

**VIRGINIA:**

A meeting of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room and via conference call through the Zoom platform on Thursday, September 24, 2020.

Members Present: Jason D. Bellows, Chair

Ernest W. Palin, Jr., Vice Chair

Jack D. Larson, Board Member

William R. Lee, Board Member

Robert S. Westbrook, Board Member

Staff Present: Don G. Gill, County Administrator

James Cornwell, County Attorney

Brian D. Barnes, Planning/Land Use Director and Environmental Codes Compliance Officer

Glenn Rowe, Information Technology Director

Crystal Whay, Clerk to the Board and Building/Land Use Assistant

Mr. Bellows called the meeting to order at 6:00 p.m.

**CLOSED MEETING**

Motion was made by Mr. Bellows to enter into closed meeting to discuss matters exempt from the open meeting requirements of the Virginia Freedom of Information Act. The subject matters to be discussed in the closed meeting are Personnel, §2.2-3711.A.1, Acquisition of Real Property, §2.2-3711.A.3 and Legal Matters, §2.2-3711.A.8 of the Code of Virginia, *1950, as amended*. The subject and purpose falls within the following exemption(s) under §2.2-3711.A.1 (candidates for employment OR the assignment, appointment, promotion, performance, demotion, discipline, salaries, compensation, resignation of employees), §2.2-3711.A.3 (acquisition of real property for public purpose OR the disposition of government owned property where public discussion would jeopardize the County's bargaining or negotiating position) and §2.2-3711.A.8 (for the consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.)

VOTE: Jason D. Bellows Aye

Ernest W. Palin, Jr.	Aye
Jack D. Larson	Aye
William R. Lee	Aye
Robert S. Westbrook	Aye

**RECONVENE**

Motion was made by Mr. Palin to reconvene the meeting.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

**CERTIFICATION**

**WHEREAS**, the Lancaster County Board of Supervisors convened in a closed meeting on September 24, 2020 pursuant to an affirmative recorded vote on the motion to close the meeting to discuss Personnel, §2.2-3711.A.1, Acquisition of Real Property, §2.2-3711.A.3 and Legal Matters, §2.2-3711.A.8 of the Virginia Freedom of Information Act;

**WHEREAS**, §2.2-3712 of the Code of Virginia requires a certification by the board of supervisors that such closed meeting was conducted in conformity with Virginia law;

**NOW, THEREFORE BE IT RESOLVED** that the Lancaster County Board of Supervisors hereby certifies that, to the best of each member’s knowledge, (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the closed meeting to which this certification applies and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting to which this certification applies.

Motion was made by Mr. Palin to certify the closed meeting.

Before a vote is taken on this resolution, is there any member who believes that there was a departure from the requirements of number 1 and number 2 above? If so, identify yourself and state the substance of the matter and why in your judgment it was a departure. There was no comment.

Hearing no further comment, Mr. Palin called the question. A roll call vote was taken:

**ROLL CALL**

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

This certification resolution is adopted.

One item considered in the closed meeting will be covered with an additional item added to the consideration docket. No action taken on other closed meeting matters.

Mr. Bellows called the meeting to order at 7:00 p.m.

Mr. Bellows stated that he was moving the presentations portion of the meeting up to the first item, since so many people were in attendance for the presentation.

**PRESENTATIONS**

1. Brookvale High School Boys Baseball Team – 1969 State Champions

Mr. Lee stated that they were there to honor a group of men who won a state baseball championship in 1969. He stated that it had never been done before or since in this County. He stated that 1969 was the final year of Brookvale High School and it was the year that segregation ended in Lancaster County and the Freedom of Choice Program went away. He stated that, after that year, that building became the Lancaster Primary School.

Mr. Lee stated that the baseball team left the County with a mission and that was to win the championship. He stated that they returned to the County as state baseball champions and their mission was accomplished. He stated that, when the team returned home, there was no cheering, no sirens, no flags flying, no people standing on the sides of the roads waving to them and cheering them on. He stated that the only recognition the team received was a small article in the local paper. He stated that, at tonight's meeting, they were there to give the baseball team their just due. He stated that, on behalf of the Lancaster County Board of Supervisors and the School Board, they were paying tribute to the 1969 Brookvale High School Fighting Warriors Baseball Team. He stated that he would turn the meeting over to Joan Gravatt, School Board Chair.

Mrs. Gravatt stated that she was representing the Lancaster County School Board and they were very pleased to honor the 1969 Brookvale Fighting Warriors State Baseball Champions. She stated that championship rings have been ordered and they will be planning a presentation ceremony once the rings arrive. She showed the rendering of the ring that was displayed. She stated that teamwork makes a team work and these gentlemen made their team a dream team.

Mr. Lee stated that a picture of the team was displayed and also a sign, with the Fighting Warriors accomplishment, that will hang on the Welcome to Lancaster County sign at every entrance into the County. He stated that, in the future, they will also have signage recognizing the other state champions, through the years, on the welcome sign. It was mentioned that Stanley Fauntleroy, another team member, had been left off the roster on the resolution, so that needed to be corrected.

Mr. Lee read the resolution.

Mr. Bellows made a motion to Adopt the Brookvale High School Baseball Team – 1969 State Champions Resolution.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

### **RECOGNIZING THE 1969 BROOKVALE HIGH SCHOOL FIGHTING WARRIORS BASEBALL TEAM STATE CHAMPIONSHIP**

**Whereas**, the 1969 Brookvale High School Fighting Warriors Baseball Team won the District Championship over Richmond County and carried a 7-2 record into the Group II, District IV State Championship at Virginia State University; and

**Whereas**, the 1969 Brookvale High School Fighting Warriors Baseball Team defeated Central of Charlotte 5 to 4 in the State Semi-Final game and then defeated G. W. Watkins 11 to 5 to claim the State Championship; and

**Whereas**, the 1969 Brookvale High School Fighting Warriors Baseball Team was led by first-year Head Coach **Maurice L. Savoy**, Assistant Coaches **Richard Ruffin** and **Walter Webb**, Trainer **Carroll Jones** and consisted of the following student athletes:

**Frank Carter  
Mozelle Carter  
Irvin Coleman  
Stanley Fauntleroy  
Melvin Harris  
Wilbert Lee  
Dean Nickens  
Ronald Smith  
Bradell Thompson**

**James Carter  
Wardell Carter  
Jesse Davenport  
Stanley Gaskins  
Elwood Henderson  
William Lee  
Donald Sanders  
Theodore Thomas  
Wardell Veney**

**Whereas**, 1969 was the final year of existence for Brookvale High School and the Virginia High School League fully recognized this State Championship on June 16, 2020;

**Now, Therefore Be It Resolved**, that the Board of Supervisors of Lancaster County hereby recognizes the 1969 Brookvale High School Fighting Warriors Baseball Team for their outstanding accomplishments attained that season culminating with a State Championship; and

**Be It Finally Resolved**, that a copy of this resolution expressing the sense of the Board of Supervisors of Lancaster County on this matter be conveyed to the Lancaster County School Board and be spread upon the meeting minutes of said Board of Supervisors.

Reverend William Lee, a member of the Brookvale High School Baseball Team, stated that when the team came back from Petersburg in 1969, after winning the championship, they knew their accomplishment would not be recognized. He stated that the championship was won for the Lancaster County School System. He stated that what tonight's recognition says to them is that black lives do matter and their championship matters. He stated that they are Brookvale Warriors and honored and loved by the County and the school system. He stated that they are the 1969 State Champions of Brookvale High School of Lancaster County, Virginia and the Lancaster County School System.

2. Broadband Authority Update

Cassie Thompson, the Broadband Authority Chair, stated that their contract with the Department of Housing and Community Development has been filed and accepted. She stated that this is the last step in the process of completing the Telecommunications Planning Grant requirements and they have been advised that payment processing will take 30 to 45 days. She stated that this is a \$40,000 grant.

Mrs. Thompson stated that they have responded to several inquiries from the Rural Utilities Service about their pending application for the 100% ReConnect grant. She stated that the application was submitted in March. She stated that, if approved, the grant would provide \$23 million dollars in federal funds to connect all the unserved homes and businesses in the County. She stated that there has been no final word yet on the application, but they are still under consideration for the grant. She stated that they have also applied for the Virginia

Telecommunications Initiative Grant (VATI), which is a regional grant that will be awarded in January. She stated that, if they win the RUS grant, they will withdraw from the VATI grant, because they can't do both.

Mrs. Thompson stated that the Broadband Authority continues to investigate possible options for installing smart poles in various locations throughout the County. She stated that they have considered several options already and they are seeking to provide the most benefit at the lowest cost. She stated that this project would be funded by the CARES Act and would require funds to be obligated by December 31.

Mrs. Thompson stated that there has been a vacancy on the Broadband Authority since June and their bylaws provide that the Authority will recommend a candidate to the Board of Supervisors for approval. She stated that the Broadband Authority would like to recommend that the Board appoint Michele Craddock to join the Authority. She stated that Mrs. Craddock has a set of skills that will benefit both the County and the Authority. She stated that her qualifications have been reviewed and she is eminently well qualified. She stated that Mrs. Craddock will fill the unexpired term of the person she is replacing, so her term would expire on December 31, 2021. She stated that, at that time, Mrs. Craddock can decide whether she would like to stay on the Authority for another two-year term.

Mrs. Thompson stated that the Broadband Authority wanted to publicly thank Glenn Rowe for his assistance during the grant application processes this year. She stated that Mr. Rowe provided much needed back-up and support for their mapping efforts with both the RUS and VATI grants. She stated that one of the most valuable people in this County's government is Mr. Rowe.

Dr. Westbrook made a motion to appoint Michele Craddock to the Broadband Authority.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

## **PUBLIC INPUT**

George Bott, a District 1 citizen, stated that catching the Merry Point Ferry has been a problem because the lights on the ferry signs don't always indicate the ferry's status. He stated that he recommended a cellular phone application that could be controlled by the ferry driver, so that riders could check on the operating status. He stated that other localities use an app and more people would use the ferry if they could be assured of its status.

Mr. Bott stated that the Hospice Turkey Shoot Regatta will be just a one-day event this year and will be held on October 3, 2020.

Mr. Bott stated that he voted a few days ago and the process was easy.

Charlie Costello, a District 2 citizen, stated that he had attended the Planning Commission meeting last week and the solar ordinance was discussed. He stated that the Chairman, Ty Brent, had said that the Planning Commission had been charged with creating a solar ordinance. He stated that, in his opinion, the Comprehensive Plan review should be completed before the solar ordinance is done. He stated that the statistics provided in the materials for the Planning Commission meeting were misleading. He asked the Board if they knew what a 100-megawatt solar facility looked like on an 800-acre parcel. He stated that he would leave some pictures for the Board to review, but the sights are horrendous. He asked if this is what the County really wanted. He stated that, in his opinion, the Comprehensive Plan should be reviewed first, before the solar ordinance is done, so everyone can have a better idea of what they want and where they may want it.

## **VIRGINIA DEPARTMENT OF TRANSPORTATION**

Mike Bryant, Lancaster Area Headquarters Superintendent for VDOT, stated that, in reference to Mr. Bott's comments on the ferry lights, he knows that they have been having issues and the VDOT personnel who are responsible for the signals are aware of the problems, but he will touch base with them again.

Mr. Bryant stated that they are expecting a contractor to pick up trash and do a final mowing for the year soon.

Mr. Lee referred to a traffic study that was done on Route 200 between Kilmarnock and Irvington and stated that the main concern was the area in front of the Dreamfields Ballpark. He stated that he would give a copy of the letter concerning the traffic study to Mr. Bryant and he would reach out to him later to discuss it. He stated that the letter says that nothing needs to be done with that area, but he has some concerns about safety considering the amount of traffic there and the families and children who use the park. He stated that, in his opinion, the least that could be done was to have that area be a "no passing zone."

Mr. Bryant stated that he had talked with the state troopers who wanted the speed limit decreased in that area. He stated that, when the study came back, all that was suggested was more signs and some guardrails.

Mr. Lee stated that he thought that more discussion was needed on the issue.

Mr. Bryant stated that he would be in touch with Mr. Lee concerning that area of Route 200.

## **PUBLIC HEARINGS**

1. Application for Change of Zoning District Classification – Alfred and Patricia Henderson

Mr. Bellows asked Mr. Barnes to present the issue.

Mr. Barnes stated that this was an application by Alfred and Patricia Henderson to rezone a current parcel from R-1, Residential to C-2, Commercial, Limited, with offered conditions, on a parcel containing 2.50 acres, described as Tax Map #24-13. He stated that this issue was heard by the Planning Commission on August 26, 2020, where a motion was made for approval of this request with the included conditions by a vote of 6 to 0.

Mr. Barnes stated that the subject parcel is adjacent to another one of the owners' parcels, which is already zoned C-2. He stated that the applicants are looking to possibly expand their existing business. He stated that the issue was coming to the Board with staff recommendation for approval, as well as approval from the Planning Commission.

Mr. Barnes stated that this parcel is outside of the County's Primary Growth Area, but is adjacent to a parcel that is already zoned C-2 and is in close proximity to other businesses. He stated that he did not see any issue with this rezoning request and conformance with the Comprehensive Plan. He stated that the request was advertised as conditioned and the uses that the applicant has stricken will continue to run with that property, even after it is sold to someone else.

Mr. Palin referred to 8A-1-35 of the C-2 ordinance that refers to the disposal of dredge spoils, with a special exception and asked about it.

Mr. Barnes replied that line item had not been stricken and it was probably something that the Board would not find favorable. He stated that, as a staff member, he cannot ask for conditions on a rezoning.

Mr. Palin stated that he wondered if the applicant would be willing to consider eliminating that use.

Mr. Cornwell stated that, if the applicant decided not to strike the item, it would still have to come before the Board again under the special exception request.

Mr. Bellows opened the public hearing.

Al Henderson, the applicant, stated that he had missed the item on dredge spoils and would be happy to strike that out of his request.

Mr. Bellows closed the public hearing.

Mr. Lee made a motion to Approve the Rezoning Request from R-1 to C-2 on Tax Map #24-13 for Alfred and Patricia Henderson, with the conditions, including the proffer of no dredge spoils.



VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

2. Application for Change of Zoning District Classification – Bill Williams

Mr. Bellows asked Mr. Barnes to present the issue.

Mr. Barnes stated that this was an application by Bill Williams to rezone a current parcel from A-2, Agricultural General to R-1, Residential, General on a parcel containing 2.786 acres, described as Tax Map #16-83A. He stated that the applicant and his business partner desire to operate a business caring for elderly in a single-family home situation and wish to utilize this residence accordingly. He stated that the A-2 District does not allow for rest homes, but the R-1 District does. He stated that this use is permitted by state code 15.2-2291, which was expanded in 2010 to allow more of a home setting for care, instead of a nursing home setting. He stated that the state code prevents counties from considering such a use to be anything other than a single-family residence. He stated that it cannot house more than eight occupants and cannot be used for drug rehabilitation.

Mr. Barnes stated that the Planning Commission heard this request and forwarded it to the Board of Supervisors recommending approval. He stated that he has received no comment from the public. He stated that this was a small rezoning and he saw no conflict with the Comprehensive Plan.

Mr. Bellows opened the public hearing.

There was no public comment.

Mr. Bellows closed the public hearing.

Mr. Palin stated that there was a need in the County for homes of this nature.

Mr. Palin made a motion to Approve the Rezoning Request from A-2 to R-1 on Tax Map #16-83A for Bill Williams.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye

Jack D. Larson	Aye
William R. Lee	Aye
Robert S. Westbrook	Aye

3. Amendment to the FY 21-25 Capital Improvement Budget of up to \$13,145,000 for the Renovation of the Existing Middle School into an Elementary School

Mr. Bellows asked Mr. Gill to present the issue.

Mr. Gill stated that, when the Board of Supervisors adopted the FY 21-25 Capital Improvement Budget on June 25, 2020, all items concerning renovated or new schools had been placed in FY 22. He stated that the School Board had reconvened the School Facilities Committee to revisit earlier proposals and make suggestions for revisions. He stated that the School Facilities Committee made a recommendation to the School Board on June 9, 2020 and the School Board adopted and forwarded that recommendation to the Planning Commission to be considered as an amendment to the Capital Improvement Budget.

Mr. Gill stated that the original revision sent to the Planning Commission contained a \$13,145,184 renovation of the middle school into an elementary school. He stated that the revision also contained a figure for a new middle school/high school combination. He stated that the Planning Commission heard this in July and held a public hearing in August and were only forwarding the \$13,145,184 middle school renovation into an elementary school to the Board of Supervisors recommending approval. He stated that the Planning Commission moved any new school construction out to FY 22 or beyond. He stated that the project plan to renovate the middle school into an elementary school was outlined in a scope of work that was included in the Board members' books and was presented as a Power Point presentation at the Planning Commission meeting. He stated that the plan includes a major interior renovation and reconfiguration and includes new furniture, technology upgrades as well as a full roof replacement. He stated that, when completed, the renovated middle school will serve grades K-6 and will enable the oldest school in the County, the Lancaster Primary School, to close. He stated that advertising has been conducted as required by law and to date, other than the discussion at the Planning Commission meetings, there has been no additional comment from the public. He stated that several members of the School Facilities Committee, the School Superintendent, the School Board Chairman and other school personnel are in attendance at tonight's meeting.

Mr. Bellows opened the public hearing.

Howard Kyzer, a District 3 citizen, stated that he assumed that this was the first step on the road to new schools. He stated that renovating the middle school is probably a good idea. He stated that, if the next step is to renovate the existing high school, he thought taxpayers might be able to handle that plan. He stated that, however, if the next step is to build a new, expensive

school, there will be a lot of pushback and the County cannot afford it and will be buried in debt. He stated that he hoped a lot of thought would go into what the next step would be.

Mr. Bellows closed the public hearing.

Mr. Larson stated that he thought the School Facilities Committee and the School Board had come up with a good plan and they have a good approach. He stated that, by closing the primary school, they can save a considerable amount of money. He stated that his concern was that project costs are shown as twenty percent of total costs. He stated that the standard for new construction is usually around ten percent, but this project is not new construction, but rather the majority of it is renovations, with just a very small portion being new. He stated that the time frame for the renovations allows for nine months for design and he did not understand that. He stated that even if there are load bearing walls being moved or such things as moving electrical wiring, he still did not understand that time frame. He stated that it tells him that the amount of money that is going to the firm doing this work is way out of line. He stated that, to that end, he would support a motion that would have as a condition that the School Board readvertise the design portion of this project. He stated that he would also like them to take a hard look at what constitutes project costs and why is it coming in at twenty percent. He stated that, if the School Board can address those issues, and he believes they can, then they should move ahead because it is a good project.

Mr. Larson stated that he did not like to see more money go to a firm, that in his opinion, has not served the Lancaster County citizens or the School Board very well. He stated that he would like to see it readvertised. He stated that he had heard the arguments about readvertising and that the firm knew what was going on with the schools and he understood it. He stated that he had heard the arguments about the delays with the project if readvertising was done. He stated that this particular plan came from the School Facilities Committee that finished their work about thirteen months ago, so any readvertising delays, in his opinion, would be well worth it.

Dr. Westbrook asked Mr. Cornwell if the Board of Supervisors could require the School Board to readvertise for design work.

Mr. Cornwell replied that it was their money, so they could put conditions on it if they wanted.

Mr. Lee stated that they could approve the amount with the condition of readvertising.

Mr. Bellows stated that they have been fighting this battle for ten years and have been through more than one architect and it is time to move forward. He stated that it is not time for any more delays or obstructions. He stated that is his opinion and how he will vote.

Mr. Palin stated that he agreed with Mr. Bellows and he had trust in the school's leadership. He stated that it was time to move forward.

Dr. Westbrook stated that he had spoken with Dan Russell, the School Superintendent, and this figure is on the high end and Mr. Russell will do everything he can to bring down the costs. He stated that he was ready to vote.

Mr. Bellows made a motion to Approve the Amendment to the FY 21-25 Capital Improvement Budget of up to \$13,145,000 for the Renovation of the Existing Middle School into an Elementary School.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Nay
	William R. Lee	Nay
	Robert S. Westbrook	Aye

**VOTE: 3-2 (Motion carried.)**

4. Resolution Authorizing the Issuance of an Estimated Maximum Amount of \$16,000,000 Principal Amount of General Obligation School Bonds of the County

Mr. Bellows asked Mr. Gill to present the issue.

Mr. Gill stated that, because the Board of Supervisors just passed the amendment to the Capital Improvement Budget, they can consider how it might be financed in the future. He stated that last month the Board directed staff to pursue the financing option through the Virginia Public School Authority (VPSA). He stated that they had also discussed refinancing old debt through the Virginia Resources Authority (VRA). He stated that because the VPSA is a general obligation bond backed by the full faith and credit of the County, a public hearing is required. He stated that there is a resolution attached to this public hearing that authorizes the issuance of the general obligation bonds. He stated that it was originally advertised at \$16 million dollars and in conversations with the County's bond counsel and its financial advisors, they decided that the VPSA portion should deal strictly with the renovation of the middle school at \$13,145,000. He stated that all of the refinancing of the old debt should be handled under the VRA portion, which is on tonight's consideration docket. He stated that Ted Cole from Davenport and Company, as well as Jesse Bausch from Sands Anderson, were present to answer any questions.

Mr. Gill stated that Davenport and Company had provided an excellent summary detailing the possible financing. He stated that he had also asked them to include a comparison of the VPSA versus the USDA financing because there had been discussion about possible financing of schools through the USDA. He stated that Mr. Cole will discuss that revised information. He stated that the School Board adopted its required resolution for this financing at

their meeting on September 8<sup>th</sup>. He stated that the deadline for the Board of Supervisors to approve and participate in the VPSA's fall bond issuance is October 5<sup>th</sup>.

Ted Cole from Davenport and Company stated that the new information that the Board is receiving is the same information that was in their books, except for pages 10 and 11. He stated that those pages are specific to the school project of \$13,145,000. He stated that there were some scenarios to consider. He stated that the VPSA will be issuing bonds in October and they are able to finance for not longer than 30 years. He stated that they have run scenarios for VPSA financing for 20, 25 or 30 years to give the Board some perspective. He stated that they have run scenarios for USDA financing for both 30 and 40 years. He stated that, with USDA, they typically make their money available once construction has been completed, so a construction loan would need to be done first.

Mr. Bellows referred to USDA financing and asked who provides the construction loan funding.

Mr. Cole replied that the County would borrow from a bank or other financial institution. He stated that was usually easily facilitated because, at that point, the County would have a commitment letter from USDA.

Mr. Cole referred to page 11 and stated that page shows the payment schedules for the different scenarios for paying back the school project debt. He stated that these payments would begin with FY 22. He stated that they calculate interest rates a couple of different ways and the one that is the most common is the true interest cost. He stated that all of the scenarios show the true interest cost, the additional costs of financing, the estimated debt service per year and the total amount of debt service.

Mr. Cole stated that, often times USDA will require that, over the course of the first ten years, the borrower will set aside a little more money each year to build up a year's worth of debt service in a reserve fund. He stated that this is done in case there is a problem in a subsequent year and if it is never used, then it is used to make the last year's payments.

Mr. Cole stated that October 20<sup>th</sup> is the day that the VPSA bonds will be sold and the rates would be locked in. He stated that, with USDA financing, it is an on-going process, with construction loan financing needing to be done after a USDA loan approval.

Mr. Bellows stated that, other than a slightly cheaper payment with the 40-year USDA loan, it seems as if VPSA would be a better choice.

Mr. Cole stated that VPSA has extremely attractive rates currently.

Mr. Bellows agreed.

Mr. Cole stated that, purposely, the resolution that was drafted and the approval that was received from VPSA gave them broad parameters to go out as far as 30 years, but the Board can shorten that time period if they choose.

Mr. Bellows asked if the County can pay the debt back early with VPSA.

Mr. Cole replied that VPSA has a ten-year no pre-payment period. He stated that, after that time, there is more flexibility to pre-pay or accelerate payments. He stated that, with USDA, payments can be accelerated from the beginning.

Mr. Bellows opened the public hearing.

There was no public comment.

Mr. Bellows closed the public hearing.

Mr. Bellows made a motion to Approve the Resolution Authorizing the Issuance of an Estimated Maximum Amount of \$14,000,000 Principal Amount of General Obligation School Bonds using the Virginia Public School Authority.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

**RESOLUTION AUTHORIZING THE ISSUANCE OF A  
GENERAL OBLIGATION SCHOOL BOND OF THE  
COUNTY OF LANCASTER, VIRGINIA, TO BE SOLD TO THE  
VIRGINIA PUBLIC SCHOOL AUTHORITY AND PROVIDING  
FOR THE FORM AND DETAILS THEREOF.**

**WHEREAS**, the Board of Supervisors (**the "Board"**) of the County of Lancaster, Virginia (**the "County"**), has determined that it is necessary and expedient to borrow an amount not to exceed [\$14,000,000] and to issue its general obligation school bond (**as more specifically defined below, the "Local School Bond"**) for the purpose of financing and refinancing of additions to and renovations of an existing middle school building into an elementary school, all of which constitute capital projects for public school purposes (**the "Project"**);

**WHEREAS**, the County held a public hearing, duly noticed, on September 24, 2020, on the issuance of the Local School Bond in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (**the "Virginia Code"**);

**WHEREAS**, the School Board of the County has, by resolution, requested the Board to authorize the issuance of the Local School Bond and consented to the issuance of the Local School Bond;

**WHEREAS**, Virginia Public School Authority (“VPSA”) has offered to purchase the Local School Bond along with the local school bonds of certain other localities with a portion of the proceeds of certain bonds to be issued by VPSA in the calendar year 2020 (**the “VPSA Bonds”**);

**WHEREAS**, the Bond Sale Agreement (as defined below) shall indicate an amount requested (or such other amount as may be requested by the County and permitted by VPSA, the “Proceeds Requested”) from VPSA in connection with the sale of the Local School Bond of (1) \$13,145,000 and (2) an amount sufficient to finance the costs of issuance of the Local School Bond (**the “Proceeds Requested”**) from VPSA in connection with the sale of the Local School Bond;

**WHEREAS**, VPSA’s objective is to pay the County a purchase price for the Local School Bond which, in VPSA’s judgment, reflects the Local School Bond’s market value (**the “VPSA Purchase Price Objective”**), taking into consideration of such factors as the amortization schedule the County has requested for the Local School Bond relative to the amortization schedules requested by other localities, the purchase price to be received by VPSA from the sale of the VPSA Bonds and other market conditions relating to the sale of the VPSA Bonds; and

**WHEREAS**, such factors may result in the Local School Bond having a purchase price other than par and consequently (i) the County may have to issue the Local School Bond in a principal amount that is greater than or less than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized principal amount of the Local School Bond set forth in section 1 below does not exceed the Proceeds Requested by at least the amount of any discount, the purchase price to be paid to the County, given the VPSA Purchase Price Objective and market conditions, will be less than the Proceeds Requested.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LANCASTER, VIRGINIA:**

1. **Authorization of Local School Bond and Use of Proceeds.** The Board hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bond in an aggregate principal amount not to exceed [\$14,000,000] (**the "Local School Bond"**) for the purpose of financing the Project. The Board hereby authorizes the issuance and sale of the Local School Bond in the form and upon the terms established pursuant to this Resolution.
2. **Sale of the Local School Bond.** The sale of the Local School Bond, within the parameters set forth in paragraph 4 of this Resolution, to VPSA is authorized. Given the VPSA Purchase Price Objective and market conditions, the County acknowledges that the limitation on the maximum principal amount of the Local School Bond set forth in paragraph 1 of this Resolution restricts VPSA's ability to generate the Proceeds Requested, however, the Local School Bond may be sold for a purchase price not lower than 95% of the Proceeds Requested. The Chairman of the Board, the County Administrator, or either of them (**each a "Delegate"**) and such other officer or officers of the County as either may

designate are hereby authorized and directed to enter into an agreement with VPSA providing for the sale of the Local School Bond to VPSA (the "**Bond Sale Agreement**"). The Bond Sale Agreement shall be in substantially the form submitted to the Board at this meeting, which form is hereby approved, with such completions, insertions, omissions and changes not inconsistent with this Resolution as may be approved by the County officer executing the Bond Sale Agreement.

3. **Details of the Local School Bond.** The Local School Bond shall be dated 16 days prior to the date of its issuance and delivery or such other date designated by VPSA; shall be designated "General Obligation School Bond, Series 2020"; shall bear interest from its dated date payable semi-annually on each January 15 and July 15 beginning July 15, 2021 (each an "**Interest Payment Date**"), at the rates established in accordance with paragraph 4 of this Resolution; and shall mature on July 15 in the years (each a "**Principal Payment Date**") and in the amounts acceptable to a Delegate (the "**Principal Installments**"), subject to the provisions of paragraph 4 of this Resolution.
4. **Interest Rates and Principal Installments.** Each Delegate is hereby authorized and directed to accept the interest rates on the Local School Bond established by VPSA, provided that each interest rate shall be five one-hundredths of one percent (0.05%) over the interest rate to be paid by VPSA for the corresponding principal payment date of the VPSA Bonds, a portion of the proceeds of which will be used to purchase the Local School Bond, and provided further that the true interest cost of the Local School Bond does not exceed five and fifty one-hundredths percent (5.50%) per annum. The Interest Payment Dates and the Principal Installments are subject to change at the request of VPSA. Each Delegate is hereby authorized and directed to accept changes in the Interest Payment Dates and the Principal Installments at the request of VPSA based on the final term to maturity of the VPSA Bonds, requirements imposed on VPSA by the nationally-recognized rating agencies and the final principal amount of the Local School Bond; provided, however, that the principal amount of the Local School Bond shall not exceed the amount authorized by this Resolution and the final maturity of the Local School Bond shall not exceed 30 years from the date of the issuance and delivery of the Local School Bond. The execution and delivery of the Local School Bond as described in paragraph 8 hereof shall conclusively evidence the approval and acceptance of all of the details of the Local School Bond by the Delegate as authorized by this Resolution.
5. **Form of the Local School Bond.** The Local School Bond shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.
6. **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Local School Bond:
  - (a) For as long as VPSA is the registered owner of the Local School Bond, all payments of principal, premium, if any, and interest on the Local School Bond shall be made in immediately available funds to VPSA at, or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for



Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next succeeding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption.

- (b) All overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rate or rates on the Local School Bond.
- (c) The County Administrator is authorized to designate a Bond Registrar and Paying Agent for the Local School Bond. The County may, in its sole discretion, replace at any time the Bond Registrar with another qualified bank or trust company as successor Bond Registrar and Paying Agent for the Local School Bond. The County shall give prompt notice to VPSA of the appointment of any successor Bond Registrar and Paying Agent.

7. **Prepayment or Redemption.** Unless otherwise directed by VPSA, the Principal Installments of the Local School Bond held by VPSA coming due on or before July 15, 2030, and the definitive bond for which the Local School Bond held by VPSA may be exchanged that mature on or before July 15, 2030, are not subject to prepayment or redemption prior to their stated maturities. The Principal Installments of the Local School Bond held by VPSA coming due on or after July 15, 2031, and the definitive bond(s) for which the Local School Bond held by VPSA may be exchanged that mature on or after July 15, 2031, are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after July 15, 2030, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be prepaid or the principal amount of the Local School Bond to be redeemed) set forth below plus accrued interest to the date set for prepayment and redemption:

<b><u>Dates</u></b>	<b><u>Prices</u></b>
July 15, 2030 through July 14, 2031	101%
July 15, 2031 through July 14, 2032	100 1/2
July 15, 2032 and thereafter	100

Provided, however, that the Principal Installments of the Local School Bond shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of VPSA or other registered owner of the Local School Bond. Notice of any such prepayment or redemption shall be given by the Bond Registrar to VPSA or other registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

If VPSA refunds the VPSA Bonds in the future and such refunding causes the Local School Bond to be deemed refunded, the prepayment or redemption of the Local School Bond will be subject to VPSA approval and subject to similar prepayment or redemption provisions as set forth above that correspond to the call period of the VPSA bonds issued in part to refund the Local School Bond.

8. **Execution of the Local School Bond.** The Chairman or Vice Chairman and the Clerk or any Deputy Clerk of the Board are authorized and directed to execute and deliver the Local School Bond and to affix the seal of the County thereto.
9. **Pledge of Full Faith and Credit.** For the prompt payment of the principal of, premium, if any, and the interest on the Local School Bond as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any portion of the Local School Bond shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of and premium, if any, and the interest on the Local School Bond as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.
10. **Use of Proceeds Certificate and Tax Compliance Agreement.** The Chairman of the Board, the County Administrator and such other officer or officers of the County or the School Board as either may designate are hereby authorized and directed to execute and deliver on behalf of the County a Use of Proceeds Certificate and Tax Compliance Agreement (**the “Tax Compliance Agreement”**) setting forth the expected use and investment of the proceeds of the Local School Bond and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (**the “Code”**), and applicable regulations relating to the exclusion from gross income of interest on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Local School Bond will be invested and expended as set forth in such Tax Compliance Agreement and that the County shall comply with the other covenants and representations contained therein and (ii) the County shall comply with the provisions of the Code so that interest on the VPSA Bonds will remain excludable from gross income for federal income tax purposes.
11. **State Non-Arbitrage Program; Proceeds Agreement.** The Board hereby determines that it is in the best interests of the County to authorize and direct the County Treasurer to participate in the State Non-Arbitrage Program in connection with the Local School Bond. The Chairman of the Board, the County Administrator and such officer or officers of the County as either may designate are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Local School Bond by and among the County, the other participants in the sale of the VPSA Bonds, VPSA, the investment manager and the depository, substantially in the form submitted to the Board at this meeting, which form is hereby approved.
12. **Continuing Disclosure Agreement.** The Chairman of the Board, the County Administrator and such other officer or officers of the County as either may designate are hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in Appendix D to the Bond Sale Agreement, setting forth the reports and notices to

be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c-12, under the Securities Exchange Act of 1934, as amended, and directed to make all filings required by Section 4 of the Bond Sale Agreement should the County be determined by VPSA to be a MOP (as defined in the Bond Sale Agreement).

13. **Refunding.** The Board hereby acknowledges that VPSA may issue refunding bonds to refund any bonds previously issued by VPSA, including the VPSA Bonds issued to purchase the Local School Bond, and that the purpose of such refunding bonds would be to enable VPSA to pass on annual debt service savings to the local issuers, including the County. Each of the Delegates is authorized to execute and deliver to VPSA such allonge to the Local School Bond, revised debt service schedule, IRS Form 8038-G or such other documents reasonably deemed necessary by VPSA and VPSA's bond counsel to be necessary to reflect and facilitate the refunding of the Local School Bond and the allocation of the annual debt service savings to the County by VPSA. The Clerk to the Board of Supervisors is authorized to affix the County's seal on any such documents and attest or countersign the same.
14. **Filing of Resolution.** The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County.
15. **Election to Proceed under Public Finance Act.** In accordance with Section 15.2-2601 of the Virginia Code, the Board elects to issue the Local School Bond pursuant to the provisions of the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Virginia Code.
16. **Further Actions.** The members of the Board and all officers, employees and agents of the County are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance and sale of the Local School Bond and otherwise in furtherance of this Resolution and any such action previously taken is hereby ratified and confirmed.
17. **Effective Date.** This Resolution shall take effect immediately.

### **CONSENSUS DOCKET**

Motion was made by Mr. Bellows to approve the Consensus Docket and recommendations as follows:

1. **Minutes for the August 27, 2020 Regular Meeting**

Recommendation: Approve minutes as submitted

VOTE:                      Jason D. Bellows                      Aye

Ernest W. Palin, Jr.	Aye
Jack D. Larson	Aye
William R. Lee	Aye
Robert S. Westbrook	Aye

**CONSIDERATION DOCKET**

The Board considered the following items on its Consideration Docket:

1. Approval of September 2020 Salaries and Invoice Listings

The motion was made by Mr. Palin to approve the salaries for September 2020 in the amount of \$302,241.09 and invoice listings for September 2020 in the amount of \$845,807.73.\*

\*Loan Payment - \$193,047.00

\*Capital Improvements - \$51,910.48

\*CARES Act expenses - \$130,777.57

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

2. Resolution Approving Lease Financing through the Virginia Resources Authority

Mr. Gill stated that the County borrowed money in 2014 for various capital items and that loan was split between Chesapeake Bank and Bank of Lancaster. He stated that Davenport and Company has recognized that the County could save approximately \$150,000 over the next 9 years, if that loan is refunded. He stated that the County borrowed money from Zions Bank in 2019 for approximately \$2 million dollars that could also be refinanced. He stated that they have also discussed new money prospects of a \$8.3 million dollar match for the Broadband Authority's USDA grant, if they are successful in being awarded that grant, and \$1.1 million dollars for the P25 emergency radio upgrade. He stated that the resolution that is before the Board has been written very broadly and has three possible ways to go. He stated that there could be financing for new money only of \$9.4 million dollars, refinancing of the old debt only for the

2014 and 2019 borrowings or an aggregate of all of it. He stated that the School Board adopted its required resolution because the Lancaster Primary School is used as collateral on the 2014 note that would be refinanced. He stated that approval was done at the School Board's September 8<sup>th</sup> meeting. He stated that the deadline for the Board of Supervisors to approve their participation in the Virginia Resources Authority's pool (VRA) is tomorrow, September 25<sup>th</sup>. He stated that Ted Cole of Davenport and Company will explain this issue in more detail.

Ted Cole of Davenport and Company stated that the discussion started with the potential refunding of two existing loans, one from 2014 and one from 2019. He stated that both of those loans are eligible to be refunded through the VRA program. He stated that the County has been approved to do that, if the Board chooses to move forward. He stated that, if they choose to move forward, the debt would not be extended, but it would be paid off in the same fiscal year as it is currently scheduled. He stated that their savings estimate for the 2014 loan was approximately \$90,000 and would be recognized over the next five years. He stated that the savings estimate for the 2019 loan was approximately \$143,000. He stated that they have a little over a month before the VRA program sells its bonds and locks in the rates. He stated that the resolution for the Board to consider tonight provides some parameters and they will only move forward if there are adequate savings. He stated that the refunding can happen even if the new money request is no longer there, depending on how things with the grant evolve. He stated that the one caveat on the broadband grant is that VRA would need a commitment from the USDA RUS Program that the County's funding has been approved and formalized. He stated that they have purposefully asked for latitude on the term of the debt.

Mr. Cole stated that, unlike VPSA, which is a general obligation of the County, VRA requires real collateral to secure the loan. He referred to page 7 of the Davenport and Company hand-out and stated that five County-owned properties are listed that could be potentially used for collateral. He stated that, currently, the Lancaster Primary School and the Corrections Facility are being used for collateral on the existing two bank loans and if they can get by with just using them for the VRA financing, then they will. He stated that the VRA program requires that the value of the collateral needs to be at least 75 percent of the loan amount. He referred to page 12 of the hand-out and discussed the debt service scenarios for the new money borrowing. He stated that no public hearing is required for VRA, but there is a resolution that needs to be considered.

Mr. Bellows made a motion to Approve the Resolution Approving Lease Financing through the Virginia Resources Authority for Potential Refunding and for New Projects as described.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye

**RESOLUTION OF BOARD OF SUPERVISORS OF THE COUNTY OF LANCASTER,  
VIRGINIA APPROVING LEASE FINANCING THROUGH THE VIRGINIA  
RESOURCES AUTHORITY**

**WHEREAS**, the County of Lancaster, Virginia (**the “County”**) has previously entered into agreements related to the lease revenue financing for (i) the financing of various capital improvements for the County, including, but not limited to, (A) capital improvements to various school facilities, (B) the acquisition (or reimbursement for the acquisition) of parks and recreation facilities, and (C) public safety improvements including sheriff’s office improvements and emergency communications system improvements (**together the “2014 Projects”**), and to accomplish such financing the County entered into a Ground Lease, among the Lancaster County School Board (**the “School Board”**) and the Economic Development Authority of Lancaster County (**the “Authority”**), dated as of September 1, 2014 conveying certain interests in the Lancaster Primary School property to the Authority and a Lease Agreement, among the County and the Authority, dated as of September 1, 2014 conveying to the County a leasehold interest in the Leased Property, in connection with the issuance by the Authority of its aggregate \$7,107,000 Lease Revenue Bonds, Series 2014 (**the “2014 Bonds”**) on behalf of the County and (ii) the financing of the acquisition of land for County and school purposes and various design costs related to such purposes (**together the “2019 Projects,” and, together with the 2014 Projects, the “Prior Projects”**), and to accomplish such financing the County entered into a Ground Lease with the Authority, dated as of May 1, 2019 conveying certain interests in the County’s sheriff’s office/correction facility to the Authority and a Lease Agreement, among the County and the Authority, dated as of May 1, 2019 conveying to the County a leasehold interest in such property, in connection with the issuance by the Authority of its aggregate \$2,000,000 Lease Revenue Bond, Series 2019 (**the “2019 Bond,” and, together with the 2014 Bonds, the “Prior Bonds”**) on behalf of the County; and

**WHEREAS**, the Board of Supervisors (**the “Board”**) of the County has determined that a true and very real need exists to refund the Prior Bonds and refinance the Prior Projects for debt service savings; and

**WHEREAS**, the Board has also determined to finance new money capital projects, including, but not limited to, (i) a grant to the Lancaster County Broadband Authority to finance broadband infrastructure serving the residents of the County and (ii) public safety communications system improvements in the County (**the “New Money Projects,” and, together with the Prior Projects, the “Projects”**); and

**WHEREAS**, the Board has been advised that VRA, a public body corporate and political subdivision of the Commonwealth of Virginia, is willing to finance the Projects and refinance the Prior Bonds through a lease financing arrangement with VRA; and

**WHEREAS**, the Board has the power to lease and acquire by lease real property and personal property consisting of the School Board’s Lancaster County Primary School property (**the “School Property”**) and one or more County properties, consisting of the County’s social

services building property, sheriff's office and corrections facility property, administration building property and County courthouse property, comprising an aggregate insured value adequate to meet the collateral criteria of VRA, **(together with the School Property, the "Leased Property")**; and

**WHEREAS**, the Leased Property is essential to the governmental functions of the County and the School Board and the Board reasonably expects the Leased Property to continue to be essential to the governmental functions of the County and the School Board for a period not less than the terms of the Prime Lease (as defined below) and the Local Lease Acquisition Agreement and Financing Lease (as defined below); and

**WHEREAS**, to assist in providing for the financing of the Projects and the refunding of the Prior Bonds, VRA intends to (a) issue its Related Series of VRA Bonds **(as more particularly defined in the below defined Local Lease Acquisition Agreement and Financing Lease, the "VRA Bonds")** and, subject to VRA credit approval, to make available a portion of the proceeds to the County to finance all or a portion of the costs of the New Money Projects and related costs of issuance, resulting in an aggregate amount of approximately (\$9,600,000) or such other amount as requested by the County in writing and approved by VRA prior to the VRA Sale Date, as defined below, plus an amount sufficient to refund the Prior Bonds and pay related costs of issuance **(together, the "Proceeds Requested")**; (b) acquire a leasehold interest in the Leased Property pursuant to the terms of the Prime Lease; and (c) lease the Leased Property to the County pursuant to the terms of the Local Lease Acquisition Agreement and Financing Lease **(collectively, the "Lease Obligations")**; and

**WHEREAS**, the County has submitted its application to VRA to finance the Projects and refund the Prior Bonds and to undertake the Lease Obligations; and

**WHEREAS**, VRA has advised the County that the sale date of the VRA Bonds is tentatively scheduled for October 28, 2020 by may occur, subject to market conditions, at any time between October 26, 2020 and November 30, 2020 **(the "VRA Sale Date")**, and that VRA's objective is to pay the County an amount which, in VRA's judgment, reflects the market value of the Lease Obligations under the Local Lease Acquisition Agreement and Financing Lease **(the "Purchase Price Objective")**, taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the underwriters' discount and other issuance costs of the VRA Bonds, and other market conditions relating to the sale of the VRA Bonds; and

**WHEREAS**, the Basic Documents (as defined below) will indicate that the County agrees to undertake the refunding of the Prior Bonds on terms, determined by VRA to be fair and accepted by the County that, subject to market conditions, achieves positive aggregate net present value debt service savings **(the "Targeted Savings")**; and

**WHEREAS**, the undertaking of the County hereunder in connection with the New Money Projects is expressly conditioned upon approval in writing of an anticipated grant of an amount not less than (\$21,000,000) from the U.S. Rural Utilities Service or similar federal agency to provide broadband access in the County prior to the VRA Sale Date **(the "Broadband Grant Approval")**; and

**WHEREAS**, the Local Lease Acquisition Agreement and Financing Lease shall provide that the aggregate total principal components of Lease Obligations and the interest component of the Lease Obligations will not exceed the parameters set forth herein; and

**WHEREAS**, there have been presented to the Board drafts of the following documents **(together, the “Basic Documents”)** in connection with the transactions described above, copies of which shall be filed with the records of the Board:

- A. Prime Lease, among the School Board, the County and VRA, conveying certain interests in the Leased Property to VRA **(the “Prime Lease”)**;
- B. Local Lease Acquisition Agreement and Financing Lease, between the County, the School Board and VRA, (i) providing for a portion of the proceeds of the sale of the VRA Bonds to be provided by VRA to the County and (ii) conveying to the County a leasehold interest in the Leased Property **(the “Local Lease Acquisition Agreement and Financing Lease”)**; and
- C. Leasehold Deed of Trust and Security Agreement, between VRA and certain deed of trust trustees to be named therein, regarding VRA’s leasehold interest in the Leased Property **(the “Leasehold Deed of Trust”)**, which amends and restates a similar Leasehold Deed of Trust executed in connection with the 2011 Financing Lease.

**NOW, THEREFORE, BE IT RESOLVED, THAT:**

- 1. It is hereby found and determined that the terms of the Basic Documents in the respective forms referenced in this Resolution are in the best interests of the County for the refunding of the Prior Bonds and the financing of the Projects.
- 2. The Basic Documents and related financing documents are hereby approved. The Chairman, Vice Chairman, County Administrator **(each, a “Delegate”)** and any officer of the Board who shall have power generally to execute contracts on behalf of the Board be, and each of them hereby is, authorized to execute, acknowledge, consent to and deliver, as appropriate, the Basic Documents, any other documents required in connection with the refunding of the Prior Bonds and/or the financing of the Projects and any other related financing documents, with any changes, insertions and omissions therein as may be approved by the individuals executing them, such approval to be conclusively evidenced by the execution and delivery thereof. The actions of the Chairman, the Vice Chairman and the County Administrator, each of whom is authorized to act, shall be conclusive, and no further action shall be necessary on the part of the County.

The final pricing terms of the Local Lease Acquisition Agreement and Financing Lease will be determined by VRA, subject to VRA’s Purchase Price Objective and market conditions described in the Recitals hereof; provided, however that (i) the Lease Obligations shall be composed of principal components having a maximum



aggregate principal amount of not to exceed \$16,200,000 (**the “Maximum Authorized Principal Amount”**), and interest components related to the New Money Projects with a maximum true interest cost of 5.00% per annum (exclusive of “supplemental interest” as provided in the Local Lease Acquisition Agreement and Financing Lease) and (ii) the aggregate net present value debt service savings resulting from the refunding of the Prior Bonds shall not be less than the Targeted Savings and (iii) the Lease Obligations shall be payable over a term expiring not later than June 30, 2051. Each Delegate is hereby authorized and directed to select the particular portion or portions of the Prior Bonds (if any) to be refunded and direct VRA to provide a Proceeds Requested that, along with the portion requested in connection with the New Money Projects, achieves the refunding of the selected portion or portions (if any) provided that the refunding of the Prior Bonds selected shall result in an aggregate net present value debt service savings of not less than the Targeted Savings. Additionally, no portion of the New Money Projects shall be funded by the Basic Documents if the Broadband Grant Approval is not received by the County prior to the VRA Sale Date. It is understood and agreed that the County will be responsible for all reasonable out-of-pocket fees and expenses incurred by VRA in connection with (a) the proposed refunding of the Outstanding Obligations in the event that the Targeted Savings can be achieved through the issuance of the VRA Bonds, but the County opts not to move forward with the financing and/or (b) the financing of the New Money Projects in the event that Broadband Grant Approval is not received by the County prior to the VRA Sale Date and the County opts not to move forward with the financing of the New Money Projects. Such VRA costs have a not to exceed amount of \$5,000. Subject to the preceding terms, the Board further authorizes VRA to determine the aggregate total of principal and interest components of the Lease Obligations, establish a schedule of Lease Obligations including the dates and amounts and the optional and extraordinary prepayment provisions, if any, of the Lease Obligations, all in accordance with the provisions hereof. The term of the Prime Lease shall not be more than five years longer than the term of the Local Lease Acquisition Agreement and Financing Lease; such term is intended to provide security to VRA in the event of default or non-appropriation by the County, all as more fully set forth in the Local Lease Acquisition Agreement and Financing Lease (or any supplement thereto).

Given the Purchase Price Objective and market conditions, it may become necessary to enter into the Local Lease Acquisition Agreement and Financing Lease with aggregate principal components of the Lease Obligations greater than the Proceeds Requested. If the limitation on the maximum aggregate principal components of Lease Obligations on the Local Lease Acquisition Agreement and Financing Lease set forth in this Section 2 restricts VRA’s ability to generate the Proceeds Requested, the Local Lease Acquisition Agreement and Financing Lease may be entered into for an amount less than the Proceeds Requested.

The Chairman, the Vice Chairman, the County Administrator, or any of them and such other officer or officers of the County as either may designate are hereby authorized and directed to enter into the Local Lease Acquisition Agreement and

Financing Lease, the Prime Lease and any other agreements that may be required by VRA for refunding of the Prior Bonds and/or financing the Projects.

As set forth in the Local Lease Acquisition Agreement and Financing Lease, the County agrees to pay such “supplemental interest” and other charges as provided therein, including such amounts as may be necessary to maintain or replenish any VRA Reserve (as defined in the Local Lease Acquisition Agreement and Financing Lease).

Rental Payments (as defined in the Local Lease Acquisition Agreement and Financing Lease) due under the Local Lease Acquisition Agreement and Financing Lease shall be payable in lawful money of the United States of America and otherwise comply with the terms set forth in the Local Lease Acquisition Agreement and Financing Lease. The County may, at its option, prepay the principal components of Rental Payments upon the terms set forth in the Local Lease Acquisition Agreement and Financing Lease.

3. The same officers of the Board, and the County Administrator and the County Attorney be, and each of them hereby is, authorized and directed to take all actions and procure, execute and deliver any and all other agreements, financing statements, papers, instruments, title insurance policies, real property surveys and inspections, opinions, certificates, affidavits and other documents, and to do or cause to be done any and all other acts and things necessary or proper for carrying out the purposes and intent of this resolution, and the Basic Documents, including but not limited to the redemption or refunding of the Prior Bonds, financing of the Projects and transfer and interests in the Leased Property. The same officers are authorized and directed to work with the County’s bond counsel, Sands Anderson PC, and representatives of VRA, including without limitation McGuire Woods LLP, Bond Counsel to VRA, to perform all services and prepare all documentation necessary or appropriate for the execution, delivery and recording, as appropriate, of the Basic Documents.
4. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which would (a) cause the VRA Bonds issued as tax-exempt to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the “Code”**) or (b) otherwise cause interest on any VRA Bonds issued as tax-exempt to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require it at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the VRA Bonds. The County shall pay any such required rebate from legally available funds.
5. The County covenants that it shall not permit any proceeds derived from the Lease Obligations related to any VRA Bonds issued as tax-exempt to be used in any manner that would result in (a) 10% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in

Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the County's use of the Leased Property, (b) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that compliance with any such covenant is not required or is no longer required in order to prevent the interest on the VRA Bonds issued as tax-exempt from being includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law, the County need not comply with such covenant to the extent provided in such opinion.

6. Such officers of the County as may be requested are authorized and directed to execute and deliver a tax compliance agreement in relation to the Lease Obligations **(the "Tax Compliance Agreement")** in the form approved by the Chairman or Vice Chairman of the Board or the County Administrator, or any of them, in collaboration with the County's bond counsel, with such completions, omissions, insertions and changes as may be approved by the officers of the County executing such Tax Compliance Agreement, whose approval shall be evidenced conclusively by the execution and delivery thereof.
7. The undertaking by the County under the Local Lease Acquisition Agreement and Financing Lease to make Rental Payments and any other payments due under the Lease Obligations shall be a limited obligation of the County, payable solely from funds to be appropriated by the Board from time to time for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit of the County beyond any fiscal year for which the Board has lawfully appropriated from time to time. Nothing herein or in the Lease Obligations shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.
8. The Board believes that funds sufficient to make payment of all amounts payable under the Lease Obligations can be obtained. While recognizing that it is not empowered to make any binding commitment to make such payments beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Lease Obligations. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Lease Obligations an amount sufficient to pay all amounts coming due under the Lease Obligations during such fiscal year. As soon as practicable after the submission of the County's annual budget to the Board, the County Administrator is authorized and directed to deliver to VRA evidence that a request for an amount sufficient to make the payment of all

amounts payable under the Lease Obligations has been made. Throughout the term of the Lease Obligations, the County Administrator shall deliver to VRA within 30 days after the adoption of the budget for each fiscal year, but not later than July 1, a certificate stating whether an amount equal to the Rental Payments and any other amounts due under the Lease Obligations which will be due during the next fiscal year has been appropriated by the Board in such budget. If at any time during any fiscal year of the County, the amount appropriated in the County's annual budget in any such fiscal year is insufficient to pay when due the amounts payable under the Lease Obligations, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

9. The County authorizes and consents to the inclusion of information with respect to the County to be contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both prepared in connection with the sale of the VRA Bonds, a portion of the proceeds of which will be used to purchase the Lease Obligations. If appropriate, such disclosure documents shall be distributed in such manner and at such times as the Chairman of the Board, the Vice Chairman of the Board or the County Administrator, each of whom is authorized to act, shall determine. The Chairman of the Board, the Vice Chairman of the Board or the County Administrator, each of whom is authorized to act, are authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.
10. The recitals to this resolution are hereby incorporated by reference and are declared to be findings of the Board in connection with its decision to refund the Prior Bonds and to finance the Projects.
11. The County Administrator is authorized and directed to select the portion of the Prior Bonds to be redeemed and to take all proper steps to call for redemption all or the portion of the Prior Bonds designated for redemption and cause such portion or all of the Prior Bonds to be prepaid and refunded in full.
12. The Board hereby determines that it is in the best interests of the County to authorize the County Treasurer to participate in the Virginia State Non-Arbitrage Program in connection with the Lease Obligations if requested by VRA.
13. Nothing in this Resolution, the Basic Documents or other related documents shall constitute a debt or a pledge of the faith and credit of the County, and the County shall not be obligated to make any payments under the Basic Documents except from funds that may be appropriated by the Board.
14. All acts of the officers, agents and representatives of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the

leasing of the Leased Property by the County, the refunding or redemption of the Prior Bonds, or the financing of the Projects are hereby approved, ratified and confirmed.

15. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto, to record such document where appropriate and to pay from County funds all appropriate recording fees, taxes and related charges.

16. This Resolution shall be effective immediately upon its adoption.

3. Boys and Girls Club of the Northern Neck CARES Act Funding Request

Phillip Mumford, Executive Director of the Boys and Girls Club of the Northern Neck, stated that, since the start of the COVID pandemic, the Boys and Girls Club has been figuring out ways to help the kids in the community. He stated that it is a part of their mission to enable all young people to reach their full potential. He stated that, after they realized that the schools were not going back for in-person classes, they have switched from their usual four-hour after school program to a full-day program, which has brought more expenses.

Mr. Mumford stated that the Boys and Girls Club is asking Lancaster and Northumberland counties and the Town of Kilmarnock for additional support to help with the increased costs associated with COVID-19 and the request for Lancaster County is \$33,000.

Mr. Larson asked Mr. Gill if he thought this request would meet the criteria that has been set for COVID-19 funding.

Mr. Gill replied yes.

Mr. Bellows stated that people are hurting and it is hard for parents to not be able to have their children attend school in person. He stated that, organizations like the Boys and Girls Club that are helping to mitigate some of those situations, is a great asset to the community. He stated that he supported the request.

Mr. Lee made a motion to Approve the Boys and Girls Club of the Northern Neck CARES Act Funding Request.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye

Robert S. Westbrook                      Aye

4. FY 21 Supplemental Appropriation for the Sheriff's Department

Mr. Bellows stated that this issue was the addition from the closed session. He stated that they have been having on-going discussions concerning aligning the public safety salaries with other localities. He stated that they wanted to stay competitive with other areas for recruitment and retention purposes. He stated that the Board was considering approval of a \$39,000 supplemental appropriation to the Sheriff's Department's budget for salaries for the remainder of the fiscal year.

Mr. Palin made a motion to Approve the FY 21 Supplemental Appropriation for the Sheriff's Department.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

**BOARD REPORTS**

Mr. Palin made a motion to reappoint Ronald Davenport as an at-large member to the Northern Neck Planning District Commission.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye

**COUNTY ADMINISTRATOR**

Mr. Gill stated that early voting began on September 18<sup>th</sup> and, as the Board knows, the Registrar's Office underwent renovations earlier in the year to help accommodate the increased foot traffic into the office. He stated that the Registrar has told him that she is seeing, on average, about 100 voters per day since early voting began.

Mr. Bellows asked about the status of the renovations for the Board's meeting room.

Mr. Gill replied that, last month, the Board authorized the purchase of the ICompass system for board meetings and that contract has been signed. He referred to the purchase of cameras and stated that they were waiting on estimates. He stated that they have a design for the desk renovations in the front of the meeting room and will need to get some bids. He stated that their plan is to have the renovations take place between the Board's December and January meetings because there are about six weeks between those two meetings.

**ADJOURNMENT**

Motion was made by Mr. Bellows to adjourn.

VOTE:	Jason D. Bellows	Aye
	Ernest W. Palin, Jr.	Aye
	Jack D. Larson	Aye
	William R. Lee	Aye
	Robert S. Westbrook	Aye