

VIRGINIA:

A meeting of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Thursday, July 26, 2018.

Members Present: William R. Lee, Chair
Jason D. Bellows, Vice Chair
Jack D. Larson, Board Member
Ernest W. Palin, Jr., Board Member
Robert S. Westbrook, Board Member

Staff Present: Don G. Gill, Assistant County Administrator and Planning/Land Use Director
James Cornwell, County Attorney
Crystal Whay, Building/Land Use Assistant

Mr. Lee called the meeting to order at 5:30 p.m.

CLOSED MEETING

Motion was made by Mr. Lee 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 and Legal Matters, § 2.2-3711.A.8 of the Code of Virginia, 1950, as amended. The subject and purpose falls within the following exemptions(s) under § 2.2-3711.A.1 (for the discussion and consideration of the assignment, appointment, promotion, performance or salaries of specific public officers, appointees or employees of the public body) 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:	William R. Lee	Aye
	Jason D. Bellows	Aye
	Jack D. Larson	Aye
	Ernest W. Palin, Jr.	Aye

Robert S. Westbrook Aye

RECONVENE

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

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

CERTIFICATION

WHEREAS, the Lancaster County Board of Supervisors convened in a closed meeting on July 26, 2018 pursuant to an affirmative recorded vote on the motion to close the meeting to discuss Personnel, § 2.2-3711.A.1 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. Lee called the question. A roll call vote was taken:

ROLL CALL

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

This certification resolution is adopted.

The action taken in the closed meeting is as follows:

Mr. Lee made a motion to appoint Don Gill as the Interim County Administrator, not to exceed ninety days without the Board of Supervisors' approval.

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

PUBLIC INPUT

Judy Ripley, a District 1 citizen, stated that six months ago a number of citizens came before the Board of Supervisors with concerns about litter in the County. She stated that they have learned that the fine for littering is five hundred dollars and they have requested enforcement of the littering law. She stated that the Sheriff has promised that his staff will enforce the law and the Commonwealth's Attorney has promised that he will prosecute. She stated that she wanted to thank the Board of Supervisors for the littering signs at the three locations where the "Welcome to Lancaster County" signs are situated. She stated that the signs look good, but they need to go another step. She stated that they have asked for additional signs to be located on numerous roads. She stated that she would like to personally request and take on the job if the Board will have her do it, to get an article in the local paper that shows the Board, the Sheriff and the Commonwealth's Attorney with one of the new signs and to restate that littering is against the law. She stated that people needed to hear it and to know about it. She stated that she would also like some assurances that additional signs will be installed.

Mr. Gill stated that he would like Ms. Ripley's help to come up with ten locations for the littering signs along state roads that the County could submit to VDOT for approval. He stated that he would also laminate the littering ad that ran in the paper for Mrs. Ripley to distribute.

Ms. Ripley thanked the Board of Supervisors and stated that she really wanted the community to know that they have rights to help stop littering when they see it by reporting it to the police department.

Tammy Thrift, a District 5 citizen, stated that, at the request of Dr. Westbrook, she was going to speak to the Board of Supervisors. She stated that she was a local realtor and lives in the County full-time now. She stated that she had spoken with Dr. Westbrook, as well as Pete Ransone in the Zoning Department concerning a situation that she had just experienced in her community. She stated that she lives in a quiet community of fifteen homes, where some of the owners are part-time. She stated that a week ago, cars began racing down the private, gravel road where she lives. She stated that she had never seen the cars before and the drivers were using excessive speed. She stated that she reached out to the owner of the home where these cars were going and was told that they would speak to the drivers. She stated that the situation continued with speeding cars and the drivers being disrespectful. She stated that when she did not get a comfortable response back from the homeowners, her suspicions made her look at Airbnb and her suspicions were confirmed. She stated that this was lucrative for the homeowner at \$650 per night, but what it did for their community was increase the traffic, made the area less safe and the lack of consideration for neighbors concerned her. She stated that, before the meeting, she spoke to the homeowner and he realizes that the additional income was not worth what it was doing to his neighbors. She stated that, although her situation has worked out favorably, she thought that short-term rental activity was a discussion that they should have as a community. She stated that there are fifty Airbnb rentals in Lancaster currently and most citizens don't know about them. She stated that she would like to be a resource if what she has learned with her research could be a benefit as the Board looks at the short-term rental issue.

Mr. Larson stated that he thought Ms. Thrift's concerns were well founded. He stated that, this week, his wife googled the zip code 22503 and came up with forty-four Airbnbs. He stated that it is a zoning issue and in his mind, there is little difference between an Airbnb and a regular bed and breakfast. He stated that it needs to be properly zoned and he was going to ask Mr. Gill to have the Planning Commission look into how Airbnbs should be handled in the County.

Dr. Westbrook stated that the County could pass an occupancy tax of two percent by ordinance, which he thought should be part of the discussion, as well as laying down some ground rules concerning Airbnbs. He stated that he was glad Ms. Thrift's situation had been resolved, but that could change in the future.

Jo Chamberlain, a District 1 citizen, stated that it bothered her that the Board of Supervisors appears not to be supporting the school project. She stated that the School

Facilities Committee worked hard for two years to come up with a solution for the schools and now it seemed like it was going to be thrown away because there was another piece of property involved. She stated that the project was never tied to one piece of property, but the fact is that the County needs to move forward and a big part of that is the school system. She stated that there were some people who think Lancaster County is dying because there are no young people moving in. She stated that they don't have young people moving in because of the internet access and that they don't have the schools that are needed. She stated that the County was being strangled by negativity and not just on the part of the Board. She stated that the County has the potential and she wants to see it move forward.

Charlie Costello, a District 2 citizen, stated that when he ran for the Board of Supervisors, one of his ideas was to have adequate school funding. He stated that, last year, the Board of Supervisors set aside one cent of the five-cent tax increase to go towards the schools and thought the one cent was there again this year and that would be approximately \$500,000 for the schools. He stated that he was willing to pay the appropriate taxes for new schools and thought it was important to support public schools.

Mr. Lee stated that he wanted to clarify to Mr. Costello that the one-cent set aside last year for schools was not recurring every year.

Mr. Costello stated that he thought it should be set aside every year.

Mr. Lee stated that there was another action from the closed meeting that he would like to address now because the individual was not present earlier.

Mr. Lee made a motion to appoint Crystal Whay as the Clerk to the Board of Supervisors.

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

PRESENTATIONS

1. Resolution Recognizing the 150th Anniversary of Beulah Baptist Church

HONORING BEULAH BAPTIST CHURCH ON THE OCCASION OF ITS 150TH ANNIVERSARY CELEBRATION

WHEREAS, Beulah Baptist Church was organized September 1, 1868 and the church remains on its original site today; and

WHEREAS, Mr. Jesse Wiggins, an African-American freedman, was the first pastor of Beulah Baptist Church; and

WHEREAS, Beulah Baptist Church has been led by 11 pastors in its history including Jesse Wiggins, Dennis Fields, Henry C. Roane, Paul Pollard, Percy C. Young, T. W. Jackson, Wilbur Dameron, John H. Bibbens, Ronald Dunaway, Milton Jackson and the current pastor, Ulysses E. Turner, Jr.; and

WHEREAS, the current deacon ministry includes, Leon Laws, Louis Lee, Rudolph Taylor, Betty Henderson and Elsie Davenport; and

WHEREAS, Beulah Baptist Church has a membership of approximately 100 members and serves the upper end of Lancaster County, specifically the Nuttsville, Litwalton, Morattico, Alfonso and Newtown communities; and

WHEREAS, Beulah Baptist Church celebrates many annual events, but the one most steeped in the church's history is the Annual Homecoming and Summer Revival that is held starting on the second Sunday in August; and

WHEREAS, on September 1, 2018 and September 2, 2018, Beulah Baptist Church will celebrate its 150th Anniversary;

NOW, THEREFORE BE IT RESOLVED, that the Lancaster County Board of Supervisors hereby congratulates Beulah Baptist Church upon its 150th Anniversary Celebration and extends all those associated with the church best wishes as they continue to serve our community.

Mr. Bellows made a motion to Adopt the Resolution Recognizing the 150th Anniversary of Beulah Baptist Church.

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

2. Pamunkey Net Presentation

Liz Povar stated that she was representing the Middle Peninsula Alliance at tonight's meeting. She stated that she was principal officer for the Middle Peninsula Alliance and a contract employee there. She stated that the Middle Peninsula Alliance is a regional economic development organization and there were sixteen such organizations in the Commonwealth of Virginia. She stated that their main purpose was to help regions and communities create economic health by helping to grow, expand or create new business. She stated that businesses create investments, which pay taxes and gives local governments money to invest in schools, libraries and other things. She stated that businesses create jobs, which give the citizens an opportunity for a better quality of life.

Ms. Povar stated that the Middle Peninsula Alliance had been in existence for two years and has spent its first year developing its organizational mission. She stated that limited access to broadband connectivity is probably the biggest barrier to business development in rural Virginia. She stated that what her organization seeks to do with the project she was about to describe was to find a way to leverage another partner, who is located in King William County, to create another provider that can help counties and towns connect their citizens to the last mile of internet. She stated that her organization would complement what the County was already doing with the establishment of the Broadband Advisory Group and the Broadband Authority. She stated that her organization's mission statement was "Promoting the assets of Virginia's Middle Peninsula by connecting people, ideas and resources to develop new opportunities and visibility for the region." She stated that their business plan goals were that they want to influence the creation of jobs and influence capital investment coming to their region. She stated that a more specific goal of theirs was to influence at least 250 basic sector jobs. She stated that "basic sector" was a term used in economic development that means companies that are creating their revenue from outside of the community. She stated that the other part of their specific goal was to have those companies invest at least \$5 million dollars and that would help create tax revenue for the localities to reinvest in their citizens. She stated that these things were done through four areas and Pamunkey Net would fall under the business retention and business attraction strategies. She stated that her organization knows that if they can't help solve the broadband barrier, they won't be able to attract companies or have the existing companies grow.

Ms. Povar referred to Go Virginia and stated that it was a new economic development strategy for Virginia. She stated that the Commonwealth, through its business leaders, started talking three years ago about the fact that Virginia was not performing as well as it had earlier in the decade. She stated that the business leaders wanted to find a way for each region in Virginia to be successful. She stated that the Go Virginia initiative is intended to help regions come together to figure out where they should invest some state and local dollars to help create a better economy in their region.

Ms. Povar stated that Go Virginia was business led, which makes it different than a normal state program and does not mandate anything, so regions are free to make their

own decisions. She stated that Pamunkey Net was the project that they have submitted to their region, which includes the Northern Neck, Middle Peninsula and the Fredericksburg area. She stated that the Pamunkey Net project was submitted under the Capacity Building pool of money and that meant that the regional leaders had the ability to approve or deny the project and it was approved. She read part of a statement, “the exploration by the Pamunkey Tribe of an initiative that would provide broadband service in the region may offer new collaborative opportunities between the localities and the Tribe.” She stated that the Pamunkey Tribe was the first federally designated Indian tribe in Virginia and as such, it receives and has access to federal resources that are unique. She stated that the Pamunkey Tribe had an interest in creating a business that would help give options to localities for broadband delivery and her organization worked with the tribe to create an application to do a business plan.

Ms. Povar stated that the project was not large at the amount of \$133,000. She stated that both Lancaster and Richmond counties were contributing partners to the Pamunkey Net project as well as all of the localities in the Middle Peninsula and Fredericksburg region. She stated that the time line to complete the project was two years. She stated that the project would result in a new business that will be under a holding company that the Pamunkey Tribe wants to create and will be focused on broadband deployment. She stated that the challenge for rural Virginia was bringing in broadband of significant enough capacity for business use at a price that is affordable. She stated that the advisory team will be meeting on August 1st and there were members of the Broadband Advisory Group from Lancaster County who will be attending that meeting.

Dr. Westbrook stated that the Board of Supervisors will be voting on the creation of the County’s Broadband Authority later in the meeting. He stated that two of those members, David Pere and Kevin Bean, will be attending the meeting on August 1st. He stated that when Ms. Povar met with the Broadband Advisory Group, he had asked her whether Pamunkey Net might ask about a conduit under the Rappahannock River for future fiber. He stated that he thought it was important to have the conduit put in when the electrical lines were installed.

Ms. Povar stated that the first advisory team meeting is August 1st and that the County’s representatives can bring up that topic. She stated that a representative from Dominion Energy will also be in attendance at the August 1st meeting.

VIRGINIA DEPARTMENT OF TRANSPORTATION

1. Resolution Supporting the Smart Scale Application to Improve the VSH 3 and VSH 688 Intersection

Mr. Gill stated that Stephen McKeever, the VDOT Residency Administrator, had contacted him last week and said that part of the Smart Scale Funding Application that has been submitted requires a resolution by the governing body. He stated that he had

edited the template to fit this particular project and asked that the Board adopt the resolution, so it can be included with the application by August 1st.

Authorizing the Submittal of Transportation Projects for Smart Scale Funding

Whereas, the General Assembly has created a means of funding proposed transportation projects across the Commonwealth that is based on a scoring criteria that emphasizes safety and accessibility, environmental quality and economic development known as Smart Scale funding; and

Whereas, the County of Lancaster desires to submit a local transportation project for potential funding under the Smart Scale process; and

Whereas, the Lancaster County Board of Supervisors supports the submittal of the following project for potential funding under the Smart Scale process:

Turn lane improvements at the intersection of VSH 3 and VSH 688 in Kilmarnock to restore the dedicated right turn lane from VSH 3 onto VSH 688 which would also restore the dedicated right turn lane from VSH 688 onto VSH 3, alleviating traffic congestion and enabling VSH 688 to properly function as the truck by-pass route around the Town of Kilmarnock.

Now, Therefore Be It Resolved, that the Board of Supervisors of Lancaster County hereby approves the submittal of the identified project for funding under the Smart Scale process; 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 Town of Kilmarnock, the Virginia Department of Transportation Northern Neck Residency, Fredericksburg District and the Commonwealth Transportation Board and be spread upon the meeting minutes of said Board of Supervisors.

Mr. Lee made a motion to Adopt the Resolution Supporting the Smart Scale Application to Improve the VSH 3 and VSH 688 Intersection.

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

Robert Harper stated that resurfacing started today on Windmill Point Road (VSH 695). He stated that on Route 3 in the Town of Kilmarnock, they will be doing milling and paving, starting in mid-August and the work will be done at night, so there will be fewer interruptions to business. He stated that they will begin dredging both sides of the ferry next week beginning on the Ottoman side and then moving to the Merry Point side. He referred to River Road (VSH 354) and stated at the very end there is approximately three hundred feet of shoreline that has eroded. He stated that his department has been working with the Department of Environmental Quality and the Virginia Marine Resources Commission and the solution will be to install a living shoreline. He stated that the dredged material from the ferry areas will be used in the project and he will keep the Board updated on the project's progress.

Mr. Larson stated that the mowing on River Road looked pretty good except for the very end. He asked what was the mowing plan for finishing Route 201 and some other roads such as Ottoman Ferry Road and in the Morattico area.

Mr. Harper stated that his department did not use contractors this year and elected to do the mowing themselves. He stated that they had to appropriate funds for some big projects that had to be done. He stated that the heavy rains in the spring caused them to get behind on the mowing schedule. He stated that they hoped to finish the primary roads in a day or two and then they would begin on the secondary system.

Mr. Larson stated that he wanted to commend Mr. Harper and his crew on the spot patching job that has been done in Lively. He stated that he appreciated the work that they were doing.

Mr. Bellows asked if it was VDOT's intention to continue with the mowing schedule in-house.

Mr. Harper stated that he was not sure what the budget would be like next year, but the intent was for VDOT to do its own mowing this year.

Mr. Bellows asked if that was a statewide policy or just for Lancaster County.

Mr. Harper replied that it started out as a statewide policy, but he understood that some localities have enlisted contractors to help out.

Mr. Palin referred to Courthouse Road and stated that he would like for VDOT to check that intersection with Route 3 for visibility. He stated that the vegetation has grown up there again.

Mr. Harper stated that he would take care of that.

PUBLIC HEARING

1. Application for Special Exception – Bertine A. Jones-Dunaway

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

Mr. Gill stated that the issue was an Application for Special Exception to place a single-wide individual manufactured home on Tax Map #21-53C owned by Bertine A. Jones-Dunaway Trustee O/T Bertine A. Jones-Dunaway Revocable Living Trust. He stated that this was a 0.324-acre parcel and was zoned R-1, Residential, General and was located near the intersection of VSH 604 (Merry Point Road) and VSH 611 (Hoecake Road) in District 2.

Mr. Gill stated that Article 5-1-3 of the Zoning Ordinance requires a special exception for the placement of individual manufactured homes such as this, which measures 14 feet by 56 feet and is a single-wide home. He stated that the property has existing septic and well sites that once served a prior home that has since been removed. He stated that all front, rear and side setbacks can be met and there were similar types of homes in the neighborhood.

Mr. Gill stated that the applicant has entered into a contract to sell this parcel to Tyree Jackson, who intends to make this her primary residence. He stated that the issue has been advertised and adjoining property owners notified as required by law and to date, one adjoining property owner has called him and had no problem with the request.

Mr. Lee opened the public hearing.

There was no public comment.

Mr. Lee closed the public hearing.

Mr. Palin made a motion to Approve the Application for Special Exception to place a Single-Wide, Individual Manufactured Home on Tax Map #21-53C.

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

2. Resolution Authorizing the Creation of a Broadband Authority

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

Mr. Gill stated that the public hearing deals with the resolution authorizing the creation of the Lancaster County Broadband Authority in accordance with Section 15.2-5431.5 of the Code of Virginia, *1950, as amended*. He stated that the Board of Supervisors had appointed a Broadband Advisory Committee in April of this year and that committee made a presentation at the Board of Supervisors' May 31st meeting outlining three recommendations to begin the process of enhancing broadband coverage throughout Lancaster County. He stated that one of those recommendations was to hold a public hearing on this resolution and the Articles of Incorporation to create a Lancaster County Broadband Authority. He stated that the Broadband Committee has recommended three minor changes to the advertised resolution which were highlighted on the Board members' draft copies. He stated that the issue has been advertised for at least thirty days as required by law. He stated that, to date, other than the public input at prior Board of Supervisors' meetings, there has been no further response from the public.

Mr. Lee opened the public hearing.

Margie Armen, one of the initial Directors of the proposed Lancaster County Broadband Authority, stated that they had already heard several people at tonight's meeting talk about the importance of this initiative. She thanked the Board of Supervisors and the members of the public that were present to give their thoughts to the Board's deliberations. She stated that she also wanted to thank the Broadband Advisory Group, which has worked diligently for several months. She stated that she wanted to recognize the other members of the proposed Broadband Authority who are David Pere, Kevin Bean, Gary Silverman and Cassie Thompson, although Ms. Thompson could not attend tonight's meeting. She stated that, as concerned citizens, they have offered to step up with their time and talents with a sustained and long-term effort creating a broadband service level that will for work for the County.

Ms. Armen stated that, at the May 31st Board of Supervisors' meeting, the Broadband Advisory Group broadly outlined a plan of action that begins with assessing the County's current infrastructure for telecommunications and the existing service levels and unmet needs. She stated that, with the approval of the Board of Supervisors, the group was already working with the Virginia Center for Innovative Technology to create a sound basis for further decision making. She stated that the Broadband Authority's charter is the Virginia Wireless Service Authorities Act, which empowers local authorities to do all things necessary to carry out the projects that will provide qualifying communication services in the County's geographical area. She stated that, as defined in the statute, a qualifying communications service is to include, but not be limited to high speed data service and internet access service of general application, but excluding any cable television or other multi-channel video programming services.

Ms. Armen stated that in the proposed Articles of Incorporation, they have further described their goal to provide affordable and reliable broadband internet access. She

stated that the Authority will hopefully be able to provide the funding for at least some of its projects through federal, state and other grants and possibly through a public-private partnership. She stated that, in addition to seeking grants, the Authority is empowered to finance its activities by borrowing, either in the form of loans or revenue bonds. She stated that loans and revenue bonds would be paid from the money generated by charging for services provided by the Authority when those services become available. She referred to the requirements of how the Authority would handle its funds and stated that the law requires that the Authority's funds are held in trust to be applied only for the purposes authorized by the Wireless Service Authorities Act to ensure that integrity and the handling of funds was paramount. She stated that the statute also provides for regular audits. She referred to the issuance of revenue bonds and stated that the statute says that the County is not legally responsible for the repayment of that debt and the Broadband Authority itself must pay from revenues it receives for the services it provides and the Authority will remain in business until any debt is fully satisfied.

Ms. Armen stated that the members of the Broadband Authority are appointed by the Board of Supervisors and are chosen specifically for their knowledge, skills and demonstrate a commitment to securing qualifying communications services for all of the citizens of Lancaster County.

Ms. Armen stated that there were three minor changes that Mr. Gill had referred to in the resolution that was published in the paper. She referred to Article 4 and stated that they wanted to substitute the words "as authorized by" for the words "consistent with". She referred to Article 5.3 and stated that they would like the article revised to state that the terms of the initial directors shall end on December 31, 2021 and thereafter, directors shall be appointed for two-year terms on a staggered schedule. She referred to an additional paragraph, Article 6.3, and stated that they would like to add the following statement: "The Authority may form committees and utilize the services of employees and volunteers in the conduct of its business."

James Cornwell, County Attorney, referred to the change in Article 5.3 and stated that he was not sure that directors can be appointed for a two-year term on a staggered schedule. He stated that he would offer the wording be changed to "thereafter, the directors shall be appointed for terms not to exceed two years and on a staggered schedule." He stated, that way, some members could be appointed to a one or two year term and that would start the staggered schedule.

Ms. Armen stated that, with regards to the paragraph, it was their intention that the initial terms would expire on December 31, 2021. She stated that they expected that two of the directors would resign and step down officially on December 31, 2020 and then, thereafter be appointed for two-year terms.

Mr. Cornwell stated that, in that case, the word "thereafter" should be removed.

Ms. Armen agreed.

Mr. Cornwell stated that he was not sure why the Articles of Incorporation needed Article 6.3, because the statute already provides for the Authority to have employees, committees and volunteers.

Ms. Armen stated that they recognized that the article could be viewed as surplus, but they wanted to be very explicit because it is a “heavy lift” and a big project. She stated that there was no way that five members could do it alone. She stated that they added Article 6.3 to emphasis that point.

Mr. Cornwell stated that he wanted to make sure everyone had the understanding that the Articles of Incorporation does not require the Board of Supervisors to fund the committees or employees mentioned.

Ms. Armen stated that the Articles of Incorporation do not place any requirements for funding on the Board of Supervisors. She stated that was not to say that the Authority won’t ask the Board of Supervisors for support in the future. She stated that they would be relying particularly on volunteers. She stated that, at the conclusion of the public comment period, she would ask that the Board of Supervisors adopt the resolution.

Charlie Costello, a District 2 citizen, stated that he was glad to see the creation of the Lancaster County Broadband Authority and he thought the late Dr. Jack Russell, a former Supervisor, would be glad that it is finally happening. He referred to the Virginia Wireless Service Authorities Act and stated that he was looking at Section 15.2-5431.10, item C in the Code of Virginia and read “Board members shall receive such compensation as fixed by resolution of the governing body that created the authority, and shall be reimbursed for any actual expenses necessarily incurred in the performance of their duties.” He stated that he had seen nothing in the proposed resolution concerning compensation for the Authority members. He asked what was the intent of the Board of Supervisors concerning compensation for the Broadband Authority members.

Dr. Westbrook stated that the members have not asked for compensation.

Mr. Costello asked if the Board planned on doing anything about compensation.

Dr. Westbrook replied no.

Ms. Armen stated that the proposal that was before the Board of Supervisors was based on Section 56-484.7:1, which is a different section of the Code than the one that Mr. Costello had referred to.

Mr. Costello stated that the section that he had referred to was in the proposed resolution.

Mr. Cornwell stated that the simple answer is that the Broadband Authority, just like any other authority or commission, can submit a budget request to the Board of Supervisors for consideration and it can be approved or not.

Mr. Costello referred to Section 15.2-5431.1, item 8 and read “Borrow at such rates of interest as authorized by the general law for authorities and as the authority may determine and issue its notes, bonds or other obligations therefore. The political subdivision creating the authority may lend, advance or give money to such authority.” He asked the Board of Supervisors if it was their intent to give the Broadband Authority money.

Mr. Gill stated that nothing has been budgeted for the Broadband Authority.

Mr. Costello stated that his problem was whether they are going to give the Broadband Authority money or not. He stated that they are talking about taxpayer funds and they needed to be considered.

Mr. Cornwell stated that if the Broadband Authority submitted a budget request for next year’s budget, it would be considered along with all of the other requests.

Mr. Costello asked if that would be considered a gift.

Mr. Cornwell replied it could be a gift or a loan.

Mr. Costello stated that he would like to see it as a loan.

Ms. Armen stated that Mr. Costello was looking at the initial language in the resolution. She stated that the actual resolution authorizing the Lancaster County Broadband Authority begins under the words “Articles of Incorporation”. She stated that part of the document says that the Authority is going to be established pursuant to Section 56-484.7:1 of the Code of Virginia. She stated that the compensation issues were not on the table and not being established by the sections that Mr. Costello was citing.

Mr. Costello stated that he was reading the resolution and the Articles of Incorporation were coming from the other part. He stated that he had been given a link from a person that had been working on the Broadband Committee.

Mr. Cornwell stated that the answer is still the same. He stated that at tonight’s meeting, the Board of Supervisors is considering the resolution creating the Broadband Authority and the authority has powers and abilities under the Virginia Wireless Service Authorities Act. He stated that among those powers and abilities is to borrow money, request compensation for its members and other things. He stated that the Broadband Authority would be in the “same boat” as any other authority created by the County, in that the County could consider a request for money or not.

Mr. Costello referred to Section 15.2-5431.33 and stated that they may choose to have an audit on the Broadband Authority and he would trust that the Board of Supervisors would do so as fiscally responsible people.

Ms. Armen stated that she wanted to make it clear that the citation to the Virginia Wireless Service Authorities Act, which is the statute upon which the Broadband Authority's creation was being based, was Section 56-484.7:1. She stated that the Section that Mr. Costello referred to was not the statutory authority on which this resolution is based.

Mr. Costello stated that the resolution should be changed in that case.

Mr. Cornwell stated that the powers of the Authority will include the ability to borrow money, the power to request money from the County and if it chooses, give compensation to its members, however any requests for money from the County would have to be part of the normal budget process. He stated that the resolution was fine.

Mr. Lee closed the public hearing.

Dr. Westbrook made a motion to Adopt the Resolution Authorizing the Creation of a Broadband Authority with the Changes in Section 5.3.

Mr. Cornwell stated that Section 5.3 will read, "The terms of the initial directors shall end on December 31, 2021. Thereafter, Directors shall be appointed for terms not to exceed two years and on a staggered schedule."

Mr. Bellows asked if, in the future, would the Broadband Authority members be appointed by the entire Board of Supervisors or like the other boards and commissions, by districts. He stated that he had received some public comment that the Broadband Authority would be the only board or commission that does not have a representative from each Board member and district.

Mr. Cornwell stated that the statute says that the Board of Supervisors shall appoint board and commission members by agreement. He stated that, in other words, a Board member can appoint a citizen and then the Board of Supervisors would vote on that choice.

Authorizing the Creation of a Broadband Authority for Lancaster County

WHEREAS, the Board of Supervisors of the County of Lancaster, Virginia (the "Board") finds that Lancaster County is unserved or underserved by qualifying communications services, and that this affects public safety and is an economic, educational, and social disadvantage to the citizens of Lancaster County, and

WHEREAS, the Board has determined that access to qualifying communications services, including but not limited to affordable and reliable broadband internet access, is essential to economic development in Lancaster County, and would offer a significant benefit to the public health, safety, education and welfare.

NOW, THEREFORE BE IT RESOLVED, that the Board of Supervisors of Lancaster County authorizes the creation of the Lancaster County Broadband Authority (the “Authority”) pursuant to the Virginia Wireless Service Authorities Act (§ 15.2-5431.1 *et seq.* of the *Code of Virginia, 1950, as amended.*) (the “Act”), and

BE IT FURTHER RESOLVED, that the Authority shall be a body corporate and politic with all the rights, powers and duties authorized by the Act, and

BE IT FINALLY RESOLVED, that a public hearing shall be held on July 26, 2018 to obtain public input and to approve and establish the Lancaster County Broadband Authority and to authorize the filing of its Articles of Incorporation, a copy of which appears below:

Lancaster County Broadband Authority Articles of Incorporation

1. Authority Name

The name of the authority shall be the “Lancaster County Broadband Authority” (the “Authority”).

2. Locality Creating the Authority

The locality creating the Authority is the County of Lancaster, Virginia.

3. Principal Office

The principal office of the Authority shall be the Lancaster County Administration Building, located at 8311 Mary Ball Road, Lancaster, Virginia 22503.

4. Purpose of the Authority

The purpose of the Authority is to provide qualifying communications services, as authorized by § 56-484.7:1, *et seq.* of the *Code of Virginia, 1950, as amended*, including but not limited to, affordable and reliable broadband internet access, to all citizens of Lancaster County.

5. Board of Directors

5.1. The Board of Directors of the Authority shall consist of 5 members appointed by the Lancaster County Board of Supervisors who shall be chosen for their knowledge, skills and demonstrated commitment to securing qualifying communications services, including but not limited to reliable and affordable broadband internet access for all citizens of Lancaster County.

5.2. Directors shall select a chair and vice-chair from among their number.

5.3. The terms of the initial directors shall end on December 31st, 2021. Thereafter, directors shall be appointed for terms not to exceed two years and on a staggered schedule.

5.4. Directors may be reappointed and there shall be no limit on the number of terms they may serve.

5.5. The initial Directors of the Authority shall be:

David Pere
210 River Village Drive
Weems, VA 22576

Ocassa "Cassie" Thompson
2041 Laurel Point Road
Lancaster, VA 22503

Gary Silverman
372 Conley Road
Lancaster, VA 22503

Kevin Bean
28 Hudgins Avenue
Lancaster, VA 22503

Margaret Armen
275 Crossing Cove Way
White Stone, VA. 22578

6. Powers of the Authority

6.1. The Lancaster County Broadband Authority shall exercise all the rights, duties, powers set forth in the Virginia Wireless Service Authorities Act, § 15.2-5431.1, *et seq.* of the *Code of Virginia, 1950*, as amended.

6.2. The Authority shall in all respects conduct its business in full compliance with the laws of the Commonwealth of Virginia and of Lancaster County.

6.3 The Authority may form committees and utilize the services of employees and volunteers in the conduct of its business.

IN WITNESS WHEREOF, the Board of Supervisors of Lancaster County, having held the required public hearing, approves this Resolution and these Articles of Incorporation and directs their execution and filing by the Chair of the Authority.

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

CONSENSUS DOCKET

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

1. Minutes for June 14th Joint Capital Improvement Work Session with the School Board and June 28th Regular Meeting

Recommendation: Approve minutes as submitted

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

CONSIDERATION DOCKET

The Board considered the following items on its Consideration Docket:

1. Salaries and Invoices – July 2018

The motion was made by Mr. Palin to approve the salaries for July 2018 in the amount of \$269,828.55 and invoice listings for July 2018 in the amount of \$692,634.49*.

*Loan Payments - \$123,114.58

*Capital Improvements - \$4,115.20

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

2. Application for Special Exception – Sprint PCS – Collocation on Existing Tower

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

Mr. Gill stated that the issue was an Application for Special Exception by Ammon G. Dunton, Jr., Trustee (owner) and Sprint PCS (applicant) to co-locate an antenna array for Sprint PCS Cellular Service on the existing cell tower located on Tax Map #23-113 at 528 Black Stump Road in District 4.

Mr. Gill stated that this special exception is different from other special exceptions because, according to Article 25-17-3 of the Zoning Ordinance, if it is an application to co-locate on an existing tower and does not increase the overall height of the tower, it does not require a public hearing. He stated that, in addition, Article 25-8-2 allows the requirements of Article 25, "Siting of Wireless Telecommunications Facilities" to be waived, with discretion, for such applications. He stated that a structural analysis was performed to ensure that the existing tower would support the additional antennas. He stated that both of those reports have been confirmed, signed and sealed by professional engineers. He stated that a Verizon tower already exists on this tower.

Mr. Gill stated that Article 25 requires co-location when possible instead of erecting new towers. He stated that this co-location will enhance cellular service for Sprint PCS customers in the lower end of the County. He stated that the application fee of \$2,000 had been received.

Mr. Larson stated that antenna co-locations are a good thing. He stated that, in the past, whenever these towers are put up, they try to get them on government property, so rent can be secured from them. He stated that this application points out that there are places where there may be no government property close by, so it makes sense to locate the equipment on private property. He stated that he hoped the Board would consider applications for this kind of equipment that involve private property.

Mr. Lee made a motion to Approve the Application for Special Exception-Sprint PCS-Collocation on an Existing Tower.

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

3. Resolution Authorizing a \$3.2 Million Revenue Anticipation Note

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

Mr. Gill stated that the issue was a resolution authorizing the issuance of a \$3.2 million dollar revenue anticipation note that was discussed at last month's meeting. He

stated that Ted Cole from Davenport and Company and Dan Siegel, bond counsel from Sands Anderson were in attendance to provide information and answer any questions.

Ted Cole from Davenport and Company stated that his company serves as a financial advisor to the County. He stated that, as they have done in the past, they did a Request for Proposals for a Revenue Anticipation Note. He stated that the Request for Proposals was based on the principal amount being up to \$3.2 million dollars, a maturity date of either January 1, 2019 or June 30, 2019 and the ability to pre-pay the note, without penalty, in whole or in part, at any time. He stated that the proposals were received on July 12th and five banks responded. He stated that Virginia Commonwealth Bank had the lowest rate at 1.94%. He explained option A and option B and the difference in the maturity dates. He stated that their recommendation, since the tax receipts begin coming in the fall, was to move forward with the maturity date of January 1, 2019 and Virginia Commonwealth Bank with a fixed rate of 1.94%.

Dan Siegel with Sands Anderson stated that the Board has seen this type of resolution before and authorizes exactly what Mr. Cole just spoke about. He stated that they would need a motion approving the resolution with Virginia Commonwealth Bank as the lender at the 1.94% rate and a January 1, 2019 maturity date.

Mr. Cornwell asked about the arbitrage issue.

Mr. Siegel replied that there are exceptions to the arbitrage rules that allow, in this short period of time, the opportunity to earn at a higher rate, on this particular issue, than the actual borrowing rate. He stated that the County gets to keep the difference.

Mr. Larson stated that he had made comments before about this whole situation and he was not going to repeat them now, but there are other options about the way the County goes about dealing with this issue and he hoped they would be considered, such as tax payments on a bi-annual basis, instead of annually. He stated that he knew they had to work with the constitutional officers on that. He stated that it was fine that the County could take advantage of the arbitrage, but he took issue with the statement in the memorandum that read “this fortunate occurrence will offset much of the interest expense associated with this Revenue Anticipation Note.” He stated that instead of the word “much”, a better word would be “some” because the whole purpose of this borrowing was the till is empty and it will be a declining balance, so the 2.14% will not be earned on the entire amount of the borrowing throughout the period. He stated that this is costing the County money and they needed to look at other ways to go about doing this.

**A RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO
\$3,200,000 PRINCIPAL AMOUNT OF A REVENUE ANTICIPATION NOTE
OF THE COUNTY OF LANCASTER, VIRGINIA, AND PROVIDING
FOR THE FORM, DETAILS AND PAYMENT THEREOF**

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Be it Resolved by the Board of Supervisors of the County of Lancaster, Virginia:

Section 1 - Definitions Unless the context shall clearly indicate some other meaning, the following words and terms shall for all purposes of the Resolution and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto for all purposes of any opinion or instrument or other documents therein or herein mentioned, have the following meanings:

“**Act**” shall mean the Public Finance Act, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended.

“**Board**” shall mean the County Board of Supervisors.

“**Bond Counsel**” shall mean Sands Anderson PC or another attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the County.

“**Business Day**” shall mean any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banks generally are open for business in the Commonwealth of Virginia.

“**Chairman**” or “**Chair**” shall mean the Chairman or Vice Chairman of the Board.

“**Clerk**” shall mean the Clerk of the Board.

“**Closing Date**” shall mean the date on which the Note is issued and delivered to the Noteholder.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, and applicable regulations, procedures and rulings thereunder.

“**Commonwealth**” shall mean the Commonwealth of Virginia. “**County**” shall mean the County of Lancaster, Virginia.

“**Interest Account**” shall mean the Interest Account in the Note Fund established by Section 6.

“**Interest Payment Date**” shall mean the Maturity Date.

“**Maturity Date**” shall mean January 1, 2019.

“**Note Fund**” shall mean the Note Fund established by Section 6.

“**Note or Notes**” shall mean the revenue anticipation note of the County, Series 2018, in the aggregate principal amount of up to \$3,200,000 authorized to be issued hereunder.

“**Note Period**” shall mean the period beginning on the Closing Date and ending on the Maturity Date.

“Noteholder” or **“Holder”** shall mean Virginia Commonwealth Bank, as registered owner of the Note.

“Outstanding” when used in reference to the Note shall mean, as of a particular date, the Note authenticated and delivered under this Resolution except:

- (i) any Note cancelled by the County at or before such date;
- (ii) any Note for the payment of which cash equal to the principal amount thereof, with interest to the date of maturity, shall have been deposited with the Paying Agent prior to maturity; (iii) any Note for the redemption or purchase of which cash or noncallable direct obligations of the United States of America, equal to the redemption or purchase price thereof to the redemption or purchase date, shall have been deposited with the Paying Agent, for which notice of redemption or purchase shall have been given in accordance with the Resolution;
- (iv) any Note in lieu of, or in substitution for, which another Note shall have been authenticated and delivered pursuant to this Resolution; and
- (v) any Note deemed paid under the provisions of Section 9, except that any such Note shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of actually being paid.

“Paying Agent” shall mean the County Treasurer acting as Paying Agent hereunder as designated and authorized under Section 3 or its successors or assigns serving as such hereunder.

“Principal Account” shall mean the Principal Account in the Note Fund established by Section 6.

“Proceeds Fund” shall mean the Proceeds Fund established by Section 4.

“Registrar” shall mean the Paying Agent, or its successors or assigns serving as such hereunder.

Section 2 - Findings and Determinations The Board hereby finds and determines that (i) the County is in need of funds to meet appropriations made for the current fiscal year which began on July 1, 2018 in anticipation of the collection of tax and other revenues during the same fiscal year, to be paid for by such revenues (ii) the obtaining of such funds will be for the welfare of citizens of the County for purposes which will serve the County and its citizens, (iii) the most effective and efficient manner in which to provide such funds to the County is by a revenue anticipation note issued by the County to be sold to the

Noteholder and (iv) the issuance of the Note is in the best interests of the County and its citizens.

Section 3 - Authorization, Form and Details of the Note

There is hereby authorized to be issued a revenue anticipation note of the County in the aggregate principal amount of up to \$3,200,000. The Note authorized herein shall be designated "Revenue Anticipation Note, Series 2018," shall be issuable as a fully registered note, without coupons, in denominations of \$5,000 or any whole multiple thereof, shall be dated the Closing Date, shall be numbered R-1 upwards, shall bear interest payable on the Maturity Date at a rate per annum not to exceed 1.94% and the Note shall mature on the Maturity Date. The Note may be prepaid, without penalty, in whole or in part, at any time, upon 5 days' notice to the Noteholder.

The Note is hereby authorized to be issued under the Act. The Note shall bear interest from the date on which it is authenticated. Interest on the Note shall be computed on an accrual basis of actual days elapsed over a 30-day month/360-day year.

Principal of, premium, if any, and interest on, the Note shall be payable in lawful money of the United States of America. Interest on the Note shall be payable on the Maturity Date (January 1, 2019) by check or draft from the County to the Holder of the Note at its address as it appears on the registration books kept by the Registrar as of the 15th day of the month on which an Interest Payment Date occurs. Principal of the Note shall be payable at the principal office of the Paying Agent upon presentation and surrender of the Note on the Maturity Date. Upon written request in form satisfactory to the County and the Registrar, signature guaranteed, by the registered Holder of at least \$500,000 aggregate principal amount of Note and upon receipt of such Note by the County, principal and/or interest shall be payable by wire transfer in immediately available funds.

The Note shall be printed, lithographed or typewritten and shall be substantially in the form herein below set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution, including such variations, insertions and omissions as shall be necessary to issue the Note under a system of book-entry for recording the ownership and transfer of ownership of rights to receive payments of principal of and interest on the Note and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

If any principal of, or interest on, the Note is not paid when due (whether at maturity, by acceleration or call for redemption, or otherwise), then, to the extent permitted by law, the overdue installments of principal shall bear interest until paid at the same rate as set forth in such Note.

The Note shall be signed by the facsimile or manual signature of the Chairman. The facsimile of its seal shall be printed thereon or manually impressed thereon and attested by the facsimile or manual signature of the Clerk. In case any officer whose signature or

facsimile of whose signature shall appear on any Note shall cease to be such officer before delivery of the Note, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he remained in office until such delivery.

The Note shall bear a certificate of authentication, in the form set forth below, duly executed by the Registrar. The Registrar shall authenticate each Note with the signature of an authorized officer of the Registrar, but it shall not be necessary for the same officer to authenticate all of the Notes. Only such authenticated Note shall be entitled to any right or benefit under this Resolution, and such certificate on any Note issued hereunder shall be conclusive evidence that the Note has been duly issued and is secured by the provisions hereof.

The Paying Agent shall act as Registrar and shall maintain Registration Books for the registration and the registration of transfer of the Note. The County Treasurer is hereby designated and authorized to act as Paying Agent and Registrar hereunder. The transfer of any Note may be registered only on the books kept for the registration and registration of transfer of the Note upon surrender thereof to the Registrar together with an assignment duly executed by the registered holder in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such transfer, the County shall execute and the Registrar shall authenticate and deliver, in exchange of such Note, a new registered Note registered in the name of the transferee of the same series, maturity and interest rate as the Note so exchanged in any denomination or denominations authorized by this Resolution.

The Registrar shall not be required to make any such registration or registration of transfer during the five (5) days immediately preceding the Maturity Date or a redemption date. Prior to due presentment for registration of transfer for any Note, the Registrar shall treat the registered holder as the person exclusively entitled to payment of principal of, premium, if any, and interest on, such Note and the exercise of all other rights and powers of the Holder.

If any Note has been mutilated, lost or destroyed, the County shall execute and the Registrar shall authenticate and deliver a new Note of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Note or in lieu of and in substitution for such lost or destroyed Note; provided, however, that the County and the Registrar shall execute, authenticate and deliver such Note only if the Holder has paid the reasonable expenses and charges of the County and the Registrar in connection therewith and, in the case of a lost or destroyed Note, has furnished to the County and the Registrar (a) evidence satisfactory to them that such Note was lost or destroyed and the Holder was the Owner thereof and (b) indemnity satisfactory to them. If any Note has matured, instead of issuing a new Note, the Registrar may pay the same without surrender thereof upon receipt of the aforesaid evidence and indemnity.

Any Note which has been paid (whether at maturity, by acceleration or otherwise) or delivered to the Paying Agent for cancellation shall not be reissued and the Registrar shall, unless otherwise directed by the County, cremate, shred or otherwise dispose of such Note.

The Registrar shall deliver to the County a certificate of any such cremation, shredding or other disposition of any Note.

The Note, the Certificate of Authentication and the provision for the assignment to be inserted in the Note shall be substantially in the following forms, to-wit:

“FORM OF NOTE”

No. N-1

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA, LANCASTER COUNTY
REVENUE ANTICIPATION NOTE, SERIES 2018**

Dated: **August __, 2018**
Maturity Date: **January 1, 2019**

Registered Holder: **VIRGINIA COMMONWEALTH BANK**

Principal Sum: **UP TO THREE MILLION TWO HUNDRED THOUSAND AND
00/100 DOLLARS (\$3,200,000)**

Interest Rate: 1.94%

KNOW ALL MEN BY THESE PRESENTS, that the County of Lancaster, Virginia (**hereinafter sometimes referred to as the “County”**), a county and political subdivision of the Commonwealth of Virginia, for value received hereby promises to pay to the registered holder (named above), or assigns, on the Maturity Date (specified above), subject to prior redemption as hereinafter provided the Principal Sum advanced hereunder (specified above) upon presentation and surrender of this Note at the principal corporate office of the Lancaster County Treasurer, Lancaster, Virginia, (**the “Paying Agent”**), and to pay interest on said Principal Sum on the Maturity Date (**an “Interest Payment Date”**), at the rate per annum (specified above).

Both principal of, premium, if any, and interest on, this Note are payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

No registration, transfer or exchange of this Note shall be permitted within five (5) days of an Interest Payment Date or the Maturity Date or the date of redemption of this Note.

This Note is an authorized series in the aggregate principal amount of up to \$3,200,000 of like date and tenor herewith, except for number and denomination and is issued under and pursuant to and in compliance with the Constitution and laws of the

Commonwealth of Virginia, including Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, the same being the Public Finance Act, and the resolution duly adopted under said Chapter by the Board of Supervisors of the County on July 26, 2018 (**the “Resolution”**).

This Note shall bear interest from the date on which this Note is authenticated. Interest on this Note shall be computed on an accrual basis of actual days elapsed over a 30-day month/360-day year. This Note may be prepaid, without penalty, in whole or in part, at any time upon 5 days' notice to the Noteholder.

This Note is transferable only upon the registration books kept at the office of the Registrar by the registered holder hereof, or by his duly authorized attorney, upon surrender of this Note (together with a written instrument of transfer, satisfactory in form to the Registrar, duly executed by the registered holder or his duly authorized attorney, which may be the form endorsed hereon) and subject to the limitations and upon payment of the charges, if any, as provided in the Resolution, and thereupon as provided in the Resolution a new Note or Notes, in the aggregate principal amount and in the authorized denominations and of the same series, interest rate and maturity as the Note surrendered, shall be issued in exchange therefor. The County and the Registrar shall deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

THIS NOTE AND THE ISSUE OF WHICH THIS IS ONE IS A GENERAL OBLIGATION OF THE COUNTY FOR THE PAYMENT OF WHICH THE COUNTY'S FULL FAITH AND CREDIT ARE IRREVOCABLY PLEDGED. THE COUNTY BOARD OF SUPERVISORS IS AUTHORIZED AND REQUIRED TO LEVY AND COLLECT ANNUALLY AT THE SAME TIME AND IN THE SAME MANNER AS OTHER TAXES OF THE COUNTY ARE ASSESSED, LEVIED AND COLLECTED, A TAX UPON ALL TAXABLE PROPERTY WITHIN THE COUNTY, OVER AND ABOVE ALL OTHER TAXES AUTHORIZED OR LIMITED BY LAW AND WITHOUT LIMITATION AS TO RATE OR AMOUNT, SUFFICIENT TO PAY WHEN DUE THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE NOTE, TO THE EXTENT OTHER FUNDS OF THE COUNTY ARE NOT LAWFULLY AVAILABLE AND APPROPRIATED FOR SUCH PURPOSE.

Reference is hereby made to the Resolution and to all of the provisions thereof to which any holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and nature and extent of the security for the Note; the conditions upon which the Resolution may be amended or supplemented without the consent of the holder of any Note and upon which it may be amended only with the consent of the holder of the Note affected thereby; the rights and remedies of the holder hereof with respect hereto; the rights, duties and obligations of the County; the provisions discharging the Resolution as to this Note and for the other terms and provisions of the Resolution.

This Note shall not be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Registrar and the date of authentication inserted hereon.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note and the series of which it is a part, do exist, have happened and have been performed in regular and due time, form and manner as required by law; that the series of which this Note is a part does not exceed any constitutional, statutory or charter limitation of indebtedness; and that provision has been made for the payment of the principal of, and interest on, this Note and the series of which it is a part, as provided in the Resolution.

IN WITNESS WHEREOF, the County of Lancaster, Virginia, by its Board of Supervisors has caused this Note to be signed by the Chairman and attested by the Clerk of said Board, by their manual or facsimile signatures, and its seal to be impressed or imprinted hereon, and this Note to be dated as set forth above.

(SEAL)

Clerk of the Board of Supervisors
of the County of Lancaster, Virginia

Chairman of the Board of Supervisors
of the County of Lancaster, Virginia

CERTIFICATE OF AUTHENTICATION

This Note is the Note described in the within-mentioned Resolution.

TREASURER

REGISTRAR - LANCASTER COUNTY

By: _____
Lancaster County Treasurer

DATE OF AUTHENTICATION:

August __, 2018

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns, and transfers unto

Please insert social security number or other tax identification number of assignee:
[_____]

Name and address of assignee, including zip code: _____ the within mentioned Note and hereby irrevocably constitutes and appoints _____ attorney-in-fact, to transfer the same on the registration books thereof maintained in the office of the within-mentioned Registrar with the full power of substitution in the premises.

DATED: _____

NOTE: The signature to this assignment must correspond with the name of the registered holder that is written on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Section 4 - Creation of Proceeds Fund

There is hereby established a trust fund to be designated the “Lancaster County Proceeds Fund, Lancaster County Revenue Anticipation Note, Series 2018.”

Section 5 - Payments into Proceeds Fund

All funds received from the proceeds of the sale of the Note less costs of issuance shall be deposited into the Proceeds Fund to be used in the manner provided in Section 2.

Section 6 - Creation of Note Fund

There is hereby established a trust fund to be designated the “Lancaster County Note Fund, Lancaster County Revenue Anticipation Note, Series 2018” in which Note Fund there is hereby established an Interest Account and a Principal Account. As and when received,

monies shall be deposited into the Note Fund, and payments from the Note Fund shall be made as follows:

(a) to the Interest Account in the Note Fund subject to credit, if any, for proceeds of the Note deposited therein on the Maturity Date, an amount equal to the amount of interest that will become due on the Note on the Interest Payment Date; and

(b) to the Principal Account in the Note Fund on the Maturity Date, an amount equal to the principal that is required to be deposited into the Principal Account in order to pay the principal due on the Note on the Maturity Date.

Section 7 - Accounts Within Funds

Any fund or account created by this Resolution may contain such accounts or subaccounts as may be necessary for the orderly administration thereof.

Section 8 - Investment of Funds

(a) The County shall separately invest and reinvest any monies held in the funds established by this Resolution in investments which would mature in amounts and at times so that the principal of, premium, if any, and interest on, the Note can be paid when due.

(b) Permissible investments include investments in securities that are legal investments under Chapter 45 of Title 2.2 of the Code of Virginia of 1950, as amended (Section 2.2-4500 et seq.) and which are otherwise in compliance with Section 15.2-2625 of the Act.

Section 9 - Defeasance

The obligations of the County under this Resolution and covenants of the County provided for herein shall be fully discharged and satisfied as to any Note and such Note shall no longer be deemed to be Outstanding thereunder when such Note shall have been purchased by the County and cancelled or destroyed, when the payment of principal of such Note, plus interest on such principal to the due date thereof either (a) shall have been made or (b) shall have been provided for by irrevocably depositing with the Paying Agent for such Note, money sufficient to make such payment, or direct and general obligations of, or obligations the principal of, and interest on, which are guaranteed by, the United States of America, maturing in such amounts and at such times as will insure the availability of sufficient monies to make such payment.

Section 10 - General Obligation

The Board, in accordance with Section 15.2-2624 of the Act, is hereafter authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the County are assessed, levied and collected, a tax upon all taxable property within the County, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if

any and interest on the Note, to the extent other funds of the County are not lawfully available and appropriated for such purpose.

Section 11 - Event of Default

Each of the following shall constitute an event of default hereunder:

(a) The failure to pay the principal of, and premium, if any, on, the Note when due;

(b) Failure to pay interest on the Note when due;

(c) Failure of the County to perform any other covenant or agreement contained in this Resolution, which failure shall have continued for 60 days after the notice thereof from the Holders of not less than twenty percent (20%) of the Note Outstanding; provided, however, that if any such failure shall be such that it cannot be cured or corrected within a 60-day period but is, in fact, susceptible of cure or correction, it shall not constitute an Event of Default if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected;

(d) The instituting of any proceeding with the consent of the County for the purpose of effecting composition between the County and its creditors or for the purpose of adjusting the claims of creditors pursuant to any federal or state statute; or

(e) If the County for any reason shall be rendered incapable of fulfilling its obligations under this Resolution.

Upon the occurrence of an Event of Default, the Holders of not less than twenty-five percent (25%) in principal amount of the Note then Outstanding may declare the principal of all of the Outstanding Note and all accrued and unpaid interest thereon to be due and payable immediately. This provision is subject to the condition that if, at any time after such declaration and before any such further action has been taken, all arrears of interest on, and principal of, the Note shall have been paid and all other Events of Default, if any, which shall have occurred have been remedied, then the Holders of such majority in principal amount of the Outstanding Note may waive such default and annul such declaration.

If an Event of Default shall have occurred and be continuing, then the Holders of not less than twenty-five percent (25%) in principal amount of the Note then Outstanding may call a meeting of the Holders of the Note for the purpose of selecting a Noteholders' committee (**the "Noteholders Committee"**). At such meeting the Holders of not less than a majority in principal amount of the Outstanding Note must be present in person or by proxy in order to constitute a quorum for the transaction of business. A quorum being present at such meeting, the Noteholders present may, by a majority of the votes cast, elect one or more persons who may or may not be Noteholders to the Noteholders' Committee. The Noteholders' Committee is empowered to exercise, as trustee for the Noteholders, all the rights and powers conferred on any Noteholder in the Resolution.

In case an Event of Default shall occur, subject to the provisions referred to in the preceding paragraph, the Holder of any Outstanding Note shall have the right for the benefit of all Holders of the Note, to protect the rights vested in such Holders by the Resolution by such appropriate judicial proceeding as such Holders shall determine either by suit in equity or by action at law.

Section 12 - Enforcement by Noteholder

Any Holder of a Note may by mandamus or other appropriate proceeding at law or in equity in any court of competent jurisdiction, enforce and compel performance of this Resolution and every provision and covenant thereof, including without limiting the generality of the foregoing, the enforcement of the performance of all obligations and duties and requirements to be done or performed by the County by the Resolution by the applicable laws of the Commonwealth.

Section 13 - Modification of Note Resolution

The County may without the consent of any Noteholder make any modification or amendment of this Resolution required to cure any ambiguity or error herein contained or to make any amendments hereto or to grant to the Noteholders additional rights.

The Holders of not less than sixty-six and two-thirds percent (66-2/3%) in principal amount of the Outstanding Note shall have the power to authorize any modifications to this Resolution proposed by the County other than as permitted above; provided that without the consent of the Holder of each Note affected thereby, no modifications shall be made which will (a) extend the time of payment of principal of, or interest on, any Note or reduce the principal amount thereof or the rate of interest thereon; (b) give to any Note any preference over any other Note secured equally and ratably therewith; (c) deprive any Noteholder of the security afforded by this Resolution, or (d) reduce the percentage in principal amount of the Note required to authorize any modification to the Resolution.

Section 14 - Application of Proceeds; Sale of Note

Proceeds derived from the sale of the Note together with other monies available therefor shall be used to pay the costs of issuance and other expenses of the County relating to the issuance of the Note and thereafter any remaining funds to be deposited in the Proceeds Fund shall be used for the purposes specified in Section 2 of this Resolution, and otherwise used in accordance with the provisions of this Resolution.

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Section 15 - No Arbitrage, Bank Qualified and Small-Issuer Exception to Rebate Covenants as to the Code

The County hereby covenants that it will not use or invest, or permit the use or investment of any proceeds of the Note, in a manner that would cause the Note to be subjected to treatment under Section 148 of the Code and the regulations adopted thereunder as an “arbitrage bond,” and to that end the County shall comply with applicable regulations adopted under said Section 148 of the Code.

The County covenants to comply with the Code provisions requiring that any issuance of “governmental bonds,” as defined therein, be subject to certain requirements as to rebate and timing and type of payments to be paid for from the proceeds of such Note, as well as other additional requirements. In order to assure compliance with such Code provisions, the County has entered into a Compliance Certificate, to comply with such requirements and covenants therein that it will not breach the terms thereof. The Board intends for the Note to be treated as complying with the provisions of Section 148(f)(4)(D) of the Code and Section 1.148-8 of the U.S. Treasury Regulations thereunder, which provides an exception from the “rebate requirement,” since this Note issue (1) is issued by the County which is a governmental unit with general taxing powers, (2) no Note which is a part of this issue is a private activity bond, (3) 95% or more of the net proceeds of this issue are to be used for local governmental activities of the County, and (4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the County during the calendar year 2018 (and bonds issued by any subordinate entity of the County) is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so

much as are attributable to the financing of the construction of public school facilities within the meaning of Section 148(f)(D)(vii) of the Code.

The Board of Supervisors, on behalf of the County, hereby designates the Note as a “qualified tax-exempt obligation” as defined in Section 265(b)(3)(B) of the Code and certifies by this Resolution that it does not reasonably anticipate the issuance by it or its subordinate entities of more than \$10 million in “qualified tax-exempt obligations” during the calendar year 2018 and will not designate, or permit the designation by any of its subordinate entities of, any of its bonds (or those of its subordinate entities) during the calendar year 2018 which would cause the \$10 million limitation of Section 265(b)(3)(D) of the Code to be violated.

Section 16 - General Covenants

The County agrees to make all payments of principal and interest on the Note in a timely manner.

Section 17 - Further Actions Authorized

The Chairman and Clerk of the Board and the County Treasurer and all other officers and employees of the County are hereby authorized and directed to take any and all such further action as shall be deemed necessary or desirable in order to effectuate delivery of, and payment for, the Note, including, but not limited to modifications in the dates of payment of interest and maturity, the final interest rate, principal amount, redemption terms and related issues.

Section 18 - Invalidity of Sections

If any section, paragraph, clause or provision of this Resolution shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Resolution.

Section 19 - Headings of Sections, Table of Contents

The headings of the sections of this Resolution and the Table of Contents appended hereto or to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Resolution.

Section 20 - Effectiveness and Filing of Resolution

This resolution shall become effective upon its passage. A certified copy of this Resolution shall be filed by the Clerk with the Clerk of the Circuit Court of the County of Lancaster, Virginia in accordance with Section 15.2-2607 of the Act.

Mr. Bellows made a motion to Approve the Resolution Authorizing a \$3.2 Million Dollar Revenue Anticipation Note.

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

4. Proposed Ambulance Grant Appropriation Request

Matt Smith, Interim Chief of Emergency Services, stated that he had a situation based on the current status of the Capital Improvement Budget and a grant deadline. He stated that the awards appropriations were released on July 1st and he was notified on July 5th that the County had been awarded a 50/50 grant for the purchase of an ambulance at the amount of \$109,390.00 and a 50/50 grant for the purchase of a stretcher at the amount of \$7,000.00. He stated that his concern is that the Capital Improvement Budget public hearing was being held on August 30th and his deadline for ordering the items is September 1st. He stated that he was requesting that the Board of Supervisors approve the grant for a total of \$116,390.00.

Mr. Gill stated that the issue is time constraints. He stated that the Board of Supervisors has decided that it wants to hold the public hearing on the other Capital Improvement items, setting the new schools aside, in August at its regular meeting. He stated that the Board has made it fairly evident that they would support the purchase of a new ambulance. He stated that Interim Chief Smith wants the Board to be very familiar with the proposed project, so when the public hearing is held in August, the Board's questions concerning the purchase will have been answered. He stated that the total grant is \$116,390.00 and Chief Smith has also researched cooperative purchase agreements, which have been forwarded to the County Attorney for review as well. He stated that the Capital Improvement Budget had not been approved yet, but the main thing was to become familiar with the project tonight, so there are no snags in August.

Mr. Cornwell stated that the request could be approved, subject to approval of the Capital Improvement Budget in August.

Mr. Lee stated that they certainly did not want to lose the grant.

Mr. Larson asked what the terms of the grant were. He asked if the purchase had to be made and then the County requests reimbursement.

Chief Smith stated that he had to have the order into the vendor by September 1st.

Mr. Larson asked if Chief Smith could get that order in with the short period of time between the Board's public hearing date and the deadline.

Chief Smith replied no.

Mr. Larson stated that, in fact, the Board needed to make a decision tonight and he did not have a problem with the request, but they have not conducted the public hearing yet.

Mr. Bellows asked if they approve the request tonight, subject to the approval of the Capital Improvement Budget in August, would that facilitate the request.

Chief Smith replied yes. He stated that he just needed an approved amount, so that he could pursue a vendor.

Mr. Bellows made a motion to Approve the Ambulance Grant Request, subject to the Capital Improvement Budget Approval at the Board of Supervisors' meeting on August 30th.

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

Mr. Gill referred to the letter from the Commonwealth of Virginia and stated that the last paragraph says that the Office of Emergency Medical Services needs to be notified if there are problems meeting the grant deadlines.

Mr. Larson suggested that Chief Smith alert that office that there may be a delay.

Chief Smith stated that he had spoken with the grant administrator last Tuesday and found out that localities that have requested extensions have not gotten very far with their requests.

Mr. Larson stated that they either needed an extension or just say they are going to go ahead and buy the ambulance. He stated that the dates were cutting it close.

Mr. Gill stated that the total cost was less than the one percent of total expenditures that would trigger the need for a public hearing.

Mr. Cornwell suggested that the Board authorize the ambulance purchase from the current Capital Improvement Budget.

Mr. Gill stated that enough money was in the current Capital Improvement Budget. He stated that there were leftover funds from the last borrowing to cover the expense.

Mr. Palin asked if that money was obligated anywhere else.

Mr. Gill replied no.

Mr. Lee made a motion to fund the ambulance grant request from the current Capital Improvement Budget.

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

BOARD REPORTS

Mr. Larson made a motion to appoint Dr. John Langloh, a District 1 citizen, to the Board of Zoning Appeals as an alternate member and that his name be forwarded to the Circuit Court for approval.

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

Mr. Lee made a motion to reappoint Robert Janeski to the Wetlands Board as a District 4 representative for a five-year term.

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

Mr. Lee made a motion to reappoint Sandra Smyre to the Historic Resources Commission as a District 4 representative for a three-year term.

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

Dr. Westbrook stated that they spoke earlier about short-term rentals and he had spoken with Mr. Gill earlier in the day about it as well. He stated that he would like the Board of Supervisors to pass an occupancy tax ordinance. He stated that, by law, they were allowed to pass an ordinance that will allow an occupancy tax of two percent for properties in the County. He stated that it cannot be extended into the towns of Kilmarnock, White Stone and Irvington, unless they allow it.

Mr. Gill stated that an occupancy tax ordinance would be in the Code of Ordinances, so it must be drafted and then considered by the Board of Supervisors.

Mr. Cornwell stated that the occupancy tax ordinance would have to be advertised like other ordinances.

Dr. Westbrook made a motion to ask County Attorney, Jim Cornwell, to prepare an occupancy tax ordinance for Lancaster County.

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

Mr. Cornwell stated that he would have the draft ordinance prepared for next month's meeting.

Mr. Palin asked if the occupancy tax ordinance would require a public hearing.

Mr. Gill replied yes.

Dr. Westbrook stated that he would like the Board to pass an ordinance that requires tax-exempt property owners to report every three years on their tax-exempt status.

Mr. Gill stated that the tax-exempt ordinance is another item for the Code of Ordinances, so it must be drafted and then considered by the Board of Supervisors.

Mr. Bellows referred to the paving estimates for the road at the Windmill Point Boat Ramp and asked Mr. Gill to get that information to the Board for its discussion on the Capital Improvement Budget. He stated that he was in the area last weekend and the road has potholes again, so it is something that needs to be addressed.

Mr. Gill agreed and stated that his intention was to list the paving estimate among the items in the Capital Improvement Budget for public hearing next month.

ADJOURNMENT

Mr. Bellows made a motion to adjourn the meeting.

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