr.
George W. McClaskie
Betty Morton
Chester F. Thompson
Fred Snuffer
Joyce Horan
Linda M. Nielson
Jody Connell
Lawrence J. Malone
William Ward Huffman, II
Brendan S. Leary
William R. "Bill" Kimberling
Loren E. Snodgrass
David J. "Dave" Hardy
Sam Haddad
J. Thomas Lane
Charles W. Loeb, Jr.
Mary Jane Lopez
Y. Howard Quick, Jr.
Chris Smith

CITY ADMINISTRATION

Fred N. Frisk, Jr., City Clerk
Chris Wickham and Jill Jerabek, City Attorneys
Ron Eddy, Finance Director
Andrew A. Payne, III, Treasurer

The Bonds are exempt from registration under the Securities Act of 1933. As obligations of a political subdivision of the State of West Virginia, the Bonds are also exempt from registration under the securities laws of West Virginia. No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein have been obtained from the City and other sources deemed to be reliable but are not guaranteed as to accuracy or completeness by, and are not to be construed as representations of, the Underwriter. The information herein is subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the Facility since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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$3,635,000
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS,
SERIES 1998

INTRODUCTION

This Official Statement, including the cover page (excluding prices), and Appendices hereto, is provided for the purpose of setting forth certain information concerning The City of Charleston, West Virginia (the "City"), certain tax revenues of the City pledged and available for payment of debt service, the Charleston Civic Center (the "Facility") and the $3,635,000 The City of Charleston, West Virginia Civic Center Improvement Bonds, Series 1998 (the "Bonds"). The Bonds are being issued pursuant to the constitution and laws of the State of West Virginia (the "State"), specifically Chapter 8, Article 16 (the "Act"), of the Code of West Virginia, 1931, as amended, and an Ordinance passed by City Council of the City on August 17, 1998, and effective on August 17, 1998, following a public hearing thereon, as amended by a Supplemental Resolution approved on September 8, 1998 (collectively, the "Ordinance" or "Bond Ordinance").

The Bonds are being issued to provide funds to acquire, construct, equip and make improvements to the Charleston Civic Center located in the City of Charleston, West Virginia (the "Project") and to pay certain costs of issuance. See "FINANCING PLAN" and "ESTIMATED SOURCES AND USES OF FUNDS".

So long as the Bonds are outstanding, the bonds will be payable from and secured by the specified Tax Revenues dedicated for such purposes, as defined and provided in the Ordinance, to be derived from coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received by the City (the "Tax Revenues"). The Bonds do not constitute a corporate indebtedness to the City within the meaning of any constitutional or statutory provisions or limitations, and the City shall not be obligated to pay the Bonds or any premium or the interest thereon except from such Tax Revenues. Pursuant to the Ordinance, the City has covenanted and agreed to maintain such collected tax revenues to always provide revenues in each fiscal year at least sufficient to pay one hundred ten percent (110%) of the largest amount of principal and interest maturing and becoming due on the Bonds then outstanding in any succeeding fiscal year, and all obligations or indebtedness other than the Bonds payable from the Tax Revenues in such fiscal year. See "Additional Security for the Bonds – Tax Collection Covenant."

In 1996, the City Council of the City appointed a committee to prepare a Facility improvement feasibility study (the "Study") to identify improvements which needed to be made to the Facility to ensure its future viability and to assist the City in competing with other cities in attracting conventions, concerts, theatrical productions and sporting events. In 1997, the Study, prepared by Silling Associates, Architects and Planners, was delivered to the City. A copy of the Study is on file and available through the City Manager at City Hall. The Study made a number of

recommendations including a variety of improvements to the Facility. Based upon the Study and the committee's recommendations, the City concluded that certain improvements had to be made to the Facility.

Under certain conditions, the City may issue additional bonds for the purpose of (i) financing the cost of the construction or acquisition of additions, improvements and betterments to the Facility, (ii) refunding all or a portion of one or more series of bonds issued pursuant to the Ordinance, or (iii) all of such purposes, subject, in each case, to certain tests and conditions provided for by the Ordinance (the Bonds and any such additional parity bonds are hereinafter referred to as the "Bonds"). See "DESCRIPTION OF BONDS - Issuance of Additional Bonds".

Brief descriptions of the Bonds, the Ordinance, the Project, the Facility, Financial Operations, the City and certain provisions of the Act are set forth in this Official Statement as well as other information contained in the appendices hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Ordinance, provisions of the Act, or other applicable laws of the State are qualified in their entirety by reference to each such document. Reference herein to the Bonds are qualified in their entirety by reference to the form thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents.

FINANCING PLAN

The Project

The Project consists of the acquisition, construction, equipping and improvements to certain portions of the Charleston Civic Center (the "Facility"). The property to be acquired includes certain equipment to be installed in the Facility.

The Financing

The City estimates the cost of the Project to be $3,500,000. In the event the actual costs are less than the estimated costs, the excess funds will be used to make other capital renovations or improvements to the Facility.

The proceeds of the Bonds will be deposited with Bank One, West Virginia, N.A., Charleston, West Virginia, as Depository Bank, and will be advanced, along with funds to be contributed by the City, as requisitioned to complete the acquisition and creation of the Project.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds are estimated to be as follows:

Sources of Funds

Principal Amount of Bonds	$3,635,000.00
Accrued Interest from September 1, 1998 to September 22, 1998	10,453.92
Original Issue Discount	(46,513.80)
Total Sources	$3,598,940.12

Uses of Funds

Construction Fund (1)	$3,500,000.00
Underwriter's Discount	32,715.00
Cost of Issuance	54,500.00
Accrued Interest from September 1, 1998 to September 22, 1998	10,453.92
Rounding Amount	1,271.20
Total Uses	$3,598,940.12

(1) The Construction Fund will be held by Bank One, West Virginia, N.A. and disbursed as required by the Ordinance for the payment of the costs of the Project.

DESCRIPTION OF BONDS

The Bonds

The Bonds are available in book-entry form only. See "Book-Entry Only System" below. So long as Cede & Co. is the registered owner of the Bonds as nominee of The Depository Trust Company, New York, New York, references herein to the Bondholders or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. The West Virginia Municipal Bond Commission, Charleston, West Virginia, shall be the Paying Agent ("Paying Agent") and Bank One, West Virginia, N.A., Charleston, West Virginia, shall be the Registrar for the Bonds (the "Registrar").

The principal of, premium, if any, and interest on the Bonds will be payable at the office of the Paying Agent.

The Bonds will be dated September 1, 1998. The Bonds will bear interest at the rates and mature in the amounts set forth on the cover page of this Official Statement. Principal on the Bonds is payable September 1 of each year, commencing on September 1, 1999. Interest on the

Bonds will accrue from September 1, 1998 and will be payable on March 1, 1999, and semi-annually thereafter on September 1 and March 1 in each year to maturity.

The Bonds will be issued as fully registered bonds without coupons in denominations of $5,000 and integral multiples thereof. Interest on the Bonds is payable by check or draft made payable and mailed to the owners thereof at the addresses appearing in the books (the "Register") kept by the Registrar for the registration and transfer of Bonds as of the first (1st) day of the month preceding such interest payment date or, in the event of a default in the payment of the Bonds, that special record date to be fixed by the Registrar by notice given to the owners not less than 10 days prior to said special record date (the "Record Date").

Redemption

Optional Redemption

The Bonds are not subject to optional redemption prior to September 1, 2008. At the option of the City, the Bonds maturing on and after September 1, 2009, will be subject to redemption prior to maturity on or after September 1, 2008, as a whole at any time and in part on any interest payment date, in inverse order of maturity and by random selection within maturities if less than all of any maturity, at a redemption price (expressed as a percentage of the principal amount) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed	Redemption Price
September 1, 2008 through August 31, 2009	102%
September 1, 2009 through August 31, 2010	101
September 1, 2010 and thereafter	100

Mandatory Sinking Fund Redemption

The Bonds maturing on September 1, 2010, September 1, 2018 and September 1, 2023 (the "Term Bonds") are subject to mandatory redemption by lot from Sinking Fund Installments on September 1 of the years set forth below at a Redemption Price equal to the principal amount thereof plus accrued interest to the dates fixed for redemption and in the amounts set forth below:

Term Bonds Maturing September 1, 2010

Year	Amount	Year	Amount
1999	$ 80,000	2006	$110,000
2000	80,000	2007	115,000
2001	85,000	2008	120,000
2002	90,000	2009	125,000
2003	95,000	2010(Maturity)	130,000
2004	100,000		
2005	105,000		

Term Bonds Maturing September 1, 2018

Year	Amount	Year	Amount
2011	$135,000		
2012	140,000		
2013	150,000	2016	175,000
2014	155,000	2017	180,000
2015	165,000	2018(Maturity)	190,000

Term Bonds Maturing September 1, 2023

Year	Amount	Year	Amount
2019	$200,000	2022	$235,000
2020	210,000	2023(Maturity)	245,000
2021	220,000		

Notice of Redemption

The Paying Agent shall cause notice of any redemption of Bonds to be mailed by first class mail to the Registrar and to the Owners of all Bonds to be redeemed at the addresses thereof appearing in the Registration Books. Each such notice shall (i) be mailed not more than 60 days nor less than 30 days prior to the redemption date, (ii) identify the Bonds to be redeemed (specifying the CUSIP numbers, if any, assigned to the Bonds), (iii) specify the redemption date and the Redemption Price, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the principal corporate trust office of the Paying Agent, that from that date the Bonds called for redemption will be deemed to be paid, and interest will cease to accrue, and that no representation is made as to the accuracy or correctness of the CUSIP numbers printed therein. Failure to give such notice of redemption (including any failure to mail such notice) shall not affect the validity of the redemption proceedings for any other Bonds for which notice was properly given.

Under the requirements of the Ordinance, the City cannot redeem all or any part of the Bonds unless funds are available to make such payment prior to the notice of redemption.

Book-Entry Only System

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond certificate will be issued for each maturity of each respective series of Bonds in the aggregate principal amount of each maturity and will be deposited with DTC.

DTC is a limited-purpose trust company organized under New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the United States Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds within a series are being redeemed. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, or redemption of, and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to DTC is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY, THE UNDERWRITER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OR ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT

OR ANY INDIRECT PARTICIPANT; (II) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON, THE BONDS; (III) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN BY DTC TO BONDHOLDERS; (IV) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER; OR (V) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS.

So long as the Bonds are held by DTC under a book-entry system, the Paying Agent will send any notice of redemption or other notices with respect to the Bonds required or permitted to be given under the Ordinance only to DTC. Any failure of DTC to advise any Participant, or of any Participant to notify any Indirect Participant or any Beneficial Owner of any such notice and its content or effect will not affect the validity of the proceedings for the redemption of the Bonds or of any other action permitted upon such notice. If fewer than all of the Bonds are selected for redemption, DTC will select the particular account of Participants to which the amount of such redemption will be credited in accordance with DTC's own rules or other agreements with Participants; Participants may then credit such redemption to the particular accounts of Beneficial Owners for whom such Participants act as nominee accordingly. Any such selection of Participants and Beneficial Owners to which any such partial redemption will be credited will not be governed by the Ordinance and will not be made by the City or the Paying Agent.

Issuance of Additional Bonds

Under certain conditions, the City may issue additional bonds for the purpose of (i) financing the cost of the construction or acquisition of additions, improvements and betterments to the Facility, (ii) refunding all or a portion of one or more series of bonds issued pursuant to the Ordinance, or (iii) all of such purposes, subject, in each case, to certain tests and conditions provided for by the Ordinance (the Bonds and any such additional parity bonds are hereinafter referred to as the "Bonds"). See Appendix B - "Summary of Certain Provisions of the Bond Ordinance".

Authorization for Issuance

The Bonds are being issued pursuant to the Act and the Ordinance. The Act authorizes the issuance of bonds of the City to pay for the cost of additions and improvements to the Facility. The issuance of revenue bonds by the City is not required by the Act or any other statute to be submitted to referendum for approval.

ADDITIONAL SECURITY FOR THE BONDS

So long as the Bonds are outstanding, the Bonds will be secured by the Bond Ordinance with a lien on specified Tax Revenues dedicated for such purposes. No lien is or may be created on any physical property of the Facility.

NEITHER THE FULL FAITH AND CREDIT, NOR THE TAXING POWER OF THE CITY, NOR ANY FUNDS OTHER THAN THE TAX REVENUES ARE PLEDGED TO THE PAYMENT OF THE BONDS, AND THE BONDS DO NOT CONSTITUTE A CORPORATE INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

Application of Tax Revenues

The revenues derived from specified Tax Revenues dedicated for such purposes must be deposited in the Civic Center Improvement Fund (the "Revenue Fund") established under the Ordinance, for disposition in the following manner and order of priority:

(i) for deposit in the Sinking Fund established with the Commission for paying interest and principal on the Bonds as follows: (a) a sum equal to one-sixth of the amount of interest which will become due on such Bonds on the next ensuing semi-annual interest payment date or, in the event there are less than six (6) months between the closing date and the next semi-annual interest payment date, such monthly payments shall be of such proportional sum as to provide the required amount of interest maturing on the next semi-annual interest payment date, (b) a sum equal to one-twelfth of the amount of principal which will mature and become due on such Bonds on the next ensuing principal payment date or, in the event there are less than twelve (12) months between the closing date and the next annual principal payment date, such monthly payments shall be of such proportional sum as to provide the required amount of principal maturing on the next annual principal payment date and (c) such additional sums as shall be necessary to pay the fiscal agency charges due for paying such Bonds and the interest thereon if a deficiency of revenue exists; and

(ii) any amount set forth in the Supplemental Resolution to be used to construct or acquire additions, extensions, improvements and replacements of capital assets or for debt service on the Bonds in the event monies in the Sinking Fund are insufficient therefor;

(iii) to make up any deficiency in the payments previously described.

Collection Covenant

The City covenants to collect the specified Tax Revenues dedicated for such purposes as will produce amounts sufficient to maintain a balance each year equal to at least one hundred ten percent (110%) of the maximum annual amount required to pay the interest on and principal of the Bonds and accomplish retirement of all Bonds for the payment of which such Tax Revenues have or shall have been pledged, charged or otherwise encumbered. The City also covenants in the Ordinance that it will segregate the Tax Revenues as provided in the Ordinance.

In the event that the collection of specified Tax Revenues falls below the one hundred ten percent (110%) requirement described above, the City will use its best efforts to request and secure legislative approval to increase the rates of and/or percentages from the different components of Tax Revenues which are paid to the City. There is no assurance that such efforts

will result in the collection of additional Tax Revenues.

THE FACILITY

The Facility is one of the region's largest multipurpose meeting, convention and entertainment facilities. The complex includes a coliseum (seating 13,500), theater (seating 750), eighteen meeting rooms, and exhibition and banquet facilities. The Facility hosts more than 800,000 persons annually at a varied schedule of events including basketball games, ice shows, circuses, touring concerts, Broadway shows and theatrical productions, exhibitions, banquets, meetings and conventions.

The Civic Center/Auditorium Board of Charleston was created in 1958 to supervise, operate and maintain the Charleston Civic Center and Municipal Auditorium. The Board, which is appointed by the Mayor with approval by City Council, meets monthly to develop policies and procedures appropriate for the management of the Facility, employ personnel required for the operation of the Facility, and determine fees for use of the Facility. The Board develops an annual operating budget which is submitted to City Council for approval. John D. Robertson, CFE, has served as General Manager of the Facility since 1983. He oversees twenty-five full time and several hundred part time employees and the daily operations of the Facility

FINANCIAL OPERATIONS

The accounts of the Facility are maintained as a part of the general accounts of the City and are maintained in accordance with generally accepted accounting principals. The firm of Gibbons & Kawash, Certified Public Accountants, Charleston, West Virginia, has audited the financial statements of the City for the year ended June 30, 1996. See APPENDIX C - Audited Financial Statements of City of Charleston. The financial statements contained in Appendix C are included merely to show the City's receipt and collection of the Tax Revenues. There are no other accounts, revenues or funds of the City available for the payment of such debt service, and the Bonds should not be construed to be a general obligation of the City.

LEGISLATIVE RISK

Although the City's receipt and collection of the Tax Revenues has generally trended upward for the past several years, there can be no guarantee that such trend will continue. The City's ability to receive and collect the Tax Revenues has been granted by the West Virginia Legislature. There can be no guarantee that the West Virginia Legislature will not modify or abolish the statutory authorities governing the City's ability to receive and collect the Tax Revenue, adjust the rates thereof or restrict the City's authority to use the Tax Revenues as provided in the Bond Ordinance.

BANKRUPTCY

The United States Bankruptcy Code permits political subdivisions that are insolvent or unable to meet their debts to file a petition for relief in federal bankruptcy courts if authorized by

state law. Although no West Virginia legislation currently authorizes such a filing, prior decisions and future legislation may permit the City to undertake bankruptcy proceedings.

Bankruptcy proceedings by the City could have additional adverse effects on Bondholders, including (a) delay in the enforcement of Bondholders' remedies, (b) subordination of the Bondholders' liens to claims of those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (c) imposition without the consent of all Bondholders of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to insure that, in any reorganization plan not accepted by the holders of at least a majority in aggregate principal amount of the Bonds, Bondholders will have the benefit of their original lien or the "indubitable equivalent." The effect of these and other new provisions of the Bankruptcy Code cannot be predicted with any certainty and may be significantly affected by judicial interpretation.

LITIGATION

There are no actions, suits, proceedings, inquiries or investigations at law or in equity before or by any court, public board or body, now pending or, to the best knowledge of the City, threatened or affecting the City (or, to the City's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Bonds, the Bond Ordinance, the Supplemental Resolution or any agreements to which the City is a party and which are a result of the issuance of the Bonds.

NEGOTIABLE INSTRUMENTS

Pursuant to state law, the Bonds are and have all the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia.

FINANCIAL STATEMENTS

Included in APPENDIX C are the audited financial statements of the City as of and for the year ended June 30, 1996, and the report with respect to the audited financial statements as of June 30, 1996, dated May 16, 1997, of Gibbons & Kawash, Certified Public Accountants, for such period. The financial statements contained in Appendix C are included merely to show the City's receipt and collection of the Tax Revenues for the period set forth in the aforesaid report.

Audited financial statements of the City as of and for the year ended June 30, 1997, and the report with respect to the audited financial statements as of June 30, 1997, dated July 2, 1998, of Gibbons & Kawash, Certified Public Accountants, for such period, are expected to be available on or about September 21, 1998. Copies of the City's audited financial statement as of and for the year ended June 30, 1997, can be obtained by contacting the City's Finance Director at 501 Virginia Street, East, Charleston, West Virginia 25301, or by telephone at (304) 348-8028.

THERE ARE NO OTHER ACCOUNTS, REVENUES OR FUNDS OF THE CITY AVAILABLE FOR THE PAYMENT OF SUCH DEBT SERVICE, AND THE BONDS

SHOULD NOT BE CONSTRUED TO BE A GENERAL OBLIGATION OF THE CITY.

TAX EXEMPTION

Opinion of Bond Counsel

Bond Counsel is of the opinion that under existing statutes and court decisions of the United States of America, as currently written and applied, the interest on the bonds will be excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed with respect to individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. Bond Counsel is of the further opinion that, under the Act, the Bonds and the interest thereon are exempt from direct taxation by the State of West Virginia and by any political subdivision thereof. Except as provided herein, Bond Counsel expresses no opinion regarding other tax consequences arising with respect to the bonds.

The City has designated the Bonds as "qualified tax-exempt obligations" and has covenanted that it does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds) during the calendar year 1998. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and the provisions of the Code, and the provision of the Code which disallows all deductibility of interest expense incurred by financial institutions on debt incurred or to purchase or carry most tax-exempt obligations does not apply to the Bonds; accordingly, 80% of the interest expense of a financial institution incurred for the purpose of purchasing or carrying the Bonds is deductible for federal income tax purposes.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use, investment and expenditure of bond proceeds and the requirements that certain earnings be rebated to the federal government. The City has covenanted to comply with certain provisions and procedures, pursuant to which such requirements can be satisfied. Noncompliance with such requirements may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance thereof, irrespective of the date on which such noncompliance is ascertained.

UNDERWRITING

Crews & Associates, Inc. (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds from the City at an aggregate discount from the initial public offering prices set forth on the cover page of this Official Statement. The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions set forth in the purchase contract

entered into between the Underwriter and the City. The Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices, and such initial public offering prices may be changed, from time to time, by the Underwriter.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds by the City are subject to the approval of Goodwin & Goodwin, LLP, Charleston, West Virginia, Bond Counsel. The proposed form of Bond Counsel's opinion is appended hereto as APPENDIX D.

Certain legal matters will be passed upon for the City by Vaughan & Withrow, Charleston, West Virginia, Counsel for the City, and for the Underwriter by Goodwin & Goodwin, LLP, Charleston, West Virginia.

CONTINUING DISCLOSURE

The City has agreed to an undertaking for the benefit of the Registered Owners of the Bonds to provide certain financial and operating information (the "Annual Information") not later than one hundred eighty (180) days following the end of the fiscal year of the City (currently June 30), commencing in 1998, and to provide the Annual Information to each National Recognized Municipal Securities Information Repository ("National Repository") and any State Information Depository ("State Depository") and to provide notice of the occurrence of the enumerated events to each National Repository or the Municipal Securities Rulemaking Board ("MSRB") and to any State Depository. This obligation shall be evidenced by the Continuing Disclosure Certificate from the City, the form of which is attached hereto as Appendix E.

The Annual Information will consist generally of information of the type contained herein in Appendix C of the Official Statement. Any of the foregoing information may be supplied by including by specific reference information previously supplied to each National Repository and any State Depository or the Securities and Exchange Commission ("SEC"). Information will not be included by reference from any final official statement unless such final official statement is available from the MSRB.

This continuing disclosure obligation is being undertaken by the City to assist the Underwriter in complying with Rule 15c-12 promulgated by the SEC. The City has agreed to give notice in a timely manner to each National Repository, or the MSRB, and to each State Depository of any failure to supply the requested information. However, any such failure will not constitute a default under the terms of the Bonds. Registered Owners may contact the Finance Director of the City at 501 Virginia Street, East, Charleston, WV 25301 (304) 348-8028 for more information.

MISCELLANEOUS

So far as any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of

fact, and no representation is made that any of such statements will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the Owners of the Bonds.

Copies of the Ordinance, the Supplemental Resolution and other applicable documents may be obtained from the City at the following address or telephone number:

The City of Charleston
501 Virginia Street, East
Charleston, WV 25301
Attention: City Manager
(304) 348-8014

or, during the period of offering the Bonds, from the Underwriter. Ongoing financial information concerning the City and the Facility may be obtained from the above-referenced source.

The City has duly authorized the execution and distribution of this Official Statement.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: /s/ G. Kemp Melton
Mayor

CITY OF CHARLESTON, WV

INTRODUCTION

Charleston, located at the convergence of the Kanawha and Elk Rivers in the southwestern part of West Virginia, is the Capital of West Virginia, the county seat of Kanawha County, and the center of the State's greatest concentration of people and commerce. Charleston, which encompasses an area of twenty-nine and three tenths (29.3) square miles, had a 1990 U.S. Census population of fifty-seven thousand two hundred eighty-seven (57,287). The Charleston Standard Metropolitan Statistical Area ("SMSA") includes fifteen (15) municipalities and one thousand two hundred sixty-four (1,264) square miles along the ninety-seven (97) miles long valley formed by the Kanawha River and had a 1990 U.S. Census population of two hundred fifty thousand four hundred fifty-four (250,454). (The United States Department of Labor, Bureau of the Census presently defines the Charleston SMSA as including Kanawha and Putnam Counties, the first (1st) and the thirteenth (13th) most populous counties in the State, respectively.)

The City's economic base is diversified on the cornerstones of retail and wholesale trade, manufacturing, government and services. The increasing diversity of the area's employment base has been enhanced by improved transportation facilities, including the interconnection of interstate highways in Charleston.

Principal manufactured products in the Charleston area include a broad range of chemicals, plastics, industrial and mining equipment, petroleum products and steel fabrication.

Charleston is the core of industrial, commercial and cultural activity in the Charleston SMSA.

GOVERNMENT SERVICES

The present charter of the City is a legislative charter enacted in 1929, which provides for a mayor-council form of government. Elected officials are the mayor, city treasurer, municipal judge and members of the Council from each of the twenty (20) wards in the City, plus six (6) Council persons-at-large, all elected to serve concurrent terms on a quadrennial basis. In addition, the City has certain appointed officials including: city manager, city clerk, director of finance, city auditor, public works director, chief of police, city solicitor, chief of fire department, director of mayor's office of economic and community development, director of parks, recreation and public grounds. All appointive officers have salaries fixed by the Council.

The mayor is the chief executive officer of the City and the presiding officer and a member of the Council with right to vote on all issues. The mayor, without any requirement or confirmation by Council, has the right of appointment and removal of the director of finance, city auditor, public works director, chief of police, director of finance, chief of fire department, director of mayor's office of economic and community development, director of parks, recreation, and public grounds.

The mayor also appoints the city manager by and with the consent of Council. The city manager is the chief business and administrative officer of the City under the supervision and direction of the mayor. All real property of the City is under his immediate care and supervision, and he is required to make all contracts for labor and supplies. Custody of all contracts, insurance policies, and papers relating to the business affairs of the City are under the supervision of the city manager who is required to make monthly reports to the Council.

The Council acts as the legislative body for the City and selects one of its members as president pro tempore, to preside in the absence of the mayor. The duties of the Council are primarily carried on through standing and special committees: finance, streets and traffic, planning, parks and recreation, cemetery, ordinance and rules, public safety, special committees of housing and human rights, and a select committee of urban renewal. Council also appoints a city clerk, who in addition to keeping minutes of all meetings, is the custodian of all records and papers of the City for which no other custodian is designated.

CENSUS INFORMATION

Population statistics are summarized as follows:

	1990	1980	1970
Kanawha County	207,619	231,414	229,515
Charleston	57,287	63,968	71,505
Charleston SMSA	250,454	269,595	257,140

Source: United States Department of Labor, Bureau of the Census; Charleston Chamber of Commerce

KANAWHA COUNTY ECONOMY

Kanawha County's employment and business structure today reveals a multi-faceted economic base. The most identifiable enterprises, coal and chemical, actually count for a relatively small portion of the region's total economic activity.

The relative strength of the economy may be seen by the following:

Year		Kanawha County	West Virginia
1996	Labor Force	105,420	808,000
	Total Employed	99,710	747,000
	Total Unemployed	5,710	61,000
	Percent Unemployed	5.4%	7.5%

1995	Labor Force	102,370	785,000
	Total Employed	96,520	723,000
	Total Unemployed	5,850	62,000
	Percent Unemployed	5.7%	7.9%
1994	Labor Force	102,560	787,000
	Total Employed	95,780	717,000
	Total Unemployed	6,780	70,000
	Percent Unemployed	6.6%	8.9%
1993	Labor Force	102,470	789,000
	Total Employed	94,080	703,000
	Total Unemployed	8,390	86,000
	Percent Unemployed	8.2%	10.9%

Source: West Virginia Department of Employment Security, Labor and Economic Research Division

The estimated civilian labor force in Kanawha County in March 1998, includes the following:

	Total Workers	Average Annual Wage
Civilian Labor Force		
Agriculture	441	$15,159
Manufacturing	8,720	47,353
Non Manufacturing		
Mining	1,870	52,030
Construction	4,913	29,205
Transportation & Public Utilities	7,746	39,326
Trade- Wholesale	5,866	34,367
Trade- Retail	19,917	14,236
Finance, Insurance & Real Estate	6,757	30,812
Services and Health	32,485	24,878
Government		
Federal	2,536	39,048
State	10,041	26,561
Local	8,154	24,460

Source: West Virginia Department of Employment Security (West Virginia Labor Market Trends Prepared quarterly by the Labor and Economic Research Division)

TOP 15 EMPLOYERS IN CHARLESTON AREA:

Employer	Number
1. State Government	10,700
2. Charleston Area Medical Center	6,000
3. Kanawha County Schools	4,000
4. Union Carbide Corporation	2,640
5. Federal Government	2,500
6. Bell Atlantic-West Virginia, Inc.	1,600
7. Columbia Gas Transmission	1,070
8. American Electric Power	1,060
9. Rhone Poulenc Ag Company	1,035
10 Putnam County Schools	1,030
11. Thomas Memorial Hospital	1,000
12. Shawnee Hills MH/MR Center	975
13. One Valley Bank	900
14. South Charleston Stamping & Manufacturing	885
15. City of Charleston	835

Source: West Virginia Bureau of Employment Programs, June 1997

TRANSPORTATION

The convergence of three interstate highways, I-64, I-77 and I-79, interconnecting Charleston as well as Appalachian Corridor "G," brings the SMSA within the overnight road-travel distance of 60% of the nation's principal industrial and commercial markets. Charleston is one of 13 cities in the nation where three interstate highways converge. East-West I-64 extends from Norfolk, Virginia to St. Louis, Missouri; North-South I-77 from Cleveland, Ohio to Columbia, South Carolina; Northeast-Southwest I-79 from Erie, Pennsylvania to Charleston, West Virginia; and Appalachian Corridor "G" from Charleston, West Virginia to Pikeville, Kentucky. In addition to the superhighways, three national and several state highways presently serve the SMSA.

Over 40 motor freight companies operate in the Kanawha Valley, of which over 20 maintain terminals, making the SMSA one of the major trucking centers in the Eastern United States. The nation's eight largest motor freight companies are among those with terminals in the SMSA. Charleston is the most direct route from the Upper Midwest to the southeast and serves as a logical transfer point for goods shipped from the Carolinas to Ohio, and parts of the Midwest.

The Greyhound Bus Line offers interstate and intrastate service, with both freight and passenger capacity.

Local bus service is furnished by the Kanawha Regional Transportation Authority. It operates a 60+ fleet bus system throughout the Kanawha Valley. The system, commonly known as KRT, serves approximately 20 routes covering nearly 200 miles. Service is provided 7 days a week from 4:00 a.m. to 1:00 a.m.

Yeager Airport accommodates commercial, general aviation and military air traffic. Major improvements to the airport have been made in the last few years including terminal remodeling, additional parking, and a building within the airport complex to house FAA offices and the National Weather Service. Charter air service and cargo air services are available from several companies at the airport. Charleston was officially designated a "port of entry" by the United States Customs in 1973.

Three major rail companies operate within the region: Norfolk Southern, CSX Transportation, and Amtrak.

UTILITIES

As a leading energy-producing state, West Virginia offers excess utility capacity at competitive rates. Electricity is provided by American Electric Power, one of the nation's largest energy companies, providing electric service to nearly 7 million people in parts of seven states. AEP serves over 838,000 customers in southern West Virginia and southwestern Virginia at rates well below the national average.

The area's largest gas utility, Mountaineer Gas Company, serves nearly 200,000 customers and delivers more than 55 billion cubic feet of natural gas throughout West Virginia.

TELECOMMUNICATIONS

Metro Charleston has one of the nation's most advanced telecommunications networks, consisting of fiber optic lines, digital switching, dual redundancy and microwave and satellite transmission facilities. The local carrier is Bell Atlantic-West Virginia. A host of companies, including AT&T, MCI and US Sprint, provide long distance service to Metro Charleston area customers.

WATER

The Kanawha and Elk Rivers, tributaries of the Ohio River system, flow through the area. Both rivers are navigable, with the Kanawha River Basin being the largest northwardly flowing river system in the nation. Approximately 69% of the Basin lies within West Virginia. The U.S. Army Corps of Engineers maintains a nine-foot channel for navigation with three locks located on the Kanawha River to accommodate barges. Waterborne commerce has tripled in the last 30 years with commodities transported on the Kanawha River including: coal and coke (35%); sand and gravel (25%); oil and gas (10%); iron, steel and other miscellaneous products (30%).

FINANCIAL

The SMSA serves as the financial center and governmental capital of the State, with several of the State's largest bank holding companies being headquartered in Charleston. Extensive correspondent networks extend to the rural areas of the State and are inter-connected with the major money markets.

EDUCATION

Local schools offer a superior public educational program with traditional curriculums and progressive instructional approaches, as well as providing programs for gifted and learning impaired students. Catholic, Christian and private elementary and secondary schools enhance Metro Charleston's public educational system.

In Kanawha County, there are 60 elementary schools (grades K-5 or K-6), 15 middle schools or junior high schools (grades 6-8 or 7-9) and 9 high schools (grades 9-12 or 10-12). In addition, there are two vocational-technical schools, an adult career center, an alternative high school and a special education school.

Putnam County operates 15 elementary (grades K-5), 4 middle (grades 6-8) and 4 high (grades 9-12) schools and a vocational-technical school.

Five-member county boards govern public schools in West Virginia. Board members are elected on a non-partisan ballot and are representative of the geographic regions of the county. Board members are elected on a staggered schedule to terms of six years.

The area's commitment to education is strengthened by local partnerships between businesses and schools. Innovative programs, such as Community Alliance to Support Education (CASE), the Management Information Sharing Team (MIST), Project TEACH (Teaching Everyone About Computers Helps) and BEAMS (Bold Educational Achievement in Math and Science) are cooperative, private-sector initiatives benefiting students.

The University of Charleston is a 4-year co-educational institution offering undergraduate degree programs from its five colleges. West Virginia State College, located in Institute, offers courses in business, the arts and teaching. The West Virginia College of Graduate Studies, located in South Charleston, offers the opportunity for degree-holders to obtain a Masters degree without losing work time. In addition, Marshall University, located 50 miles west in Huntington, offers degrees in various disciplines. The WV College of Graduate Studies recently merged with Marshall University.

RECREATION AND CULTURE

The SMSA offers a variety of cultural and recreational facilities. The newest addition to the capitol complex, the Science and Cultural Center, houses a great hall, state theatre, state library and museum. An $80 million dollar facility, the "Center for the Arts & Sciences of WV", is scheduled to open in the fall of 2000. This facility will house a science museum, art museum, planetarium, and a Concert Hall—all in downtown Charleston. Since many visitors to the State start or end their visit in the SMSA, there are numerous restaurant and lodging facilities. There are approximately 2,640 hotel and motel rooms in the Charleston Area.

There are over 11,000 acres devoted to public recreation in Kanawha County. The Kanawha County Parks and Recreation Commission operates five regional parks in Kanawha County. The largest of these, Coonskin Park, has 1,200 wooded acres near Yeager Airport and offers a 18-hole, par 3 golf course, heated 50-meter swimming pool, a clubhouse with dining facilities, 9 tennis courts, skeet shooting range and 15 picnic areas. Kanawha State Forest, just 15 minutes from Charleston, is a 9,200-acre forest, which provides 45 campsites, swimming pool, fishing and nature trails.

Cultural interests may be satisfied in a diverse number of facilities. The Kanawha County Public Library is a countywide system with the main library in downtown Charleston, seven branches and a bookmobile. The library system contains over 558,000 volumes with a circulation of 1,038,000. Sunrise, Charleston's multifaceted cultural complex perched above the south bank of the Kanawha River, is a symbol of the City's community-wide participation in the arts. Established in 1961 by civic-minded residents, Sunrise occupies two magnificent old mansions on a 13-acre estate. It coordinates the Brooks Bird Club, located on the Sunrise grounds, featuring classes, workshops, lectures, nature walks, field trips, scientific and art exhibitions, star shows, gardening talks, and dance performances.

To assist with the growth of the arts, the Fund for the Arts was established in 1981. Community and civic leaders raise money for and offer financial management to arts groups who are members of the fund-raising organization. Only businesses are solicited.

MEDICAL

The SMSA has become a major center of specialized care and advanced medical training, providing complete health services in modern well-equipped institutions. Charleston is home to the State's largest hospital complex, the Charleston Area Medical Center, with approximately 962 beds. It is the home of the Charleston Division of the West Virginia University School of Medicine. In addition, there are other hospitals operating in the SMSA with approximately 530 licensed beds, including Thomas Memorial Hospital and St. Francis Hospital.

HOUSING

While home styles vary from a comfortable country farmhouse to a stylish hillside contemporary, value is consistent. The median sale price in Metro Charleston in 1996 was $90,400, 31 percent less than the national median sale price. Competitive home prices, combined with property taxes that are among the lowest in the nation, mean "more house for less money."

Source: Unless indicated otherwise, information regarding the County was provided by The Business and Industrial Development Corporation (BIDCO) and the City.

THE METRO CHARLESTON AREA

Metro Charleston consists of Kanawha and Putnam counties. The area is the leading employment center for the state. There are more business establishments and employment opportunities in Metro Charleston than in any other region in West Virginia.

DEMOGRAPHICS AND ECONOMIC INDICATORS

Metro Charleston's per capita income in 1992 was $19,119—higher than any other MSA in West Virginia and exceeding the State per capita income by 23 percent. Kanawha County ranked second in the State in terms of highest per capital income, $19,803. Putnam County ranked eleventh with a per capita income of $15,986.

By comparison, the State's per capita income was $15,598, while the nation's was $20,105. The average annual growth rate of per capita income over the past ten years was 5.6 percent in Kanawha County and 5.1 percent in Putnam. These figures compare to an average growth rate of 5.5 percent for the State and 5.7 percent for the nation.

Service industries accounted for nearly 21 percent of total personal income earnings in Metro Charleston in 1992. Earnings from trade and government follow contributing 12.0 and 11.3 percent, respectively. Manufacturing accounted for 10.2 percent of total personal income earnings. Remaining industries contributed less than 10 percent each.

As in Kanawha County, service industries account for the lion's share of total personal income earnings in Putnam County. Services contribute 19.4 percent of total earnings, followed by transportation and public utilities at 14.6 percent, construction at 14.2 percent, and retail trade at 12.8 percent. Remaining industries contributed less than 10 percent each.

Metro Charleston's 1992 total personal income of $4.8 billion was the highest in West Virginia. Between 1982 and 1992, total personal income in Metro Charleston increased 61 percent. Metro Charleston's central county, Kanawha, had a total personal income of $4.1 billion, ranking it first in the State and accounting for 14.6 percent of the State total. Putnam County's total personal income was $725 million. The average annual growth rate of total personal income over the past ten years was 4.6 percent in Kanawha County and 6.7 percent in Putnam County. The average annual growth rate for the State was 4.7 percent and 6.7 percent for the nation.

Per Capita Income, 1994 Personal Income	
Kanawha County	$22,003
Putnam County	$18,287
Metro Charleston	$21,304
West Virginia	$17,113
United States	$21,696

Median Household Income, 1993	
Kanawha County	$23,999
Putnam County	$27,405
West Virginia	$20,795
United States	$30,056

Metro Charleston draws a significant commuting population from nine counties—Boone, Clay, Fayette, Jackson, Kanawha, Lincoln, Logan, Putnam and Roane. The nine-county regional population exceeds 400,000.

Population Projections

	1990	2000 (p)	2010 (p)	2020 (p)
Charleston SMSA	250,454	260,906	276,176	294,675
Kanawha County	207,619	207,757	216,237	229,192
Fayette County	47,952	45,236	44,273	43,909
Logan County	43,032	39,337	36,444	34,359
Putnam County	42,835	53,149	59,939	65,483
Jackson County	25,938	26,993	27,691	28,185
Boone County	25,870	24,408	23,192	22,116
Lincoln County	21,382	21,882	22,364	22,672
Roane County	15,120	15,686	16,428	17,025
Clay County	9,983	9,921	9,996	10,077

By gender, 52.5 percent of the 1990 population in Metro Charleston were female and 47.5 percent were male. Of the male population, 62.8 percent were married and 24.2 percent had never married. The remainder were separated, widowed or divorced. The female distributions were smaller in both categories, 54.3 percent married and 18.1 percent never married. One explanation for the difference: widowed females outnumber widowed males more than 6 to 1.

The population of Metro Charleston is predominantly white, 93.7 percent. Blacks, the largest minority group in Metro Charleston, comprise 5.6 percent. Asians and Pacific Islanders represent slightly more than one-half percent of the Metro population. Combined, American Indian/Eskimo/Aleuts and Other Races make up only two-tenths of one percent of the population in Metro Charleston.

By ethnic group, persons reporting a German heritage make up the Metro area's largest ethnic group. German ancestry was reported by 18.2 percent of Metro Charleston's residents. Other significant ethnic groups include English (14.0%) and Irish (11.3%).

Eighty-three (83) percent of the Metro population was born in West Virginia, while only 15 percent were born in a different state. This compares to 62 percent of the nation's population born in its state of residence and 29 percent born in a different state (the remainder in both cases were born outside the United States' borders).

Age Distribution, 1994		Racial Distribution, 1994	
Under 18	23.4%	White	93.7%
18 to 24	8.7%	Black	5.6%
25 to 44	31.6%	Other Races	0.7%
45 to 64	21.4%		
Over 65	14.9%		

Gender Distribution, 1994		Households, 1996	
Female	52.5%	Region	175,000
Male	47.5%	Metro Charleston	103,800

Retail Sales, 1996
Metro Charleston

Total Sales ($000)	$2,681,936
Median Household Effective Buying Income	$ 29,171

Kanawha County is the state's premier business center and plays a critical role in the regional economy. Due to its industrial diversity and numerous job opportunities, Kanawha County is a major employment center for eight surrounding counties—Boone, Clay, Fayette, Jackson, Lincoln, Logan, Putnam and Roane.

Labor force information presented is reflective of two geographic areas—the Charleston, West Virginia Standard Metropolitan Statistical Area (SMSA) and the Metro Charleston Labor Draw Area (LDA). The SMSA consists of Kanawha and Putnam counties, while the LDA consists of the SMSA plus six counties. These areas represent a minimum labor force area (SMSA) and a more realistic labor force area (LDA).

Kanawha County is the state's business center. According to the United States Commerce's 1991 West Virginia County Business Patterns, there were 5,586 business establishments in Kanawha County—more than any other county in West Virginia. Seven counties surrounding Kanawha County are included in Metro Charleston's Labor Draw Area based on employment opportunities in each of the counties and historic commuting patterns. In addition to Kanawha County, the Labor Draw Area consists of the following counties:

roofing. Nearly 425,000 man-hours were involved. Wages and purchases of materials and equipment made a major contribution to the local economy.

Sixty feet above the floor, 410 computer-controlled incandescent and mercury vapor lights provide color-corrected lighting for television broadcasting and photography. Two speaker clusters containing 43 horns and 11 bass cabinets offer balanced sound from either a center court or end-stage configuration.

For basketball, the press is seated at courtside. Four scoreboards on the walls are constantly visible to the players on the floor and from every seat. The conventioneer or spectator can enter at either of two entrance lobby levels. The levels are connected by elevators, glass-sided escalators and stairs. Five outside and eight inside ticket windows are located in the lower lobby. The Mini-Convention Center includes a VIP room, four combinable meeting rooms, a concession area and restrooms. Meetings, receptions and dances can be held at the facility.

The upper lobby contains the West Virginia Sportswriters Hall of Fame and serves as the entrance to the quarter-mile long concourse. The concourse provides access to all seating, contains nine concession areas and seven restrooms, and has ample wheelchair seating at choice locations. The lower level contains offices, eight team locker rooms with restrooms and showers, four star dressing rooms with private restrooms and showers, complete facilities for the media, officials, ushers and trainers, and 12,000 square feet of storage space.

In October 1982, the original grand arena was closed and work began on a major $5 million dollar renovation project which transformed the grand arena into a first-class convention hall. The renovation project was completed in one year, and the convention hall was officially dedicated on October 23, 1983.

Joined to the 13,500-seat coliseum by a two-level entrance lobby which spans 19,000 square feet, the convention hall contains a complete line of services to meet the requirements of meetings and trade shows. The grand hall's unobstructed 36,256 square feet of floor space can be halved at the touch of a button, when a giant, 50-ton moveable wall descends from the ceiling to separate the main floor into north and south halls. In addition, the grand hall has water, telephone, drainage, cable television and 110 and 220v-power access available through built-in utility conduits spaced evenly beneath the floor. The grand hall can easily accommodate 180-10'x10' booths, making it an ideal location for specialized programs. Adjoining the Grand Hall are meeting rooms offering 6,666 square feet of additional space.

The facilities offered on the first floor of the convention hall are capped by modern catering facilities capable of handling up to 3,200 persons and a lobby lounge. The second floor, easily accessible by elevator, escalator or stairs, offers nine conference rooms containing modern audio-visual systems including telephone, public address systems, conference boards and podiums. A spacious, contemporary breakout gallery overlooks the Grand Hall 25 feet below, offering a view of the exhibit area.

Additionally, two parking structures capable of handling 1,300 vehicles were constructed adjacent to the facility at a cost of $9 million dollars. The parking structures opened on March 1,

1983 and brought the number of parking spaces available for Charleston Civic Center events to over 2,000.

Since officially opening in 1959, the Charleston Civic Center has undergone several improvements and expansions. Originally designed as a multi-use facility to include sporting events, conventions, meetings and theater, the Civic Center complex has grown from a $3 million dollar facility to a major regional convention, exhibition, sporting and entertainment center with an estimated replacement cost of at least $75 million.

BOARD MEMBERSHIP

The Civic Center/Auditorium Board meets monthly to transact business involving the operation of Charleston's public assembly facilities. This group has the responsibility to supervise, operate and maintain the Charleston Civic Center and Municipal Auditorium facilities. The Board develops policies and procedures appropriate for the management of the facilities, determines fees for the use of the facilities and employs personnel required for the operation of the facilities. The Board develops an annual budget for their operation, which is submitted to Council for approval. Council also approves recommendations from the Board in establishing rental fees for the facilities.

Current Board members include:

A. Lawrence Crimmins, Jr. Chairman	William T. Brotherton, III Vice Chairman
Karen Haddad Secretary	John K. Fischer Treasurer
J. Kemp McLaughlin, Jr.	Joyce Horan
Edward L. Howard, DDS	John G. Hutchinson
William "Bill" Kenny	Ernest A. Layne
Paul L. Nusbaum	David Sadd
David H. Wallace	Jack Vaughan

THE PROJECT

The project associated with the Civic Center is solely for improvement and renovation purposes. The following two charts, labeled Phase I and Phase II respectively, provide brief descriptions of the projects at hand. Phase I projects are envisioned to be completed with this

Hotel	Rooms
Charleston Marriott Hotel	352
Elk River Town Center Inn	300
Heart O' Town	281
Charleston House Holiday Inn	256
Embassy Suites	253
Civic Center Holiday Inn	200
Knight's Inn Charleston East	133
Red Roof Inn	109
Hampton Inn	104
Motel 6	102
Sleep Inn	61
Cutlip's Motor Inn	55
Kanawha City Motor Lodge	50
Ivy Terrace Motel	33
Sunset Motel	32
Riverside Inn	26
Edens Motel	5
Total	2,352

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

The Bonds are issued under an Ordinance, as defined below. The following is a summary of certain terms, provisions and covenants of the Bond Ordinance. This summary makes use of certain terms defined in the Ordinance, some of which are defined below. This summary is not to be considered a full statement of the terms of the Bond Ordinance, and, accordingly, is qualified by reference thereto and is subject to the full text thereof.

DEFINITIONS

"Authorized Officer" means the Mayor of the City or such other officer of the City specifically designated by the Governing Body.

"Bonds" means the Series 1998 Bonds and any pari passu additional bonds issued under the Ordinance.

"Bond Ordinance" or "Ordinance" means the Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory thereof.

"Bond Year" means the twelve month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year except that the first Bond Year shall begin on the Closing Date.

"City" means The City of Charleston, West Virginia.

"City Clerk" means the City Clerk of the City.

"Closing Date" shall mean the date or dates upon which there is an exchange of the Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations issued pursuant thereto.

"Commission" shall mean the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Commission.

"Construction Fund" means the fund by that name created by Section 4.01 of the Ordinance.

"Costs of Issuance" shall mean those costs of issuing the Bonds, including, but not limited to,

"Depository Bank" means the depository bank as designated by the Issuer in a Supplemental Resolution.

"DTC" shall mean The Depository Trust Company, New York, New York.

"DTC Eligible" shall mean Bonds meeting the qualifications prescribed by The Depository Trust Company, New York, New York.

"Event of Default" shall mean any occurrence or events Specified in Section 5.05 of the Ordinance.

"Facility" means the Charleston Civic Center located in the City, including any improvements thereto.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Mayor and the City Council of the City, or such other body that succeeds to the function as the Governing Body of the City.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in Specified direct obligations of, or Specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Herein," "hereto" and similar words shall refer to the entire Bond Legislation.

"Independent Certified Public Accountants" shall mean any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the City or for any other purpose.

"Issuer" means The City of Charleston, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Mayor" means the Mayor of the City.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar, at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, as applicable, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Section 6.01 of the Ordinance; and (iv) for purposes of consents or other action by a Specified percentage of Bondholders, any Bonds registered to the Issuer.

"Participant" shall mean the person or entity registered as such with The Depository Trust Company.

"Paying Agent" shall mean the paying agent for the Bonds, as designated in the Supplemental Resolution.

"Private Business Use" shall mean use directly or indirectly in any trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Project" means the design, acquisition, construction and equipping of improvements to the Facility.

"Purchaser" or "Original Purchaser" means Crews & Associates, Inc., as the original purchasers of the Bonds.

"Qualified Investments" shall mean and include any of the following:

(a) Government Obligations;

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

Export - Import Bank
Farmers Home Administration
General Services Administration
U. S. Maritime Administration
Small Business Administration
Government National Mortgage Association (GNMA)
U.S. Department of Housing & Urban Development (PHA's)
Federal Housing Administration;

(c) bonds, notes or other evidences of indebtedness rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investor Services, Inc., issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(d) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating, on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by Standard & Poor's Corporation and "A-1" by Moody's Investor Services, Inc. and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(e) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by Standard & Poor's Corporation and "A-1" by Moody's Investor Services, Inc. and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund rated "AAAm" or "AAAm-G" or better by Standard & Poor's Corporation; and

(g) pre-refunded municipal obligations defined as follows:

Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date Specified in the notice; and (A) which are rated, based on the escrow, in the highest rating category of Standard & Poor's Corporation and Moody's Investor Services, Inc. or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (a) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the Specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which fund is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates Specified in the irrevocable instructions referred to above, as appropriate.

"Record Date" shall mean the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or other legal holiday.

"Redemption Price" shall mean such amount as is established in a Resolution supplemental to the Ordinance.

"Registrar" means the Registrar for the Bonds, which shall be designated in a Supplemental Resolution.

"Regulations" shall mean temporary and permanent regulations promulgated under the Code.

"Representation Letter" shall mean the Letter Agreement among the City, DTC and the Paying Agent.

"Revenue Fund" shall mean the fund by that name created by Section 4.01 of the Ordinance.

"Series 1998 Bonds" means the City of Charleston Civic Center Improvement Bonds, Series 1998, authorized to be issued by the Ordinance.

"Series 1998 Bonds Sinking Fund" means the Series 1998 Bonds Sinking Fund created by Section 4.01 of the Ordinance.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending the Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Bonds; provided, that any matter intended by the Ordinance to be included in the Supplemental Resolution with respect to the Bonds, and not so included may be included in another Supplemental Resolution.

"Tax Revenues" means (i) the specified tax revenues dedicated for such purposes by the City to pay debt service on the Series 1998 Bonds and consisting of coal severance taxes and hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) received or collected by the City and (ii) any other revenues dedicated for such purposes by the City to pay debt service on the Series 1998 Bonds and on any additional bonds issued under the Ordinance.

"Value," which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times); the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times; the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; and

(c) as to certificates of deposit and bankers acceptances; the face amount thereof, plus accrued interest.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

AUTHORITY FOR THE ORDINANCE

The Ordinance (together with any ordinance, order or resolution supplemental thereto or amendatory thereof, the "Bond Legislation") is adopted pursuant to the provisions of Chapter 8, Article 16 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

AUTHORIZATION FOR THE PROJECT

The acquisition, construction and equipping of the Project has been approved at a cost estimated to be $3,500,000.

AUTHORIZATION AND TERMS OF SERIES 1998 BONDS

For the purpose of financing, in part, the acquisition, construction and equipping of the Project, there shall be issued the Civic Center Improvement Bonds, Series 1998 of the City. The Series 1998 Bonds shall be in such aggregate principal amount estimated to be $3,500,000, shall be dated such date; shall bear interest payable semiannually at such dates and at such rate or rates not exceeding the rate permitted by the Act; shall mature at such time or times, not exceeding forty (40) years after the date of issuance; and shall contain such other terms, provisions, conditions and limitations, all as provided by the Ordinance and as the Governing Body shall prescribe by Supplemental Resolutions adopted in connection with the sale of such Series 1998 Bonds.

The Series 1998 Bonds shall be payable as to principal at the office of the Paying Agent in any coin or currency, which on the respective date of payment of principal and interest, is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1998 Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address that appears on the books of the Registrar.

The Series 1998 Bonds shall, at the option of the City, be redeemable in whole or in part, at the times, in the manner, and upon payment of the redemption prices, as provided in the Supplemental Resolutions.

The Series 1998 Bonds shall be sold as soon as practical and in the best interests of the City, as may be authorized and permitted by applicable law, and delivered to the Original Purchaser thereof, provided, that such Original Purchaser and the City shall have agreed to the terms of the purchase thereof.

CREATION OF FUNDS AND ACCOUNTS

There will be created with the Commission the Series 1998 Bonds Sinking Fund.

There will be created with the Depository Bank the Revenue Fund and the Project Construction Account.

DISPOSITION OF REVENUES

All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(A) The City shall, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1998 Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1998 Bonds Sinking Fund, a sum equal to one-sixth (1/6) of the amount of interest which will become due on the Series 1998 Bonds on the next ensuing semiannual interest payment date: Provided, however, That in the event that the period to elapse between the closing date and the next semi-annual interest payment date is less that seven months, then such monthly payments shall be increased proportionately to provide the required amount of interest maturing on the next semiannual interest payment date.

The City shall also apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1998 Bonds Sinking Fund, on the first day of each month, beginning 13 months prior to the first date of payment of principal of the Series 1998 Bonds, a sum equal to one-twelfth (1/12) of the amount of the principal which will mature and become due on the Series 1998 Bonds on the next ensuing principal payment date: Provided, however, That in the event that the period to elapse between the closing date and the next annual principal payment date is less that twelve (12) months, then such monthly payments shall be increased proportionately to provide the required amount of principal maturing on the next annual principal payment date.

The City shall also, from the Revenue Fund, remit to the Commission, on such dates or at such other times as the Commission shall require, such additional sums as shall be necessary to pay the fiscal agency charges due for paying the Bonds and the interest thereon.

The Commission will be designated as the Fiscal Agent for the administration of the Sinking Fund created under the Ordinance, and all amounts required for said Sinking Fund shall be remitted to the Commission from said Revenue Fund and from the proceeds of the sale of the Bonds as provided in the Ordinance, by the City, at the times provided therein.

Moneys in the Series 1998 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1998 Bonds as the same shall become due.

(B) If on any payment date the Tax Revenues are insufficient to place the required amount in any of the funds, the deficiency shall be made up in subsequent payments to such funds.

(C) All of the funds provided for above shall constitute trust funds and shall be used only for the purposes provided herein. The moneys in excess of the sum of $100,000 in said Revenue Fund shall at all times be secured, to the full extent thereof in excess of the sum of $100,000, by direct obligations of the United States of America, or such other obligations as shall be eligible as security for deposits of State and municipal funds under the laws of the State.

(D) Moneys at any time remaining on deposit in the Series 1998 Bonds Sinking Fund may be invested in direct obligations of the United States of America maturing not later that the dates on which such moneys will be needed for the purposes of such funds.

APPLICATION OF BOND PROCEEDS, PLEDGE OF UNEXPENDED BOND PROCEEDS

The proceeds received from the sale of any or all of the Bonds shall be applied as provided the Supplemental Resolution.

The Depository Bank shall act as a trustee and fiduciary for the Bondholders with respect to the Construction Fund and shall comply with all requirements with respect to the disposition of the Construction Fund as set forth in the Bond Legislation. Moneys in the Construction Fund shall be used solely to pay costs of the Project and, until so expended, will be pledged as additional security for the Bonds.

DISBURSEMENTS FROM THE CONSRUCTION FUND

(a) Except as otherwise provided in the Ordinance, any moneys deposited in the Construction Fund from the proceeds of the Bonds as soon as practicable after the delivery thereof shall be paid to the firms, corporations or persons entitled thereto for legal, administrative, financing and incidental expenses of the City relating to the issuance of the Bonds.

(b) Except with respect to Costs covered in paragraph (a), the City shall submit to the Depository Bank a requisition signed by an Authorized Officer stating, with respect to each payment to be made:

(i) the requisition number;

(ii) if other than the Issuer, the name and address of the person to whom payment is due;

(iii) the amount to be paid;

(iv) that each obligation mentioned therein has been incurred as a Cost and has not been the basis of any previous withdrawal;

(v) accompanied by a bill, invoice or statement; and

(vi) accompanied by a valid bill or agreement of sale, certificate of title, deed, receipt or other evidence of ownership containing warranties of title free and clear of all claims.

In making any disbursement the Depository Bank shall pay each such obligation or deliver to the Issuer a check or draft for the payment thereof payable to the order of the payee to whom payment is due, as set forth in the requisition of the City directing such disbursement. All payments made from the Construction Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund. Pending disbursement, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

GENERAL COVENANTS OF THE CITY

All the covenants, agreements and provisions of the Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds. In addition to the other covenants, agreements and provisions of the Ordinance, the City covenants and agrees with the Holders of the Bonds as provided in Article V of the Ordinance. All such covenants, agreements and provisions shall be irrevocable, except as provided therein, as long as any of said Bonds, or the interest thereon, is outstanding and unpaid.

BONDS NOT TO BE INDEBTEDNESS OF THE CITY

The Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Tax Revenues as therein provided. No holder or holders of any Bonds issued thereunder shall ever have the right to compel the exercise of the taxing power of the City to pay said Bonds or the interest thereon.

BONDS SECURED BY FIRST LIEN PLEDGE OF TAX REVENUES

The payment of the debt service on the Series 1998 Bonds shall be secured equally and ratably and with each other, by a first lien on the specified Tax Revenues dedicated for such purposes by the City to the extent necessary to make the payments required under the Ordinance. The Tax Revenues, in an amount sufficient to pay the principal of and interest on the Series 1998 Bonds, and to make the payments into the Series 1998 Bonds Sinking Fund and make all other payments provided for in the Ordinance, will be irrevocably pledged in the manner provided in the Ordinance, to the payment of the principal of and interest on the Series 1998 Bonds as the same become due and for the other purposes provided in the Ordinance.

COLLECTIONS

The Tax Revenues shall at all times be adequate to make the prescribed payments into the funds and accounts created. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in tax collections and revenues, the City covenants and agrees to budget an amount each year equal to at least one hundred ten percent (110%) of the maximum annual amount required to pay the interest on and principal of the Bonds and all other obligations secured by or payable from the Tax Revenues prior to or on a parity with the Bonds, as the same become due and accomplish retirement of all Bonds for the payment of which such Tax Revenues have or shall have been pledged, charged or otherwise encumbered.

ISSUANCE OF OTHER OBLIGATIONS PAYABLE OUT OF THE TAX REVENUES AND GENERAL COVENANT AGAINST ENCUMBRANCES

The City shall not issue any other obligations whatsoever, except additional parity bonds provided for in Section 5.02 of the Ordinance, payable from the Tax Revenues, which rank prior to, or equally, as to lien on and source of and security for payment from the Tax Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Tax Revenues, except such additional bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from the Tax Revenues, and in all other respects to the Bonds.

The City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said additional parity bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon the Tax Revenues pledged for payment of the Bonds and the interest thereon in the Ordinance.

ADDITIONAL PARITY BONDS

No additional parity bonds, as defined in Section 5.02 of the Ordinance, payable out of the Tax Revenues, shall be issued after the issuance of the Bonds pursuant to the Ordinance, except under the conditions and in the manner therein provided.

No such additional parity bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of improvements and betterments to the Facility or refunding the entirety of one or more series of Bonds issued pursuant thereto, or both such purposes.

No such additional parity bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Certified Public Accountants, based upon the necessary investigation and certification by a consulting engineer, reciting the conclusion that the Tax Revenues collected and received by the City during the previous twelve (12) months immediately preceding the date of the actual issuance of such additional parity bonds is equal to at least one hundred ten percent (110%) of the amount of debt service payable in the then current year, and the annual Tax Revenues projected to be received and collected in each of the three

(3) succeeding years after the completion of the improvements to be financed by such additional parity bonds shall not be less than one hundred ten percent (110%) of the maximum annual debt service payable over the next three (3) years.

Not later than simultaneously with the delivery of such additional parity bonds, the Issuer shall have entered into written contracts for the immediate acquisition, construction or equipping of such improvements and betterments to the Facility which are to be financed by such additional parity bonds.

The term "additional parity bonds," as used in this Section, shall be deemed to mean additional bonds issued under the provisions and within the limitations of Section 5.02 of the Ordinance, payable from the specified Tax Revenues on a parity with the Series 1998 Bonds and all the covenants and other provisions of the Ordinance (except as to details of such additional parity bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 1998 Bonds and the Holders of any additional parity bonds subsequently issued from time to time within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the specified Tax Revenues and their source of and security for payment from specified Tax Revenues, without preference of any bond over any other. The Issuer shall comply fully with all the increased payments into the various funds created in the Ordinance required for and on account of such additional parity bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

The term "additional parity bonds," as used in this Section, shall not be deemed to include any bonds, notes, certificates or other obligations subsequently issued, the lien of which on the specified Tax Revenues is subject to the prior and superior lien of the Bonds on such specified Tax Revenues. The Issuer shall not issue any obligations whatsoever payable from the specified Tax Revenues which rank prior to or equally, as to lien and source of and security for payment from such specified Tax Revenues, with the Bonds except in the manner and under the conditions provided in this Section.

No additional parity bonds, as in this Section defined, shall be issued at any time, however, unless all the payments into the respective funds and accounts provided for in the Ordinance on account of the Bonds then Outstanding, and any other payments provided for in the Ordinance shall have been made in full as required to the date of delivery of the additional parity bonds.

The City may issue additional parity bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds, provided that the annual debt service required on account of the refunding bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

INSURANCE

The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the Facility, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks.

The City will require that each of its contractors and all subcontractors maintain, during the life of the Project or any other construction contract, and carry workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Ordinance. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the Facility.

ENFORCEMENT OF COLLECTIONS

The City will diligently enforce and collect all hotel-motel occupancy taxes and coal severance taxes and take all steps, actions and proceedings for the enforcement and collection of such taxes that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia.

CONTINUING DISCLOSURE

The City shall cause its books and records to be completely audited by Independent Certified Public Accountants, shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Bondholder, and shall file said report as provided in the Continuing Disclosure Certificate executed on behalf of the City and delivered at closing.

OPERATING BUDGET

The City shall include in its annual budget adopted prior to the beginning of each Fiscal Year, and as a separate part thereof, a detailed budget of the estimated Tax Revenues during the succeeding Fiscal Year. The City shall mail copies of such annual budget to any Bondholder who shall file his or her address with the City and request in writing that copies of any such budgets be furnished him or her, and shall make available such budgets at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

EXISTENCE OF CIVIC CENTER/AUDITORIUM BOARD

The management, operation and control of the Facility shall be vested in the Civic Center/Auditorium Board, or some other separate successor agency of the City, during the period in which any Bonds issued are Outstanding.

PUBLIC PURPOSE BONDS

The Facility will be solely operated for a public purpose and as a local governmental activity of the City.

PRIVATE ACTIVITY BONDS

The City shall not permit at any time or times any of the proceeds of the Bonds to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

FILINGS

The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

RIGHT TO AMEND

The City retains the right to make any amendments, insertions or deletions by Supplemental Resolutions of the Ordinance as the City deems desirable or necessary prior to the issuance of the Bonds, including but not limited to amendments, insertions or deletions to comply with the Code. Notwithstanding the provisions of Section 6.07 of the Ordinance, the City through City Council shall, without consent of the Registered Owners of the Bonds, amend or supplement the Ordinance by resolutions supplemental thereto or any amendatory ordinance to comply with the Code if such amendment or supplement is necessary to preserve the tax exempt status of the Bonds. In making their determination to amend or supplement the Ordinance, the City Council may rely on the opinion of a nationally recognized bond counsel.

The City also retains the right to make any amendments, insertions or deletions by Supplemental Resolution of the Ordinance, as the City deems necessary prior to the issuance of the Bonds to meet the requirements of the Original Purchaser.

EVENTS OF DEFAULT

Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bonds;

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to the Bonds set forth in the Ordinance, the Supplemental Resolution or in the Bonds and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by the Depository Bank holding any fund or account hereunder or a Registered Owner of a Bond; or

(C) If the City files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

REMEDIES

Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and in particular (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the City to perform its duties under the Act and the Ordinance relating thereto, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Ordinance with respect to the Bonds, or the rights of such Registered Owners.

Upon the occurrence of an Event of Default, the Commission shall, by written notice to the City, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Ordinance or in the Bonds to the contrary notwithstanding.

INVESTMENTS

Any moneys held as a part of the funds and accounts created by the Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission or the Depository Bank, as the case may be, at the direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, the Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in Section 4.04 of the Ordinance.

Except as otherwise provided, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held and used for the purpose of such fund or account. The interest accruing thereof and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The determination of the Value of the investments shall be made once a month. The Commission or the Depository Bank, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any account is insufficient to make the payments required from such fund or account, regardless of the loss of such liquidation. Such Depository Bank may make any and all investments permitted by Section 4.04 of the Ordinance through its own trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

ARBITRAGE

The City covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the City's reasonable expectations at the time of

issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

MODIFICATION OR AMENDMENT

No material modification or amendment of the Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the Holders of the Bonds then outstanding provided, however, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City, to pay such principal and interest without the consent of the Holder thereof.

DEFEASANCE OF SERIES 1998 BONDS

If the City has paid or has caused to be paid, or there shall otherwise be paid to the Holders of all Series 1998 Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1998 Bonds only, the pledge of specified Tax Revenues under this Bond Legislation and all covenants, agreements and other obligations of the City to the Registered Owners of the Series 1998 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay, as and when due, the principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section 6.01 of the Ordinance. All Bonds shall, prior to the maturity or redemption thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 6.01 of the Ordinance if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given the Commission, in form satisfactory to it, irrevocable instructions to publish as provided herein notice of redemption of such Bonds on said date, (b) there shall have been deposited with the Commission either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Commission at the same or earlier time, shall be sufficient, to pay when due the principal of and redemption premium, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and an opinion of nationally recognized bond counsel to the effect that such action will not adversely effect the exclusion of the interest on the Bonds from gross income for federal income tax purposes and a verification from an Independent Certified Public Accountant of the sufficiency of the amounts described in clause (b) for their intended purpose, and (c) in the event said Bonds are not by their terms subject to redemption, or are otherwise not to be redeemed by the City, within the next succeeding sixty (60) days, the City shall have given the

Commission in form satisfactory to it irrevocable instructions to publish, as soon as practicable, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Commission and that said Bonds are deemed to have been paid in accordance with Section 6.01 of the Ordinance and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, interest on, and redemption premium, if applicable, on said Bonds. Neither securities nor moneys deposited with the Commission pursuant to Section 6.01 of the Ordinance nor principal or interest payments on any such securities shall be held in trust for the payment of the principal of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if applicable, on and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of Section 6.01 of the Ordinance, securities shall mean and include only Government Obligations.

APPENDIX C

Audited Financial Statements of City of Charleston

CITY OF CHARLESTON, WEST VIRGINIA

Schedule of Funds and Account Group Included in Report

Year Ended June 30, 1996

GOVERNMENTAL FUND TYPES

General Fund

Special Revenue Funds

Coal Severance Tax
Municipal Beautification
Community Development
Special Demolition
Human Rights
Rental Rehabilitation
Solid Waste and Disposal
Asset Forfeiture and Reimbursement

Debt Service Fund

Local Sinking

Capital Projects Funds

Special Development
Civic Center Renewal and Replacement
South Side Recreation Center
Infrastructure Repair
Cemetery Improvement and Mausoleum Maintenance
Civic Center Project

PROPRIETARY FUND TYPE

Enterprise Funds

Civic Center Revenue
Parking System
Sanitary Board

CITY OF CHARLESTON, WEST VIRGINIA

Schedule of Funds and Account Group Included in Report

Year Ended June 30, 1996

FIDUCIARY FUND TYPES

Pension Trust Funds

Policemen's Pension and Relief
Firemen's Pension and Relief

Nonexpendable Trust Funds

Spring Hill Permanent Endowment Trust
Spring Hill General Endowment Trust

Expendable Trust Fund

Municipal Police Court Trust

Agency Funds

Utility Collection Fund
Metro Drug Enforcement Network Task Force
Civic Center Ticket Fund

ACCOUNT GROUP

General Long-Term Debt

CITY OF CHARLESTON, WEST VIRGINIA

Audited Financial Statements

Year Ended June 30, 1996

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CITY OF CHARLESTON, WEST VIRGINIA

Audited Financial Statements

Year Ended June 30, 1996

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CITY OF CHARLESTON, WEST VIRGINIA

Audited Financial Statements

Year Ended June 30, 1996

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CITY OF CHARLESTON, WEST VIRGINIA

MUNICIPAL OFFICIALS

June 30, 1996

Elective

Office	Name	Term
Mayor	G. Kemp Melton	May 1, 1995 - June 14, 1999
Treasurer	Andrew A. Payne, III	May 1, 1995 - June 14, 1999
Municipal Judge	Jay Goldman	May 1, 1995 - June 14, 1999
Councilmembers-at-Large	Sam Haddad	May 1, 1995 - June 14, 1999
	Thomas J. Lane	May 1, 1991 - June 14, 1999
	Charles W. Loeb, Jr.	May 1, 1995 - June 14, 1999
	Mary Jane Lopez	May 1, 1995 - June 14, 1999
	Y. Howard Quick, Jr.	May 1, 1995 - June 14, 1999
	Chris Smith	May 1, 1995 - June 14, 1999
Councilmembers:		
First Ward	J.E. "Skeeter" Barron	May 1, 1995 - June 14, 1999
Second Ward	Carl Hicks	May 1, 1995 - June 14, 1999
Third Ward	James "Mose" Lanham	May 1, 1995 - June 14, 1999
Fourth Ward	Bob E. Redman	May 1, 1995 - June 14, 1999
Fifth Ward	Ernest A. Layne	May 1, 1995 - June 14, 1999
Sixth Ward	Tony Serreno	May 1, 1995 - June 3, 1996
	Ivalou Hanna Barth	June 3, 1996 - June 14, 1999
Seventh Ward	Clyde W. Ranson, Jr.	May 1, 1995 - June 14, 1999
Eighth Ward	George McClaskie	May 1, 1995 - June 14, 1999
Ninth Ward	Paul Wright	May 1, 1995 - June 8, 1996
	Betty Morton	July 1, 1996 - June 14, 1999
Tenth Ward	Chester F. Thompson	May 1, 1995 - June 14, 1999
Eleventh Ward	Fred Snuffer	May 1, 1995 - June 14, 1999
Twelfth Ward	Joyce Horan	May 1, 1995 - June 14, 1999
Thirteenth Ward	Linda M. Nielsen	May 1, 1995 - June 14, 1999
Fourteenth Ward	Jody Connell	May 1, 1995 - June 14, 1999
Fifteenth Ward	Lawrence J. Malone	May 1, 1995 - June 14, 1999
Sixteenth Ward	William W. Huffman, II	May 1, 1995 - June 14, 1999
Seventeenth Ward	Brendan S. Leary	May 1, 1995 - June 14, 1999
Eighteenth Ward	William R. Kimberling	May 1, 1995 - June 14, 1999
Nineteenth Ward	Loren Snodgrass	May 1, 1995 - June 14, 1999
Twentieth Ward	David J. Hardy	May 1, 1995 - June 14, 1999

CITY OF CHARLESTON, WEST VIRGINIA

MUNICIPAL OFFICIALS
(Continued)

June 30, 1996

Appointive

Office	Name
City Manager	William E. Kenny
City Attorney	James S. Arnold
Finance Director	Robert L. Ruckle
City Auditor	D. Richard Barnett
City Clerk	Fred M. Frisk
Assistant to the Mayor	Ronald Gregory
Assistant City Manager	Paul Gilmer
City Collector	James E. Jones
City Engineer	W. Kyle Stollings
Director of Public Works	Mark Holstine
Director of Mayor's Office of Economic and Community Development	Tracy Rowen

Gibbons
& Kawash
Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the accompanying general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Sanitary Board, which represent 74.6% and 62.5%, respectively, of the assets and revenues of the Proprietary Fund type. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sanitary Board, is based solely on the report of the other auditor.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the report of the other auditor provide a reasonable basis for our opinion.

As discussed in Note 4, the general purpose financial statements referred to above do not include fixed assets and related depreciation, and contributions-in-aid of construction for the Civic Center Revenue Fund. In our opinion, these items should be recorded in the general purpose financial statements to conform with generally accepted accounting principles. The effect on the financial statements of the preceding practices is not reasonably determinable.

Also, as discussed in Note 4, the cost of fixed assets used in governmental fund type operations has not been recorded in a general fixed assets account group. In our opinion, all capital expenditures of governmental fund types should be recorded in a general fixed assets account group to conform with generally accepted accounting principles. The effect on the financial statements of the preceding practice is not reasonably determinable.

As discussed in Note 4, the Sanitary Board of the City of Charleston does not provide for depreciation of the sewer system. In the opinion of the other auditor, these assets should be depreciated over their estimated useful lives to conform with generally accepted accounting principles. If the financial statements were corrected for this departure from generally accepted

accounting principles, based on a straight-line depreciation method, accumulated depreciation would be increased by $18,445,048 as of June 30, 1996, and net income would have decreased by $1,224,991 for the year then ended.

In our opinion, based on our audit and the report of the other auditor, except for the effect on the financial statements of the information discussed in the preceding four paragraphs, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Charleston, West Virginia, as of June 30, 1996, and the results of its operations and cash flows of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note 14, the City is self-insured for workers' compensation. The liability that may result from reported and unreported claims incurred has not been determined. Accordingly, no provision for any losses which may result from such claims has been recorded in the accompanying general purpose financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated May 16, 1997, on our consideration of the City of Charleston's internal control structure and a report dated May 16, 1997, on its compliance with laws and regulations.

Gibbons & Kawash

May 16, 1997

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

June 30, 1996

	Governmental Fund Types			
ASSETS	General	Special Revenue	Debt Service	Capital Projects
Cash and cash equivalents (Note 6)	$ 3,165,118	$ 455,390	$1,410,016	$ 264,095
Investments (Note 6)	-	-	-	-
Receivables:				
Taxes	6,220,559	-	72,444	-
Accounts receivable	971,134	-	-	-
Contributions	-	-	-	-
Accrued interest	-	-	-	-
Loans	-	2,420,976	-	-
Due from other funds	1,530,107	-	-	-
Other	282,813	-	-	-
Restricted assets:				
Deposits with Municipal Bond Commission:				
Regular account	-	-	-	-
Reserve account	-	-	679,393	-
Investments:				
Bond construction fund	-	-	-	-
Cash (Note 6):				
Renewal and replacement	-	-	-	-
Operating and maintenance	-	-	-	-
Fixed assets, net of accumulated depreciation (Note 8)	-	-	-	-
Deferred charges:				
Unamortized bond issuance costs	-	-	-	-
Other debits:				
Amount available in Debt Service Fund	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Total assets	$12,169,731	$ 2,876,366	$2,161,853	$ 264,095

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust and Agency	Account Group General Long-Term Debt	Total (Memorandum Only)
$ 1,103,318	$ 1,282,489	$ -	$ 7,680,426
-	15,430,587	-	15,430,587
-	-	-	6,293,003
970,837	-	-	1,941,971
-	140,778	-	140,778
-	310,399	-	310,399
-	-	-	2,420,976
-	-	-	1,530,107
99,257	-	-	382,070
1,015,701	-	-	1,015,701
2,727,355	-	-	3,406,748
13,063	-	-	13,063
115,224	-	-	115,224
1,086,870	-	-	1,086,870
77,534,896	-	-	77,534,896
390,470	-	-	390,470
-	-	252,649	252,649
-	-	22,539,406	22,539,406
$ 85,056,991	$ 17,164,253	$ 22,792,055	$ 142,485,344

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
(Continued)

June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	$ 601,479	$ 219,475	$ -	$ 1,446
Salaries payable	484,313	-	-	-
Due to other funds	46,203	40,087	1,191,410	10,000
Compensated absences (Note 10)	-	-	-	-
Other accrued and withheld liabilities	20,398	-	-	-
Deposits on hand	-	-	-	-
Current portion of long-term debt	-	-	-	-
Other	61,531	-	-	-
Claims and judgments (Note 13):				
General liability claims	-	-	-	-
Employee health claims	576,617	-	-	-
Liabilities currently payable from restricted assets:				
Current maturities of revenue bonds (Note 11)	-	-	-	-
Accrued interest payable	-	-	-	-
Long-term debt, less current maturities (Note 11):				
General obligation bonds	-	-	-	-
Revenue bonds	-	-	-	-
Capital lease obligations, less current maturities (Note 12)	-	-	-	-
Total liabilities	$ 1,790,541	$ 259,562	$1,191,410	$ 11,446

Proprietary Fund Type Enterprise	Fiduciary Fund Types Trust and Agency	Account Group General Long-Term Debt	Total (Memorandum Only)
$ 301,626	$ 128,806	$ -	$ 1,252,832
63,330	-	-	547,643
242,407	-	-	1,530,107
142,832	-	1,117,505	1,260,337
13,788	-	-	34,186
51,809	-	-	51,809
371,597	-	-	371,597
34,412	-	-	95,943
-	-	650,000	650,000
12,494	-	254,893	844,004
460,000	-	-	460,000
525,624	-	-	525,624
-	-	17,615,000	17,615,000
27,086,255	-	-	27,086,255
-	-	3,154,657	3,154,657
29,306,174	128,806	22,792,055	55,479,994

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
(Continued)

June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Fund equity:				
Contributed capital:				
Municipality	$ -	$ -	$ -	$ -
Contributions-in-aid of construction	-	-	-	-
Retained earnings:				
Reserved for bonded indebtedness	-	-	-	-
Reserved for operation and maintenance	-	-	-	-
Reserved for renewal and replacement	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for noncurrent loans	-	2,420,976	-	-
Reserved for debt service	-	-	970,443	-
Reserved for capital projects	-	-	-	252,649
Reserved for policemen's and firemen's retirement systems	-	-	-	-
Reserved for encumbrances	1,200,169	-	-	-
Reserved for endowments	-	-	-	-
Unreserved	9,179,021	195,828	-	-
Total fund equity	10,379,190	2,616,804	970,443	252,649
Total liabilities and fund equity	$12,169,731	$ 2,876,366	$2,161,853	$ 264,095

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Type Enterprise	Fiduciary Fund Types Trust and Agency	Account Group General Long-Term Debt	Total (Memorandum Only)
$ 7,658,595	$ -	$ -	$ 7,658,595
21,738,294	-	-	21,738,294
1,897,390	-	-	1,897,390
897,239	-	-	897,239
115,224	-	-	115,224
23,444,075	-	-	23,444,075
-	-	-	2,420,976
-	-	-	970,443
-	-	-	252,649
-	16,522,023	-	16,522,023
-	-	-	1,200,169
-	510,542	-	510,542
-	2,882	-	9,377,731
55,750,817	17,035,447	-	87,005,350
$ 85,056,991	$ 17,164,253	$ 22,792,055	$142,485,344

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES

Year Ended June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	$ 35,005,279	$ -	$ 1,381,857	$ -
License and permits	424,075	-	-	-
Intergovernmental	2,099,187	3,038,625	-	-
Charges for services	4,571,601	-	-	-
Fines and forfeits	-	36,983	-	-
Interest	249,092	36,405	73,042	14,581
Contributions and fees	-	1,585,606	-	-
Miscellaneous	149,657	8,330	-	-
Total revenues	42,498,891	4,705,949	1,454,899	14,581
Expenditures:				
General government	3,110,074	-	-	-
Public safety	20,775,119	49,078	-	-
Highways and streets	5,587,918	33,766	-	-
Sanitation and health	2,950,377	1,122,803	-	-
Recreation	2,925,667	-	-	-
Economic and physical development	1,039,014	2,718,987	-	-
Administrative and other	4,458,684	-	-	-
Capital outlay	1,770,265	-	-	29,269
Debt service:				
Principal	-	-	1,405,000	-
Interest and other charges	-	-	1,268,562	-
Total expenditures	42,617,118	3,924,634	2,673,562	29,269
Excess of revenues over (under) expenditures	(118,227)	781,315	(1,218,663)	(14,688)

Total (Memorandum Only)
$ 36,387,136
424,075
5,137,812
4,571,601
36,983
373,120
1,585,606
157,987
48,674,320
3,110,074
20,824,197
5,621,684
4,073,180
2,925,667
3,758,001
4,458,684
1,799,534
1,405,000
1,268,562
49,244,583
(570,263)

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
(Continued)

Year Ended June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Excess of revenues over (under) expenditures (carryforward)	$ (118,227)	$ 781,315	$ (1,218,663)	$ (14,688)
Other financing sources (uses):				
Operating transfer in	960,770	-	-	28,238
Operating transfer out	(350,470)	(476,319)	-	(10,000)
Total other sources	610,300	(476,319)	-	18,238
Excess of revenues and other sources over (under) expenditures and other uses	492,073	304,996	(1,218,663)	3,550
Fund balances at beginning of year	9,887,117	2,311,808	2,189,106	249,099
Fund balances at end of year	$ 10,379,190	$ 2,616,804	$ 970,443	$ 252,649

The accompanying notes are an integral part of these financial statements.

Total (Memorandum Only)
$ (570,263)
989,008
(836,789)
152,219
(418,044)
14,637,130
$ 14,219,086

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND COAL SEVERANCE FUNDS (BUDGETARY BASIS)

Year Ended June 30, 1996

	General		
	Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:			
Taxes	$ 33,149,965	$ 34,914,206	$ 1,764,241
Licenses and permits	491,500	424,075	(67,425)
Intergovernmental	1,640,000	2,099,187	459,187
Charges for services	4,653,000	4,571,601	(81,399)
Interest	140,000	249,092	109,092
Miscellaneous	150,000	149,657	(343)
Total revenues	40,224,465	42,407,818	2,183,353
Expenditures:			
General	3,236,600	3,110,074	126,526
Public safety	20,295,162	20,775,119	(479,957)
Highways and streets	5,628,701	5,587,918	40,783
Sanitation and health	2,685,076	2,950,377	(265,301)
Economic and physical development	787,478	1,039,014	(251,536)
Culture and recreation	3,571,593	2,925,667	645,926
Administrative support	4,573,524	3,839,489	734,035
Capital outlays	3,929,425	1,770,265	2,159,160
Total expenditures	44,707,559	41,997,923	2,709,636
Excess of revenues over (under) expenditures	(4,483,094)	409,895	4,892,989

Coal Severance Tax		
Budget	Actual	Variance-Favorable (Unfavorable)
$ -	$ 92,066	$ 92,066
-	-	-
-	(26,319)	(26,319)
-	(26,319)	26,319
-	65,747	65,747
-	30,513	30,513
$ -	$ 96,260	$ 96,260

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS

Year Ended June 30, 1996

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Total (Memorandum Only)
Operating revenues:			
Charges for services	$ 7,111,032	$ -	$ 7,111,032
Fines and forfeits	-	678,017	678,017
Interest	-	1,156,161	1,156,161
Contributions and fees	-	4,049,297	4,049,297
Parking fees	2,224,970	-	2,224,970
Rental income	668,184	-	668,184
Dividends	-	6,049	6,049
Capital gains	-	90,457	90,457
Miscellaneous	38,521	5,115	43,636
Total operating revenues	10,042,707	5,985,096	16,027,803
Operating expenses:			
General government	1,547,247	-	1,547,247
Sanitation and health	3,644,605	-	3,644,605
Recreation	1,748,268	-	1,748,268
Benefit payments	-	4,567,919	4,567,919
Refunds	-	48,238	48,238
Administrative and other	1,035,610	65,636	1,101,246
Payments to State Treasurer	-	192,210	192,210
Depreciation	783,250	-	783,250
Total operating expenses	8,758,980	4,874,003	13,632,983
Operating income	1,283,727	1,111,093	2,394,820

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES -PROPRIETARY FUND TYPE AND SIMILAR TRUST FUNDS
(Continued)

Year Ended June 30, 1996

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust	Total (Memorandum Only)
Operating income (carryforward)	$ 1,283,727	$ 1,111,093	$ 2,394,820
Nonoperating revenues (expenses):			
Interest and other charges	(1,417,391)	-	(1,417,391)
Miscellaneous	(2,999)	-	(2,999)
Interest earned	463,425	-	463,425
Bond discounts and issuance costs	(38,892)	-	(38,892)
Other	340,496	-	340,496
	(655,361)	-	(655,361)
Net income before other financing sources	628,366	1,111,093	1,739,459
Other financing sources (uses):			
Operating transfer in	331,000	-	331,000
Operating transfer out	-	(483,219)	(483,219)
Total other sources (uses)	331,000	(483,219)	(152,219)
Net income	959,366	627,874	1,587,240
Retained earnings/fund balances at beginning of year	25,394,562	16,407,573	41,802,135
Retained earnings/fund balances at end of year	$ 26,353,928	$ 17,035,447	$ 43,389,375

The accompanying notes are an integral part of these financial statements.

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF CASH FLOWS -
ENTERPRISE FUNDS AND NONEXPENDABLE TRUST FUNDS

Year Ended June 30, 1996

	Proprietary Fund Type Enterprise	Fiduciary Fund Type Nonexpendable Trust	Total Memorandum Only
Cash flows from operating activities:			
Operating income	$ 1,283,727	$ 66,467	$ 1,350,19
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	909,506	-	909,50
Accretion, net	84,385	-	84,38
Change in assets and liabilities:			
(Increase) decrease:			
Accounts receivable	133,819	-	133,81
Deposits with Municipal Bond Commission	34,391	-	34,39
Prepaid and other assets	(42,340)	(83,059)	(125,39
Increase (decrease):			
Accounts payable	(52,498)	-	(52,49
Salaries payable	17,478	-	17,47
Accrued vacation	2,377	-	2,37
Deposits on hand	15,389	-	15,38
Due to other funds	(20,652)	-	(20,65
Other	6,389	-	6,38
Net cash provided by (used in) operating activities	2,371,971	(16,592)	2,355,37
Cash flows from noncapital financing activities:			
Operating transfers to/from other funds	331,000	(8,769)	322,23
Cash flows from capital and related financing activities:			
Principal paid on revenue bonds	(534,495)	-	(534,49
Interest and fees paid on revenue bonds	(1,456,283)	-	(1,456,28
Payments of note payable - line-of-credit	(371,903)	-	(371,90
Increase in sinking funds	(38,244)	-	(38,24
Contributions in aid of construction	90,843	-	90,84
Purchases of property, plant, and equipment	(5,958,780)	-	(5,958,78
Net cash provided by capital and related financing activities	(8,268,862)	-	(8,268,86

(Continue

CITY OF CHARLESTON, WEST VIRGINIA

COMBINED STATEMENT OF CASH FLOWS -
ENTERPRISE FUNDS AND NONEXPENDABLE TRUST FUNDS
(Continued)

Year Ended June 30, 1996

	Proprietary Fund Type	Fiduciary Fund Type	Total Memorandum Only
	Enterprise	Nonexpendable Trust	
Cash flows from investing activities:			
Interest earned on investments	$ 460,426	$ 19,312	$ 479,73
Dividends earned on investments	-	6,049	6,04
Net disposal of investments	4,422,697	-	4,422,69
Other	340,496	-	340,49
Net cash provided by investing activities	5,223,619	25,361	5,248,98
Net decrease in cash and cash equivalents	(342,272)	-	(342,27
Cash and cash equivalents, beginning of year (including Civic Center Revenue and Parking Systems restricted assets of $216,204 and $3,198,617, respectively)	4,440,001	-	4,440,00
Cash and cash equivalents, end of year (including Civic Center Revenue and Parking Systems restricted assets of $217,301 and $2,790,173, respectively)	$ 4,097,729	$ -	$ 4,097,72

The accompanying notes are an integral part of these financial statements.

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS

1 - DESCRIPTION OF ENTITY

The financial statements of the City of Charleston, West Virginia (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units, except as noted below. Generally accepted accounting principles are prescribed by the Governmental Accounting Standards Board (GASB).

Reporting Entity

The City is a municipal corporation governed by an elected mayor and a twenty-six member council. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. For financial reporting purposes, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the government. The City has no discretely presented component units.

Blended Component Unit

The Charleston Sanitary Board (the Board) serves all the citizens of the City and its members consist of the mayor and two persons appointed by the City. The rates for user charges and bond issuance authorizations are subject to approval by the City's council and the legal liability for the Board's debt remains with the City. The Board, which has a June 30 fiscal year end, is reported as an enterprise fund.

2 - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounts of the City are organized and operated on the basis of funds and an account group. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The account group is a reporting device to account for certain liabilities of the governmental funds not recorded directly in those funds.

2 - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

The City has the following fund types and account group:

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Taxes, licenses, interest and fees for services are susceptible to accrual. Property taxes collected and held by a local government at year end on behalf of the City are also recognized as revenue. Business and occupational taxes assessed as of year-end and collected soon enough after year-end to be used to pay liabilities of the current period are also recognized as revenue. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The *debt service fund* accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *capital projects funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

2 - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, unless the GASB specifically adopts the FASB statement or interpretation. The City's proprietary funds include the following fund types:

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement. The City's fiduciary funds include the following:

The *nonexpendable trust fund* and *pension trust fund* are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be expended. The pension trust funds account for the assets of the City's public safety employees pension plans.

The *expendable trust fund* is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be expended.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

Account Group. The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

3 - BUDGETARY COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general and coal severance funds, except that business and occupation taxes are not reported on the accrual basis for budgetary purposes. The budgets are then submitted for approval by the West Virginia Department of Tax and Revenue. All annual appropriations lapse at fiscal year end.

During January and February of each year, all departments of the City submit requests for appropriations so that a budget may be prepared. Before March 31, the proposed budget is presented to the City's Council for review and preliminary approval. The budget is then submitted to the West Virginia Department of Tax and Revenue prior to April 1. Prior to April 20, City Council formally approves the budget.

The appropriated budget is prepared by function and department for each budgeted fund. Transfers of appropriations between budget classifications require the approval of the City Council. The legal level of budgetary control is the budget classification.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

A reconciliation of the general fund excess of revenues and other financing sources over expenditures and other financing uses and fund balance for the year ending June 30, 1996, from the budgetary basis to the GAAP basis follows:

	Excess of Revenues over Expenditures	Fund Balance
Budgetary basis	$ 409,896	$ 4,945,035
Basis of accounting difference (budgetary to GAAP)	82,177	5,434,155
GAAP basis	$ 492,073	$ 10,379,190

3 - BUDGETARY COMPLIANCE AND ACCOUNTABILITY (Continued)

The City monitors fiscal data throughout the year. The original budgeted expenditures and enacted amendments are as follows:

Original budget	$ 44,387,705
Amendments	319,854
Revised Budget	$ 44,707,559

4 - DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The City records the purchase of fixed assets used in governmental fund type operations as expenditures in the various funds in accordance with GAAP. Generally accepted accounting principles prescribe that purchases of capital assets be accounted for in a general fixed asset group of accounts. The City's failure to record such assets in this account group is not in accordance with generally accepted accounting principles. The effect of this departure from GAAP is not reasonably determinable.

The City also records the purchase of fixed assets used in the Civic Center Revenue Fund as expenditures. Generally accepted accounting principles for proprietary funds prescribe that all such expenditures be capitalized and depreciated over their useful lives. As a result of not recording the fixed assets and related depreciation, the financial statements of the Civic Center Revenue Fund are not presented in accordance with generally accepted accounting principles. The effect of this departure from GAAP is not reasonably determinable.

The Sanitary Board of the City of Charleston does not provide for depreciation of the sewer system. These assets should be depreciated over their estimated useful lives to conform with generally accepted accounting principles. If the financial statements were corrected for this departure from generally accepted accounting principles, based on a straight-line depreciation method, accumulated depreciation would be increased by $18,445,048 as of June 30, 1996, and net income would be decreased by $1,224,991 for the year then ended.

5 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

Cash equivalents include amounts in demand deposits as well as short-term investments which have maturity dates within three months of the date acquired by the City and are readily convertible to known amounts of cash.

5 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments are stated at cost or amortized cost.

Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Fixed Assets

Fixed assets of the Parking System and Sanitary Board are stated at cost. Land and land improvements are recorded at estimated cost. Additions and improvements that significantly extend the useful life of an asset are capitalized. Depreciation is computed based on estimated useful lives, except for the Sanitary Board's sewer system as described in Note 4.

Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to third-party restrictions.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group.

Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

6 - DEPOSITS AND INVESTMENTS

Deposits

At June 30, 1996, the carrying amount of the City's deposits included in cash and cash equivalents was $7,848,986 and the bank balances were $8,999,659. Of the bank balances, $1,633,953 was covered by federal depository insurance, and $6,566,529 was collateralized. Collateralized deposits include those collateralized with securities held by the pledging financial institution, or by its trust department or agent in the City's name. The remaining $799,177 was uncollateralized and uninsured.

Investments

State statutes authorize the City to invest in obligations of the United States or certain agencies thereof; certificates of deposit secured by obligations of the United States and certain agencies thereof, general obligations or revenue bonds of any other state, or any other county, school board or municipality in the State of West Virginia; and the West Virginia State Consolidated Fund. In addition, the pension trust funds are also authorized to invest in securities that are secured by first lien deeds of trust or mortgages on real property situated within West Virginia. Repurchase agreements are not specifically allowed by statute, but are interpreted by the City as buy and sell transactions which are allowable provided the underlying securities are those in which the City is otherwise authorized to invest.

The City's investments are categorized below to give an indication of the level of risk assumed by the city at June 30, 1996. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution, or by its trust department or agent but not in the City's name. At June 30, 1996, the City's investment balances were as follows:

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

6 - DEPOSITS AND INVESTMENTS (Cont.)

	Category				
	1	2	3	Carrying Amount	Market Value
U.S. Treasury notes	$ 5,652,140	$ -	$ -	$ 5,652,140	$ 5,837,517
Federal Nat.'l Mortgage Assoc. obligations	1,193,359	-	-	1,193,359	1,161,756
Federal Farm Credit Bank obligations	1,236,813	-	-	1,236,813	1,259,378
Federal Home Loan Bank obligations	6,060,078	-	-	6,060,078	6,092,207
Student Loan Mortgage Assoc. obligations	689,654	-	-	689,654	685,671
	$14,832,044	$ -	$ -	14,832,044	15,036,529
Investments not subject to categorization:					
Investments in mutual funds				1,645,140	1,645,140
State Board of Investments' Consolidated Investment Pool				4,422,449	4,422,449
				$ 20,899,633	$ 21,104,118

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the City follows:

Disclosed above:	
Carrying amounts of deposits	$ 7,848,986
Carrying amounts of investments	20,899,633
Total	$ 28,748,619

Financial reporting classification:	
Cash and cash equivalents	$ 7,680,426
Restricted cash	1,202,094
Restricted deposits with Municipal Bond Commission	4,422,449
Restricted Investments	13,063
Investments	15,430,587
Total	$ 28,748,619

7 - PROPERTY TAXES

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July. There is no lien denominated as such on personal property; however, statutes provide that the sheriff of the county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments; the first installment is payable on the first day of September in the year for which the assessment is made, and becomes delinquent on October first; the second installment is payable on the first day of the following March and becomes delinquent on April first. Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

All municipalities within the State of West Virginia are authorized to levy taxes not in excess of the following maximum levies per $100 of assessed valuation: On Class I property, twelve and five-tenths cents (12.5¢); on Class II property, twenty-five cents (25¢); and on Class IV property, fifty cents (50¢). In addition, municipalities may provide for an election to lay an excess levy, the rates not to exceed fifty percent of such authorized maximum levies, provided that at least sixty percent of the voters cast ballots in favor of the excess levy.

The levy rates levied by the City per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 1996, were as follows:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Permanent Excess	Bond Improvements
Class I	$ 298,321,669	4.96¢	5.03¢	5.04¢
Class II	$ 562,852,366	9.92¢	10.06¢	10.08¢
Class IV	$1,099,104,818	19.84¢	20.12¢	20.16¢

At a special election held on March 12, 1994, the City was authorized to lay an excess levy in the amount of $3,012,265 annually during each of the three fiscal years July 1, 1994, through June 30, 1997.

8 - FIXED ASSETS

Fixed assets recorded in the Parking System Enterprise Fund consisted of the following at June 30, 1996:

Land and land improvements	$ 3,174,405
Buildings	24,570,947
Equipment	480,690
Less accumulated depreciation	(9,929,351)
	$ 18,296,691

Fixed assets recorded in the Sanitary Board Enterprise Fund consisted of the following at June 30, 1996:

Land and land rights	$ 545,388
Structure and improvements	4,332,987
Collection system	37,690,419
Pumping system	937,506
Treatment and disposal plant equipment	14,159,075
General plant equipment	1,674,882
Construction in progress	1,100,988
Sewer system, July 1, 1952 (nominal value)	1
Total property and equipment	60,441,246
Less accumulated depreciation of general plant equipment (See Note 4)	(1,203,041)
	$ 59,238,205

9 - EMPLOYEES RETIREMENT SYSTEMS

All eligible City employees, with the exception of uniformed policemen and firemen, participate in the West Virginia Public Employees' Retirement System (the System), a multiple-employer public retirement system covering employees of the State of West Virginia and participating political subdivisions of the State. In addition, the City maintains a Policemen's Pension and Relief Fund and Firemen's Pension and Relief Fund, single-employer, defined benefit pension plans which cover all eligible police and fire department employees.

9 - EMPLOYEES RETIREMENT SYSTEMS (Continued)

West Virginia Public Employees' Retirement System

The Public Employees' Retirement System (PERS) is a multiple-employer, defined benefit, cost-sharing public employee retirement system covering substantially all employees of the State and its component units, as well as employees of participating non-State government entities who are not participants of another State or municipal retirement system. The payroll for City employees covered by the System for the year ended June 30, 1996 was $11,965,306 and total payroll was $23,700,115.

Employees who retire at or after age 60 with 5 years of contributory service, or attain age 55 and have 25 years of service, are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final average salary for each year of credited service. Employees who have either attained age 55 and completed 10 years of credited service, or who have completed 20 years of credited service may elect to receive reduced retirement benefits beginning at age 55. Participants become vested after five years of service. PERS has special provisions for early retirement, death and disability benefits.

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to PERS.

The pension benefit obligation at July 1, 1995, which is the date of the latest actuarial update, is as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 887,672,152
Active participants:	
Employee contributions	368,822,733
Employer financed:	
Vested	145,897,783
Non-vested	313,924,642
Total pension benefit obligation	1,716,317,310

9 - EMPLOYEES RETIREMENT SYSTEMS (Continued)

West Virginia Public Employees' Retirement System (Continued)

Net assets available for benefits at cost	1,886,372,606
Excess of net assets available for benefits over the pension benefit obligation	$ 170,055,296
Net assets available for benefits at market value	$ 1,910,399,606

The retirement system's funding policies have been established by action of the State Legislature. State statute requires that participating employees make mandatory contributions of 4.5% of compensation. PERS requires that employers contribute 9.5% of employee compensation. The required contribution for the City for the year ended June 30, 1996, was $1,674,413, which consisted of $1,136,183 from the City and $538,230 from employees.

Historical trend information showing the PERS progress in accumulating sufficient assets to pay benefits when due is currently being prepared by the Consolidated Public Retirement Board (the Board) and is anticipated to be presented in the Board's next annual report.

Policemen's and Firemen's Pension and Relief Funds

The City maintains the Policemen's Pension and Relief Fund and the Firemen's Pension and Relief Fund (the Funds) to provide retirement, death, and disability benefits to all policemen and firemen paid on a full-time basis with public funds, as authorized by West Virginia Code Sec. 8-22-16. The payrolls covered by the Policemen's and Firemen's' Pension and Relief Funds for the year ended June 30, 1996, were $5,734,589 and $4,910,441, respectively.

Policemen and Firemen attaining the age of 50 who have completed 20 or more years of service are entitled to an annual benefit, payable in twelve monthly installments, in an amount equal to 60 percent of their average annual earnings received during the three twelve-consecutive-month periods of employment yielding the highest earnings, or an amount of $500 per month, whichever is greater. An additional two percent is added to the 60 percent for each of the first five additional years of service in excess of 20; one additional percent is added for each year of service in excess of 25, up to a maximum of 75 percent. Any member or surviving spouse receiving less than $700 per month is entitled to receive a supplemental benefit based on a percentage increase equal to the average increase in the Consumer Price Index as calculated by the United States Department of Labor for the preceding year.

9 - EMPLOYEES RETIREMENT SYSTEMS (Continued)

Policemen's and Firemen's Pension and Relief Funds (Continued)

Disability benefits are paid for temporary total and permanent total disability in an amount not to exceed the greater of 60 percent of the monthly salary being received by such member at the time of disability, or $500 per month, plus an additional one percent for each year served in active military duty, up to a maximum of four percent. The funds also provide death benefits to surviving spouses and dependents of members and former members who have completed five or more years of continuous service.

Policemen and firemen are required to contribute 7 percent of their salary to the Funds. Any member who is terminated from employment prior to becoming eligible for a retirement or disability benefit, shall be refunded all contributions deducted from their salary, without interest.

The Funds also receive contributions from the West Virginia Municipal Pensions and Protection Fund when the Treasurer of the City certifies that required contributions have been irrevocably made.

The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess progress made in accumulating sufficient assets to pay for benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Funds.

The unfunded pension benefit obligation at July 1, 1995, which is the date of the latest actuarial update, is as follows:

	Policeman's Pension and Relief Fund	Fireman's Pension and Relief Fund
Pension benefit obligation:		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 31,288,470	$ 38,341,984
Active participants:		
Employee	2,643,057	2,501,311
Employer financed:		
Vested	8,210,681	9,583,253
Non-vested	15,197,244	14,256,844
Total pension benefit obligation	57,348,452	64,683,392
Net assets available for benefits at market	9,876,294	5,923,471
Unfunded pension benefit obligation	$ 47,472,158	$ 58,759,921

9 - EMPLOYEES RETIREMENT SYSTEMS (Continued)

Policemen's and Firemen's Pension and Relief Funds (Continued)

The minimum City contribution to the Funds is required by State statute and is determined as either:

- The sum of:
  - The normal cost, plus
  - A payment towards the unfunded actuarial accrued liability minus the State insurance premium tax allocation (not less than $0)
- An alternative funding standard of 107% of the preceding fiscal year contribution, predicated on the 15-year projected solvency test, with a minimum contribution by the City of the normal cost.

The contributions to the Policemen's and Fireman's Pension and Relief Funds for the year ended June 30, 1996, were as follows:

	Policemen's Pension and Relief Fund	Firemen's Pension and Relief Fund
City of Charleston	$ 776,676	$ 986,556
Employees	428,415	364,811
West Virginia Municipal Pensions and Protection Fund	786,845	705,994
	$ 1,991,936	$ 2,057,361

Historical trend information is required by the Governmental Accounting Standards Board Statement No. 5 to be presented in order for a reader to assess the progress made in accumulating sufficient assets to pay pension benefits as they become payable. This trend information has not been prepared and is not available.

10 - COMPENSATED ABSENCES

The City's obligation for accrued vacation leave time is reported in the general long-term debt account group. This obligation includes leave time and related costs to be paid to employees in the future and is determined using wage levels in effect at the date the obligation is calculated. The City's obligation for vacation leave attributable to employees of governmental fund types is $1,117,505 at June 30, 1996.

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT

The following is a summary of changes in the General Long-Term Debt Account Group:

	July 1, 1995	Change	June 30, 1996
Compensated Absences	$ 1,020,447	$ 97,058	$ 1,117,505
Claims and Judgements	580,687	324,206	904,893
General Obligations Bonds	19,020,000	(1,405,000)	17,615,00
Capital Lease Obligations	1,454,438	1,700,219	3,154,657
Totals	$ 22,075,572	$ 716,483	$ 22,792,055

Following is summary of general obligation bonds payable at June 30, 1996:

Issue Dates	Maturity Dates	Interest Rates	Amounts Issued	Amounts Retired	Amounts Outstanding
1972	6-1-97	4.5 %-5.5%	$ 5,220,000	$ 4,740,000	$ 480,000
1978	6-1-03	5.625%-6.0%	10,000,000	5,360,000	4,640,000
1989	10-1-09	7.1%-7.0%	15,000,000	2,505,000	12,495,000
Totals			$ 30,220,000	$ 12,605,000	$ 17,615,000

General provisions of the bond ordinances are as follows:

Bond Issue of 1972

The bond issue of 1972 was authorized by the governing body of the City of Charleston and ratified by the voters at a special election held March 21, 1975, for the purpose of constructing storm sewers and the Virginia Street underpass. The bonds were issued in the denomination of $5,000, bearing interest rates of 4.5% to 5.5%, payable annually on the first day of June each year.

Maturities are as follows:

Maturity Dates	Amounts
6-1-97	$ 480,000
Total outstanding	$ 480,000

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT (Continued)

Public Improvement Bonds, Series 1978

The bond issue of 1978 was authorized by the governing body of the City of Charleston and ratified by the voters at a special election held February 28, 1978, for the purpose of constructing a municipal civic center and auditorium. The bonds were issued in the denomination of $5,000 bearing interest rates of 5.625% to 6.0%, payable annually on the first day of June each year.

Maturities are as follows:

Maturity Dates	Amounts
6-1-97	$ 480,000
6-1-98	495,000
6-1-99	660,000
6-1-00	695,000
6-1-01	730,000
6-1-02	770,000
6-1-03	810,000
Total outstanding	$4,640,000

Public Improvement Bonds, Series 1989

The bond issue of 1989 was authorized by the governing body of the City of Charleston and ratified by the voters at a special election held July 18, 1989, for the purpose of financing part of the costs of the construction, reconstruction and improvement to certain streets and bridges in the City. The bonds were issued in registered form in the denomination of $5,000, bearing interest rates of 7.1% to 7.2%, payable on the first day of October each year.

Maturities are as follows:

Maturity Dates	Amounts
10-1-96	$ 535,000
10-1-97	575,000
10-1-98	620,000
10-1-99	665,000
10-1-00	715,000
10-1-01	765,000
10-1-02	825,000

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT (Continued)

Parking System (Continued)

The Revenue Bonds under both indentures are secured by a pledge of substantially all of the Parking System's operating revenues and all monies deposited into accounts created by the Indentures. The Indentures also require that rates charged for the use of the System's facilities be adequate to provide funds to cover current expenses, current debt service requirements, maintain a balance in the Reserve Account equal to the maximum annual debt service on all outstanding bonds and maintain a Debt Service Account equal to one-twelfth of the debt service which will accrue in the next succeeding fiscal year. A reserve for repair, operation and maintenance equal to ten percent of the amount estimated to be expended for this purpose in the next fiscal year is also required by the Indentures.

Issue of 1966 - Civic Center Improvements

The City of Charleston is required by its bond ordinance of 1966 to establish and make deposits to a sinking fund, reserve account, renewal and replacement fund, and a surplus fund.

Maturities are as follows:

Maturity Dates	Amounts
8-1-96	$ 50,000
Total outstanding	$ 50,000

Sanitary Board

At June 30, 1996, Sanitary Board Service Revenue Bonds payable consisted of the following:

Service Revenue Bonds Dates of Issuance	Maturity Date	Interest Rate	1996 Face Amount	1996 Current Portion
April 1, 1989	1996-2029	8.4%	$ 1,869,475	$ 10,812
	1996-2029	None	247,116	7,268
November 21, 1989	1996-2029	8.4%	811,317	4,692
	1996-2029	None	107,244	3,154
June 1, 1992	1996-2012	3.8-6.2%	2,595,000	100,000
November 1, 1992	1996-2017	3.1-6.5%	6,270,000	165,000
December 2, 1993	1996-2014	3.0%	705,889	30,671
			12,606,041	$ 321,597

CITY OF CHARLESTON, WEST VIRGINIA

NOTES TO FINANCIAL STATEMENTS
(Continued)

11 - LONG-TERM DEBT (Continued)

Sanitary Board (Continued)

Less current portion	321,597
Long-term debt	12,284,444
Less unamortized bond discounts	16,965
	$ 12,267,479

Scheduled principal repayments on Sanitary Board revenue bonds for five years subsequent to June 30, 1996 are as follows:

Year Ending June 30	Amount
1997	$ 321,597
1998	338,831
1999	356,203
2000	373,721
2001	395,895
Thereafter	10,819,794
Total	$ 12,606,041

General provisions of the various bond issues are as follows:

A. Bond principal payments and semi-annual interest payments are to be deposited with the State of West Virginia Sinking Fund Commission.

B. All bond issues are callable prior to maturity at the option of the Sanitary Board at various dates for each issue at rates ranging from 100.5 to 103 percent of the par value.

C. The bonds are collateralized by a first lien on the net revenues derived from operations of the sewer system except for subordinate sewer revenue bonds.

D. The bonds were issued under authority of Chapter 25, Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, and Ordinances enacted by the Council of the City of Charleston.

11 - LONG-TERM DEBT (Continued)

Sanitary Board (Continued)

E. The Sanitary Board is required to maintain on deposit with the West Virginia Municipal Bond Commission, a reserve account which equals the largest amount of principal and interest which will become due in any succeeding year. As of June 30, 1996, the Board was in compliance with this provision.

The Sanitary Board has available a line of credit with a local bank in the amount of $800,000 which is secured by accounts receivable and bears interest at 70% of prime rate, not to exceed 12%. As of June 30, 1996, the Sanitary Board has not borrowed against this line of credit.

12 - CAPITAL LEASES

The City is obligated under certain leases accounted for as capital leases. The obligations are recorded in the General Long-Term Debt Account Group. The following is a schedule of future minimum lease payments as of June 30, 1996:

Year ending June 30	
1997	$ 1,105,806
1998	1,006,919
1999	725,324
2000	393,914
2001	292,506
	3,524,469
Less: Amount representing interest	369,812
Present value of minimum lease payments	$ 3,154,657

13 - COMMITMENT AND CONTINGENCIES

Claims and judgements include estimated property and general liability claims of $650,000 at June 30, 1996. The City's property and general liability insurance policies provide for self-insured retention of $25,000 and $50,000, respectively, per occurrence. A stop-loss insurance policy covers claims in excess of $650,000 in the aggregate.

13 - COMMITMENT AND CONTINGENCIES (Continued)

The City is primarily self-insured for employee health claims, with a stop-loss insurance policy which covers health claims in excess of $75,000 individually. Claims incurred prior to June 30, 1996, and paid subsequent thereto in the amount of $844,004 have been accrued in the accompanying balance sheet of the General Fund, Enterprise funds, and general long-term debt account group. Management believes the liability for health claims incurred but not reported, if any, is not material to the general purpose financial statements.

The City is a defendant in several lawsuits which, in the opinion of management, the potential claims against the City resulting from such litigation not covered by insurance will not materially affect the general purpose financial statements of the City.

The Internal Revenue Code of 1986, as amended (the Code), prescribed regulations applicable to the City as issuers of various improvement and revenue bonds, Series 1989, including restrictions on the earnings on the bond proceeds. The Code requires remittance to the federal government of investment earnings on certain bond proceeds in excess of the amount that would have been earned if the proceeds were invested at a rate equal to the yield on the Bonds. Management believes the liability under these regulations, if any, at June 30, 1996, is not material to the general purpose financial statements.

14 - UNCERTAINTY

The City is primarily self-insured for workers' compensation. The City has a stop-loss insurance policy which covers individual claims in excess of $250,000. The liability that may result from reported and unreported claims incurred has not been determined. Accordingly, no provision for any losses which may result from such claims has been recorded in the general purpose financial statements.

ACCOMPANYING INFORMATION

Gibbons
& Kawash
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REPORT ON INFORMATION ACCOMPANYING THE GENERAL PURPOSE FINANCIAL STATEMENTS

Our report on our audit of the general purpose financial statements of the City of Charleston, West Virginia, for the year ended June 30, 1996, appears on pages 3 and 4. That audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund financial statements shown on pages 39-54 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, based on our audit and the report of the other auditor, except for the effects of not recording fixed assets and related depreciation in the Civic Center Revenue Fund, and contributions-in-aid of construction, as explained in the fourth paragraph of our report on pages 3 and 4, and the effect of not providing for depreciation on the Sanitary Board's sewer system, as described in the fifth paragraph of our report, such information is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Gibbons & Kawash

May 16, 1997

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

June 30, 1996

	Coal Severance Tax	Municipal Beautification	Community Development
ASSETS			
Cash and cash equivalents	$108,439	$ 7,102	$ 2,271
Loans receivable	-	-	1,721,873
Total assets	$108,439	$ 7,102	$ 1,724,144
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 3,025	$ -	$ 106,034
Due to other funds	9,154	-	30,933
Total liabilities	12,179	-	136,967
Fund balances:			
Reserved for non-current loans	-	-	1,721,873
Unreserved	96,260	7,102	(134,696)
Total fund balances	96,260	7,102	1,587,177
Total liabilities and fund balances	$108,439	$ 7,102	$ 1,724,144

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Special Demolition	Human Rights	Rental Rehabilitation	Solid Waste and Disposal	Asset Forfeiture and Reimbursement	Total
$ 10,297	$ 12,954	$ 56,831	$ 231,232	$ 26,264	$ 455,390
-	-	699,103	-	-	2,420,976
$ 10,297	$ 12,954	$ 755,934	$ 231,232	$ 26,264	$ 2,876,366
$ -	$ -	$ 9,303	$ 99,697	$ 1,416	$ 219,475
-	-	-	-	-	40,087
-	-	9,303	99,697	1,416	259,562
-	-	699,103	-	-	2,420,976
10,297	12,954	47,528	131,535	24,848	195,828
10,297	12,954	746,631	131,535	24,848	2,616,804
$ 10,297	$ 12,954	$ 755,934	$ 231,232	$ 26,264	$ 2,876,366

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS

Year Ended June 30, 1996

	Coal Severance Tax	Municipal Beautification	Community Development
Revenues:			
Intergovernmental:			
Federal	$ -	$ -	$ 2,822,700
State	123,011	-	-
Refuse fees	-	-	-
Asset forfeiture	-	-	-
Interest	2,821	170	12,033
Contributions	-	40	-
Miscellaneous	-	-	-
Total revenues	125,832	210	2,834,733
Expenditures:			
Public safety	-	-	-
Highways and streets	33,766	-	-
Economic and physical development	-	-	2,706,914
Disposal fees	-	-	-
Total expenditures	33,766	-	2,706,914
Excess of revenues over (under) expenditures	92,066	210	127,819
Other financing uses:			
Operating transfers out	(26,319)	-	-
Total other sources (uses)	(26,319)	-	-
Excess of revenues and other sources over (under) expenditures and other uses	65,747	210	127,819
Fund balances at beginning of year	30,513	6,892	1,459,358
Fund balances at end of year	$ 96,260	$ 7,102	$ 1,587,177

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Special Demolition	Human Rights	Rental Rehabilitation	Solid Waste and Disposal	Asset Forfeiture and Reimbursement	Total
$ -	$ 17,340	$ 75,574	$ -	$ -	$ 2,915,614
-	-	-	-	-	123,011
-	-	-	1,585,566	-	1,585,566
-	-	-	-	36,983	36,983
106	-	-	19,701	1,574	36,405
-	-	-	-	-	40
7,980	350	-	-	-	8,330
8,086	17,690	75,574	1,605,267	38,557	4,705,949
-	-	-	-	49,078	49,078
-	-	-	-	-	33,766
-	9,664	2,409	-	-	2,718,987
-	-	-	1,122,803	-	1,122,803
-	9,664	2,409	1,122,803	49,078	3,924,634
8,086	8,026	73,165	482,464	(10,521)	781,315
-	-	-	(450,000)	-	(476,319)
-	-	-	(450,000)	-	(476,319)
8,086	8,026	73,165	32,464	(10,521)	304,996
2,211	4,928	673,466	99,071	35,369	2,311,808
$ 10,297	$ 12,954	$746,631	$ 131,535	$ 24,848	$ 2,616,804

CITY OF CHARLESTON, WEST VIRGINIA

BALANCE SHEET - DEBT SERVICE FUND

June 30, 1996

ASSETS	
Cash	$ 1,410,016
Property taxes receivable	72,444
Deposits with Municipal Bond Commission	679,393
Total assets	$ 2,161,853

LIABILITIES AND FUND BALANCE	
Liabilities:	
Due to other funds	$ 1,191,410
Fund balance:	
Reserved for debt service	970,443
Total liabilities and fund balance	$ 2,161,853

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

CITY OF CHARLESTON, WEST VIRGINIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - DEBT SERVICE FUND

Year Ended June 30, 1996

Revenues:	
Taxes	$ 1,381,857
Interest	73,042
Total revenues	$ 1,454,899
Expenditures:	
Bond principal retirement	1,405,000
Bond interest and other charges	1,268,562
Total expenditures	2,673,562
Excess of revenues under expenditures	(1,218,663)
Fund balance at beginning of year	2,189,106
Fund balance at end of year	$ 970,443

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS

June 30, 1996

	Special Development	Civic Center Renewal and Replacement	South Side Recreation Center
ASSETS			
Cash and cash equivalents	$ 4,922	$ 1,004	$ 92,661
Total assets	$ 4,922	$ 1,004	$ 92,661
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ 1,446
Due to other funds	-	-	-
Total liabilities	-	-	1,446
Fund balances:			
Reserved for capital projects	4,922	1,004	91,215
Total fund balances	4,922	1,004	91,215
Total liabilities and fund balances	$ 4,922	$ 1,004	$ 92,661

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Infrastructure Repair	Cemetery Improvement & Mausoleum Maintenance	Civic Center Project	Total
$ 80,352	$ 84,070	$ 1,086	$ 264,095
$ 80,352	$ 84,070	$ 1,086	$ 264,095
$ -	$ -	$ -	$ 1,446
-	10,000	-	10,000
-	10,000	-	11,446
80,352	74,070	1,086	252,649
80,352	74,070	1,086	252,649
$ 80,352	$ 84,070	$ 1,086	$ 264,095

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS

Year Ended June 30, 1996

	Special Development	Civic Center Renewal and Replacement	South Side Recreation Center
Revenues:			
Interest	$ 118	$ 50	$ 4,744
Expenditures:			
Capital outlay	-	2,701	1,446
Excess of revenues over (under) expenditures	118	(2,651)	3,298
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	118	(2,651)	3,298
Fund balances at beginning of year	4,804	3,655	87,917
Fund balances at end of year	$ 4,922	$ 1,004	$ 91,215

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Infrastructure Repair	Cemetery Improvement & Mausoleum Maintenance	Civic Center Project	Total
$ 4,209	$ 5,433	$ 27	$ 14,581
11,210	13,692	220	29,269
(7,001)	(8,259)	(193)	(14,688)
-	28,238	-	28,238
-	(10,000)	-	(10,000)
(7,001)	9,979	(193)	3,550
87,353	64,091	1,279	249,099
$ 80,352	$ 74,070	$ 1,086	$ 252,649

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - ENTERPRISE FUNDS

June 30, 1996

	Civic Center Revenue	Parking System
ASSETS		
Current assets:		
Cash and cash equivalents	$ 56,201	$ 147,940
Accounts receivable	-	111,140
Prepaids and other assets	-	33,938
Unamortized bond issuance costs	-	-
Total current assets	56,201	293,018
Restricted assets:		
Deposits with Municipal Bond Commission:		
Regular account	-	220,277
Reserve account	27,670	1,544,370
Investments:		
Bond construction fund	-	13,063
Cash:		
Renewal and replacement fund	-	115,224
Operating and maintenance fund	189,631	897,239
	217,301	2,790,173
Fixed assets, net of accumulated depreciation	-	18,296,691
Deferred charges:		
Unamortized bond issuance costs	-	-
Total assets	$ 273,502	$ 21,379,882

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Sanitary Board	Total
$ 899,177	$ 1,103,318
859,697	970,837
29,114	63,052
36,205	36,205
1,824,193	2,173,412
795,424	1,015,701
1,155,315	2,727,355
-	13,063
-	115,224
-	1,086,870
1,950,739	4,958,213
59,238,205	77,534,896
390,470	390,470
$ 63,403,607	$ 85,056,991

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - ENTERPRISE FUNDS
(Continued)

June 30, 1996

	Civic Center Revenue	Parking System
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	$ 67,181	$ 25,907
Salaries payable	12,938	14,180
Accrued vacation	22,517	27,296
Accrued health claims	12,494	-
Deposits on hand	51,809	-
Current portion of long-term debt	50,000	-
Accrued pension	-	-
Due to other funds	79,348	163,059
Other	792	35,149
Total current liabilities	297,079	265,591
Liabilities currently payable from restricted assets:		
Current maturities of revenue bonds payable	-	460,000
Accrued interest payable	-	82,575
	-	542,575
Revenue bonds payable, less current maturities and unamortized costs	-	14,818,776
Long-term debt, net of current portion	-	-
Total liabilities	297,079	15,626,942
Fund equity:		
Contributed capital:		
Municipality	-	7,658,595
Contributions in aid of construction	-	-
Retained earnings:		
Reserved for bonded indebtedness	-	1,897,390
Reserved for operation and maintenance	-	897,239
Reserved for renewal and replacement	-	115,224
Unreserved	(23,577)	(4,815,508)
Total retained earnings (deficit)	(23,577)	(1,905,655)
Total fund equity	(23,577)	5,752,940
Total liabilities and fund equity	$ 273,502	$ 21,379,882

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Sanitary Board	Total
$ 208,538	$ 301,626
36,212	63,330
91,490	141,303
-	12,494
-	51,809
321,597	371,597
13,788	13,788
-	242,407
-	35,941
671,625	1,234,295
-	460,000
443,049	525,624
443,049	985,624
-	14,818,776
12,267,479	12,267,479
13,382,153	29,306,174
-	7,658,595
21,738,294	21,738,294
-	1,897,390
-	897,239
-	115,224
28,283,160	23,444,075
28,283,160	26,353,928
50,021,454	55,750,817
$ 63,403,607	$ 85,056,991

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS - ENTERPRISE FUNDS

Year Ended June 30, 1996

	Civic Center Revenue	Parking System
Operating revenues:		
Charges for services	$ 854,553	$ -
Parking fees	-	2,224,970
Rental income	612,892	36,792
Miscellaneous	-	38,521
Total operating revenues	1,467,445	2,300,283
Operating expenses:		
General government	-	1,547,247
Recreation	1,748,268	-
Depreciation	-	783,250
Collecting expense	-	-
Pumping system	-	-
Treatment and disposal system	-	-
Billing and collection department	-	-
Administrative and general	-	-
Total operating expenses	1,748,268	2,330,497
Operating income (loss)	(280,823)	(30,214)
Nonoperating revenues (expenses):		
Interest and other charges	(2,685)	(631,106)
Miscellaneous	-	(2,999)
Interest earned	16,897	446,528
Bond discounts and issuance costs	-	-
Other	-	-
Total nonoperating revenues (expenses)	14,212	(187,577)
Net income (loss) before other financing sources	(266,611)	(217,791)
Other financing sources:		
Operating transfers in	331,000	-
Net income (loss)	64,389	(217,791)
Retained earnings at beginning of year	(87,966)	(1,687,864)
Retained earnings (deficit) at end of year	$ (23,577)	$ (1,905,655)

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Sanitary Board	Total
$ 1,594,764	$ 1,283,727
126,256	909,506
-	84,385
34,391	34,391
144,429	133,819
(8,402)	(42,340)
27,745	(52,498)
-	17,478
-	2,377
-	-
-	-
-	(20,652)
-	15,389
(10,000)	6,389
1,909,183	2,371,971
-	331,000
(309,495)	(534,495)
-	-
(822,492)	(1,456,283)
(371,903)	(371,903)
(38,244)	(38,244)
90,843	90,843
(803,142)	(5,958,780)
(2,254,433)	(8,268,862)

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
(Continued)

Year Ended June 30, 1996

	Civic Center Revenue	Parking System
Cash flows from investing activities:		
Interest earned on investments	$ 16,897	$ 443,529
Proceeds from sale of investments	-	4,412,697
Proceeds from sale of property	-	-
Other	-	-
Net cash provided by investing activities	16,897	4,856,226
Net increase (decrease) in cash and cash equivalents	20,009	(367,527)
Cash and cash equivalents, beginning of year (including Civic Center Revenue and Parking Systems restricted assets of $216,204 and $3,198,617, respectively)	253,493	3,292,577
Cash and cash equivalents, end of year (including Civic Center Revenue and Parking Systems restricted assets of $217,301 and $2,790,173 respectively)	$ 273,502	$ 2,925,050

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements

Sanitary Board	Total
$ -	$ 460,426
-	4,412,697
10,000	10,000
340,496	340,496
350,496	5,223,619
5,246	(342,272)
893,931	4,440,001
$ 899,177	$ 4,097,729

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING BALANCE SHEET - TRUST FUNDS

June 30, 1996

	Pension Trust		Nonexpendable Trust	
			Spring Hill Endowments	
	Policemen's Pension and Relief	Firemen's Pension and Relief	Permanent	General
ASSETS				
Cash and cash equivalents	$ 448,512	$ 790,289	$ -	$ -
Investments	9,990,934	4,841,111	173,524	337,018
Accrued interest	202,527	107,872	-	-
Contribution receivable	81,945	58,833	-	-
Total assets	$ 10,723,918	$ 5,798,105	$ 173,524	$ 337,018
FUND BALANCES				
Fund balances:				
Reserved for Policemen's and Firemen's retirement system	$ 10,723,918	$ 5,798,105	$ -	$ -
Reserved for endowments	-	-	173,524	337,018
Unreserved	-	-	-	-
Total fund balances	$ 10,723,918	$ 5,798,105	$ 173,524	$ 337,018

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Expendable Trust Municipal Police Court	Total
$ 2,882	$ 1,241,683
-	15,342,587
-	310,399
-	140,778
$ 2,882	$ 17,035,447

-	16,522,023
-	510,542
2,882	2,882
$ 2,882	$ 17,035,447

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES - TRUST FUNDS

Year Ended June 30, 1996

	Pension Trust		Nonexpendable Trust Spring Hill Endowments	
	Policemen's Pension and Relief	Firemen's Pension and Relief	Permanent	General
Revenues:				
Police fines and forfeits	$ -	$ -	$ -	$ -
Contributions:				
West Virginia Municipal Pensions and Protection Fund	786,845	705,994	-	-
Employer	776,676	986,556	-	-
Employees	428,415	364,811	-	-
Interest earned	724,661	412,188	6,203	13,109
Capital gains	2,441	2,379	39,423	46,214
Dividends	-	-	2,468	3,581
Miscellaneous	-	-	22	5,093
Total revenues	2,719,038	2,471,928	48,116	67,997
Expenses:				
Benefit payments	2,021,123	2,546,796	-	-
Refunds	6,442	11,529	-	-
Administrative expense	15,046	37,718	5,783	3,659
Operation and maintenance	-	8,034	13,721	1,122
Payments to State Treasurer	-	-	-	-
Total expenses	2,042,611	2,604,077	19,504	4,781
Excess of revenues over (under) expenses	676,427	(132,149)	28,612	63,216
Other financing uses:				
Operating transfers out	-	-	(5,882)	(2,887)
Excess of revenues over (under) expenditures and other uses	676,427	(132,149)	22,730	60,329

Expendable Trust Municipal Police Court	Total
$ 678,017	$ 678,017
-	1,492,839
-	1,763,232
-	793,226
-	1,156,161
-	90,457
-	6,049
-	5,115
678,017	5,985,096
-	4,567,919
7,005	24,976
3,430	65,636
385	23,262
192,210	192,210
203,030	4,874,003
474,987	1,111,093
(474,450)	(483,219)
537	627,874

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - TRUST FUNDS
(Continued)

Year Ended June 30, 1996

	Pension Trust		Nonexpendable Trust Spring Hill Endowments	
	Policemen's Pension and Relief	Firemen's Pension and Relief	Permanent	General
Excess of revenues over (under) expenditures and other uses (carryforward)	$ 676,427	$ (132,149)	$ 22,730	$ 60,329
Fund balances at beginning of year	10,047,491	5,930,254	150,794	276,689
Fund balances at end of year	$ 10,723,918	$ 5,798,105	$ 173,524	$ 337,018

See Independent Accountants' Report on Information Accompanying the General Purpose Financial Statements.

Expendable Trust Municipal Police Court	Total
$ 537	$ 627,874
2,345	16,407,573
$ 2,882	$ 17,035,447

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF CASH FLOWS - NONEXPENDABLE TRUST FUNDS

Year Ended June 30, 1996

	Spring Hill Endowment		
	Permanent	General	Total
Cash flows from operating activities			
Operating income	$ 19,941	$ 46,526	$ 66,467
Adjustments to reconcile operating income to net cash provided by operating activities:			
Decrease in other assets	(22,730)	(60,329)	(83,059)
Net cash used in operating activities	(2,789)	(13,803)	(16,592)
Cash flows from noncapital financing activities:			
Operating transfers to other funds	(5,882)	(2,887)	(8,769)
Cash flows from investing activities:			
Interest earned on investments	6,203	13,109	19,312
Dividends earned on investments	2,468	3,581	6,049
Net cash provided by investing activities	8,671	16,690	25,361
Net increase (decrease) in cash and cash equivalents	-	-	-
Cash and cash equivalents, beginning of year	-	-	-
Cash and cash equivalents, end of year	$ -	$ -	$ -

CITY OF CHARLESTON, WEST VIRGINIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS

June 30, 1996

	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1996
UTILITY COLLECTION FUND				
ASSETS				
Cash	$ -	$ 116,445	$ 116,445	$ -
METRO DRUG ENFORCEMENT NETWORK TASK FORCE				
ASSETS				
Cash	$ 27,587	$ 81,349	$ 105,645	$ 3,291
LIABILITIES				
Accounts payable	$ 27,587	$ 94,462	$ 118,758	$ 3,291
CIVIC CENTER TICKET				
ASSETS				
Cash	$ 102,661	$ 3,547,857	$ 3,613,003	$ 37,515
Investments	77,799	15,029	4,828	88,000
Total assets	$ 180,460	$ 3,562,886	$ 3,617,831	$ 125,515
LIABILITIES				
Due to exhibitors, promoters, vendors	$ 180,460	$ 3,551,886	$ 3,606,831	$ 125,515

REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the City is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

The reportable conditions are as follows:

ACCOUNTS RECEIVABLE

Condition:

We noted that a detailed subsidiary ledger of individual accounts receivable is not maintained. Therefore, no reconciliation of individual accounts receivable to a general ledger control account is performed. A subsidiary ledger should be maintained to provide a record of individual account balances and be reconciled to the general ledger control account on a monthly basis.

Recommendation:

We recommend that a subsidiary ledger and related reconciliation procedures be developed to provide the City with the ability to monitor the accuracy of recording individual receivable transactions.

Management Response:

A subsidiary ledger will be set up on a spreadhseet and this detailed ledger will be reconciled monthly to the control account in the General Fund.

POLICEMEN'S PENSION

Conditions:

When performing procedures for the Policemen's Pension and Relief Trust fund we noted that the pension benefit calculations are not reviewed by a person separate from the preparer. Also, we noted that numerous benefit recipient files did not contain sufficient documentation to support the benefit calculation.

Recommendation:

We recommend that the City implement a review process in which the benefit calculations are reviewed and approved by an individual separate from the person completing the original calculation and that a standard calculation form be developed and included in each recipients file to document the calculation.

Management Response:

The City will work diligently to implement a review process in which the benefit calculations are reviewed and approved by an individual separate from the person completing the original calculation and establish a standard calculation form to be included in each recipients file to document the calculation. In addition, the Internal Auditor plans to audit benefit calculations for the Policemen's Pension in the near future.

FEDERAL AWARDS

Condition:

The personnel responsible for administering federal grants (other than MOECD grants) maintains accounting records for the grants which are not reconciled to the City's general ledger, except at the end of the fiscal year.

Recommendation:

To ensure the accuracy and completeness of federal financial reporting during the year, we recommend that financial activity be reconciled to general ledger control accounts on a monthly basis, with reconcilements of the accounts submitted to the City Auditor for review and approval.

Management Response:

The City plans to establish a separate Grant Fund for the Police Grants. Receipts and disbursements for each grant will be accounted for separately. In addition, a separate bank account will be established and all receipts and disbursements will flow through this account/fund and will not be commingled with General Fund monies. Policemen's salaries and wages that are paid by the General Fund but are reimbursed by the various grants will be set up in a "Due From Other Fund" account and the reimbursement when received will be applied against this account.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of management and council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the federal cognizant audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of management and council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant federal audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997. The general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Sanitary Board, which represent 74.6% and 62.5%, respectively, of the assets and revenues of the Proprietary Fund Type. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Sanitary Board, is based solely on the report of the other auditor.

We have conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Gibbons & Kawash

May 16, 1997

CITY OF CHARLESTON, WEST VIRGINIA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Year Ended June 30, 1996

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Grant Number	Award Amount
U.S. Department of HUD			
Direct programs:			
Community Development Block Grant	14.218	B-94-MC-54-0001	$ 2,709,000
Community Development Block Grant	14.218	B-95-MC-54-0001	2,654,000
Community Development Block Grant	14.218	B-96-MC-54-0001	2,565,000
Rental Rehabilitation Program	14.220	R-91-MC-54-0503	28,000
HOME Program	14.239	M-94-MC-54-0201	444,000
HOME Program	14.239	M-95-MC-54-0201	475,000
HOME Program	14.239	M-96-MC-54-0201	438,000
Fair Housing Assistance Program	-	FF203K933001	20,815
Emergency Shelter Grants Program	14.231	S-94-MC-54-0001	71,000
Emergency Shelter Grants Program	14.231	S-95-MC-54-0001	98,000
Emergency Shelter Grants Program	14.231	S-96-MC-54-0001	67,000

[1] Major federal financial assisstance program.

See Independent Accountants Report on Schedule of Federal Financial Assistance.

Cash Basis	
Receipts	Disbursements
$ 2,114,520	$2,114,520 [1]
245,853	245,853 [1]
-	- [1]
10,135	10,135
396,977	396,977 [1]
117,822	117,822 [1]
-	- [1]
17,340	9,664
30,522	30,522
65,654	65,654
-	-

(Continued)

CITY OF CHARLESTON, WEST VIRGINIA

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
(Continued)

Year Ended June 30, 1996

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal Grant Number	Award Amount
U.S. Department of Justice			
Passed through State of West Virginia Governor's Office of Community and Industrial Development, Criminal Justice and Highway Safety Office:			
Supplemental Police Hiring Grant	16.710	94-DM-CX-0127	$ 768,975
Neighborhood Mobilization Grant	16.710	94-DD-CX-0054	49,800
Community Policing Grant	16.710	94-DD-CX-0053	200,000
Drug Control and System Improvement Formula Grant	16.710	94-DB-CX-0054	84,500
COPS AHEAD Program	16.710	95-CC-WX-0115	556,326
COPS MORE Program	16.710	96-CM-WX-1110	20,043
MDENT Program	16.579	95-DC-0032	199,615
Drug Abuse Resistance Education	16.579	94-DC-011	62,088
Victim Assistance	16.575	95-VA-GX-0054	10,800
Violent Crime	16.579	94-OO-DC-0039	-
East End Project	16.540	95-JJV-004	-
Highway Safety	20.600	96HS/96HB-03	134,153
Highway Safety	20.600	95HSP/95HS-05	154,695
Federal Emergency Management Agency			
Passed through State of West Virginia Office of Emergency Services:			
Emergency Management Assistance	83.503	EMP-96-PA-0323	26,164
Facilities and Equipment	83.532	EMP-95-K-0315	28,017

[1] Major federal financial assistance program.

See Independent Accountants' Report on Schedule of Federal Financial Assistance.

Cash Basis		
Receipts	Disbursements	
$ 276,633	$ 276,633	1
34,185	34,185	1
99,822	99,822	1
12,792	12,792	1
-	-	1
-	-	1
160,885	156,094	
30,842	45,842	
-	1,865	
-	-	
-	4,472	
20,529	20,529	
47,816	16,508	
17,831	17,831	
14,712	14,712	
$ 3,714,870	$ 3,692,432	

SINGLE AUDIT REPORT ON INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997. We have also audited the compliance of the City with requirements applicable to major federal financial assistance programs and have issued our report thereon dated May 16, 1997.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the City complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of the City in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the City and on the compliance of the City with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated May 16, 1997.

The management of the City is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose

financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Cash receipts
- Cash disbursements
- Payroll
- Financial reporting

Controls Used in Administering Federal Programs

General Requirements:
- Political activity
- Davis Bacon Act
- Civil Rights
- Cash management
- Relocation assistance and real property acquisition
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific Requirements:
- Types of services allowed or unallowed
- Special reporting requirements
- Special tests and provisions
  - Obligation of funds
  - Monitoring subrecipients
  - Environmental review
  - Program income

Claims for advances and reimbursements

For all the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the City of Charleston, West Virginia, expended 75 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements that are applicable to each of the City's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

The reportable condition is as follows:

FEDERAL AWARDS

Condition:

The personnel responsible for administering federal grants (except MOECD grants) maintain accounting records for the grants which are not reconciled to the City's general ledger, except at the end of the fiscal year.

Recommendation:

To ensure the accuracy and completeness of federal financial reporting during the year, we recommend that financial activity be reconciled to general ledger control accounts on a monthly basis, with reconcilements of the accounts submitted to the City Auditor for review and approval.

Management Response:

The City plans to establish a separate Grant Fund for the Police Grants. Receipts and disbursements for each grant will be accounted for separately. In addition, a separate bank account will be established and all receipts and disbursements will flow through this account/fund and will not be commingled with General Fund monies. Policemen's salaries and wages that are paid by the General Fund but are reimbursed by the various grants will be set up in a "Due from Other Fund" account and the reimbursement when received will be applied against this account.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we do not believe the reportable condition described above is a material weakness.

This report is intended for the information of the management and council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant federal audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

SINGLE AUDIT REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997.

We have also audited the City's compliance with the requirements governing types of services allowed or unallowed; special reporting requirements; and special tests and provisions related to obligation of funds, environmental review, program income, and agreements with subrecipients that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the City is responsible for compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirement referred to above.

In our opinion, the City complied, in all material respects, with the requirements governing types of services allowed or unallowed; special reporting requirements; and special tests and provisions related to obligation of funds, environmental review, program income, and agreements with subrecipients that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of management, the council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant federal audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

SINGLE AUDIT REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia (the City), as of and for the year ended June 30, 1996, and have issued our report thereon dated May 16, 1997.

We have applied procedures to test the City's compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements, which is described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of management and the council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant federal audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

Gibbons
& Kawash
Certified Public Accountants

SINGLE AUDIT REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To the Honorable Mayor and Council
City of Charleston
Charleston, West Virginia

We have audited the general purpose financial statements of the City of Charleston, West Virginia, as of and for the year ended June 30, 1996, and have issued thereon dated May 16, 1997.

In connection with our audit of the general purpose financial statements of the City of Charleston, West Virginia (the City), and with our consideration of the City's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those requirements.

This report is intended for the information of management and council of the City of Charleston, West Virginia, the West Virginia Department of Tax and Revenue, and the cognizant audit agency. However, this report is a matter of public record and its distribution is not limited.

Gibbons & Kawash

May 16, 1997

CITY OF CHARLESTON, WEST VIRGINIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 1996

Findings/Noncompliance	Questioned Costs
General Requirements	
Aministrative Requirements - Procurement	
Community Development Block Grant	
Grant No. B-94-MC-54-0001	
Finding:	
One contract entered into by the grantee prior to the year ended June 30, 1996 did not contain provisions specifying compliance with the Clean Air Act, Clean Water Act, and EPA regulations. This is in noncompliance with OMB "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (OMB Common Rule)," Section 36(i).	$ -
Recommendation:	
We recommend that the City amend its standard contract language to ensure that all contracts greater than $100,000, as stipulated by the OMB Common Rule, include these provisions.	
Grantee Response:	
The City has added the required provisions to all contracts greater than $100,000, as stipulated by the OMB Common Rule. This particular contract was entered into prior to the amendment of standard contract language to include the necessary provisions.	
	$

APPENDIX D

(Form of Approving Bond Counsel Opinion)

The City of Charleston
P.O. Box 2749
Charleston, West Virginia 25330

September 22, 1998

Re: $3,635,000 The City of Charleston, West Virginia,
Civic Center Improvement Bonds, Series 1998

Gentlemen:

We are Bond Counsel to The City of Charleston (the "City"), a municipal corporation created under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to the issuance of a series of bonds of the City, denoted as Civic Center Improvement Bonds. Series 1998, dated September 1, 1998 (the "Series 1998 Bonds"), issued pursuant to an Ordinance enacted by the Council of the City on August 17, 1998, and effective on August 17, 1998, following a public hearing thereon, as amended and supplemented by Supplemental Resolution adopted on September 8, 1998 (collectively, the "Ordinance").

The Series 1998 Bonds are in the aggregate principal amount of $3,635,000 issued in the form of one bond for each maturity, registered in the name of the nominee of The Depository Trust Company, as to principal and interest, with interest payable March 1 and September 1, of each year beginning March 1, 1999, at the respective rate and with principal payable in installments on September 1 in each of the years 1999 through 2023 all as set forth in the Official Statement relating to the Series 1998 Bonds. The Series 1998 Bonds are subject to optional and mandatory redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance.

The Series 1998 Bonds are issued for the purpose of providing a portion of the funds to finance the acquisition, construction, equipping and improvement of a municipal facility being the Charleston Civic Center (the "Facility") and paying the costs of issuance thereof.

We have also examined the applicable provisions of Chapter 8, Article 16 of the Code of West Virginia of 1931, as amended (the "Act"), under which the Series 1998 Bonds are issued.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The City is a duly organized and presently existing municipal corporation, with full power and authority to operate and maintain the Facility referred to in the Ordinance and to issue and sell the Series 1998 Bonds, all under the Ordinance, the Act and other applicable provisions of law.

2. The City has legally and effectively enacted the Ordinance and all other necessary actions and certifications in connection with the issuance and sale of the Series 1998 Bonds.

3. The Series 1998 Bonds are valid and legally enforceable special obligations of the City, payable from specified Tax Revenues dedicated for such purposes referred to in the Ordinance and secured by a first lien on and pledge of such Tax Revenues including certain coal severance taxes and hotel/motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended).

4. The City has reserved the right to issue additional bonds ranking on a parity with the Series 1998 Bonds, as provided in the Ordinance.

5. The interest on the Series 1998 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth above is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder (the "Code"), that must be satisfied subsequent to the issuance of the Series 1998 Bonds in order that the interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with such covenants and representations could cause the interest on the Series 1998 Bonds to be so included in gross income retroactive to the date of issuance. We express no opinion regarding other federal tax consequences with respect to the Series 1998 Bonds.

6. The City has designated the Series 1998 Bonds as "qualified tax-exempt obligations" for purposes of the Code and has covenanted that it does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and bligations issued to currently refund any obligation of the Issuer to the extent the amount of the calendar year 1998. Therefore, the Series 1998 Bonds are "qualified tax-exempt obligations"

within the meaning of Section 265(b)(3) of the Code.

7. The Series 1998 Bonds and the interest thereon are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The rights of the owners of the Series 1998 Bonds, the enforceability of the Series 1998 Bonds, and the Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Series 1998 Bond numbered R-1, and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Respectfully submitted,

GOODWIN & GOODWIN, LLP

APPENDIX E

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by The City of Charleston (the "Issuer") in connection with the issuance of $3,635,000 City of Charleston Civic Center Improvement Bonds, Series 1998 (the "Bonds"). The Bonds are being issued pursuant to an Ordinance enacted on August 17, 1998, and effective on August 17, 1998, as amended and supplemented by a Supplemental Resolution adopted September 8, 1998 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated September 8, 1998, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository.

under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. [As of the date of this Certificate, there is no State Repository.]

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 1999 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to each Repository or the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within one hundred eighty (180) days after the end of its 1999 fiscal year and each subsequent fiscal year, to each National Repository and any State Depository, unaudited general purpose financial statements of the Issuer, and

(b) Within fifteen (15) days after receipt by the Issuer of its 1999 fiscal year-end, and each subsequent fiscal year, to each nationally recognized municipal securities information

repository ("National Repository") and to any West Virginia State information repository ("State Repository"), core financial information and operating data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in this Official Statement under the caption "Financial Operation":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities;

11. interruptions in normal assessment and ad valorem property tax procedures and collections;

12. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board or the Repositories and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the

case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: September 22, 1998

THE CITY OF CHARLESTON

By:_____
G. Kemp Melton, Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Issuer: The City of Charleston, West Virginia

Name of Issuer: The City of Charleston, West Virginia

Name of Issue: $3,635,000 City of Charleston Civic Center Improvement Bonds, Series 1998

Date of Issuance: September 1, 1998

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

THE CITY OF CHARLESTON

By:_____

EXHIBIT B

NATIONALLY RECOGNIZED MUNICIPAL
SECURITIES INFORMATION REPOSITORIES

Bloomberg Municipal Repository
P. 0. Box 840
Princeton, NJ 08542

The Bond Buyer
Secondary Market Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014

Disclosure, Inc.
Document Augmentation/Municipal Securities
5161 River Road
Bethesda, MD 20816

JJ Kenny Information Services
The Repository
65 Broadway, 16th Floor
New York, NY 10006

Moody's NRMSIR
Public Finance Information Center
99 Church Street
New York, NY 10007

BOOK-ENTRY-ONLY MUNICIPAL BONDS

Letter of Representations

[To be Completed by Issuer and Agent]

City of Charleston, West Virginia
[Name of Issuer]

Bank One, West Virginia, N.A.
[Name of Agent]

September 8, 1998
[Date]

Attention: Underwriting Department
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Re: $3,635,000 City of Charleston, West Virginia
Civic Center Improvement Bonds, Series 1998
[Issue Description]

Ladies and Gentlemen:

This letter sets forth our understanding with respect to certain matters relating to the above-referenced issue (the "Bonds"). Agent will act as trustee, paying agent, fiscal agent, or other agent of Issuer with respect to the Bonds. The Bonds will be issued pursuant to a trust indenture, bond resolution, or other such document authorizing the issuance of the Bonds dated September 8, 1998 (the "Document"). Crews & Associates, Inc. ["Underwriter"] is distributing the Bonds through The Depository Trust Company ("DTC").

To induce DTC to accept the Bonds as eligible for deposit at DTC, and to act in accordance with its Rules with respect to the Bonds, Issuer and Agent, if any, make the following representations to DTC:

1. Prior to closing on the Bonds on September 22, 1998, there shall be deposited with DTC one Bond certificate registered in the name of DTC's nominee, Cede & Co., for each stated maturity of the Bonds in the face amounts set forth on Schedule A hereto, the total of which represents 100% of the principal amount of such Bonds. If, however, the aggregate principal amount of any maturity exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount. Each Bond certificate shall bear the following legend:

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

2. In the event of any solicitation of consents from or voting by holders of the Bonds, Issuer or Agent shall establish a record date for such purposes (with no provision for revocation of consents or votes by subsequent holders) and shall, to the extent possible, send notice of such record date to DTC not less than 15 calendar days in advance of such record date.

3. In the event of a full or partial redemption or an advance refunding of part of the outstanding Bonds, Issuer or Agent shall send a notice to DTC specifying: (a) the amount of the redemption or refunding; (b) in the case of a refunding, the maturity date(s) established under the refunding; and (c) the date such notice is to be mailed to beneficial owners or published (the "Publication Date"). Such notice shall be sent to DTC by a secure means (*e.g.*, legible telecopy, registered or certified mail, overnight delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on the business day before the Publication Date. Issuer or Agent shall forward such notice either in a separate secure transmission for each CUSIP number or in a secure transmission for multiple CUSIP numbers (if applicable) which includes a manifest or list of each CUSIP submitted in that transmission. (The party sending such notice shall have a method to verify subsequently the use of such means and the timeliness of such notice.) The Publication Date shall be not less than 30 days nor more than 60 days prior to the redemption date or, in the case of an advance refunding, the date that the proceeds are deposited in escrow.

4. In the event of an invitation to tender the Bonds, notice by Issuer or Agent to Bondholders specifying the terms of the tender and the Publication Date of such notice shall be sent to DTC by a secure means in the manner set forth in the preceding Paragraph.

5. All notices and payment advices sent to DTC shall contain the CUSIP number of the Bonds.

6. Notices to DTC pursuant to Paragraph 2 by telecopy shall be sent to DTC's Reorganization Department at (212) 709-6896 or (212) 709-6897, and receipt of such notices shall be confirmed by telephoning (212) 709-6870. Notices to DTC pursuant to Paragraph 2 by mail or by any other means shall be sent to:

Supervisor; Proxy
Reorganization Department
The Depository Trust Company
7 Hanover Square; 23rd Floor
New York, NY 10004-2695

7. Notices to DTC pursuant to Paragraph 3 by telecopy shall be sent to DTC's Call Notification Department at (516) 227-4164 or (516) 227-4190. If the party sending the notice does not receive a telecopy receipt from DTC confirming that the notice has been received, such party shall telephone (516) 227-4070. Notices to DTC pursuant to Paragraph 3 by mail or by any other means shall be sent to:

Call Notification Department
The Depository Trust Company
711 Stewart Avenue
Garden City, NY 11530-4719

8. Notices to DTC pursuant to Paragraph 4 and notices of other actions (including mandatory tenders, exchanges, and capital changes) by telecopy shall be sent to DTC's Reorganization Department at (212) 709-1093 or (212) 709-1094, and receipt of such notices shall be confirmed by telephoning (212) 709-6884. Notices to DTC pursuant to the above by mail or by any other means shall be sent to:

Manager; Reorganization Department
Reorganization Window
The Depository Trust Company
7 Hanover Square; 23rd Floor
New York, NY 10004-2695

9. Agent must provide DTC, no later than noon (Eastern Time) on the payment date, CUSIP numbers for each issue for which payment is being sent, as well as the dollar amount of the payment for each issue. Notification of payment details should be sent using automated communications.

10. Interest payments and principal payments that are part of periodic principal-and-interest payments shall be received by Cede & Co., as nominee of DTC, or its registered assigns in same-day funds no later than 2:30 p.m. (Eastern Time) on each payment date (in accordance with existing arrangements between Issuer or Agent and DTC). Absent any other arrangements between Issuer or Agent and DTC, such funds shall be wired as follows:

The Chase Manhattan Bank
ABA 021000021
For credit to A/C The Depository Trust Company
Dividend Deposit Account 066-026776

Issuer or Agent shall provide interest payment information to a standard announcement service subscribed to by DTC. In the unlikely event that no such service exists, Issuer agrees that it or Agent shall provide this information directly to DTC in advance of the interest record date as soon as the information is available. This information should be conveyed directly to DTC electronically. If electronic transmission is not available, absent any other arrangements between Issuer or Agent and DTC, such information should be sent by telecopy to DTC's Dividend Department at (212) 709-1723 or (212) 709-1686, and receipt of such notices shall be confirmed by telephoning (212) 709-1270. Notices to DTC pursuant to the above by mail or by any other means shall be sent to:

Manager; Announcements
Dividend Department
The Depository Trust Company
7 Hanover Square; 22nd Floor
New York, NY 10004-2695

11. DTC shall receive maturity and redemption payments allocated with respect to each CUSIP number on the payable date in same-day funds by 2:30 p.m. (Eastern Time). Absent any other arrangements between Issuer or Agent and DTC, such funds shall be wired as follows:

The Chase Manhattan Bank
ABA 021000021
For credit to A/C The Depository Trust Company
Redemption Account 066-027306

12. DTC shall receive all reorganization payments and CUSIP-level detail resulting from corporate actions (such as tender offers, remarketings, or mergers) on the first payable date in

same-day funds by 2:30 p.m. (Eastern Time). Absent any other arrangements between Issuer or Agent and DTC, such funds shall be wired as follows:

The Chase Manhattan Bank
ABA 021000021
For credit to A/C The Depository Trust Company
Reorganization Account 066-027608

13. DTC may direct Issuer or Agent to use any other telephone number or address as the number or address to which notices or payments of interest or principal may be sent.

14. In the event of a redemption, acceleration, or any other similar transaction (*e.g.*, tender made and accepted in response to Issuer's or Agent's invitation) necessitating a reduction in the aggregate principal amount of Bonds outstanding or an advance refunding of part of the Bonds outstanding, DTC, in its discretion: (a) may request Issuer or Agent to issue and authenticate a new Bond certificate, or (b) may make an appropriate notation on the Bond certificate indicating the date and amount of such reduction in principal except in the case of final maturity, in which case the certificate will be presented to Issuer or Agent prior to payment if required.

15. In the event that Issuer determines that beneficial owners of Bonds shall be able to obtain certificated Bonds, Issuer or Agent shall notify DTC of the availability of Bond certificates. In such event, Issuer or Agent shall issue, transfer, and exchange Bond certificates in appropriate amounts, as required by DTC and others.

16. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent (at which time DTC will confirm with Issuer or Agent the aggregate principal amount of Bonds outstanding). Under such circumstances, at DTC's request Issuer and Agent shall cooperate fully with DTC by taking appropriate action to make available one or more separate certificates evidencing Bonds to any DTC Participant having Bonds credited to its DTC accounts.

17. Issuer: (a) understands that DTC has no obligation to, and will not, communicate to its Participants or to any person having an interest in the Bonds any information contained in the Bond certificate(s); and (b) acknowledges that neither DTC's Participants nor any person having an interest in the Bonds shall be deemed to have notice of the provisions of the Bond certificate(s) by virtue of submission of such certificate(s) to DTC.

18. Nothing herein shall be deemed to require Agent to advance funds on behalf of Issuer.

Notes:

A. If there is an Agent (as defined in this Letter of Representations), Agent, as well as Issuer, must sign this Letter. If there is no Agent, in signing this Letter Issuer itself undertakes to perform all of the obligations set forth herein.

B. Under Rules of the Municipal Securities Rulemaking Board relating to "good delivery," a municipal securities dealer must be able to determine the date that a notice of a partial call or of an advance refunding of a part of an issue is published (the "publication date"). The establishment of such a publication date is addressed in Paragraph 3 of the Letter.

C. Schedule B contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By: _____
(Authorized Officer)

CC: Underwriter
Underwriter's Counsel

Very truly yours,

City of Charleston
(Issuer)

By: _____
(Authorized Officer's Signature) Mayor

Bank One, West Virginia, N.A.
(Agent)

By: _____
(Authorized Officer's Signature) Client Service Officer

SCHEDULE A

(Describe Issue)

$3,635,000 City of Charleston, West Virginia
Civic Center Improvement Bonds, Series 1998

CUSIP	Principal Amount	Maturity Date	Interest Rate
160519 BE 3	$1,235,000	September 1, 2010	4.6%
160519 BF 0	$1,290,000	September 1, 2018	5.1%
160519 BG 8	$1,110,000	September 1, 2023	5.1%

WV MUNICIPAL BOND COMMISSION
812 Quarrier Street, Suite 300
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM
Date of Report: September 22, 1998
(See Reverse for Instructions)

ISSUE: City of Charleston, Civic Center Improvement Bonds, Series 1998
ADDRESS: P.O. Box 2749
Charleston, WV 25330 COUNTY: Kanawha
PURPOSE: New Money X
OF ISSUE: Refunding ___ Refunds issue dated: N/A
ISSUE DATE: ~~September 22, 1998~~ CLOSING DATE: September 22, 1998
ISSUE AMOUNT: $3,635,000 RATE: ~~5.1%~~
1ST DEBT SERVICE DUE: March 1, 1999 1ST PRINCIPAL DUE: September 1, 1999
1ST DEBT SERVICE AMOUNT: $89,605.00 PAYING AGENT: Municipal Bond Commission

---

BOND COUNSEL: Goodwin & Goodwin, LLP
Contact Person: W.K. Bragg, Jr.
Phone: 346-7000

UNDERWRITER: Crews & Associates, Inc.
Contact Person: Gregory B. Isaacs
Phone: 344-1733

REGISTRAR: Bank One, West Virginia, N.A.
Contact Person: Michael E. Puskar
Phone: 348-4429

OTHER: Issuer's Counsel
Contact Person: James W. Withrow
Phone: 342-3900

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Bill Kenny
Position: City Manager
Phone: 348-8174

---DEPOSITS TO MBC AT CLOSE:

By X Wire
___ Check

___ Accrued Interest: $10,453.92
___ Capitalized Interest: $ 0
___ Reserve Account: $ 0
___ Other: _____ $_____

---REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ___ Wire
___ Check
___ IGT

___ To Escrow Trustee: $ N/A
___ To Issuer: $ N/A
___ To Cons. Invest. Fund: $ N/A
___ Other: _____ $_____

Notes: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS
REQUIRED: _____
TRANSFERS
REQUIRED: _____
(print on back of form)

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The Commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by WV Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes".

Again, please submit this form on each new issue on the day of closing, If fund transfers into or out of the Commission at close are required, please submit this form before closing. If no significant facts change by closing, no resubmission at close is required. If, however, there are changes, please submit an updated form, with changes noted, at close.

If you should have any questions concerning this form, please call the Commission.

$3,635,000
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS
SERIES 1998

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned. GREGORY B. ISAACS, Vice President of Crews & Associates, Inc. (the "Purchaser"), and G. KEMP MELTON, Mayor of The City of Charleston (the "Issuer"), hereby certify as follows:

1. On the 22nd day of September, 1998, at DTC in New York, New York, the Purchaser received the entire original issue of $3,635,000 in aggregate principal amount of The City of Charleston, West Virginia, Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds"). The Series 1998 Bonds, as so received on original issuance, are dated September 1, 1998, and are as described on Schedule A hereto.

2. At the time of such receipt of the Series 1998 Bonds, all the Series 1998 Bonds had been executed by G. Kemp Melton, as Mayor, by his manual signature and attested by Fred N. Frisk, Jr., as City Clerk, by his manual signature, and the official seal of the Issuer had been impressed upon the Series 1998 Bond, and had been authenticated by Bank One, West Virginia, N.A., as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Purchaser, as the original purchaser of the Series 1998 Bonds, the sum of $3,566,225.12, representing the proceeds of the Series 1998 Bonds. Such proceeds are as follows:

Par Amount of Bonds	$3,635,000.00
Less:	
Original Issue Discount	46,513.80
Underwriter's Discount	32,715.00
Purchase Price	3,555,771.20
Plus:	
Accrued Interest (September 1 to September 22)	10,453.92
Total	$3,566,225.12

Payment for the Series 1998 Bonds was made in immediately available funds in the amount of $3,566,225.12.

In witness whereof, each of the parties has caused this instrument to be executed as of the 22nd day of September, 1998.

CREWS & ASSOCIATES, INC.

By:_____
Vice President

THE CITY OF CHARLESTON,
WEST VIRGINIA

By:_____
Mayor

$3,635,000
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS
SERIES 1998

GENERAL CERTIFICATE

1. TERMS
2. NO LITIGATION
3. SALE OF BONDS; SIGNATURES
4. DELIVERY AND PAYMENT
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. MEETINGS
7. INCUMBENCY AND OFFICIAL NAME
8. OFFICIAL STATEMENT CERTIFICATION
9. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 3(b)(2)
10. SPECIMEN BOND
11. CONFLICT OF INTEREST
12. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
13. PRIVATE USE OF FACILITIES
14. NO FEDERAL GUARANTY
15. IRS INFORMATION RETURN

We, the undersigned MAYOR and the undersigned CITY CLERK of The City of Charleston, West Virginia (the "City"), and the undersigned CITY ATTORNEY, hereby certify in connection with the $3,635,000 aggregate principal amount of The City of Charleston, West Virginia Civic Center Improvement Bonds, Series 1998 (the "Series 1998 Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this Certificate and not otherwise defined herein shall have the same meanings as in the Ordinance of the City, enacted by the Council of the City on August 17, 1998, and effective on August 17, 1998, following a public hearing thereon, and a Supplemental Resolution adopted by the Council of the City on September 8, 1998 (collectively, the "Ordinance") and the Bond Purchase Agreement entered into between the City and Crews & Associates, Inc., dated September 8, 1998.

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the issuance and delivery of the Series 1998 Bonds; the acquisition, construction, equipping and improvements of and to the Project; or the collection and pledge of the Tax Revenues to the payment of the principal of and interest on the Series 1998 Bonds; nor questioning the proceedings and authority by which the City authorized the issuance and sale of the Series 1998 Bonds; nor questioning the validity or enforceability of the Series 1998 Bonds, the Ordinance or the Bond Purchase Agreement or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Agreement; nor questioning the valid existence of the City or the authority or titles of the Mayor, City Clerk and the members of the Council and other officials of the City to their respective offices; nor

questioning any proceeding, procedure, action or thing followed, taken or done in connection with the Series 1998 Bonds.

3. SALE OF SERIES 1998 BONDS; SIGNATURES: The Series 1998 Bonds were sold to Crews & Associates at an agreed purchase price of $3,566,225.12 (face amount $3,635,000.00, less Underwriter's Discount of $32,715.00 and less Original Issue Discount of $46,513.80, plus accrued interest of $10,453.92). As of the date hereof, the Series 1998 Bonds were signed by the manual signature of the Mayor, and the official seal of the City, which seal is impressed upon this Certificate, was impressed thereon and attested by the manual signature of the City Clerk.

4. DELIVERY AND PAYMENT: The undersigned Mayor did, on the date hereof, deliver to DTC on behalf of the Purchaser, the entire issue of the Series 1998 Bonds, being Bonds Nos. R-1 through R-3). Proceeds of the Series 1998 Bonds in the amount of $3,566,225.12 was paid to Bank One, West Virginia, N.A., on behalf of the City.

At the time of delivery of the Series 1998 Bonds, there was paid to the City the agreed purchase price therefor, together with accrued interest. Total funds available to the City were calculated and applied as follows:

SOURCES

Par Amount	$3,635,000.00
Accrued Interest	10,453.92
Original Issue Discount	(46,513.80)
Total Sources	$3,598,940.12

USES

Costs of Project[1]	$3,500,000.00
Underwriter's Discount	32,715.00
Costs of Issuance	54,500.00
Accrued Interest	10,453.92
Rounding Amount	1,271.20
Total Uses	$3,598,940.12

[1] Amount necessary to pay for the acquisition, construction, equipping and improvements of and to the property constituting the Project.

5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the City since June 30, 1997. There is no indebtedness or obligation of the City outstanding and unpaid or for which full and irrevocable provision for payment has not been made which has priority over or ranks on a parity with the Series 1998 Bonds as to the sources of and security for payment.

6. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the City in any way connected with the issuance of the Series 1998 Bonds were authorized or adopted at meetings of the City Council of the City duly and regularly called and held pursuant to the City Charter and Rules of Procedure of the Council of the City and all applicable statutes, including Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the City Council was present and acting at all times during all such meetings.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the City is "The City of Charleston" and it is a municipal corporation of the State of West Virginia, in Kanawha County of said State. The names and dates of commencement and termination of current terms of office of the Mayor, City Clerk, members of City Council are as follows:

City Council

Name	Office	Date Term of Office Began	Date Term of Office Ends
G. Kemp Melton	Mayor	5-1-95	6-14-99
Fred N. Frisk, Jr.	City Clerk	5-1-95	6-14-99
J. E. "Skeeter" Barron	Councilman	5-1-95	6-14-99
Jody Connell	Councilwoman	5-1-95	6-14-99
Carl Hicks	Councilman	5-1-95	6-14-99
Lawrence J. Malone	Councilman	5-1-95	6-14-99
James "Mose" Lanham	Councilman	5-1-95	6-14-99
William Ward Huffman, II	Councilman	5-1-95	6-14-99
Bob E. Redman	Councilman	5-1-95	6-14-99
Brendan S. Leary	Councilman	5-1-95	6-14-99
Ernest A. "Ernie" Layne	Councilman	5-1-95	6-14-99
William R. "Bill" Kimberling	Councilman	5-1-95	6-14-99
Ivalou H. Barth	Councilwoman	6-3-96	6-14-99
Loren E. Snodgrass	Councilman	5-1-95	6-14-99
Paul A. Gilmer, Jr.	Councilman	1-21-97	6-14-99
David J. "Dave" Hardy	Councilman	5-1-95	6-14-99
George W. McClaskie	Councilman	5-1-95	6-14-99
Sam Haddad	Councilman	5-1-95	6-14-99

Name	Office	Date Term of Office Began	Date Term of Office Ends
Betty Morton	Councilwoman	7-1-96	6-14-99
J. Thomas Lane	Councilman	5-1-95	6-14-99
Chester F. Thompson	Councilman	5-1-95	6-14-99
Charles W. Loeb, Jr.	Councilman	5-1-95	6-14-99
Fred Snuffer	Councilman	5-1-95	6-14-99
Mary Jane Lopez	Councilwoman	5-1-95	6-14-99
Joyce Horan	Councilwoman	5-1-95	6-14-99
Y. Howard Quick, Jr.	Councilman	5-1-95	6-14-99
Linda M. Nielson	Councilwoman	5-1-95	6-14-99
Chris Smith	Councilman	5-1-95	6-14-99

Counsel for the Issuer is Vaughan & Withrow, Charleston, West Virginia.

8. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

9. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 3(b)(2): (1) the City has duly performed all of its obligations to be performed at or prior to the Closing and each of the City's representations and warranties contained in the Bond Purchase Agreement is true as of the Closing; (2) the City has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Series 1998 Bonds, the Ordinance and any and all such other agreements and documents as may be required to be enacted, adopted, executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated by the Bond Purchase Agreement and by the Official Statement; (3) except as set forth in the Official Statement, no litigation is pending, or to the City's knowledge threatened, to restrain or enjoin the issuance or sale of the Series 1998 Bonds, the validity of or the security for the Series 1998 Bonds or the Ordinance, or the existence or powers of the City, or the City's right to use the proceeds of the Series 1998 Bonds to acquire, construct, equip and improve the Project; (4) the information and statements in the Official Statement concerning the City and the System are true, correct and complete in all material respects and do not omit any material fact which, in the opinion of the undersigned, should be included or referred to therein so as to make the information or statements made therein not misleading; (5) the enactment and due performance of the Ordinance and the execution, delivery, receipt and due performance of the Series 1998 Bonds and the other agreements contemplated by the Bond Purchase Agreement and by the Official Statement under the circumstances contemplated thereby, and the City's compliance with the provisions thereof, will not conflict with or constitute on the City's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any

agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which the City is or may be bound; and (6) nothing has come to our attention which would lead us to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

10. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Series 1998 Bond which, except as to execution and authentication, is identical in all respects to such Series 1998 Bond this day delivered to the Purchaser and being substantially in the form prescribed in the Ordinance.

11. CONFLICT OF INTEREST: Except as may have been reviewed and approved by the West Virginia Ethics Commission, no officer or employee of the City has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the City and the sale of any land, materials, supplies or services to the City, or to any contractor supplying the City, relating to the Series 1998 Bonds, the Ordinance or the Bond Purchase Agreement, including without limitation, with respect to the depository bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

12. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE. Upon enactment of the Ordinance, an abstract of the ordinance and notice of public hearing was published as a Class II legal advertisement in The Charleston Gazette, a newspaper of general circulation within the City of Charleston, the first publication of which occurred not less than 10 days prior to the public hearing. At such public hearing the governing body heard the comments of all persons relating to the acquisition, construction, equipping and improvements of and to the Project and the issuance of the Series 1998 Bonds. No petition was filed with the governing body opposing the Project or the issuance of the Series 1998 Bonds.

13. PRIVATE USE OF FACILITIES: The City shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Series 1998 Bonds and the interest thereon. Less than 10% of the proceeds of the Series 1998 Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the City) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Series 1998 Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Series 1998 Bonds, including the disproportionate related business use of the proceeds of the Series 1998 Bonds, and none of the

payment of principal on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the City) in respect of property, or borrowed money, used or to be used for aprivate business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Series 1998 Bonds. None of the proceeds of the issue of the Series 1998 Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

14. NO FEDERAL GUARANTY: The Series 1998 Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

15. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G and will cause such executed Form 8038-G to be filed in a timely manner with Internal Revenue Service Center, Philadelphia, Pennsylvania.

Witness our signatures and the official corporate seal of The City of Charleston, all as of the 22nd day of September, 1998.

(SEAL)

_____ Mayor

_____ City Clerk

_____ Counsel to the Issuer

Exhibit A

(Specimen Bond)

(See Tab 27)

$3,635,000
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS
SERIES 1998

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Bank One, West Virginia, N.A.
Charleston, West Virginia 25301

We herewith hand to you Bonds Nos. R-1 through R-3, described on Exhibit A hereto, constituting the entire original issue of The City of Charleston, West Virginia Civic Center Improvement Bonds, Series 1998, dated September 1, 1998, (the "Bonds") executed by the Mayor and City Clerk of The City of Charleston (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to an Ordinance passed by the Issuer on August 17, 1998, and a Supplemental Resolution adopted by the Issuer on September 8, 1998 (collectively, the "Ordinance").

You are hereby requested and authorized, pursuant to the Ordinance, to authenticate, register and deliver the Bonds in the name of the Cede & Co., as the nominee of The Depository Trust Company, for the benefit of Crews & Associates, Inc., as Original Purchaser thereof.

Dated this 22nd day of September, 1998.

THE CITY OF CHARLESTON

By: _____
Mayor

Exhibit A
Specimen Bond
(See Tab 27)

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write *"Return Receipt Requested"* on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Director
Internal Revenue Service
Philadelphia, PA 19255

4a. Article Number
Z 424 026 833

4b. Service Type
☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

RECEIVED
SEP 25 1998
28
PSC PHILA., PA
C

7. Date of Delivery

5. Received By: *(Print Name)*

8. Addressee's Address *(Only if requested and fee is paid)*

6. Signature: *(Addressee or Agent)*
X

City of Charleston
Chas. Civic Center

PS Form **3811**, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

UNITED STATES POSTAL SERVICE

First-Postag USPS Permit N

• Print your name, address, and ZIP Code in this box •

William K. Bragg, Jr.
Goodwin & Goodwin, LLP
P.O. Box 2107
1500 One Valley Square
Charleston, WV 25328-2107

Form **8038-G** (Rev. May 1995) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
(Note: Use Form 8038-GC if the issue price is under $100,000.)

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: The City of Charleston
2 Issuer's employer identification number: 55-6000610
3 Number and street (or P.O. box if mail is not delivered to street address): P.O. Box 2749 — Room/suite
4 Report number: G19 98-1
5 City, town, or post office, state, and ZIP code: Charleston, WV 25330
6 Date of issue: 9/22/98
7 Name of issue: $3,635,000 City of Charleston Civic Center Improvement Bonds, Series 1998
8 CUSIP number: 160519

Part II Type of Issue (check applicable box(es) and enter the issue price)

9	☐ Education (attach schedule-see instructions)	9	$
10	☐ Health and hospital (attach schedule-see instructions)	10	
11	☐ Transportation	11	
12	☐ Public safety	12	
13	☐ Environment (including sewage bonds)	13	
14	☐ Housing	14	
15	☐ Utilities	15	
16	☒ Other. Describe (see instructions) ▶ Public facility improvements	16	3,635,000
17	If obligations are tax or other revenue anticipation bonds, check box ▶ ☐		
18	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	9/1/2023	5.100 %	$1,110,000	Par			
20 Entire issue			3,635,000	Par	15.400 years	5.13259%	5.16369%

Part IV Uses of Proceeds of Bond Issue (including underwriters discount)

21	Proceeds used for accrued interest	21	$ 10,453.92
22	Issue price of entire issue (enter amount from line 20, column (c))	22	3,635,000.00
23	Proceeds used for bond issuance costs (including underwriters discount) — 23: 135,000		
24	Proceeds used for credit enhancement — 24: 0		
25	Proceeds allocated to reasonably required reserve or replacement fund — 25: 0		
26	Proceeds used to currently refund prior issues — 26: 0		
27	Proceeds used to advance refund prior issues — 27: 0		
28	Total (add lines 23 through 27)	28	135,000
29	Nonrefunding proceeds of the issue (subtract line 28 from line 22 and enter amount here)	29	3,500,000

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

30 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years
31 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years
32 Enter the last date on which the refunded bonds will be called ▶ _____
33 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

34	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	34	0
35	Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception)	35	3,635,000
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	0
b	Enter the final maturity date of the guaranteed investment contract ▶ _____		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	0

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐
39 If the issuer has identified a hedge, check box ▶ ☐

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ G. Kemp Melton — Signature of issuer's authorized representative — Date: 9/22/98 ▶ G. Kemp Melton, Mayor — Type or print name and title

For Paperwork Reduction Act Notice, see page 1 of the instructions.

$3,635,000
The City of Charleston
Civic Center Improvement Bonds
Series 1998

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of The City of Charleston in Kanawha County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the $3,635,000 Civic Center Improvement Bonds, Series 1998, of the Issuer, dated the date hereof (the "Bonds"), hereby certifies as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986 and applicable regulations (the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the ordinance authorizing the Bonds duly enacted by the Issuer on August 17, 1998 (as supplemented, the "Bond Ordinance").

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its bonds or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 22, 1998, the date on which the Bonds are to be physically delivered in exchange for more than a de minimis amount of the principal amount of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Bonds were sold on September 8, 1998, to Crews & Associates, Inc. (the "Purchaser"), pursuant to a Bond Purchaser Agreement dated September 8, 1998, by and between the Issuer and the Purchaser for an aggregate purchase price of $3,566,225.12 (par amount $3,635,000.00, less Underwriter's discount of $32,715.00 and Original Issue Discount of $46,513.80, plus accrued interest from September 1, 1998, to September 22, 1998, in the amount of $10,453.92).

6. The Issuer has covenanted in the Bond Ordinance not to take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The Issuer has, therefore, covenanted not to intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments except as otherwise allowed under Section 148 of the Code. The Issuer, in the

Bond Ordinance, has further covenanted that it will take all actions that may be required of it so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purpose of (i) paying a portion of the costs of acquisition of additions, betterments and improvements to the existing Facility of the Issuer (the "Project"); and (ii) paying costs of issuance of the Bonds and related costs thereof.

8. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend in excess of $100,000 on the Project, constituting a substantial binding commitment. Acquisition, construction and equipping of the Project shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest (if any) and proceeds deposited in the Reserve Account for the Bonds (if any), all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before September 1, 1999. The construction of the Project is expected to be completed on or before September 1, 2000.

9. The total costs of the Project (including all costs of issuance of the Bonds) is estimated at $3,598,940.12. Sources and uses of funds for the Project are as follows:

SOURCES

Par Amount	$3,635,000.00
Accrued Interest	10,453.92
Original Issue Discount	(46,513.80)
Total Sources	$3,598,940.12

USES

Cost of Project	$3,500,000.00
Underwriter's Discount	32,715.00
Costs of Issuance	54,500.00
Accrued Interest	10,453.92
Rounding Amount	1,271.20
Total Uses	$3,598,940.12

The amount of the costs of the Project is estimated to be at least equal to the gross proceeds of the Bonds. Except as set forth above, no other funds of the Issuer will be available to meet costs of the Project, which would constitute replacement proceeds within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bond s longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article IV of the Bond Ordinance the following special funds or accounts have been created (or continued if previously established by the Prior Ordinances):

(1) Revenue Fund;

(2) Repair, Operation and Maintenance Fund;

(3) Construction Fund; and

(4) Series 1998 Bonds Sinking Fund.

11. Pursuant to Article V of the Bond Ordinance, the proceeds of the Bonds will be deposited as follows:

Disbursements from the Construction Fund shall be made only after submission of the following:

A requisition signed by an Authorized Officer stating, with respect to each payment to be made:

(i) the requisition number;

(ii) if other than the Issuer, the name and address of the person to whom payment is due;

(iii) the amount to be paid;

(iv) that each obligation mentioned therein has been incurred as a Cost and has not been the basis of any previous withdrawal;

(v) accompanied by a bill, invoice or statement; and

(vi) accompanied by a valid bill or agreement of sale, certificate of title, deed, receipt or other evidence of ownership containing warranties of title free and clear of all claims.

In making any disbursement, the Depository Bank shall pay each such obligation or deliver to the Issuer a check or draft for the payment thereof payable to the order of the payee to whom payment is due, as set forth in the requisition of the City directing such disbursement. All payments made from the Construction Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund. Pending disbursement, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

12. Moneys held in the Series 1998 Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 1998 Bonds Sinking Fund and Series 1998 Bonds Reserve Account, if any, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Except for the Series 1998 Bonds Sinking Fund and the Series 1998 Bonds Reserve Account, if any, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Repair, Operation and Maintenance Fund will be used or needed for payments upon the Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan producing a yield in excess of the yield on the Bonds have been or will be pledged to payment of the Bonds. Less than 10% of the moneys received from the sale of the Bonds will be deposited in the Series 1998 Bonds Reserve Account, if any, or any other reserve or replacement fund. The amounts deposited in the Series 1998 Bonds Reserve Account, if any, from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Bonds and will not exceed 125% of average annual principal of and interest on the Bonds. Amounts in the Series 1998 Bonds Reserve Account, if any, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Series 1998 Bonds Reserve Account, if any, is required by the Purchaser, is vital to its purchase of the Bonds, and is reasonably required to assure payments of debt service on the Bonds.

21. The amount designated as cost of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

22. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by or on behalf of a qualified governmental unit.

23. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of the Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.

24. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

25. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

26. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order ensure that interest on the Bonds is excludable from gross income for federal income tax purposes.

27. The Bonds are not and will not be, in whole or in part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

28. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

29. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

30. Moneys in the Series 1998 Bonds Reserve Account, if any, and the Series 1998 Bonds Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

31. Based upon representations by Crews & Associates, the yield on the Bonds is not less than 5.13259% and the weighted average maturity for all of the Bonds is not less than 15.400 years.

32. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with any of the Bonds and (c) will be paid out of substantially the same source of funds or will have substantially the same claim to be paid out of substantially the same source of funds as any of the Bonds (except for one-half of the hotel-motel occupancy taxes dedicated to the purposes set forth in the applicable statute).

33. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds issued in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

34. The Issuer will rebate to the United States the amount, if any, required by the Code and will take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

35. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

36. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

37. On the basis of the foregoing, it is not expected that the proceeds of any of the Bonds will be used in a manner that would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

38. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

39. Goodwin & Goodwin, LLP is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

40. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

Dated this 22nd day of September, 1998.

THE CITY OF CHARLESTON

By: G. Kemp Melton

G. Kemp Melton, Mayor

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by The City of Charleston (the "Issuer") in connection with the issuance of $3,635,000 The City of Charleston Civic Center Improvement Bonds, Series 1998 (the "Bonds"). The Bonds are being issued pursuant to an Ordinance enacted on August 17, 1998, and effective on August 17, 1998, as amended and supplemented by a Supplemental Resolution adopted September 8, 1998 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated September 8, 1998, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. [As of the date of this Certificate, there is no State Repository.]

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 1999 Fiscal Year, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the Issuer shall send a notice to each Repository or the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within one hundred eighty (180) days after the end of its 1999 fiscal year and each subsequent fiscal year, to each National Repository and any State Depository, unaudited general purpose financial statements of the Issuer, and

(b) Within fifteen (15) days after receipt by the Issuer of its 1999 fiscal year-end, and each subsequent fiscal year, to each nationally recognized municipal securities information repository ("National Repository") and to any West Virginia State information repository ("State Repository"), core financial information and operating data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in this Official Statement under the caption "Financial Operation":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities;

11. interruptions in normal assessment and ad valorem property tax procedures and collections;

12. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of

such occurrence with the Municipal Securities Rulemaking Board or the Repositories and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Disclosure Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new

accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: September 22, 1998

THE CITY OF CHARLESTON

By: G. Kemp Melton
G. Kemp Melton, Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Issuer: The City of Charleston, West Virginia

Name of Issuer: The City of Charleston, West Virginia

Name of Issue: $3,635,000 City of Charleston Civic Center Improvement Bonds, Series 1998

Date of Issuance: September 1, 1998

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

THE CITY OF CHARLESTON

By:_____

EXHIBIT B

NATIONALLY RECOGNIZED MUNICIPAL
SECURITIES INFORMATION REPOSITORIES

Bloomberg Municipal Repository
P. 0. Box 840
Princeton, NJ 08542

The Bond Buyer
Secondary Market Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014

Disclosure, Inc.
Document Augmentation/Municipal Securities
5161 River Road
Bethesda, MD 20816

JJ Kenny Information Services
The Repository
65 Broadway, 16th Floor
New York, NY 10006

Moody's NRMSIR
Public Finance Information Center
99 Church Street
New York, NY 10007

$3,635,000
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS
SERIES 1998

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated the 22nd day of September, 1998, by and between THE CITY OF CHARLESTON, a municipal corporation and a political subdivision of the State of West Virginia (the "Issuer"), and BANK ONE, WEST VIRGINIA, N.A., a national banking association, as bond registrar and authenticating agent (the "Registrar").

WHEREAS, the Issuer has contemporaneously with the execution hereof issued and sold the bonds described above (the "Bonds"); and

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance enacted by the Issuer on August 17, 1998, effective August 17, 1998, and a supplemental resolution adopted by the Issuer on September 8, 1998, authorizing issuance of the Bonds (collectively herein the "Ordinance"), copies of which are respectively attached as Exhibits A and B hereto and incorporated herein by reference; and

WHEREAS, the Ordinance appoints Bank One, West Virginia, N.A. to act as Registrar for the Bonds;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time the compensation for services rendered hereunder provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

7. The Registrar may resign as Registrar at any time by giving at least 60 days written notice to the Issuer. The Registrar may be removed as Registrar at any time by an instrument filed with the Registrar and signed by the Issuer.

Notices shall be delivered to the parties at the following addresses:

ISSUER:

The City of Charleston
501 Virginia Street, East
Charleston, West Virginia 25301
Attention: Mayor

REGISTRAR:

Bank One, West Virginia, N.A.
P.O. Box 1113
Charleston, West Virginia 25324-1113
Attention: Corporate Trust Department

8. Unless otherwise so notified, the Registrar shall register all Bonds in the name of Cede & Co.

9. All notices and communications required or permitted hereunder, except as otherwise expressly agreed in writing, shall be in writing and shall be delivered by hand or sent by mail or sent by telex, telecopier, or telegraph, addressed to the respective party at the appropriate address in Section 7 hereof.

10. The Registrar shall maintain records which indicate the date and volume of services rendered hereunder. Such records shall include, but not be limited to, records of the Bonds or portions thereof paid by the Registrar. Such records and the applicable premises of the Registrar shall be subject to inspection by duly designated agents, designees or officials of the Issuer for the purpose of

reviewing the adequacy of procedures, systems capabilities and methods of operation. Any such inspection may be made during normal banking hours after reasonable prior written notice.

11. The Registrar warrants and represents that it is a national banking association, and in good standing under the laws of the United States of America, may lawfully conduct business in the State of West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided in this agreement and to serve in the capacity of Registrar thereunder.

12. There is no litigation pending of threatened in any court, either State or Federal, calling into question the creation, organization or existence of the Registrar or the authority of the Registrar to perform its duties under this agreement or the Ordinance.

13. This Registrar's Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia.

IN WITNESS WHEREOF, THE CITY OF CHARLESTON and BANK ONE, WEST VIRGINIA, N.A. have each caused this Registrar's Agreement to be executed in their names and on their behalf, by their duly authorized officers, all as of the date first above written.

THE CITY OF CHARLESTON

By: _____
Mayor

BANK ONE, WEST VIRGINIA, N.A.

By: _____
Client Service Officer

$3,635,000
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS
SERIES 1998

CERTIFICATE OF REGISTRATION OF BONDS

I, Michael E. Puskar, Client Service Officer, of Bank One, West Virginia, N.A. of Charleston, West Virginia, as Registrar (the "Registrar"), under the Ordinance and Supplemental Resolution providing for the issuance of the Bonds described above, hereby certify that on the 22nd day of September, 1998, the fully registered Civic Center Improvement Bonds, Series 1998, in the stated principal amount of $3,635,000, designated "The City of Charleston, Civic Center Improvement Bonds, Series 1998", numbered R-1 through R-3, and dated September 1, 1998, were registered as to principal and interest in the name of "Cede & Co." on the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of Bank One, West Virginia, N.A., Charleston, West Virginia, as Registrar.

WITNESS my signature this 22nd day of September, 1998.

BANK ONE, WEST VIRGINIA, N.A.

By: Michael E. Puskar
Client Service Officer

$3,635,000
THE CITY OF CHARLESTON, WEST VIRGINIA
CIVIC CENTER IMPROVEMENT BONDS
SERIES 1998

REGISTRAR'S CERTIFICATE

The undersigned, on behalf of BANK ONE, WEST VIRGINIA, N.A., Charleston, West Virginia, a national banking association (the "Bank"), hereby certifies as follows with respect to the above-captioned Bonds (the "Bonds"):

1. The Bank has full power and authority to enter into and carry out the provisions of the Registrar's Agreement, dated September 22, 1998, between The City of Charleston (the "Issuer") and the Bank (the "Agreement").

2. The person whose title, name and signature is set forth below holds the position by election or appointment by the Board of Directors of the Bank, and such person has been named and designated as an authorized officer of the Bank to authenticate and register the Bonds, to deliver certificates on behalf of the Bank in connection with the closing of the sale of the Bonds and to take any other actions required by the Agreement.

Client Service Officer Michael E. Puskar _____

3. The above signed, Michael E. Puskar, was duly authorized to, and did on or prior to the date hereof, execute and deliver the Agreement to the Issuer on behalf of the Bank.

4. The Bank has received from the Issuer on the date hereof the Bonds, bearing Nos. R-1 through R-3, in the aggregate principal amount of $3,635,000, payable as to principal and interest, and maturing all as set forth therein. At the time of such receipt, the Bonds had been executed by the manual signature of the Mayor of the City, impressed with the seal of the City, and attested by the manual signature of the City Clerk.

5. The Bank has caused the Series 1998 Bonds to be duly authenticated by the manual signature of Michael E. Puskar, by attaching to such Bonds a certificate in the following terms:

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of The City of Charleston Civic Center Improvement Bonds, Series 1998, described in the within mentioned Ordinance and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Date: September 1, 1998

BANK ONE, WEST VIRGINIA, N.A.,
as Registrar

By: /s/Michael E. Puskar
Its: Authorized Officer

WITNESS my signature this 22nd day of September, 1998.

BANK ONE, WEST VIRGINIA, N.A.

By: Lorne Mullins

Its: Senior Trust Officer

LAW OFFICES
GOODWIN & GOODWIN, LLP
P. O. BOX 2107
1500 ONE VALLEY SQUARE
CHARLESTON, WEST VIRGINIA 25328-2107
304/346-7000
TELECOPIER 304/344-9692

201 THIRD STREET
PARKERSBURG, WEST VIRGINIA 26101
304/485-2345

P. O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
304/372-2651

REPLY TO: Charleston

September 22, 1998

The City of Charleston
P.O. Box 2749
Charleston, West Virginia 25330

Re: $3,635,000 The City of Charleston, West Virginia,
Civic Center Improvement Bonds, Series 1998

Gentlemen:

We are Bond Counsel to The City of Charleston (the "City"), a municipal corporation created under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to the issuance of a series of bonds of the City, denoted as Civic Center Improvement Bonds. Series 1998, dated September 1, 1998 (the "Series 1998 Bonds"), issued pursuant to an Ordinance enacted by the Council of the City on August 17, 1998, and effective on August 17, 1998, following a public hearing thereon, as amended and supplemented by Supplemental Resolution adopted on September 8, 1998 (collectively, the "Ordinance").

The Series 1998 Bonds are in the aggregate principal amount of $3,635,000 issued in the form of one bond for each maturity, registered in the name of the nominee of The Depository Trust Company, as to principal and interest, with interest payable March 1 and September 1 of each year beginning March 1, 1999, at the respective rate and with principal payable in installments on September 1 in each of the years 1999 through 2023 all as set forth in the Official Statement relating to the Series 1998 Bonds. The Series 1998 Bonds are subject to optional and mandatory redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance.

The Series 1998 Bonds are issued for the purpose of providing a portion of the funds to finance the acquisition, construction, equipping and improvement of a municipal facility being the Charleston Civic Center (the "Facility") and paying the costs of issuance thereof.

We have also examined the applicable provisions of Chapter 8, Article 16 of the Code of West Virginia of 1931, as amended (the "Act"), under which the Series 1998 Bonds are issued.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The City is a duly organized and presently existing municipal corporation, with full power and authority to operate and maintain the Facility referred to in the Ordinance and to issue and sell the Series 1998 Bonds, all under the Ordinance, the Act and other applicable provisions of law.

2. The City has legally and effectively enacted the Ordinance and all other necessary actions and certifications in connection with the issuance and sale of the Series 1998 Bonds.

3. The Series 1998 Bonds are valid and legally enforceable special obligations of the City, payable from specified Tax Revenues dedicated for such purposes referred to in the Ordinance and secured by a first lien on and pledge of such Tax Revenues including certain coal severance taxes and hotel/motel occupancy taxes (as limited by the amount payable by the City under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended).

4. The City has reserved the right to issue additional bonds ranking on a parity with the Series 1998 Bonds, as provided in the Ordinance.

5. The interest on the Series 1998 Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth above is subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder (the "Code"), that must be satisfied subsequent to the issuance of the Series 1998 Bonds in order that the interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. Failure to comply with such covenants and representations could cause the interest on the Series 1998 Bonds to be so

included in gross income retroactive to the date of issuance. We express no opinion regarding other federal tax consequences with respect to the Series 1998 Bonds.

6. The City has designated the Series 1998 Bonds as "qualified tax-exempt obligations" for purposes of the Code and has covenanted that it does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during calendar year 1998. Therefore, the Series 1998 Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

7. The Series 1998 Bonds and the interest thereon are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The rights of the owners of the Series 1998 Bonds, the enforceability of the Series 1998 Bonds, and the Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Series 1998 Bond numbered R-1, and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Respectfully submitted,

Goodwin & Goodwin, LLP

GOODWIN & GOODWIN, LLP

LAW OFFICES
GOODWIN & GOODWIN, LLP
P. O. BOX 2107
1500 ONE VALLEY SQUARE
CHARLESTON, WEST VIRGINIA 25328-2107
304/346-7000
TELECOPIER 304/344-9692

201 THIRD STREET
PARKERSBURG, WEST VIRGINIA 26101
304/485-2345

P. O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
304/372-2651

REPLY TO Charleston

September 22, 1998

Crews & Associates, Inc.
108-1/2 Capitol Street, Suite 202
Charleston, WV 25301

Re: $3,635,000 City of Charleston
Civic Center Improvement Bonds,
Series 1998

Gentlemen:

We have served as counsel to you (the "Underwriter") in connection with the issuance by the City of Charleston (the "Issuer") of its Civic Center Improvement Bonds, Series 1998, dated September 1, 1998 (the "Bonds"), in the aggregate principal amount of $3,635,000. In connection with rendering this opinion, we have examined such documents as we deem relevant.

Based upon the foregoing, we are of the opinion that the Bonds are exempt from the registration requirements and the Securities Act of 1933, as amended, and the Resolution is exempt from the qualifications under the Trust Indenture Act of 1939, as amended.

Without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of our conferences with representatives of the Issuer, counsel for the Issuer and the Underwriter, and our examination of certain documents referred to in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (excluding therefrom the financial and statistical data included in the

VAUGHAN & WITHROW
Attorneys and Counsellors at Law

DENNIS R. VAUGHAN, JR.
JAMES W. WITHROW

SUITE 200 CAPITOL CENTRE
232 CAPITOL STREET
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900
TELECOPY (304) 344-2386

September 22, 1998

Crews & Associates, Inc.
124 W. Capitol
2000 United National Plaza
Little Rock, Arkansas 72201

RE: The City of Charleston Civic Center Improvement Bonds, Series 1998

Gentlemen:

We are counsel for The City of Charleston (the "Issuer"), in connection with the issuance of the Issuer's $3,635,000.00 in aggregate principal amount of Civil Center Improvement Bonds, Series 1998 (the "Bonds").

We have reviewed copies of the approving opinion of Goodwin & Goodwin, LLP, as bond counsel, the Bond Purchase Agreement by and between Crews & Associates, Inc. (the "Underwriter") and the Issuer dated September 8, 1998, the Bond Ordinance, the Official Statement dated September 8, 1998, and the Preliminary Official Statement dated August 28, 1998, relating to the Bonds. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Purchase Agreement and in the Ordinance.

We are of the opinion that:

1. The Issuer is a duly and validly created and existing municipal corporation with full power and authority to undertake the acquisition, construction, equipping and improvement of the Project, authorize the execution and delivery of the Bond Purchase Agreement and to authorize the issuance of the Bonds.

2. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Underwriter, constitutes the valid and binding agreement of the Issuer in accordance with its terms.

3. The members of the Governing Body are the duly and properly elected or appointed and qualified members and are thereby authorized to act on behalf of the Issuer.

4. The Ordinance has been duly enacted by the Governing Body of the Issuer, is in full force and effect, and no further action of the Issuer is required for its continued validity.

5. The Issuer has duly ratified the distribution of the Preliminary Official Statement, the Official Statement has been duly approved, signed and delivered by the Issuer, and the Issuer has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the public offering of the Bonds.

6. The information and statements contained in the Official Statement or the appendices thereto under the headings "Financing Plan," "The Facility," "Litigation," "Legal Matters," Appendix A and Appendix B are correct and complete in all material and do not omit any material fact which, in our opinion, should be included or referred to therein so as to make the information or statements made therein not misleading.

7. Nothing has come to our attention which would lead us to believe that the Official Statement (except for financial and engineering date included therein, as to which no view is hereby expressed) contains an untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

8. The execution and delivery of the Bonds and the Bond Purchase Agreement, and the consummation of the transactions contemplated by the Bond Purchase Agreement and the Official Statement, and the carrying out of the terms thereof, do not and will not in any material respect conflict with or constitute on the Issuer's part a breach of or default under any agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

9. The Issuer has received all approvals and authorizations necessary for the issuance of the Bonds, including, without limitation, the enactment of appropriate ordinances of the Governing Body, the consideration of which occurred during regular or duly called special meetings, which were open to the public and held in accordance with all applicable laws, including without limitation, the Open Governmental Proceedings Act, Chapter 6, Article 9A, Section 1 et seq. of the Code of West Virginia of 1931, as amended.

10. To the best of our knowledge after due inquiry, and except as discussed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to our knowledge, threatened against or affecting the Issuer (or to our knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Purchase Agreement or the Official Statement, or the validity of our security for the Bonds.

All counsel to this transaction may rely upon the foregoing opinion as if specifically addressed to them.

Very truly yours,

VAUGHAN & WITHROW

Vaughan & Withrow

LAW OFFICES
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P. O. BOX 2107
1500 ONE VALLEY SQUARE
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304/485-2345

P. O. BOX 349
500 CHURCH STREET
RIPLEY, WEST VIRGINIA 25271
304/372-2651

REPLY TO:

September 22, 1998

Crews & Associates, Inc.
124 W. Capitol
2000 Union National Plaza
Little Rock, Arkansas 72201

Re: The City of Charleston, Civic Center Improvement Bonds, Series 1998

Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by The City of Charleston (the "Issuer") of $3,635,000.00 aggregate principal amount of Civic Center Improvement Bonds, Series 1998 (the "Bonds"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality of the Bonds and the exclusion of interest on the Bonds from gross income for federal income tax purposes (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement and such other matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings assigned to them in the Bond Purchase Agreement (the "Purchase Agreement") dated September 8, 1998, between the Issuer and the Underwriter.

Based upon the foregoing, we are of opinion that:

(1) The Purchase Agreement has been authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, is a legal, valid, binding and enforceable obligation of the Issuer (except to the extent that enforceability may be limited by bankruptcy, insolvency, or other laws or equitable principles affecting creditors rights generally).

(2) The Issuer, under the Act, has full power and authority to adopt the Ordinance, enter into the Purchase Agreement and perform its obligations thereunder.

(3) The Issuer has duly ratified the distribution of the Preliminary Official Statement, the Official Statement has been duly approved, signed and delivered by the Issuer, and the Issuer has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the public offering of the Bonds.

(4) The statements and information contained in the Official Statement under the captions

or subcaptions "Description of the Bonds," "Additional Security for the Bonds," "Tax Exemption," and the definitions and the summary of the Bond Ordinance in Appendix B to the Official Statement and the form of the opinion of Bond Counsel contained in Appendix E to the Official Statement (except for financial or statistical data therein as to which no opinion is hereby expressed) do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The Bond Ordinance and the Bonds conform with the respective summaries of the terms and provisions thereof set forth in the Official Statement.

(6) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Bond Ordinance is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Respectfully submitted,

GOODWIN & GOODWIN, LLP

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1 $1,235,000

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998

SPECIMEN

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
4.60%	September 1, 1998	September 1, 2010	160519 BE 3

REGISTERED OWNER: THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: $ 1,235,000

FOR VALUE RECEIVED, the CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer"), hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York, New York, or at such other place as may hereafter be designated in writing, the principal sum of One Million Two Hundred Thirty-five Thousand and 00/100 Dollars ($1,235,000), plus interest on the unpaid principal balance at the rate of four and 60/100 percent (4.60%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on March 1 and September 1 of each year, beginning March 1, 1999, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Issuer. Refunds and extra payments according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Registered Owner at any time assigns this Bond and insures the payment thereof, Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

This Bond, together with any additional Bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer, is payable solely from the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes dedicated for such purposes. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

SPECIMEN

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 16 of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, the CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

CITY OF CHARLESTON

(SEAL)

SPECIMEN

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTICIATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: September 22, 1998

SPECIMEN

Bank One, West Virginia, N.A.,
as Registrar

By: Mel C. Pinke
Client Service Officer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED: _____.

_____

In the presence of:

_____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-2 $1,290,000

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998

SPECIMEN

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
5.10%	September 1, 1998	September 1, 2018	160519 BF 0

REGISTERED OWNER: THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: $ 1,290,000

FOR VALUE RECEIVED, the CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer"), hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York, New York, or at such other place as may hereafter be designated in writing, the principal sum of One Million Two Hundred Ninety Thousand and 00/100 Dollars ($1,290,000), plus interest on the unpaid principal balance at the rate of five and 10/100 percent (5.10%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on March 1 and September 1 of each year, beginning March 1, 1999, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

SPECIMEN

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Issuer. Refunds and extra payments according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Registered Owner at any time assigns this Bond and insures the payment thereof, Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

This Bond, together with any additional Bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer, is payable solely from the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes dedicated for such purposes. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 16 of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, the CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

(SEAL)

CITY OF CHARLESTON

SPECIMEN

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTICIATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: September 22, 1998

SPECIMEN

Bank One, West Virginia, N.A.,
as Registrar

By: _____
Client Service Officer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

SPECIMEN

DATED: _____.

_____

In the presence of:

_____

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-3

$1,110,000

CITY OF CHARLESTON (WEST VIRGINIA)
CIVIC CENTER IMPROVEMENT BONDS, SERIES 1998

INTEREST RATE	BOND DATE	MATURITY DATE	CUSIP
5.10%	September 1, 1998	September 1, 2023	160519 BG 8

REGISTERED OWNER: THE DEPOSITORY TRUST COMPANY

PRINCIPAL AMOUNT: $ 1,110,000

FOR VALUE RECEIVED, the CITY OF CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County of said State (herein called "Issuer"), hereby promises to pay to the order of The Depository Trust Company, or its registered assigns, at New York, New York, or at such other place as may hereafter be designated in writing, the principal sum of One Million One Hundred Ten Thousand and 00/100 Dollars ($1,110,000), plus interest on the unpaid principal balance at the rate of five and 10/100 percent (5.10%) per annum. The said principal and interest shall be paid in the following installments on the following dates: Semiannual installments of principal and interest on March 1 and September 1 of each year, beginning March 1, 1999, except that the final installment shall be paid on the Maturity Date, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

Every payment made on any indebtedness evidenced by this Bonds shall be applied first to interest computed to the effective date of the payment and then to the principal. Payments shall be made at the office of the Municipal Bond Commission, Charleston, West Virginia, and shall be mailed to the registered owner hereof at the address as it appears on the books of the Registrar.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Issuer. Refunds and extra payments according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Issuer to pay the remaining installments as scheduled herein.

If the Registered Owner at any time assigns this Bond and insures the payment thereof, Issuer shall continue to make payments to the Registered Owner as collection agent for the holder.

This Bond, together with any additional Bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction of improvements to the Facility (the "Facility") of the Issuer, is payable solely from the City's receipt or collection of hotel-motel occupancy taxes (as limited by the amount payable by the Issuer under the provisions of Chapter 7, Article 18, Section 14(b) of the Code of West Virginia of 1931, as amended) and coal severance taxes dedicated for such purposes. This Bond does not in any manner constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at the office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the herein defined Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 8, Article 16 of the West Virginia Code (herein called the "Act").

IN WITNESS WHEREOF, the CITY OF CHARLESTON has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

(SEAL)

CITY OF CHARLESTON

SPECIMEN

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTICIATE OF AUTHENTICATION AND REGISTRATION

This is to certify that this Bond is one of the Bonds described in and issued under the provisions of the within-mentioned Bond Ordinance and has been duly registered in the name of the registered owner set forth above.

Dated: September 22, 1998

Bank One, West Virginia, N.A.,
as Registrar

By: _____
Client Service Officer

(Form of Assignment)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

DATED: _____.

_____

In the presence of:

_____

***2632 W. Va. Code, § 8-16-1**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART I. DEFINITIONS; AUTHORIZATION OF MUNICIPAL PUBLIC WORKS

Current through End of 1997 1st Ex. Sess.

§ 8-16-1. Definitions

As used in this article, the terms "municipal public works" or "works" or "projects" shall be construed to mean and include the construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement, increase, equipment, maintenance, repair (including replacements) and operation of jails, jail facilities, municipal buildings, police stations, fire stations, libraries, museums, other public buildings, incinerator plants, landfill or other garbage disposal systems, hospitals, piers, docks, terminals, airports, drainage systems, flood control systems, floodwalls, culverts, bridges (including approaches, causeways, viaducts, underpasses and connecting roadways), public markets, cemeteries, motor vehicle parking facilities (including parking lots, buildings, ramps, curb-line parking, meters and other facilities deemed necessary, appropriate, useful, convenient or incidental to the regulation, control and parking of motor vehicles), farms, dormitories, apartments and other housing facilities for the students and faculties of institutions of higher education; facilities providing housing for the elderly, including, but not limited to, life care facilities, congregate living facilities and adult residential facilities, stadiums, gymnasiums, sports arenas, auditoriums, public recreation centers, public recreation parks, swimming pools, roller skating rinks, ice skating rinks, tennis courts, golf courses, polo grounds, or the grading, regrading, paving, repaving, surfacing, resurfacing, curbing, recurbing, widening or otherwise improving of any street, avenue, road, alley or way, or the building or renewing of sidewalks, where such works or projects will be made self-supporting, and the cost thereof, together with the interest thereon, will be returned within a reasonable period, not exceeding forty years, by means of tolls, fees, rents, special assessments or charges other than taxation; and the terms shall mean and include any works or project as a whole, and all integral parts thereof, including all necessary, appropriate, useful, convenient or incidental appurtenances and equipment in connection with any one or more of the above.

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***2633 W. Va. Code, § 8-16-2**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART I. DEFINITIONS; AUTHORIZATION OF MUNICIPAL PUBLIC WORKS

Current through End of 1997 1st Ex. Sess.

§ 8-16-2. Municipalities authorized to construct, etc., public works and to acquire property; payment of costs

Every municipality is and any two or more municipalities acting jointly, whether situate in the same county or different counties, are, hereby empowered and authorized to construct, reconstruct, establish, acquire, improve, renovate, extend, enlarge, increase, own, equip, repair (including replacements), maintain and operate any municipal public works, together with all appurtenances necessary, appropriate, useful, convenient or incidental for or to the maintenance and operation of such works, and shall have plenary power and authority to acquire by gift, grant, purchase, condemnation or otherwise, and thereafter hold, all necessary lands, rights, easements, rights-of-way, franchises and other property therefor within or without, or partly within and partly without, the corporate limits of any such municipality or municipalities, and to issue revenue bonds to pay the costs of such public works and properties: Provided, That this section shall not be construed to authorize any municipality to construct, reconstruct, establish, acquire, improve, renovate, extend, enlarge, increase, own, equip, repair (including replacements), maintain or operate any works which would render a service already being adequately rendered within such municipality. No obligation shall be incurred by any municipality in such construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement or increase, except such as is payable solely from the funds provided under the authority of this article.

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***2634 W. Va. Code, § 8-16-3**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART I. DEFINITIONS; AUTHORIZATION OF MUNICIPAL PUBLIC WORKS

Current through End of 1997 1st Ex. Sess.

§ 8-16-3. Special provisions as to certain municipal public works

When the municipal public works is a motor vehicle parking facility, any municipality involved therein shall have the plenary power and authority, in order to help finance the same, to use any revenue derived from other parking meters or other parking facilities, unless such revenue is otherwise pledged to pay for such other parking meters or other parking facilities.

When the municipal public works is a jail facility used for municipal prisoners, any municipality involved therein shall have the power and authority, in order to help finance the same, to pledge, for a period not to exceed twenty years, the proceeds derived from the imposition of fines and fees.

When the cost of the municipal public works is to be paid by special assessment against the abutting property, represented by assessment certificates which constitute a lien upon such property and said assessment certificates are pledged by any municipality to retire revenue bonds issued and sold to pay the cost thereof, the payor of such assessment certificate shall have the right to pay the same at any time before maturity, together with interest thereon to date of payment, and upon the payment of such assessment certificate the treasurer of such municipality shall deliver to the payor a release for such lien, and the funds received therefrom shall by said treasurer be deposited in a special fund to be expended only in the payment of such revenue bonds.

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***2635 W. Va. Code, § 8-16-4**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART II. CONTROL OF GOVERNING BODY OR BOARD

Current through End of 1997 1st Ex. Sess.

§ 8-16-4. Construction, etc., to be under control of governing body or appointed board, etc.

The construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement, increase, equipment, repair (including replacements), custody, maintenance and operation of any such works, and the collection of revenues therefrom, shall be under the supervision and control of the governing body, or of a committee, by whatever name called, composed of all or a portion of the governing body when only one municipality is involved, or of a board or commission appointed by such governing body when only one municipality is involved or appointed by the governing bodies when two or more municipalities take joint action under the provisions of this article, as may be provided by the governing body or bodies.

When such supervision and control are vested in a committee, board or commission, the governing body or bodies, as the case may be, may provide, by ordinance or ordinances, for said committee, board or commission to exercise such of the functions of the governing body or bodies in connection with the matter as it or they deem proper, and may provide for said committee, board or commission to receive such compensation as such body or bodies may deem proper, all of which authority and compensation shall be specifically provided for by ordinance or ordinances. Any such committee, board or commission shall consist of the number of members fixed in the ordinance or ordinances creating the same, and the manner and mode of the selection and appointment of the members of any such board or commission shall be stated in such ordinance or ordinances. The members of any such board or commission appointed by the governing body or bodies shall be chosen without regard to their political affiliations, but with regard to their business and professional experience or standing as citizens in the community. All compensation and expenses, including attorney's fees, of such committee, board or commission shall be paid solely from funds provided under the authority of this article. Any such committee, board or commission shall have the power to establish bylaws, rules and regulations for its own government.

***2636** When hereinafter used in this article, the term "board" shall be construed to mean the governing body or committee composed of all or a portion of the governing body when only one municipality is involved, or a board or commission appointed by the governing body when only one municipality is involved or appointed by the governing bodies when two or more municipalities take joint action under the provisions of this article, as the case may be. When two or more municipalities take joint action under the provisions of this article each governing body shall appoint to the board the number of members which the governing bodies have agreed shall be appointed by each such governing body.

The governing body or bodies also, in its or their discretion, may provide by ordinance or ordinances for the leasing of a municipal public works and provide for the custody, maintenance and operation thereof by a lessee in accordance with the provisions of such ordinance or ordinances and lease contract executed pursuant thereto: Provided, That the lessee shall pay to the municipality or municipalities for the use and occupancy of such municipal public works so leased an amount sufficient to provide a

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sinking fund for the payment of the bonds and the interest thereon and all other charges mentioned in section seventeen of this article.

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***2637 W. Va. Code, § 8-16-4a**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART II. CONTROL OF GOVERNING BODY OR BOARD

Current through End of 1997 1st Ex. Sess.

§ 8-16-4a. Additional special provisions as to motor vehicle parking facilities

(a) The legislature hereby finds that the greatly increased use by the public of motor vehicles of all kinds has caused serious traffic congestion on the streets of many municipalities in this State; that the lack of adequate planning and supervision of the location of parking facilities, the parking of motor vehicles of all kinds and the lack of adequate parking facilities for motor vehicles of all kinds substantially impede the free circulation of traffic in, through and from many municipalities in this State, impede the rapid and effective fighting of fires and disposition of police officers therein, contribute to the location and relocation of commercial and business enterprises outside of urban areas and retard the development of commerce and business within many municipalities in this State, thereby giving rise to urban blight and adversely affecting or threatening to adversely affect the tax base of such municipalities; that such parking crisis can be reduced by such municipalities providing adequate motor vehicle parking facilities strategically located there; that providing properly located terminal space for motor vehicles is a public responsibility; that fostering the development of commerce and business within municipalities, with the increased tax revenues resulting therefrom, is a public purpose; that fostering the availability of property for charitable use is a public purpose; that the closer the proximity between municipally owned motor vehicle parking facilities and commercial and business establishments the greater the development of commerce and business and the greater the level of revenue produced by such motor vehicle parking facilities; that the erection or construction of pedestrian viaducts, ramps, bridges, tunnels or other pedestrian facilities leading to and from motor vehicle parking facilities so as to facilitate the movement of pedestrians to and from such motor vehicle parking facilities fosters the development of commerce and business and increases the level of revenue produced by such motor vehicle parking facilities; that the leasing, particularly on a long-term basis, and the selling of space for commercial or business use in connection with a municipally owned motor vehicle parking facility will aid the development of commerce and business, increase the level of revenue produced by such motor vehicle parking facility and maintain and increase the tax base of such municipalities; that in many instances the authority for the leasing of space as provided for in this section would assist in financing the construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement, increase, equipment or repair (including replacements) of any such motor vehicle parking facility; that the enactment of this section is for the general welfare of the public and is a public necessity; and that the means and measures authorized in this section are, as a matter of public policy, for the public purposes of such municipalities. This section is enacted in view of these findings and shall be liberally construed in the light thereof.

***2638** (b) The governing body or bodies, in its or their discretion, may provide by ordinance or ordinances:

(1) For the leasing by the board as lessor of space in or on a municipal public works which is a motor vehicle parking facility for any business, commercial or charitable use to such person, for such fair and adequate consideration, for such period or periods of time and upon such other terms and conditions as such body or bodies or the board may agree to. In connection

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with the leasing of any such space, the board may agree to provide in or on such motor vehicle parking facility such structures, accommodations or improvements as may be necessary for such business, commercial or charitable use or such space may be leased upon condition that the lessee shall provide the same in or on the space so leased.

(2) For the leasing by the board as lessor or the selling of air space over a municipal public works which is a motor vehicle parking facility for any business, commercial or charitable use to such person, for such fair and adequate consideration, for such period or periods of time in the case of a lease and upon such other terms and conditions as such body or bodies or the board may agree to. Any lease or deed of sale of such air space may contain provisions (i) authorizing the use of such areas of the underlying motor vehicle parking facility as are essential for ingress and egress to and from such air space, (ii) relating to the support of any building or other structure to be erected in such air space, and (iii) relating to the connection of essential public or private utilities to any building or other structure in such air space.

(3) For the erection or construction by the board of any pedestrian viaduct, ramp, bridge, tunnel or other pedestrian facility leading to and from a municipal public works which is a motor vehicle parking facility; and any such pedestrian viaduct, ramp, bridge, tunnel or other pedestrian facility shall, for all purposes of this article, be considered to be a part of a municipal public works which is a motor vehicle parking facility with like effect as if the term "municipal public works" were expressly defined in section one of this article to include pedestrian viaducts, ramps, bridges, tunnels or other pedestrian facilities: Provided, That any cost incurred by any municipality or municipalities in erecting or constructing any such pedestrian viaduct, ramp, bridge, tunnel or other pedestrian facility which connects a municipal public works which is a motor vehicle parking facility with a privately owned building or buildings or other privately owned structure or structures shall be paid for by the owner or owners of such building or buildings or such other structure or structures.

***2639** Any such lease may be privately negotiated without any public notice or advertising, and any such sale may be a public sale pursuant to the provisions of section eighteen, article twelve of this chapter or such sale may be privately negotiated, notwithstanding the provisions of said section eighteen.

(c) The proceeds received from any lease, sale or payment as provided in this section shall be deemed revenue of the works and used as provided in section seventeen of this article.

(d) Notwithstanding the fact that any motor vehicle parking facility subject to the provisions of this article is municipally owned and the fact that a lease or sale under the provisions of subdivision (1) or subdivision (2), subsection (b) of this section is for a public purpose as declared in subsection (a) of this section, any leasehold interest under said subdivision (1), and any building, structure, accommodation or improvement erected, made or operated in any air space leased or sold under said subdivision (2) shall be subject to all property taxes, which shall be assessed and imposed against the lessee or grantee, as the case may be, unless the use of such leasehold interest, building, structure, accommodation or improvement is otherwise exempt from property taxation under the provisions of section nine, article three, chapter eleven of this code.

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***2640 W. Va. Code, § 8-16-4b**

WEST'S WEST VIRGINIA CODE
CHAPTER 8. MUNICIPAL CORPORATIONS
ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING
PART II. CONTROL OF GOVERNING BODY OR BOARD

Current through End of 1997 1st Ex. Sess.

§ 8-16-4b. Additional special provision as to the use of space in motor vehicle parking facilities

For all purposes of this article, the power and authority of any municipality to lease, as lessor, space in a motor vehicle parking facility to any person for business, commercial or charitable use shall be deemed to include the power and authority to lease such space to the United States of America, the State of West Virginia, the county court of any county of the State of West Virginia, and any agency, board or commission of any thereof, and the revenues derived from such leases may be pledged as security for and expended in payment of revenue bonds of such municipality in like manner and to the same extent as other revenues from such motor vehicle parking facility.

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***2641 W. Va. Code, § 8-16-5**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART III. GENERAL POWERS AND AUTHORITY

Current through End of 1997 1st Ex. Sess.

§ 8-16-5. Powers of board

The board shall have plenary power and authority to take all steps and proceedings, and to make and enter into all contracts or agreements necessary, appropriate, useful, convenient or incidental to the performance of its duties and the execution of its powers and authority under this article: Provided, That any contract or agreement relating to the financing, or the construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement, increase or equipment of any such works, and any trust indenture with respect thereto as hereafter provided for, shall be approved by the governing body or bodies.

The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the board may direct. All such compensation and expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any power or authority herein given it so as to bind said board or any municipality beyond the extent to which money shall have been, or may be provided under the authority of this article. No contract or agreement with any contractor or contractors for labor or materials, or both, exceeding in amount the sum of one thousand dollars shall be made without advertising for bids, which bids shall be publicly opened and an award made to the lowest responsible bidder, with power and authority in the board to reject any and all bids. After the construction, reconstruction, establishment, acquisition, renovation or equipment of any such works, the board shall maintain, operate, manage and control the same, and may order and complete any improvements, extensions, enlargements, increase or repair (including replacements) of and to the works that the board may deem expedient, if funds therefor be available, or are made available, as provided in this article, and shall establish rules and regulations for the use, maintenance and operation of the works, and do all things necessary or expedient for the successful operation thereof. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided under the authority of this article.

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***2642 W. Va. Code, § 8-16-6**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART III. GENERAL POWERS AND AUTHORITY

Current through End of 1997 1st Ex. Sess.

§ 8-16-6. Preliminary expenses

All necessary preliminary expenses actually incurred by the board of any municipality or municipalities in the making of surveys or estimates of cost and of revenues, employment of engineers or other employees, the giving of notices, the taking of options, and all other expenses of whatsoever nature necessary to be paid prior to the issue, sale and delivery of the revenue bonds herein provided for, may be paid by the municipality or municipalities, to be reimbursed and repaid out of the proceeds of the sale of such revenue bonds to be used for the construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement, increase, equipment or repair (including replacements) of such works as hereinafter provided.

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*2643 W. Va. Code, § 8-16-7

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART III. GENERAL POWERS AND AUTHORITY

Current through End of 1997 1st Ex. Sess.

§ 8-16-7. Ordinance for construction, etc., of works

Before any municipality or municipalities shall, under the provisions of this article, construct, reconstruct, establish, acquire, improve, renovate, extend, enlarge, increase, equip or repair (including replacements) any municipal public works, the governing body, or the governing body of each participating municipality, shall enact an ordinance or ordinances, which shall (a) set forth a brief and general description of the works, including a reference to the preliminary report or plans and specifications which shall theretofore have been prepared; (b) set forth the estimated cost thereof; (c) order the construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement, increase, equipment or repair (including replacements) of such works; (d) direct that municipal revenue bonds be issued pursuant to this article, in such amount as may be found necessary to pay the cost of the works; (e) contain such provisions as the governing body determines are necessary or desirable with regard to the establishment and setting aside of reserves from the proceeds of such revenue bonds or from the revenues of said works, or from both, and the administration and disposition thereof; and (f) contain such other provisions as may be necessary or proper in the premises. When two or more municipalities take joint action under the provisions of this article, a certified copy of each such ordinance shall be filed in the office of the clerk of the county commission of the county or counties in which the municipalities are located and in the office of the state tax commissioner, and when any such municipality is located in more than one county, the filing for that municipality shall be in the office of the clerk of the county commission in which the major portion of the territory of such municipality is located. Before any such ordinance shall become effective, an abstract of the ordinance, determined by the governing body or each governing body, as the case may be, to contain sufficient information as to give notice of the contents of such ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be such municipality or each such municipality, as the case may be. The notice to be published with said abstract of the ordinance shall specify a date, time and place for a public hearing, the date being not less than ten days after the first publication of said abstract and notice and not prior to the last publication of said abstract and notice, at which time and place all parties and interest may appear before the governing body of the municipality or each such municipality and may be heard as to whether or not said ordinance shall be put into effect, and said notice shall also identify the office in which a certified copy of such ordinance shall be on file for review by interested persons during the office hours of such office. At such hearing all objections and suggestions shall be heard and the governing body or each such governing body shall take such action as it or they shall deem proper in the premises: Provided, That if at any such hearing written protest is filed by thirty percent or more of the freeholders of the municipality for which the hearing is held, then the governing body of said municipality shall not take further action unless four fifths of the members of said governing body assent thereto: Provided, however, That in case written protest is filed by thirty percent or more of the freeholders as herein provided, any such governing body shall have authority to appoint a

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committee to consist of one proponent, one opponent, and the third to be selected by these two, to determine whether or not thirty percent of the freeholders have in fact protested and said committee shall report its findings to any such governing body.

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***2646 W. Va. Code, § 8-16-9**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART V. REVENUE BOND FINANCING

Current through End of 1997 1st Ex. Sess.

§ 8-16-9. Bonds for improvements, etc., of works

Whenever any municipality or municipalities now, or hereafter, shall own and maintain and operate any of the works herein referred to, whether constructed, reconstructed, established or acquired under the provisions of this article or not, and shall desire to improve, renovate, extend, enlarge, increase, equip or repair (including replacements) the same, it may issue revenue bonds, under the provisions of this article, to pay for the same, and the procedure therefor, including fixing all rates and the computation of the amount thereof, shall be the same as in this article provided for the issuance of bonds for the construction, reconstruction, establishment or acquisition of any such works in or by any such municipality which has not theretofore owned and maintained and operated any such works: Provided, That no existing obligations or rights shall be affected or impaired thereby.

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***2644 W. Va. Code, § 8-16-8**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART IV. RIGHT OF EMINENT DOMAIN

Current through End of 1997 1st Ex. Sess.

§ 8-16-8. Right of eminent domain

Every such municipality shall have plenary power and authority to condemn any such municipal public works to be acquired, and any land, rights, easements, rights-of-way, franchises and other property, real or personal, deemed necessary, appropriate, useful or convenient for, and incidental to, the construction, reconstruction or establishment of any such works and space for business, commercial or charitable use in connection therewith, or for the improvement, renovation, extension, enlargement, increase or equipment thereof or thereto, and in connection therewith shall have and may exercise all the rights, power, authority and privileges of eminent domain granted to municipalities under the laws relating thereto. Title to property shall be taken in the name of the municipality or jointly in the names of the participating municipalities. Proceedings for such appropriation of property shall be under and pursuant to chapter fifty-four of this code: Provided, That any such municipality shall be under no obligation to accept and pay for any property condemned, and shall in no event pay for any property condemned or purchased, except from funds provided under the authority of this article; and in any proceedings to condemn, such orders may be made as may be just to any such municipality and to the owners of the property to be condemned; and an understanding or other security may be required securing such owners against any loss or damage which may be sustained by reason of the failure of any such municipality to accept and pay for the property, but such undertaking or security shall impose no liability upon any such municipality, except such as may be paid from the funds provided under the authority of this article.

In the event of acquisition by purchase, the board may obtain and exercise an option from the owners of said property for the purchase thereof, and may enter into a contract for the purchase thereof, and such purchase may be made upon such terms and conditions, and in such manner as the board may deem proper: Provided, however, That the exercise of such option, or the contract for such purchase, or such purchase shall in no event create any obligation of any such municipality, or create any debt, liability or claim, except such as may be discharged or paid from the funds provided under the authority of this article.

***2645** In the event of the acquisition of any works already constructed by purchase or condemnation, the board at or before the time of the adoption of any ordinance described in section seven hereof, shall cause to be determined what reconstruction, improvement, renovation, extension, enlargement, increase, equipment or repair (including replacements) will be necessary, in order that such works and space for business, commercial or charitable use in connection therewith, if any, may be effective for their purpose, and an estimate of the cost thereof shall be included in the estimate of the cost required by section seven hereof, and the same shall be made upon the acquisition of the works and as a part of the cost thereof: Provided further, That no municipality or municipalities shall, under the authority conferred by this article, condemn any existing privately owned works (other than motor vehicle parking facilities) in operation at the date of the condemnation.

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***2647 W. Va. Code, § 8-16-10**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART V. REVENUE BOND FINANCING

Current through End of 1997 1st Ex. Sess.

§ 8-16-10. Items of expense included in cost of works

The cost of the works shall be deemed to include the cost of construction, reconstruction, establishment or acquisition thereof, the cost of all land, rights, easements, rights-of-way, franchises and other property, real or personal, deemed necessary, appropriate, useful, convenient or incidental therefor or thereto and for the improvement, renovation, extension, enlargement, increase, equipment or repair (including replacements) determined upon; the interest upon bonds prior to and during the project and for six months after completion thereof; the amount of any reserve funded from the proceeds of bonds; engineering and legal expenses; expenses for estimates of cost and of revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expenses; and such other expenses as may be necessary or incident to the financing herein authorized, the project, the placing of the works in operation and the performance of the things herein required or permitted in connection with any thereof.

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***2648 W. Va. Code, § 8-16-11**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART V. REVENUE BOND FINANCING

Current through End of 1997 1st Ex. Sess.

§ 8-16-11. No municipality is to incur any obligation not payable from proceeds of bonds; exemption from taxation

Nothing in this article contained shall be so construed as to authorize or permit any municipality or municipalities to make any contract or incur any obligation of any kind or nature, except such as shall be discharged or payable solely from the funds provided under the authority of this article. Funds for the payment of the entire cost of the works shall be provided by the issuance of revenue bonds of the municipality or municipalities, the principal and interest of which bonds shall be payable solely from the special fund for such payment herein provided for, and said bonds shall not in any respect be a corporate indebtedness of such municipality or municipalities. All such bonds and the interest thereon, and all properties and revenues and income derived from such municipal public works, shall be exempt from all taxation by this State, or any county, municipality, political subdivision or agency thereof. All of the details of such bonds and the issuance thereof shall be determined by ordinance of the governing body or bodies.

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***2649 W. Va. Code, § 8-16-12**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART V. REVENUE BOND FINANCING

Current through End of 1997 1st Ex. Sess.

§ 8-16-12. Interest rate and life of bonds; redemption; how payable; form, denominations, etc.; additional bonds authorized; interim certificates

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable semiannually, or at shorter intervals, and shall mature at such time or times, not exceeding forty years, as may be determined by the ordinance or ordinances authorizing the issuance of such bonds. Such bonds may be made redeemable before maturity, at the option of the municipality or municipalities issuing the same, to be exercised by said board, at not more than the par value thereof, and at a premium of not more than five percent, under such terms and conditions as may be fixed by the ordinance or ordinances authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Such ordinance or ordinances shall determine the form of the bonds, either coupon or registered, shall set forth any registration or conversion privileges, and shall fix the denomination or denominations of such bonds, and the place or places of the payment of the principal and interest thereof, which may be at any banking institution or trust company within or without the State. When two or more municipalities take joint action under the provisions of this article, the bonds shall be issued by the participating municipalities either as separate or joint bonds, as the governing bodies thereof may agree, and when separate bonds are issued, the amount of the bonds to be issued by each participating municipality shall be fixed by agreement of the governing bodies of the participating municipalities set forth in the ordinance of each participating municipality authorizing the issuance of such bonds. The bonds shall contain a statement on their face that the municipality or municipalities issuing the same shall not be obligated to pay the same, or the interest thereon, except from the special fund derived from the net revenue of the works, or the pro rata part thereof, as provided for in section eleven hereof. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of negotiable instruments, under the Uniform Commercial Code of this State. The bonds shall be executed in such manner as the governing body or bodies may direct. The bonds shall be sold by the governing body or bodies in such manner as may be determined to be for the best interest of the municipality or municipalities: Provided, That said bonds shall not be negotiated at a price lower than a price which when computed to maturity upon standard tables of bond values will show a net return of more than thirteen percent per annum to the purchaser upon the amount paid therefor. Any surplus of the bond proceeds over and above the cost of the project shall be paid into the sinking fund hereinafter provided for. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the project, additional bonds may in like manner be issued to provide the amount of such deficit, and, unless otherwise provided in the ordinance or ordinances authorizing the issuance of the bonds first issued, or in the trust indenture hereinafter authorized, shall be deemed to be of same issue, and shall be entitled to payment without preference or priority of the bonds first issued; and if any preference or priority of the bonds first issued is provided for in the ordinance or ordinances authorizing the issuance of the bonds first issued or in said trust indenture, such preference or priority shall not extend to an

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amount exceeding ten percent of the original issue. Prior to the preparation of the definitive bonds, interim certificates may, under like restrictions, be issued, exchangeable for definitive bonds upon the issuance of the latter.

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***2650 W. Va. Code, § 8-16-13**

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PART V. REVENUE BOND FINANCING

Current through End of 1997 1st Ex. Sess.

§ 8-16-13. Obligations not to bind municipal official or officer or member of board personally

No municipal official or officer or member of the board shall in any event be personally liable upon any contract or obligation of any kind or character executed under the authority herein contained, even if said undertaking should thereafter be held ultra vires.

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***2651 W. Va. Code, § 8-16-14**

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§ 8-16-14. Additional bonds for improvements, etc., of works

The governing body or bodies may provide by the said ordinance or ordinances authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued at one time, or from time to time, under such limitations and restrictions as may be set forth in said ordinance or ordinances, or trust indenture, or all of these, for the purpose of improving, renovating, extending, enlarging, increasing, equipping or repairing (including replacements) the works when deemed necessary in the public interest, such additional bonds to be secured, and be payable from the revenues of the works, as provided for in section nine of this article.

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***2652 W. Va. Code, § 8-16-15**

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PART V. REVENUE BOND FINANCING

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§ 8-16-15. How proceeds of bonds applied

All moneys received from the sale of any bonds issued under the authority of this article, after reimbursements and repayments to said municipality or municipalities of all amounts advanced for preliminary expenses, as provided in section six of this article, shall be applied solely to the payment of the cost of the project, or to the appurtenant sinking fund, and there shall be, and there is hereby, created and granted a lien upon such moneys, until so applied, in favor of the holders of the bonds or the trustees hereinafter provided for.

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*2653 W. Va. Code, § 8-16-16

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART V. REVENUE BOND FINANCING

Current through End of 1997 1st Ex. Sess.

§ 8-16-16. Bonds secured by trust indenture between municipality or municipalities and corporate trustee

In the discretion and at the option of the governing body or bodies such bonds may be secured by a trust indenture by and between such municipality or municipalities and a corporate trustee, which may be a trust company or banking institution having powers of a trust company within or without the State. The ordinance or ordinances authorizing the issuance of the revenue bonds, and fixing the details thereof, may provide that such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the municipality or municipalities and the board in relation to the construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement, increase and equipment of the project and the repair (including replacements), maintenance, operation and insurance thereof, and the custody, safeguarding and application of all moneys, and may provide that the project shall be contracted for, carried out and paid for, under the supervision and approval of the consulting engineers employed or designated by the board and satisfactory to the original bond purchasers, their successors, assignees or nominees, who may be given the right to require the security given by contractors and by any depository of the proceeds of bonds or revenues of the works or other moneys pertaining thereto be satisfactory to such purchasers, their successors, assignees or nominees. Such indenture may set forth the rights and remedies of the bondholders or such trustee, or both. Except as in this article otherwise provided, the governing body or bodies may provide by ordinance or ordinances or in such trust indenture for the payment of the proceeds of the sale of the bonds and the revenues of the works to such officer, board or depository, as such body or bodies may determine for the custody thereof, and for the method of distribution thereof, with such safeguards and restrictions as such body or bodies may determine.

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***2654 W. Va. Code, § 8-16-17**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART V. REVENUE BOND FINANCING

Current through End of 1997 1st Ex. Sess.

§ 8-16-17. Sinking fund; sinking fund commission; transfer of funds; purchase of outstanding bonds

Before the issuance of any such bonds, the governing body or bodies shall, by ordinance or ordinances, provide for a sinking fund for the payment of the bonds and the interest thereon, and the payment of the charges of banking institutions or trust companies for making payment of such bonds and interest, out of the net revenues of said works, and shall set aside and pledge a sufficient amount of the net revenues of the works hereby defined to mean the revenues of the works remaining after the payment of the reasonable expenses of repair (including replacements), maintenance and operation, such amount to be paid by the board into the sinking fund at intervals, to be determined by ordinance or ordinances adopted prior to the issuance of the bonds, for (a) the interest upon such bonds as such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest; (c) the payment of the bonds as they fall due, or if all bonds mature at one time, the proper maintenance of a sinking fund sufficient for the payment thereof at such time; and (d) a margin for safety and for the payment of premium upon bonds retired by call or purchase as herein provided, which margin, together with unused surplus of such margin carried forward from the preceding year and the amounts set aside as reserved out of the proceeds from the sale of the bonds, or from the revenues of said works, or from both, shall equal ten percent of all other amounts so required to be paid into the sinking fund. Such required payments shall constitute a first charge upon all the net revenues of the works. Prior to the issuance of the bonds, the board may, by ordinance or ordinances, be given the right to use or direct the trustee or the state sinking fund commission to use such sinking fund, or any part thereof, in the purchase of any of the outstanding bonds payable therefrom, at the market prices thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled, and shall not again be issued. After the payments into the sinking fund as herein required and after reserving an amount deemed by the board sufficient for repair (including replacements), maintenance and operation for an ensuing period of not less than twelve months and for depreciation, the board may at any time in its discretion transfer all or any part of the balance of the net revenues into the sinking fund or into a fund for improvement, renovation, extension, enlargement, increase or equipment for or to the works, or the governing body or bodies may, notwithstanding the provisions of section twenty, article thirteen of this chapter, transfer all or any part of the balance of the net revenues to the general or any special fund of the municipality or municipalities and use such revenues for any purpose for which such general or special fund may be expended.

***2655** All amounts for the sinking fund and interest, as and when set apart for the payment of same, shall be remitted to the state sinking fund commission at such periods as shall be designated in the ordinance or ordinances, but in any event at least thirty days previous to the time interest or principal payments become due, to be retained and paid out by said commission consistent with the provisions of this article and the ordinance or ordinances pursuant to which such bonds have been issued. The state sinking

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fund commission is hereby authorized to act as fiscal agent for the administration of such sinking fund under any ordinance or ordinances passed or adopted pursuant to the provisions of this article and shall invest all sinking funds as provided by general law.

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***2656 W. Va. Code, § 8-16-18**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART VI. IMPOSITION OF RATES OR CHARGES

Current through End of 1997 1st Ex. Sess.

§ 8-16-18. Rates or charges for services rendered by works

The governing body shall have plenary power and authority and it shall be its duty, by ordinance, to establish and maintain just and equitable rates or charges for the use and services rendered, or the improvement or protection of property provided or afforded, by such works, to be paid by the person using the same, receiving the services thereof, or owning the property improved or protected thereby, and may readjust such rates or charges from time to time. When two or more municipalities take joint action under the provisions of this article, such rates or charges shall be established by each participating municipality, with the concurrence of the other participating municipality or municipalities as to the amount of such rates or charges, and such rates or charges may be the same with respect to each municipality, or they may be different.

Rates or charges heretofore or hereafter established and maintained for the improvement or protection of property, provided or afforded by a municipal flood control system or flood walls, to be paid by the person owning the property improved or protected thereby, shall be collectible and enforceable from the time provided in any such ordinance, any provision of this or any other law to the contrary notwithstanding, if, at such time, such works, though not yet fully completed, are nearing completion and such governing body is reasonably assured that such works will be completed and placed in operation without unreasonable delay.

All rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of repair (including replacements), maintenance and operation of the works, and for the payment of the sums herein required to be paid into the sinking fund.

Revenues collected pursuant to the provisions of this section shall be deemed the revenues of the works. No such rates or charges shall be established until after a public hearing at which all the users of the works and owners of the property served, or to be served thereby, and others interested, shall have an opportunity to be heard concerning the proposed rates or charges. After introduction of the proposed ordinance fixing such rates or charges and before the same is finally adopted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publishing the same as a Class I-0 legal advertisement in compliance with the provisions of article three, chapter fifty-nine of this code, and the publication area for such publication shall be such municipality or each such municipality, as the case may be. Said notice shall be published at least five days before the date fixed in such notice for the hearing, which hearing may be adjourned from time to time. No other or further notice to parties in interest shall be required. After such hearing the ordinance establishing rates or charges, either as originally proposed or introduced, or as modified and amended, shall be adopted and put into effect. A copy of the schedule of such rates and charges so established shall be kept on file in the office of the board having charge of such works, and also in the office of the governing body or bodies, and shall be open to inspection by all parties in interest. The rates or charges so established for any class of users or property served shall be extended to cover any additional class of users or property thereafter served which fall within the same class, without the necessity of any hearing or notice. Any change or adjustment of

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rates or charges may be made in the same manner as such rates or charges were originally established as hereinabove provided. The aggregate of the rates or charges shall always be sufficient for the expenses of repair (including replacements), maintenance and operation, and for the sinking fund payments. If any rate or charge so established shall not be paid within thirty days after the same is due, the amount thereof may be recovered by the board in a civil action in the name of the municipality or municipalities, and in the case of charges due for services rendered, such charges, if not paid when due, may, if the governing body so provide in the ordinance provided for under section seven of this article, constitute a lien upon the premises served by such works, which lien may be foreclosed against such lot, parcel of land or building so served, in accordance with the laws relating to the foreclosure of liens on real property. Upon failure of any person receiving any such service to pay for the same when due, the board may discontinue such service without notice.

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***2657 W. Va. Code, § 8-16-18a**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART VI. IMPOSITION OF RATES OR CHARGES

Current through End of 1997 1st Ex. Sess.

§ 8-16-18a. Pledge of the hotel occupancy tax; contribution of revenues to building commission

In addition to the rates or charges authorized to be pledged and expended for the security and payment of bonds as provided in this article, the governing body issuing such bonds shall have plenary power and authority to pledge and expend for the security and payment of such bonds all, or any part, of the revenues which are derived from the hotel occupancy tax which a municipality may impose pursuant to section three, article thirteen of this chapter and which are specifically dedicated by such governing body for any purpose or purposes set forth in section three, article thirteen of this chapter. All such sums which are so pledged shall be deemed "revenues of the works" for all purposes of the provisions of this article. The governing body shall also have the power and authority to contribute all, or any part of, the revenues derived from said hotel occupancy tax to a building commission created by such governing body pursuant to article thirty-three, chapter eight of this code for such lawful purposes which such building commission shall determine and which are set forth in section three, article thirteen of this chapter, including payment of revenue bonds issued by such building commission.

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***2658 W. Va. Code, § 8-16-19**

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§ 8-16-19. Appeal to public service commission from rates fixed

If any party in interest is dissatisfied with the rates fixed under the provisions of the immediately preceding section of this article, such party shall have the right to appeal to the public service commission at any time within thirty days after the fixing of such rates by the governing body, but the rates so fixed by the governing body shall remain in full force and effect, until set aside, altered or amended by the public service commission.

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***2659 W. Va. Code, § 8-16-20**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART VII. ACCOUNTING SYSTEM AND RECORDS

Current through End of 1997 1st Ex. Sess.

§ 8-16-20. Accounting system; yearly audit; custodian of funds

Any municipality or municipalities issuing revenue bonds under the provisions of this article shall install and maintain a proper system of accounting, showing the amount of revenues received and the application of the same, and the governing body or bodies shall, at least once a year, cause such accounts to be properly audited by a competent auditor, and the report of such auditor shall be open for inspection at all proper times to any taxpayer or resident of said municipality or municipalities, or person receiving service from said works, or any holder of bonds issued under the provisions of this article, or anyone acting for in behalf of such taxpayer, resident, person or bondholder. The treasurer of such municipality or each such municipality, or other official or institution specifically charged with the duty, shall be the custodian or custodians of the funds derived from income received from said works, and shall give proper bond or bonds for the faithful discharge of his or its or their duties as such custodian or custodians, which bond or bonds shall be fixed and approved by the governing body or bodies. All of the funds received as income from said works under the provisions of this article and all funds received from the sale of revenue bonds issued therefor shall be kept separate and apart from other funds of the municipality or municipalities, and separate accounts shall be maintained for the several items required to be set up by the provisions of section seventeen of this article.

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***2660 W. Va. Code, § 8-16-21**

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PART VIII. RATES OR CHARGES FOR MUNICIPALITIES

Current through End of 1997 1st Ex. Sess.

§ 8-16-21. Municipality or municipalities to pay established rates or charges for services rendered to it or them

The municipality or municipalities issuing such bonds shall be subject to the same rates or charges established as hereinbefore provided, or to rates or charges established in harmony therewith, for service rendered to the municipality or municipalities and shall pay such rates or charges, when due, from corporate funds, and the same shall be deemed to be a part of the revenues of the works as herein defined, and may be applied as herein provided for the application of such revenue.

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***2661 W. Va. Code, § 8-16-22**

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PART IX. LIENS AND PROTECTION OF BONDHOLDERS

Current through End of 1997 1st Ex. Sess.

§ 8-16-22. Statutory mortgage lien upon works created

There shall be and there is hereby created and granted a statutory mortgage lien upon such municipal public works constructed, reconstructed, established, acquired, improved, renovated, extended, enlarged, increased, equipped or repaired (including replacements) under the provisions of this article, which shall exist in favor of the holder of said bonds, and each of them, and to and in favor of the holder of the coupons attached to said bonds, and such municipal public works shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest upon said bonds.

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***2662 W. Va. Code, § 8-16-23**

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PART IX. LIENS AND PROTECTION OF BONDHOLDERS

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§ 8-16-23. Acquisition of property on which lien exists

No property shall be acquired under the provisions of this article upon which any lien or other encumbrance exists, unless at the time such property is acquired a sufficient sum of money be deposited in trust to pay and redeem such lien or encumbrance in full.

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***2663 W. Va. Code, § 8-16-24**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART IX. LIENS AND PROTECTION OF BONDHOLDERS

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§ 8-16-24. Protection and enforcement of rights of bondholders, etc.; receivership; effect of receivership on lease agreement

Any holder of any such bonds, or any of the coupons attached thereto, and the trustee, if any, except to the extent that the rights herein given may be restricted by the ordinance authorizing the issuance of the bonds or by the trust indenture, may by civil action, mandamus or other proper proceeding enforce the statutory mortgage lien created and granted in section twenty-two of this article, protect and enforce any and all rights granted hereunder or under any such ordinance or trust indenture, and may enforce and compel performance of all duties required by the provisions of this article or by any such ordinance or trust indenture to be performed by the municipality or municipalities, or by the board or any officer, including the making and collecting of reasonable and sufficient rates or charges for services rendered by the works. If there be default in the payment of the principal of or interest upon any of the bonds, or of both principal and interest, any court having jurisdiction shall appoint a receiver to administer the works on behalf of the municipality or municipalities, and the bondholders or trustee, or both, except as so restricted, with power to charge and collect rates or charges sufficient to provide for the payment of the expenses of repair (including replacements), maintenance and operation, and also to pay any bonds and interest outstanding, and to apply the income or other revenue in conformity with this article, and the said ordinance or trust indenture, or both, and the power herein provided for the appointment of a receiver and the administration by the court of the works on behalf of the municipality or municipalities, and the bondholders or trustee, or both, shall apply to cases where such works are operated by a lessee of the municipality or municipalities as well as to cases where works are operated by the municipality or municipalities. In case a receiver is appointed for works operated by a lessee of a municipality or municipalities, the lease agreement then existing between the municipality or municipalities and the lessee ipso facto thereby shall be terminated and all property, equipment, bills receivable and assets of every kind, used in connection with the operation of such works, shall pass to the receiver and upon the termination of such receivership, such works, equipment, property, bills receivable and assets of every kind then in the hands of the receiver thereupon shall pass to the municipality or municipalities.

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***2664 W. Va. Code, § 8-16-25**

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PART X. CONSTRUCTION; EXTRATERRITORIAL JURISDICTION

Current through End of 1997 1st Ex. Sess.

§ 8-16-25. Article confers additional power and authority; extraterritorial jurisdiction

The power and authority herein granted shall be in addition to and not in derogation of any power and authority vested in any municipality under any constitutional, statutory or charter provisions which may now or hereafter be in effect. For all purposes of this article, municipalities shall have jurisdiction for ten miles outside of the corporate limits thereof, except where such zone would overlap with the zone of another municipality, in which event the meridian line of the overlapping zone shall be the dividing line of their respective jurisdictions, except that one municipality shall have jurisdiction within such ten-mile zone and may overlap into the zone of another municipality or municipalities with the consent thereof.

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***2665 W. Va. Code, § 8-16-26**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART X. CONSTRUCTION; EXTRATERRITORIAL JURISDICTION

Current through End of 1997 1st Ex. Sess.

§ 8-16-26. Construction of power and authority conferred

This article shall, without reference to any other statute or charter provision, be deemed full authority for the construction, reconstruction, establishment, acquisition, improvement, renovation, extension, enlargement, increase, equipment, repair (including replacements), maintenance and operation of the works herein provided for, and for the issuance and sale of the bonds by this article authorized, and shall be construed as an additional alternative method therefor, and for the financing thereof, and no petition or other or further proceeding in respect to any such project, or to the issuance or sale of bonds under this article, and no publication of any ordinance, notice or proceeding relating to any such project, or to the issuance or sale of such bonds shall be required, except such as are prescribed in this article, any provisions of other statutes of the State to the contrary notwithstanding.

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***2666 W. Va. Code, § 8-16-27**

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§ 8-16-27. Article liberally construed

This article being necessary for the public health, safety and welfare shall be liberally construed to effectuate the purposes thereof.

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***2667 W. Va. Code, § 8-16-28**

WEST'S WEST VIRGINIA CODE CHAPTER 8. MUNICIPAL CORPORATIONS ARTICLE 16. MUNICIPAL PUBLIC WORKS; REVENUE BOND FINANCING PART X. CONSTRUCTION; EXTRATERRITORIAL JURISDICTION

Current through End of 1997 1st Ex. Sess.

§ 8-16-28. Reference to "municipal authorities" or "municipal authority" elsewhere in law to mean "governing body" for the purposes of this article only

In elaboration of the provisions of section eight, article one of this chapter, wherever in this code, in any act, in general law, elsewhere in law, in any charter, in any ordinance, resolution or order, or in any ordinance, resolution or order of a county court, reference is made to the term "municipal authorities" or "municipal authority" within the meaning of the provisions of former article four-a of this chapter, such reference shall henceforth be read, construed and understood to mean "governing body" as that term is used in this article sixteen only.

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