

**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, August 28, 2014.

Members Present:            B. Wally Beauchamp, Chair  
   Jason D. Bellows, Vice Chair  
   F. W. Jenkins, Jr., Board Member  
   Ernest W. Palin, Jr., Board Member  
   William R. Lee, Board Member

Staff Present:                Frank A. Pleva, County Administrator  
   Don G. Gill, Planning and Land Use Director  
   Crystal Whay, Building/Land Use Secretary

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

**PUBLIC INPUT**

None.

**PRESENTATIONS**

1. Department of Forestry

Mr. Dennis Gaston stated that he was with the Department of Forestry and worked with the state forest division of the department. He stated that Chilton Woods is a state forest in Lancaster County consisting of approximately 400 acres. He stated that his division operates under a different budget than the rest of the Department of Forestry, in that they are self supporting. He stated that in order to make their budget, they cut timber. He stated that it is their standard operating procedure to take twenty-five percent off of their timber sales in the county in which they occur, in lieu of paying real estate taxes, and give that amount to the county. He stated that he would like to present the Board of Supervisors a check for \$20,070.

Mr. Beauchamp thanked Mr. Gaston.

2. Middle Peninsula Northern Neck Community Services Board Performance Contract Resolution

Mr. Charles Walsh of the Middle Peninsula Northern Neck Community Services Board thanked the Board of Supervisors for their support and stated that he sought approval of their fiscal year 2015-16 performance contract. He stated that the performance contract is basically an agreement between the local community services board and the Department of Behavioral Health and Departmental Services. He stated that there are no changes to the agreement this year that would affect the localities, but there are some changes that will affect the local Community Services Board.

Mr. Walsh explained his organization and what it does for the County.

Mr. Palin made a motion to approve the Middle Peninsula Northern Neck Community Services Board Performance Contract Resolution.

**APPROVAL OF PERFORMANCE CONTRACT RESOLUTION**

**WHEREAS**, § 37.2-508 of the Code of Virginia, 1950, as amended, requires each Community Services Board to submit, to the governing body of each political subdivision that established it, a biennium Performance Contract for community mental health, intellectual disabilities, and substance use services for its approval prior to submission of the contract to the Virginia Department of Behavioral Health and Developmental Services, and

**WHEREAS**, the Middle Peninsula Northern Neck Community Services Board has put forward its proposed FY 15/16 Biennium Performance Contract for approval by the Boards of Supervisors of its governing counties of Essex, Gloucester, King and Queen, King William, Lancaster, Mathews, Middlesex, Northumberland, Richmond, and Westmoreland;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Lancaster County, Virginia that the FY 15/16 Biennium Performance Contract prepared by the Middle Peninsula Northern Neck Community Services Board presented to the Health and Developmental Services as further required.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye

Ernest W. Palin, Jr.                      Aye

William R. Lee                                Aye

## **VIRGINIA DEPARTMENT OF TRANSPORTATION**

Mr. David Brown, the Residency Administrator for the Northern Neck, stated that VDOT is currently cutting back vegetation along the roadways and doing shoulder work on the main roads. He stated that they will begin resurfacing in September. He stated that he will keep the County informed of the resurfacing schedule as it happens.

Mr. Palin referred to Devils Bottom Road near the Lancaster Primary School and stated that vegetation needed to be cut back so that it is safer to exit the school's parking lot.

Mr. Palin referred to Route 3 and Courthouse Road and stated that flags on a sign and the sign itself are blocking the view of traffic and should be moved back.

Mr. Palin referred to Lara Road and stated that a culvert needed attention where there had been some washout.

Mr. Brown stated that he would take care of those items.

Mr. Jenkins stated that he wanted to compliment Mr. Brown on getting him information regarding signage and landscaping for a private organization.

Mr. Jenkins stated that, per his constituents, he would like to have the mowing crew sharpen their blades before their next mowing per his constituents.

## **PUBLIC HEARING**

1. Application for Special Exception-Michael H. and Lucia R. Schoelwer (owners) and Northern Neck Wireless (agent)

Mr. Gill stated that the issue was an Application for Special Exception by Michael H. and Lucia R. Schoelwer and Northern Neck Wireless to place a data antenna under 100 feet tall for wireless internet access on a 2.0-acre parcel described as Tax Map #29-90T. He stated that this property is zoned W-1, Waterfront Residential Overlay District and is located adjacent to 97 Pembroke Lane off Townley Farm Road off Chases Road in District 3.

Mr. Gill stated that in December 2013, the Board of Supervisors amended the zoning ordinance to allow most of these data poles/antennas less than 100-feet tall “by-right” if they met certain setback requirements. He stated that this antenna does not fit the “by-right” allowance and requires the special exception for two reasons. He stated that the first reason is that this 2.0-acre parcel is a recent subdivision of Tax Map #29-90N and is subject to the W-1, Waterfront Residential Overlay District. He stated that the “by-right” amendments did not apply to the W-1 District. He stated that the second reason is the antenna is not the usual telephone pole with a straight stick antenna on top, but rather a 4 and a half foot triangular metal frame structure less than 100-feet tall. He stated that Northern Neck Wireless had this antenna at Hack’s Neck in Northumberland County, but it is no longer needed there and they wish to relocate it to this parcel. He stated that this is a continuation of requests to locate data antennas at various locations within the county to provide wireless broadband internet access in areas lacking that capability.

Mr. Gill stated that there are no zoning issues with the location of this antenna/pole and it has the potential to serve many homes in that area.

Mr. Gill stated that this request has been advertised and adjoining property owners notified as required by law and to date, there has been one response from a neighbor across the creek, who sought more information. He stated that the neighbor’s concerns was how much of the antenna she would see and why they were not proposing the regular data pole. He stated that he has found out that they do not want the regular pole because they want to place a TV antenna on the structure as well, and the regular pole could not handle the additional load.

Mr. Gill stated that a Northern Neck Wireless employee, Cali Jeffries, was present to answer any questions concerning the data pole.

Mr. Gill presented photographs of the proposed data pole and site in a slide show presentation.

Mr. Lee asked where the TV antenna would be placed.

Mr. Jeffries replied near the top.

Mr. Gill asked if the antenna would still be 95 feet tall.

Mr. Jeffries replied yes. He stated that the TV antenna would be an omni-directional antenna, about three feet tall and about the diameter of a soda bottle.

Mr. Gill stated that the structure has engineered drawings which will be reviewed by the building official before it is erected in the County, if approved by the Board.

Mr. Beauchamp opened the public hearing.

Mr. Luke Rawls, stated that he was representing the Schoelwers because they were out of town working. He stated that they purchased the property about two years ago and will be retiring soon. He stated that they have found their internet service to be spotty and their neighbors have the same issues. He stated that he checked with Metrocast, but found that it would be too expensive to get service from them.

Mr. Rawls stated that he preferred to work with a local company and their solution was to install a tower and found that the neighbors were in favor of it as well. He stated that he planned to do landscaping to make the area with the tower look the best it can. He stated that with the tall tree line along the bank, he thought the tower would not be visible from across the creek.

Mr. Bill Hakos, a neighbor, stated that he agreed with Mr. Rawls and there is a need for improved internet service in the area. He stated that he thought the tower would blend in and that it is a reasonable request.

Ms. Lynn Engstrom stated that she lives across the creek and is concerned about what is going on the top of the tower and believes that she will be able to see it from her home. She stated that she would like to have an assurance that the tower would not be taller than 100 feet.

Mr. Gill stated that the tower cannot exceed 100 feet in height by code, and asked Mr. Jeffries to explain what would be at the top of the antenna.

Mr. Jeffries stated that the antenna at the top is about the size of a 12 ounce bottle and is white in color.

Mr. Jenkins stated that TV antennas are exempt from height restrictions.

Mr. Robert Smoak, a neighbor, stated that he was in favor of the data pole and that he had had miserable internet service.

Mr. Beauchamp closed the public hearing.

Mr. Bellows stated that he thought it was important to continue to support broadband expansion in the County and that the buffer would be sufficient for the data pole. He stated that he made a motion to approve the Application for Special Exception by Michael and Lucia Schoelwer to place a data antenna on Tax Map #29-90T.

Mr. Jenkins asked what was the broadest part of the triangle base.

Mr. Gill replied that each side was 54 inches wide.

Mr. Jenkins stated that since they are going from poles to towers, he thought they should give some thought to size restrictions.

Mr. Gill stated that any data poles that are not put in “by-right” would be considered on a case by case basis when the applicants are seeking a special exception.

Mr. Jenkins stated that his concern is that the platform could be built larger to accommodate other things. He stated that he would like to see the motion amended.

Mr. Bellows amended his original motion to include that the base of the triangular tower be no more than 54 inches wide on each side.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

2. Application for Special Exception – Edward B. and Thao N. Croasdale

Mr. Gill stated that the issue was an Application for Special Exception by Edward B. and Thao N. Croasdale to operate a professional office (manicure/pedicure shop) in an accessory structure at their residence on the 11.637-acre parcel described as Tax Map #39-23. He stated that this parcel is zoned R-1, Residential General and is located at 117 Oyster House Road in District 3.

Mr. Gill stated that Article 5-1-19 of the Lancaster County Land Development Code allows a professional office, with a limit of one unit and four workers per lot, with a special exception. He stated that the Zoning Ordinance defines professional office as “*The office, studio, or occupational room, whether located in a residence or in a building separate from a residence, of a doctor, architect, artist, musician, lawyer, or similar professional person. This includes persons who are required to obtain professional certification or provide a professional service, excepting any mortuary. Related goods may be offered for sale only as a secondary function of the business.*”

Mr. Gill stated that the applicant seeks to provide manicures and pedicures in a renovated accessory structure adjacent to the residence on this parcel and she is required to be professionally certified to provide these services. He stated that Mrs. Croasdale has stated that her business will be by appointment only.

Mr. Gill stated that this request has been advertised and adjoining property owners notified as required by law and that to date, he had heard from two who were opposed and he had given the Board members copies of their written statements. He stated that those adjoining property owners were concerned about safety and signage. He stated that the applicant has not proposed any signs to date. He stated that another concern was if the special exception could be transferred to another owner or another use. He stated that the special exception could be transferred to another owner, but the use cannot. He stated that the special exception use is specific.

Mr. Gill presented photographs of the site.

Mr. Bellows stated that he would like to disclose that he has a family member who is an adjacent property owner, so he will abstain from the vote.

Mr. Beauchamp opened the public hearing.

Mr. Tom Smith, a nearby resident, stated that he could not imagine a lower impact professional, one person business and he was in support of the application.

Mr. Edward Croasdale, the co-applicant, stated that his wife's intention is to have a strictly by appointment only business. He stated their driveway is the first one on Oyster House Road, so traffic would only come to their driveway and it would be one car at a time. He stated that the effect on anyone living further down the road would be very minimal.

Mr. Ken Flester stated that he lived at the end of Oyster House Road and he did not think Mrs. Croasdale's business would be a problem for anybody there. He stated that there would be no additional traffic and he is in support of the application.

Mr. Croasdale added that they had no intention of putting up any signs and they wanted their residence to continue to look private.

Mr. Beauchamp closed the public hearing.

Mr. Jenkins made a motion to Approve the Application for Special Exception by Edward and Thao Croasdale to operate a professional office on Tax Map #39-23, with the condition that, for a period of two years, no more than one additional person, other than Mrs. Croasdale, be employed there.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Abstain
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

3. Proposed Ordinance for the Acquisition of Real Property for the Greentown-Gaskins Road Wastewater System

Mr. Pleva stated that this is the last easement that the County will have to acquire through condemnation for the Greentown-Gaskins project. He stated that, in this case, there was an issue with an unclear title to the parcel. He stated that the Board of Supervisors will have to adopt the ordinance following the public hearing.

Mr. Beauchamp opened the public hearing.

There was no public comment.

Mr. Beauchamp closed the public hearing.

Mr. Lee made a motion to Adopt the Ordinance for the Acquisition of Real Property for the Greentown-Gaskins Road Wastewater System.

**Ordinance Authorizing the Acquisition of Real Property**

**WHEREAS**, the residents of the Greentown/Gaskins Road area of Lancaster County (the “area”) are in desperate need of wastewater treatment services to protect the public health, safety and welfare in that many of the residences in this area have failing septic or other wastewater treatment systems with the result that the public health is threatened; and

**WHEREAS**, the County has obtained a grant to provide wastewater service to the area pursuant to the Virginia Community Development Block Grant (VCDBG) application dated March 22, 2005, and approved by the Virginia Department of Housing and Community Development; and,

**WHEREAS**, in an effort to provide wastewater treatment service for the area, the County has determined that the construction of a new system, including the construction,



installation, service, maintenance, repair, and replacement of water and sewer lines and other utilities as the County may determine to install or construct, are necessary and that, as part of such system, the acquisition of easements across portions of real estate is necessary upon which to construct such system, and that easements over the following parcels as described below by tax map number (the “property”) are required to be obtained upon which to construct part of the project:

Tax Map No. 27-274B, heirs of Theresa A. Smith (Washington), *et al*;

**WHEREAS**, public hearing was had on the adoption of this Ordinance, after due notice and advertisement.

**NOW THEREFORE, BE IT ORDAINED**, that the Board of Supervisors hereby finds that to promote the public health, safety and welfare of the citizens of Lancaster County, Virginia, and particularly those residents of the Greentown/Gaskins Road area of the County, that it is necessary to acquire easements across portions of real estate parcels located in the area of Weems, Virginia, and referenced above, and hereby **AUTHORIZES** the acquisition of such easements by purchase or by condemnation, said property to be used as part of the wastewater treatment system to be constructed for the Greentown/Gaskins Road area.

**BE IT FURTHER ORDAINED**, that an emergency is hereby declared to exist, and the County does hereby find that it is necessary and hereby declares its intent to enter upon the property and acquire the property prior to condemnation proceedings being instituted as permitted pursuant to Chapter 3 of Title 25.1 of the Code of Virginia, 1950, as amended, the owners of the property being in controversy and/or unknown.

The compensation and value to be offered to the property owners for the property is as follows:

Tax Map No. 27-274B            \$193.26

This ordinance shall become effective immediately.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

**CONSENSUS DOCKET**

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

- 1) Minutes for July 31, 2014

Recommendation: Approve minutes as submitted

- 2) FY 15 School Budget Appropriation Request for Non-County Funds Received from the Virginia Education Foundation

Recommendation: Approve appropriation request as submitted

- 3) Virginia Juvenile Community Crime Control Act Resolution for FY 2015 and FY 2016

Recommendation: Approve resolution as submitted

**Virginia Juvenile Community Crime Control Act**

**BE IT RESOLVED**, that the Lancaster County Board of Supervisors will participate in the Virginia Juvenile Community Crime Control Act and accept funds appropriate for the purpose set forth in this Act for FY2015 and FY2016.

**BE IT FURTHER RESOLVED**, that Lancaster County will participate in the Virginia Juvenile Community Crime Control Act with the governing bodies of Essex, Northumberland, Richmond and Westmoreland Counties and that Westmoreland will act as fiscal agent for these localities.

**BE IT FURTHER RESOLVED**, that the County Administrator is hereby authorized to execute a local plan on behalf of the County of Lancaster.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye

Ernest W. Palin, Jr. Aye

William R. Lee Aye

### **CONSIDERATION DOCKET**

The Board considered the following items on its Consideration Docket:

1. Approval of August 2014 Salaries and Invoice Listings

The motion was made by Mr. Palin to approve the salaries for August 2014 in the amount of \$275,765.36 and invoice listings for August 2014 in the amount of \$447,015.90\*.

\*Capital Improvements - \$20,627.60

VOTE: B. Wally Beauchamp Aye

Jason D. Bellows Aye

F. W. Jenkins, Jr. Aye

Ernest W. Palin, Jr. Aye

William R. Lee Aye

2. Regional Ambulance Billing Program-Intergovernmental Agreement Amendment

Mr. Pleva stated that a couple of months ago the Board of Supervisors amended the County's code to enable Northumberland County to become a participant in the Emergency Ambulance Service Revenue Recovery Board. He stated that Northumberland County is in the process of hiring their first paid EMTs and will start billing for that service. He stated that the intergovernmental agreement needs to be amended to include Northumberland County and they will be paying to join.

Mr. Beauchamp made a motion to Approve the Intergovernmental Agreement Amendment for the Regional Ambulance Billing Program.

VOTE: B. Wally Beauchamp Aye

Jason D. Bellows Aye

F. W. Jenkins, Jr.	Aye
Ernest W. Palin, Jr.	Aye
William R. Lee	Aye

3. Resolution Awarding Lease Revenue Bond Proposal to Bank of Lancaster and Chesapeake Bank and Terms of Financing

Mr. Pleva stated that Dan Siegel of Sands Anderson and Ted Cole of Davenport and Company were present to make comments and answer questions.

Mr. Siegel stated that the Revenue Anticipation Note closed today for \$2.5 million dollars at the rate of 0.69%. He stated that it was a joint proposal from Bank of Lancaster and Chesapeake Bank.

Mr. Cole stated that the County had expressed interest in funding approximately \$7 million dollars in capital projects. He stated that they had been looking to fund the projects and looking at various options for repayment, as well as refinance existing debt from 2003. He stated that the existing debt currently had a rate of 3.41% and had another three or four years before maturity. He stated that they shopped thirty to forty banks with their proposal and received responses from three banks. He stated that the three banks were a joint proposal from Bank of Lancaster and Chesapeake Bank, BB&T, and Suntrust.

Mr. Cole stated that another approach was to put in an application to participate in a state funded program called the Virginia Resources Authority. He stated that the County has borrowed through the Authority before for various capital projects. He stated that the Authority sells bonds twice a year and are having a fall bond sale and are taking applications at the present time. He stated that their bonds would be sold in early November and that is when the interest rate would be locked in. He stated that Davenport's recommendation is that the County move forward with the joint proposal that was submitted by Bank of Lancaster and Chesapeake Bank.

Mr. Cole stated that the Virginia Resources Authority did have some concerns about being able to fund all of the school capital projects. He stated that there is another state agency called the Virginia Public School Authority and they try to get the authorities to fund their respective projects. He stated that it was not the ideal situation but they submitted the application because they had a deadline of early August. He stated that going with VRA would leave them open for interest rate movement for the next two months.

Mr. Jenkins asked about rates.

Mr. Cole replied that the rate for VRA now is about 2½% over a ten-year period and a little over 3% for a fifteen-year period. He stated that would be for a portion of the projects, because the school items would be excluded with VRA.

Mr. Cole referred to the Bank of Lancaster/Chesapeake Bank proposal and stated that they would fund all of the projects, including the school's items. He stated that the Lancaster Primary School had been offered as collateral for the loan.

Mr. Pleva stated that the school board would have to approve the collateral.

Mr. Cole agreed and stated that action would also need to be approved by the EDA.

Mr. Cole stated that the bank's proposal was a rate of 2.2% for ten years and 2.7% for fifteen years on the new money and those rates can be locked in immediately.

Mr. Jenkins asked if the VRA would refinance the older debt.

Mr. Cole replied yes.

Mr. Cole stated that the Bank of Lancaster/Chesapeake Bank's rate on the existing debt would be 1.5%. He stated that there would be almost \$20,000 worth of savings to refinance the current debt with the joint bank's proposal.

Mr. Cole stated that with the joint proposal, the loan can be prepaid in the future without penalty and there are no closing costs on the bank side. He stated that the banks have requested a closing by September 26<sup>th</sup>.

Mr. Cole stated that BB & T were not as competitive with the rates and there were going to be some closing costs. He stated that Suntrust was not as competitive either. He stated that their recommendation was to go with the joint proposal by the Bank of Lancaster and Chesapeake Bank.

Mr. Cole referred to the repayment schedule and stated that payments would be approximately \$800,000 annually for the ten-year period for the new money component. He stated that they would work to try to push those payments to start in the new fiscal year 2016. He stated that the new money component over fifteen years at the 2.7% rate would be approximately \$580,000 annually.

Mr. Pleva stated that within the list of proposed projects, there may be some that end up costing more or costing less and asked if there was flexibility with the \$7 million dollar figure.

Mr. Cole replied yes.

Mr. Pleva asked how far back the County could finance a cost that has already occurred.

Mr. Siegel replied that the County could go back 60 days prior to the date the resolution is adopted.

Mr. Lee stated that there would be a savings of approximately \$700,000 between the ten and fifteen year periods.

Mr. Bellows stated that there had been some discussion about going with the ten-year period because some of the items have a shorter life span. He stated that it was also good to deal with the local banks.

Mr. Palin referred to the first few years and the repayment of the existing debt and asked how that would affect the budget.

Mr. Cole stated that the first three years includes the refinancing of the old debt and that money has to be paid either under the old financing or the new refinancing. He stated that, to clarify, the new debt service will be \$800,000 for the ten-year term.

Mr. Palin made a motion to accept the Bank of Lancaster/Chesapeake Bank proposal for a ten-year term loan for \$7.2 million.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

Mr. Jenkins made a motion to Adopt the Resolution Awarding the Lease Revenue Bond Proposal to Bank of Lancaster and Chesapeake Bank.

**RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF LANCASTER, VIRGINIA**

**WHEREAS**, the Board of Supervisors (the **“Board of Supervisors”**) of the County of Lancaster, Virginia (the **“County”**) previously directed Davenport &

Company LLC as financial advisor (**the “Financial Advisor”**) to prepare a Request for Proposals (**the “RFP”**) to obtain financing proposals 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 “Projects”**) and (ii) the refinancing of the outstanding principal amount of the Industrial Development Authority of Lancaster County, Virginia \$2,870,000 Public Facility Lease Revenue Note, Series 2003A (**the “Outstanding 2003 Note”**);

**WHEREAS**, the Financial Advisor has received responses to the RFP that reflect attractive financing for the Projects and refinancing of the Outstanding 2003 Note and after reviewing the responses has recommended that the Board of Supervisors select the joint proposal (**the “Proposal”**) from Chesapeake Bank and the Bank of Lancaster (**together, the “Banks”**), and the Board of Supervisors has determined that the Proposal is the most beneficial response to the RFP and desires to accept such Proposal and proceed with the financing reflected therein;

**WHEREAS**, the Board of Supervisors requests the Economic Development Authority of Lancaster County, Virginia (**the “Authority”**) to issue, offer and sell its lease revenue bonds in the maximum principal amount of \$8,200,000, composed of (i) a series A bond or bonds of approximately \$7,200,000 (**the “2014A Bonds”**) to finance the Projects and (ii) a series B bond or bonds of approximately \$1,000,000 (**the “2014B Bonds,” together with the 2014A Bonds, the “Bonds”**) to refinance the Outstanding 2003 Note, with the leasing by the Authority of the Lancaster Primary School (**the “Leased Property”**) as additional security therefor;

**WHEREAS**, the Authority, based on the request of the Board of Supervisors, would (a) use the proceeds of the 2014A Bonds to finance costs of the Projects, including costs of issuing the Bonds, (b) use the proceeds of the 2014B Bonds to refund and redeem the Outstanding 2003 Note, (c) lease the Leased Property from the Lancaster County School Board (**the “School Board”**) for an approximately 20 year term under a ground lease and in turn, lease the Leased Property to the County for an approximately 15 year term under a lease agreement and, (d) secure the Bonds by an assignment of its rights under such lease agreements (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) to the Banks, under an assignment agreement between the Authority and the Banks, which is to be acknowledged and consented to by the County, with the County providing its moral obligation in support of the payment of the Bonds, all in accordance with a Bond Purchase Agreement (as defined below) among the Banks, the County and the Authority;

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

- a. a Ground Lease, dated as of September 1, 2014, between the School Board and the Authority (**the “Ground Lease”**) conveying to the Authority a leasehold interest in the Leased Property;
- b. a Lease Agreement, dated as of September 1, 2014, between the Authority and the County (**the “Lease Agreement”**) conveying to the County a leasehold interest in the Leased Property;
- c. a Bond Purchase Agreement, dated as of September 1, 2014 among the Authority, the County and the Banks, pursuant to which the Bonds are to be issued (**the “Bond Purchase Agreement”**);
- d. an Assignment Agreement, dated as of September 1, 2014 between the Authority and the Banks (**the “Assignment Agreement”**), assigning to the Banks certain of the Authority’s rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County; and
- e. Specimen Bonds.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the County of Lancaster, Virginia:

1. The Board of Supervisors hereby accepts the Proposal and instructs the Financial Advisor and Sands Anderson PC, bond counsel (**“Bond Counsel”**) to take all such action as necessary or appropriate to conclude the purchase of the Bonds by the Banks.
2. All costs and expenses in connection with the undertaking of the financing of the Projects, the refunding of the Outstanding 2003 Note and the issuance of the Bonds including the Authority’s expenses, the fees and expenses of the County and the School Board, and the fees and expenses of Bond Counsel, the Banks and the Financial Advisor and other fees and expenses related thereto, for the sale of the Bonds, shall be paid from the proceeds therefrom or other funds of the County. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.
3. The following plan for financing the costs of the Projects and the refinancing of the Outstanding 2003 Note is approved. The Authority shall use the proceeds from the issuance of the 2014A Bonds to finance on behalf of the County the costs of the Projects, including costs of issuing the Bonds, and shall use the proceeds from the issuance of the 2014B Bonds to refinance on behalf of the County the Outstanding 2003 Note, and shall lease the Leased Property to the County, or acknowledge the lease of the School Board, as appropriate, for a lease term of approximately 15 years at a rent sufficient to pay when due the interest and principal on the Bonds. The obligation of the Authority to pay principal and interest on the Bonds will be limited to rent payments received from the County under the Lease Agreement. The



obligation of the County to pay rent under the Lease Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted this resolution as its moral obligation to the repayment of the Bonds. The Bonds will be secured by an assignment of rents to the bondholder as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the bondholders may terminate the Lease Agreement or otherwise exclude the County and the School Board from possession of the Leased Property. The issuance of the Bonds on the terms set forth in the Bond Purchase Agreement is hereby approved.

4. The Board of Supervisors hereby approves (a) the Documents, (b) the form of the 2014A Bonds in an approximate aggregate amount of \$7,200,000 with a fixed interest rate not to exceed 2.70% and for an amortization of approximately 15 years from their date of issuance, subject to other terms as set forth therein with such changes, including but not limited to changes in the amounts for each series, dates, amortization, payment dates and rates as may be approved by the officer executing it whose signature shall be conclusive evidence of his approval of the same and (c) the form of the 2014B Bonds in an approximate amount of \$1,000,000 with a fixed interest rate not to exceed 1.50% and an amortization of approximately 4 years from their date of issuance, subject to other terms as set forth therein with such changes, including but not limited to changes in the amounts for each series, dates, amortization, payment dates and rates as may be approved by the officer executing it whose signature shall be conclusive evidence of his approval of the same and whose execution of the Documents shall be conclusive evidence of such approval.
5. The Chair or Vice Chair of the Board of Supervisors, or either of them, and the County Administrator and Clerk of the Board of Supervisors are each hereby authorized and directed to execute the Documents, as appropriate, and such other instruments and documents, including a depository agreement with an escrow agent, if appropriate, as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Banks, to issue the Bonds, finance the Projects, refund the Outstanding 2003 Note and lease the Leased Property.
6. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the “Code”**) or otherwise cause the interest on the Bonds to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bonds.
7. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

8. All other acts of the officers of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Bonds, the undertaking of the Projects and the refunding of the Outstanding 2003 Note are hereby approved, ratified and confirmed.
  
9. The County by acceptance of this financing agrees to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Authority, the issuance of the Bonds, the financing of the Projects or the refunding of the Outstanding 2003 Note.
  
10. Nothing in this Resolution, the Bonds or any documents executed or delivered in relation thereto shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bonds or the Documents except from payments made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.
  
11. The County hereby designates the 2014A Bonds in the principal amount of up to \$7,200,000 as “qualified tax-exempt obligations” for the purpose of Section 265(b)(3) of the Code, and allocates to the Authority in relation to the issuance of the Bonds, up to \$7,500,000 of its allocation of “qualified tax-exempt obligations” for the purpose of Section 265(b)(3) of the Code. The County has not issued, and does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than \$10,000,000 in tax exempt obligations during calendar year 2014 and the County (and any of its subordinate entities) will not designate more than \$10,000,000 of qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code during such calendar year. Bond Counsel has advised the County that a portion of the 2014B Bonds up to \$961,000 may be "deemed designated" as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code subject to regulations thereunder, and are not expected to count against the \$10,000,000 limitation. The balance of the principal amount of the 2014B Bonds are designated by the County as "qualified tax-exempt obligations" up to the maximum \$7,500,000 aggregate allocation described above.
  
12. This resolution shall take effect immediately.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F.W. Jenkins, Jr.	Aye

Ernest W. Palin, Jr.	Aye
William R. Lee	Aye

4. FY 15 Budget Amendment and Appropriation for Health Insurance Employee Contribution Increase

Mr. Pleva stated that on June 26<sup>th</sup>, the Board of Supervisors approved a \$25 increase to \$475 per month per employee for the employer provided contribution for the employee health insurance program. He stated that this resulted in a total FY15 increase of \$23,400 for all participating employees. He stated that when the FY15 budget was adopted, it did not include these funds. He stated that the accounting firm recommended that the Board of Supervisors amend the budget to appropriate those funds.

Mr. Jenkins made a motion to Adopt the Budget Amendment and Appropriation for the Increased Employer Contribution for the Employee Health Insurance Program.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

5. Zoning Ordinance Article 23 – Floodplain Overlay District Revisions

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

Mr. Gill stated that the issue was to revise the Zoning Ordinance Article 23 – Floodplain Overlay District as mandated by FEMA’s recent modifications to the Flood Insurance Rate Maps and Flood Insurance Study for Lancaster County.

Mr. Gill stated that on September 27, 2013, the Federal Emergency Management Agency (FEMA) completed its proposed modifications to the Flood Insurance Rate Maps (FIRMs) and Flood Insurance Study (FIS) for Lancaster County. He stated that FEMA then conducted a 90-day statutory appeal period

that ended on January 10, 2014 and issued its Letter of Final Determination on April 2, 2014 and the new FIRMs and FIS will become effective on October 2, 2014. He stated that, prior to that date, Lancaster County is required, as a condition of continued eligibility in the National Flood Insurance Program (NFIP), to adopt a revised ordinance that complies with the new FIRMs and FIS.

Mr. Gill stated that the Virginia NFIP Office has reviewed our ordinance and suggested revisions to comply with current floodplain management regulations and that all suggested revisions are based on the minimum requirements of the NFIP regulations. He stated that any modification by the Board of Supervisors cannot be less stringent than what has been suggested by the state NFIP Office. He stated that the Board could suggest more stringent modifications, but practicality and economic feasibility must be considered and therefore, adoption of a revised ordinance which complies with the new FIRMs and FIS as modified by FEMA is basically a “housekeeping” issue.

Mr. Gill stated that generally speaking, most Base Flood Elevations have decreased with these new FIRMs and many areas that were previously in a flood zone, will now be in a lesser flood zone or out of a flood zone altogether. He stated that FEMA has scheduled a community meeting at the Lancaster Middle School Media Center on September 11, 2014 from 6 to 8 p.m. to review the new maps and NFIP, State and County representatives would be present.

Mr. Gill stated that the revised ordinance must be scheduled for public hearing at the September 25, 2014 Board of Supervisors’ meeting.

Mr. Gill stated that Steve Daum, the Lancaster County Building Official, was present to suggest three revisions. He stated that Mr. Daum’s suggestions would be allowed because his revisions are more stringent than those proposed by the state office.

Mr. Bellows asked if some areas were moving out of the flood plain.

Mr. Gill replied yes and the reason was that the mapping was more accurate than before due to better technology.

Mr. Daum stated that he was proposing that the elevation be increased from one and a half to two feet. He stated that most counties do that in the form of freeboard. He stated that the County’s current ordinance has the one and a half feet distance listed above the base flood elevation and that is not freeboard. He stated that freeboard is from the base elevation to the top of the first finished floor.

Mr. Daum stated that he was also proposing that the construction regulations for the new Coastal A zone be the same as the VE zone. He stated that buildings in the VE zone are subject to wave action greater than three feet. He stated that

the Coastal A zone is adjacent to the VE zone and is subject to wave action from one and a half feet to three feet. He stated that this would require buildings in the Coastal A zone to have breakaway walls as in the VE zone.

Mr. Daum referred to two tables that he wanted the Board to review that contained increased construction cost estimates versus flood insurance savings. He stated that if more stringent standards were adopted, it could affect the entire County's homeowner insurance rates in a good way. He stated that he would be getting together some more information for the Board.

Mr. Jenkins stated that he would also like to hear from the insurance industry on the issue.

### **BOARD REPORTS**

None.

### **COUNTY ADMINISTRATOR**

Mr. Pleva stated that he wanted to let the Board know of a memorial service honoring Al Anderson, a long-time Wetlands Board member, to be held on Saturday, September 6 at 2:00 p.m. at the Callao Moose Lodge.

Mr. Pleva stated that the Board will be receiving the names of two citizens who are interested in being alternate members of the Wetlands Board.

Mr. Pleva asked about arranging the first boat tax committee meeting.

The consensus was to hold the meeting on Monday, September 15 at 6:00 p.m.

### **ADJOURNMENT**

Motion was made by Mr. Jenkins to adjourn the meeting to Monday, September 15, 2014 at 6:00 p.m.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye

Ernest W. Palin, Jr.      Aye

William R. Lee              Aye