

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 25, 2019.

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

Staff Present: Don G. Gill, County Administrator
Brian D. Barnes, Planning/Land Use Director and
Environmental Codes Compliance Officer
Crystal Whay, Clerk to the Board and
Building/Land Use Assistant

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

CLOSED MEETING

Motion was made by Mr. Bellows to enter into closed meeting to discuss matters exempt from the open meeting requirements of the Virginia Freedom of Information Act. The subject matters to be discussed in the closed meeting are Legal Matters, § 2.2-3711.A.3, Contract Negotiation, § 2.2-3711.A.29 and Acquisition of Real Property, § 2.2-3711.A.3 of the Code of Virginia, 1950, *as amended*. The purposes of the closed meeting are to discuss legal matters, contract negotiation and acquisition of real property. The subject and purpose falls within the following exemption(s) under § 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), § 2.2-3711.A.29 (for the discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body) and § 2.2-3711.A.3 (for the discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.)

VOTE: Jason D. Bellows Aye

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

RECONVENE

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

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

CERTIFICATION

WHEREAS, the Lancaster County Board of Supervisors convened in a closed meeting on July 25, 2019 pursuant to an affirmative recorded vote on the motion to close the meeting to discuss Legal Matters, § 2.2-3711.A.8, Contract Negotiation, § 2.2-3711.A.29 and Acquisition of Real Property, § 2.2-3711.A.3 of the Virginia Freedom of Information Act;

WHEREAS, Section § 2.2-3712 (D) 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.

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.

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

ROLL CALL

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

This certification resolution is adopted.

No action taken on the closed meeting matters.

Mr. Bellows reconvened the open meeting at 7:18 p.m.

Mr. Bellows led everyone in the Pledge of Allegiance.

PUBLIC INPUT

Robert Morazes, a District 1 citizen, asked if there would be a comment period during the discussion of the former Callis Seafood site consideration item.

Mr. Bellows replied that comments could be made during the public input session, but the public hearing was closed last month and would not be reopened.

Mr. Morazes stated that he was there to discuss the ramifications of the special exception at the oyster house property that is in the R-1, Residential District and the W-1 Overlay District. He stated that the Board of Supervisors' announcement for the June 27, 2019 meeting stated that the request was for marine construction activity at a commercial seafood working waterfront. He stated that the absolute guide in this process should be Article 13-General Provisions, 13-3-Special Exceptions. He stated that it read the special exception shall be approved only if it is found that the location is appropriate and not in conflict with the land use plan and that the public health and safety, morals and general welfare will not be adversely affected. He read that necessary safeguards will be provided for the protection of surrounding properties, persons and neighborhood values. He stated that commercial uses are permitted when requested with a special exception in the R-1 District. He asked what was the difference between commercial and industrial use. He

stated that an internet search and Articles 8 and 9 of the county code agree that commercially zoned areas are generally reserved for businesses that have some kind of interaction with the public, such as offices, retail shops or restaurants. He referred to industrial zoning and stated that it is associated with noise and the environmental concerns for the surrounding areas. He stated that Article 5 of the county code refers to the R-1, Residential District and the regulations for that district are designed to protect the water and shorelines of the County and to provide for safe and orderly shoreline development. He stated that the Article read that retail activity would be limited and the district is to protect against encroachment of general commercial and industrial uses.

Mr. Morazes stated that the marine construction business is difficult to define. He stated that those businesses purchase large riprap and smaller stones that must be transported by large dump trucks and stockpiled. He stated that the use of heavy equipment is required to load and dump the rock on barges to transport to the sites where everything will be placed. He stated that the same thing happens with pilings and lumber and creates more noise and dust. He stated that, also in the marine construction business, are pile driving equipment, steel bulkheading, trucks and barges for transportation. He stated that this is not a commercial business, but an industrial one. He referred to the Virginia Working Waterfront Master Plan on page twelve and stated that it places marine construction into the industrial category. He stated that, in conclusion, he requested that the Board of Supervisors deny the request from Northern Neck Marine Construction for the following reasons: the application submitted requests commercial use and marine construction is not a commercial use, Article 3-Special Exceptions states that the uses should not adversely affect the general welfare and protect neighborhood values and the letters of protest that many neighbors have made should tell the Board that they feel like they are being adversely affected and are concerned about their property values.

Mr. Morazes stated that no matter what noise conditions are imposed, they cannot make an excavator dropping stone on a barge remain quiet. He stated that particles of stone, dirt and dust will fill the air and cover the water. He stated that the current applicant may be a small business, but the Board's decision today must consider the future company growth and subsequent owners. He stated that it was a bad situation that will only get worse. He asked for a show of hands of the citizens that were against the request and several people raised their hands.

Bill Emory, a District 1 citizen, stated that there were fifty special exception defined uses listed in the zoning ordinance and thirteen of the uses are allowed in the R-1 District. He stated that, in the zoning ordinance, marine construction is not defined or listed as a use that can be granted in the R-1 District by special exception. He stated that his zoning code argument is emotional and procedural. He stated that he has been on Town Creek for 27 years and his home is the center of his life. He stated that his house is the main thing that he will leave to his twin daughters. He stated that he bought the house because it is located in the last best place in America. He stated that he bought the house because he loves the neighborhood, the cropland, Callis Seafood, the watermen and the characteristics of the neighborhood, the flora and fauna, the darkness at night, the pervasive quiet and the clean air.

Mr. Emory stated that zoning is a police power and it can be used well or poorly. He stated that Mr. Morazes has cited many instances where language in the zoning code was crafted to create and preserve an attractive and harmonious community. He stated that was an example of the police power used well. He stated that this evening, the Board appears to be poised at the edge of a reckless, arbitrary and capricious decision, using your special exception power to impose an undefined, newly created, impact laden intense use on a parcel of land in the middle of a residential neighborhood. He stated that the proposed use is potentially injurious to the surrounding community.

Mr. Emory asked what was the rush. He stated that if the Planning Commission were to study this industrial use in a residential neighborhood, define marine construction, recommend that the Board of Supervisors amend the zoning code and add a marine construction definition, recommend that marine construction as a use be imposed by special exception in R-1 residential areas and then the Board of Supervisors hold a public hearing and approve those amendments to the zoning code, so then at least the public would not be blindsided.

Mr. Emory stated that there were an estimated 20-120 areas like the Callis parcel where this spot special exception supercharged use might be deployed by the Board. He stated that, at the very least, ask the applicant to defer for now, study the situation carefully, make use of the Planning Commission, update the zoning code and then re-engage. He stated that, if not that, and the Board chooses to pursue this current course, correspond with the Virginia Attorney General and ask him to render an official advisory opinion in writing regarding using zoning code that is not in the published and approved zoning code. He stated that the current approach might be legal, but asked if it was fair. He asked how can a person buy a residential property in Lancaster with any expectation of quiet enjoyment when the Board can effectively destroy the value of that property in two weeks.

Mr. Emory stated that minimal standards to protect neighboring properties and the public must guide the Board's decision making process. He asked what are the County's standards regarding the use of the special exception. He stated that the text in the County's zoning ordinance should address the impacts of the special exception on the character of the district and the impacts of the special exception on the welfare of the landowners and occupants of land in the district. He stated that such standards are currently missing.

Mr. Emory stated that, should the Board want to get this item done tonight, it is empowered to impose conditions to address impacts and these conditions are not voluntary and do not depend on acceptance by the applicant. He stated that Town Creek neighbors worked hard to list impacts of the proposed special exception and to submit conditions to address those impacts. He stated that the impacts include: displacement of watermen, traffic, noise, light, debris disposal, floating structures, throw-down storage and others. He stated that the conditions submitted by staff are a good start, but don't adequately address the potential impacts. He stated, in closing, the proposed use is

inconsistent with the Comprehensive Plan and the zoning code and the inadequately conditioned marine construction use would have adverse industrial impacts on a residential neighborhood. He asked to please defer or deny the request.

Deborah Haydon stated that her purpose for attending last month's meeting was to let the Board know that Mr. Callis had a vision and he had an impact on the nearly fifty people he employed and the surrounding community as well. She stated that oyster business did not generate that much noise and he looked out for his neighbors. She stated that Mr. Callis was a visionary. She stated that she and her husband were watermen and they were concerned about where the watermen would dock their workboats in the future. She stated that they were also concerned about the surrounding neighbors and hoped that the Board would reconsider and take into consideration Mr. Callis' vision.

John Henley stated that he had been at the last meeting and decided to take his boat into Town Creek and discovered it had a pond-like setting. He stated that he had no dog in this fight and did not know a soul who lives nearby, but he did not think a construction company should go into this beautiful setting. He stated that he suggested denying the request.

PRESENTATIONS

1. Broadband Authority Update

David Pere of the Broadband Authority read the Broadband Authority's monthly report to the Board of Supervisors. He read:

1. We have continued to move ahead on the activities applicable to the Telecommunications Planning Grant. The principal activity at this stage is the community needs assessment survey. We have taken a number of steps to increase public awareness of the forthcoming survey. These include radio interviews, newspaper articles and in-person events. More activities like these will continue throughout the survey period as part of our effort to get the largest possible number of responses.
2. The surveys themselves have been printed and mailed to 7,700 county residents and non-resident landowners. The mailing includes a return envelope, so folks who can't get to a computer can respond on paper. But for those who can access a cell phone or a computer, our website is now live and working, so people can take the survey online and the website address is: www.lancova-broadband.org. There is also a link on the County website that will take visitors to our new website and the survey. We invite the Board and everyone here this evening to log on and take the survey. The survey will remain open until August 20, but there's no time like the present to invest 10 minutes of your time in the future of this County.

3. In addition to our regular meetings on the first and third Wednesday of each month, we will hold a special meeting on August 5 at 11:00 a.m. The meeting will outline a project plan for our next steps. It is open to the public and will take place here in the public meeting room.
4. Since our last report, we also attended Representative Wittman's regional broadband task force meeting and we participated in a local event with Senator McDougle and others. We also continued to attend outreach events for the Virginia Telecommunications Initiative (VATI) and the Virginia Telecommunications Officers Association (VATOA).
5. In the midst of these other activities, we also met with representatives of Atlantic Broadband on the subject of their proposed contract for cable television services in the County. Atlantic Broadband continues to perform under the prior contract while conversations about a new contract are ongoing. We expect at least one more meeting will be needed before we can make a recommendation and we will keep the Board fully informed as discussions continue on the proposed contract and related matters.

Dr. Westbrook asked if the Broadband Authority preferred people complete the survey on-line or on paper.

Mr. Pere replied that, in his opinion, he thought that completing the survey on-line was better because they can get immediate feedback from CIT.

VIRGINIA DEPARTMENT OF TRANSPORTATION

Mr. Bellows stated that he did not see a representative from VDOT, but asked his fellow Board members if they had anything that needed to be relayed to the department.

Mr. Larson stated that he wanted to compliment VDOT for their grass mowing in District 1.

PUBLIC HEARING

None.

CONSENSUS DOCKET

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

1. Minutes for the June 27, 2019 Regular Meeting

Recommendation: Approve minutes as submitted

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

CONSIDERATION DOCKET

The Board considered the following items on its Consideration Docket:

1. Approval of July 2019 Salaries and Invoice Listings

The motion was made by Mr. Palin to approve the salaries for July 2019 in the amount of \$295,452.82 and invoice listings for July 2019 in the amount of \$730,032.38*.

*Loan payment - \$49,326.84

*Capital Improvements - \$39,860.00

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

2. Application for Special Exception – Virginia Commonwealth Bank (owner) and Northern Neck Marine Construction (agent)

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

Mr. Barnes stated that a decision on this item had been tabled from last month. He stated that he had provided five conditions that were based upon comments that he had received. He stated that, generally with special exceptions, there will be anywhere from two to seven conditions placed. He stated that those conditions have to be practicable and enforceable and understood by the applicant. He stated that he has also discussed the proposed conditions with the opponents of the request. He stated that the Board now has a set of modified conditions that helps to respond to some of the concerns. He stated that it is the Board’s option to adjust the conditions as they see fit.

Mr. Barnes read the suggested conditions for the special exception request. He read: **1.** Lighting-One flood light on the metal building. Lights on any other structure or pier shall be on sensors, either timed or motion or both with the default setting to provide for darkness when the work day is over. **2.** Noise-No construction equipment shall be used between 8:30 p.m. and 6:30 a.m. **3.** Trucks-One “SLOW-speed limit 10 MPH” shall be placed at the “end of state maintenance sign. One additional sign shall be placed beyond the metal building, which states the same. It is recommended that a “private drive” sign be placed to the right where the driveway turns on Keith Drive to the benefit of the adjacent property owners. **4.** Effort shall be made to screen views of equipment or materials. **a.** Any equipment or materials placed on that portion of the property bounded by Callis Road, tax map #26-84, 84B, 84C and the property line created by the recent subdivision of tax map #26-84D, shall be screened from public view. **b.** The vegetation (trees, shrubs) on the steep slope behind the metal shed and running between tax map #26D-1-1 and over to the dock access area shall be preserved and managed for erosion control and screening. **5.** Pier Facility Safety and Accommodation of Watermen-The existing pier facility is in an unsafe condition and is in need of replacement. **a.** The associated piers shall be replaced within 24 months of the closing purchase of this property and the granting of special exception. **b.** Commercial watermen shall be allowed to dock at the rebuilt pier facility under reasonable conditions required by the owner. **6.** Definition of “Marine Construction-For the purposes of this special exception, this special permitted use shall be hereby defined as a condition to prevent this excepted use from being expanded arbitrarily. Marine construction, as defined here, shall be the only specially excepted use in addition to the current commercial seafood uses. Marine Construction, vt.-The erection, servicing, maintenance or planning of residential, commercial and light industrial, water access features, shoreline protection structures and shoreline erosion control devices and materials. Marine Construction Contractor, n.-One who contracts to perform marine construction supplies, service or maintenance at a certain price or rate.

Mr. Barnes stated that, in his prior memorandum, he recommended favorable consideration for this request and he stated that he stands by that recommendation.

Mr. Larson referred to the first condition concerning lighting and stated that he thought that language concerning emergency lighting should be included.

Mr. Barnes stated that he could make that addition.

Mr. Lee referred to the language in the conditions concerning the watermen and stated that he did not get a good feeling about them being able to utilize the dock in the future.

Mr. Bellows asked if the watermen were currently docking at the site per the bank’s approval.

Mr. Barnes replied that he did not know the details about the arrangement.

Mr. Lee stated that his concern was for the watermen that are working for a living and how the new situation may affect them. He asked Mr. Cornwell about the language and if he had any suggestions for wording besides “shall”.

Mr. Cornwell replied that the word “shall” was as strong as they could be. He stated that there has been some discussion about charging a nominal rate for the dock use. He stated that there could also be a space issue once Northern Neck Marine Construction gets its equipment there, such as barges. He stated that the property owner needs some leeway to factor everything in once they take possession.

Mr. Lee stated that he was concerned about trying to add a level of protection for the watermen who currently use the docks.

Mr. Barnes stated that the applicant is present and he has spoken to him about the conditions.

Dr. Westbrook stated that one of the reasons that this issue was tabled last month was because the two principals were not in attendance that night. He stated that, from everything he had heard about Mr. Davis, he is a reasonable person. He stated that he thought it would be appropriate to hear from Mr. Davis about what his intentions are when it came to the commercial watermen.

Frankie Davis, the owner of Northern Neck Marine Construction, stated that he wanted to purchase the Callis Seafood property for his business. He stated that his initial plan was to store his barges for loading and unloading material and provide some slips for the commercial watermen. He stated that he had four barges and some boats himself. He stated that he wanted to help them out, but there were plenty of other places they could tie up. He stated that he was not trying to run anyone off and he wanted to abide by the rules. He stated that things would not be “crazy” there and would not have dusty conditions. He stated that when they load rock onto fiberglass barges in wooden boxes, it is quiet. He stated that they might do one rock job a month. He stated that he wanted to fix the property up and enhance the cove and make it look better than it ever has. He referred to the watermen and stated that his intention was to rent as many slips as he could because he knows they need the place just like he does. He stated that he had come up against many roadblocks, but if someone had wanted to do something with the property, it had been for sale for years. He stated that he hoped the Board could help him because he was a working man that was trying to make a living. He stated that he was willing to work with everybody and his operation was not industrial.

Dr. Westbrook asked Mr. Davis if he had read and agreed with the conditions that Mr. Barnes had suggested.

Mr. Davis replied yes. He stated that two years would be feasible to replace the piers and bulkhead.

Dr. Westbrook asked if Mr. Davis had plans to replace the existing concrete.

Mr. Davis replied that he had plans to take up the concrete.

Mr. Larson stated that, in a moment, he was going to make a motion that this special exception be approved, but before he did, he wanted to make a few comments. He stated that he was very troubled by the statement that a favorable consideration and approval of this special exception would be an “arbitrary and capricious” decision. He stated that was an opinion that was not supported by fact. He stated that the fact is both staff and Board members have spent an incredible amount of time trying to come up with a good solution for this. He stated that, in his opinion, the conditions that have been drafted by Mr. Barnes and presented at tonight’s meeting are entirely appropriate and will get the job done. He stated that he also believed that what is being done is legally consistent with our ordinances and our Comprehensive Plan and has been pointed out that it was an opportunity to fix up an unsafe and badly debilitated facility. He stated that he was going to make that motion and if his fellow Board members support him on it, then everyone down there will be neighbors and it was his hope that everyone deal with each other with consideration for each other’s point of view and that they move forward. He stated that he thought it could work and be good for the County.

Mr. Larson made a motion that the Application for a Special Exception by Virginia Commonwealth Bank (owner) and Northern Neck Marine Construction (agent) for a marine construction business on property described as Tax Map #26-84D, zoned R-1, consisting of 5.76 acres be approved, subject to the conditions set forth tonight by Mr. Barnes, with allowances made for lighting in the case of an emergency outside of working hours.

Dr. Westbrook stated that he thought it was human nature to be afraid of the unknown. He stated that he thought it was very possible that they will be good neighbors. He stated that there had been discussion about the number of employees that used to be at that site shucking oysters, but what wasn’t discussed is that each of those employees probably drove a vehicle to work, so there was “hubbub” to some degree going on there then. He stated that he was banking on the fact that Northern Neck Marine Construction will run a business and be conscious of their neighbors’ expectations and want to be good neighbors. He stated that he supported Mr. Larson’s motion.

Mr. Bellows called the question on the motion.

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

Robert S. Westbrook Aye

3. Request for Pump and Haul – Rodney Gaines

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

Mr. Barnes stated that the issue was a request for pump and haul septic disposal by James Rodney Gaines on a parcel described as Tax Map #27-22H. He stated that the property is zoned R-1, Residential and is located on Woodys Lane in District 5. He stated that a permanent pump and haul agreement and general permit was issued to the Lancaster County Board of Supervisors on August 24, 2007, which allows the County to grant permission to certain parcels to use permanent pump and haul as their means of sewage disposal. He stated that previous approvals by the Board of Supervisors have required a \$1,000.00 bond and three-year renewals to guarantee performance of the arrangement.

Mr. Barnes stated that the applicant requires this pump and haul agreement to accommodate a home occupation hair salon use that is causing the residential septic tank to lose its beneficial organisms, which assist in the digestion of waste. He stated that this pump and haul tank would allow the hair salon water to be the only water entering the new tank and not the existing septic field.

Mr. Barnes stated that Mr. Gaines was present if the Board had any questions.

Dr. Westbrook made a motion to Approve the Request for Pump and Haul Septic Disposal by James Rodney Gaines for property described as Tax Map #27-22H on Woodys Lane in District 5.

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

Mr. Cornwell suggested revisiting the bond amount on pump and haul septic disposal requests in the future because he did not think a \$1,000.00 bond was sufficient anymore, if environmental issues were to arise.

4. Request for Building Height Increase for Commercial Property Adjoining Hills Quarter

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

Mr. Gill stated that the Hills Quarter Master Planned Community was rezoned and approved at the September 25, 1997 Board of Supervisors meeting. He stated that a commercial area was planned, rezoned and approved for the acreage between Wilson Lane and Middlegate Road, but has not been developed to date. He stated that the current owner, FEC Enterprises, LLC, of that C-1, Commercial property identified as Tax Map #28-86B consisting of 22.652-acres is ready to begin construction of the commercial area. He stated that he had included in the Board members' packages, a copy of the approved Master Plan, which describes the originally approved uses that would be located in the commercial area. He stated that, originally, there was a movie theater, bowling alley, hotel, restaurant and retail shops planned. He stated that the current owner does not wish to have all of the previously approved uses and has proposed a less intense commercial area that staff views as a minor revision to the Master Plan, which can and has been approved administratively.

Mr. Gill stated that the current owner is looking at constructing a movie theater, restaurant and three outside activity areas mainly for children. He stated that the proposed movie theater building height of 40 feet exceeds the allowable 35 feet building height in the C-1, Commercial Zoning District. He stated that Article 8-5-1 states, "The height limit for buildings may be increased up to 45 feet and up to three stories if approved by the board of supervisors." He stated that the applicant seeks Board of Supervisor approval to increase the building height to 40 feet.

Mr. Gill stated that the construction of this commercial area will definitely be a huge economic development boost for the County. He stated that the applicant has already hired a local contractor for this multi-million dollar project and it has the potential to create dozens of jobs.

Mr. Lee stated that the zoning language mentions 45 feet.

Mr. Gill stated that it does. He stated that the applicants have said they could work with the height being 40 feet.

Mr. Lee made a motion to Approve the Request for a Building Height Increase for Commercial Property Adjoining Hills Quarter on Tax Map #28-86B in District 4 up to 45 feet.

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

5. Award of Contract for Auditing Services RFP

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

Mr. Gill stated that a Request for Proposals (RFP) was sent out on June 27, 2019 and was published in the Richmond Times-Dispatch on Sunday, June 30, 2019 and ran on the Richmond Times-Dispatch's website for 10 days following the printed advertisement. He stated that the RFP has also been posted on the County's website. He stated that the deadline for proposals was 4:00 p.m. on Friday, July 19, 2019. He stated that they received one response from the current auditor, Robinson, Farmer, Cox Associates. He stated that Robinson, Farmer, Cox Associates have submitted a proposal that was included in the Board's packages. He stated that he was asking that the Board authorize the County Administrator to execute the contract of three years, with two additional three-year renewals with Robinson, Farmer, Cox Associates for the County's auditing services.

Mr. Bellows made a motion to Authorize the County Administrator to Execute the Contract for Auditing Services with Robinson, Farmer, Cox Associates.

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

6. Award of Bid for Revenue Anticipation Note RFP

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

Mr. Gill stated that the RFP was done "in-house", as directed by the Board of Supervisors, and was issued on July 3, 2019. He stated that it was emailed to seven local bank representatives as well as being posted on the County's website. He stated that the deadline for responses was this past Monday, July 22, 2019 at 4:00 p.m. He stated that they received three responses. He stated that Chesapeake Bank had the best offer with a bank qualified interest rate of 2.43 percent and a non-bank qualified rate of 2.96 percent. He stated that there was a \$1,000.00 fee, but no pre-payment penalty. He stated that they also received proposals from Peoples Community Bank and Virginia Commonwealth Bank.

Mr. Gill stated that, in order to facilitate a closing by August 16th, the Board has to approve an authorizing resolution, which the County’s bond counsel, Sands Anderson, has prepared. He stated that the resolution is generic right now because the Board has to choose a lender. He stated that Jesse Bausch from Sands Anderson is present if the Board has any questions of him. He asked Mr. Bausch if the County still qualified for the bank qualified rate.

Jesse Bausch of Sands Anderson replied yes. He stated that the County would qualify because it is under the \$10 million dollar borrowing threshold in the calendar year. He stated that his firm needed a motion from the Board to pick a bidder and approve the authorizing resolution.

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

Adopted July 25, 2019

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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 February 16, 2020, or such earlier date as may be selected by the Chair.

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

“Note or Notes” shall mean the revenue anticipation note of the County, Series 2019, in the aggregate principal amount of up to \$3,000,000 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 the lender submitting the Proposal selected by the County, as purchaser and owner of the Note, and its successors or assigns, as registered owner of the Note.

“Note Purchase Agreement” shall mean that certain Note Purchase Agreement dated August 1, 2019, between the Authority and the Noteholder.

“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.

“Proposal” shall mean the proposal selected by the County for the issuance and sale of the Note in accordance with the parameters set forth in this Resolution, the approval of which shall be conclusively determined by the execution and delivery of the Note Purchase Agreement by the Chairman.

“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, 2019 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 \$3,000,000. The Note authorized herein shall be designated “Revenue Anticipation Note, Series 2019,” 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 3.15% 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 (no later than February 16, 2020) 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 2019

Dated: **August __, 2019**
Maturity Date: [**February 16, 2020**]

Registered Holder: _____

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

Interest Rate: _____%

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 \$3,000,000 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 25, 2019 (**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.

REGISTRAR - LANCASTER COUNTY

TREASURER

By: _____
Lancaster County Treasurer **DATE OF**

AUTHENTICATION:

August __, 2019

[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 2019.”

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 2019” 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.

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 2019 (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 2019 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 2019 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.

The Members of the Board voted at its regular meeting on July 25, 2019 during an open meeting as follows:

Ayes

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

Nays

A Copy Teste:

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

Mr. Lee made a motion to select Chesapeake Bank for the Award of Bid for a Revenue Anticipation Note and Approve the Authorizing Resolution.

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

7. Consideration of Setting a Public Hearing to Repeal the Ordinance that Created the Hills Quarter Community Development Authority

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

Mr. Gill stated that the County Attorney drafted the ordinance to repeal the Hills Quarter Community Development Authority as the Board requested at last month's meeting. He stated that the Hills Quarter Community Development Authority has been in place since the late 1990's. He stated that, to his knowledge, the Authority has never met or been active in any way. He stated that if the Board was satisfied with the proposed

ordinance, he would advertise it and a public hearing could be held at the next regular Board meeting on August 29th.

Mr. Bellows made a motion that the Board set a public hearing on the ordinance to repeal the Hills Quarter Community Development Authority at its August meeting.

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

BOARD REPORTS

Mr. Lee referred to the information from Open Door Communications that the Board members had received concerning upgrading the County's website. He stated they needed to think about what they might want to do when it comes to enhancing the website. He stated that the Open Door Communications hand-out could serve as a guide if they want to make some changes. He stated that they had budgeted \$10,000.00 for the website and looking at the estimate from Open Door Communications, that amount would not be enough. He stated that he was not sure what they could do "in-house".

Mr. Gill stated that he had spoken to Mr. Rowe today concerning the information given by Open Door Communications. He stated that there was one correction when it came to on-line tax payments because Lancaster County does accept them, even though the hand-out said that it did not. He stated that Mr. Rowe had told him that the current website is capable of doing so much more, but he needed to know what the Board wanted to see on it. He stated that he gets complimented frequently about the content on the County's website. He stated that Mr. Rowe would have to answer the question about how much could be done "in-house."

Mr. Larson stated that, as far as the Board telling Mr. Rowe what they wanted to see on the website, in his opinion, Mr. Rowe should come up with some ideas and present them to the Board.

Mr. Bellows stated that, in his opinion, the website has good content, but it was a matter of making it look more presentable.

Mr. Lee stated that Mr. Rowe should be able to come up with some ideas about the County's website by looking at other localities' websites, such as Greene County.

Dr. Westbrook stated that, in his opinion, they needed fresh eyes to make the website more appealing to people who may want to visit here, live here or start a business here. He stated that he would like to see the County's website similar to Greene County's website. He stated that their website is very welcoming and user friendly. He stated that they needed a professional to get it started.

Mr. Palin stated that if they told Mr. Rowe that they want the County's website to look like the one for Greene County, in his opinion, he could produce it.

Mr. Lee stated that he did not know Mr. Rowe's skill set, but a lot of the work will be in programming.

Mr. Bellows stated that it also depends on whether the website is being hosted by a template.

Mr. Gill stated that Mr. Rowe said the County's website was similar to WordPress.

Mr. Palin stated that he thought they should give Mr. Rowe a chance to come up with some ideas concerning the website enhancement and bring them to the Board. He stated that they should find out what his skill set is before spending a lot more money going elsewhere.

Mr. Gill stated that he would ask Mr. Rowe to attend the next Board meeting.

Dr. Westbrook suggested asking Mr. Rowe to demonstrate what his ideas might be concerning the website.

Mr. Gill stated that he did not know if Mr. Rowe could put that together in a month.

Mr. Larson stated that if a month was not reasonable, they could set another time frame, but something needs to start happening because they have been discussing the website for at least a year.

Mr. Gill stated that he would ask Mr. Rowe to put together some revisions to the website that are similar to Greene County that he could show to the Board.

Mr. Lee stated that the County has purchased one camera for recording possible litterers and it is currently being tested. He stated that the Building Official, Ernie Sadler, is currently testing the camera to make sure that it will work and download to the phone the way they want it to.

Mr. Gill stated that the camera cost approximately \$500.00 and Mr. Sadler wants to be able to show the Board on the meeting room screen what it can do, so he will be at a future meeting.

Dr. Westbrook referred to the Wetlands Board and stated that he and Mr. Gill have discussed whether or not there is a state code that dictates how many alternate members can be on the Wetlands Board. He stated that he had spoken to two people who are interested in serving as alternates for that board. He stated that if the number of alternates can be expanded, he would like for that to happen.

Dr. Westbrook made a motion to reappoint Page Henley as a member of the Lancaster County Wetlands Board.

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

Dr. Westbrook stated that the Board had discussed the possibility of a resolution to the Compensation Board in support of Sheriff Patrick McCranie and a pay increase after the completion of his certification program. He stated that, according to the minutes, a decision was not made about doing that. He stated that they had also discussed a resolution to the state Electoral Board in support of the General Registrar, Susan Jett and a possible salary increase. He stated that he would like to show support for both of these employees.

Mr. Larson stated that he recalled the discussion about the Sheriff, but did not recall the discussion concerning the Registrar. He stated that it was his understanding that a study was being done concerning the salary of the Registrar being comparable to other constitutional officers.

Dr. Westbrook stated that, in his opinion, he still thought a resolution showing support was a good idea.

Mr. Bellows stated that the only thing that concerned him in relation to the Sheriff's pay increase is if there was anything in fine print that said the increase had to be approved at the beginning of the fiscal cycle.

Mr. Gill stated that he thought it was standing language that once the Sheriff had completed the requirements, he should receive the pay increase. He stated that Sheriff McCranie has completed the requirements, but the Compensation Board says there is no funding for it at this time.

Dr. Westbrook made a motion requesting the County Administrator to draft a resolution in support of Sheriff Patrick McCranie to the Compensation Board.

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

Dr. Westbrook made a motion requesting the County Administrator to draft a resolution in support of the General Registrar, Susan Jett, to the Virginia Electoral Board.

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

COUNTY ADMINISTRATOR

Mr. Gill referred to the Next Generation 911 system and stated that they had delayed releasing the proposal acceptance letter based on the fact that they wanted to see the results of Virginia Beach's RFP. He stated that, at the presentation last December, they learned that Fairfax had issued an RFP and A.T. & T. was the winning respondent. He stated that they just learned on Tuesday that Virginia Beach issued a letter of intent to go with A. T. & T. He stated that, unless the Board wants to do its own RFP for the Next Generation 911 system, he suggested that Lancaster County also go with A. T. & T.

Mr. Bellows made a motion to Approve A. T. & T. for the Next Generation 911 system for Lancaster County.

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

but he did not know about Richmond County. He stated that he would like to know if the Board would be interested in granting an easement after holding a public hearing on the matter. He stated that he believed the property to be logged was landlocked.

Mr. Bellows asked if the property owner had no other access to his lot.

Mr. Gill replied that he had been led to believe that there was no other access. He stated that all three owners would have to agree to the easement.

Mr. Bellows asked Mr. Gill to give them a brief update concerning the airport in Middlesex County.

Mr. Gill replied that the Regional Airport Authority idea is still moving forward. He stated that, originally, it was proposed for the counties of Middlesex, Lancaster, Mathews and Northumberland. He stated that Mathews County and Northumberland County have now dropped out. He stated that an RFP has been issued for legal services and an economic impact analysis to be completed and there were four responses. He stated that he, Chairman Bellows and Dr. Westbrook went to a meeting yesterday to review the RFP responses. He stated that there were also three members from Middlesex County on the selection committee and they have decided to interview two of the respondents, Sands Anderson and Hefty, Wiley and Gore.

Mr. Gill stated that, if a regional airport is to be at Hummel Field, the runway would have to be lengthened. He stated that, in order to get a classification change from the state, it needs regional support from other counties. He stated that, if that happens, the state would contribute eighty percent of the improvements' costs. He stated that the remaining twenty percent would be the counties' responsibility. He stated that, at the present time, Lancaster County has not spent any money on this venture. He stated that they will know more after the interviews are conducted.

Dr. Westbrook stated that the County would be expected to pay some money to find out the answers to their questions and one of the biggest questions will be how much would it cost Lancaster County to be involved with the airport and how those costs might be quantified with an uptick in tourism and real estate sales.

Dr. Westbrook stated that he would like Hunter Sledd considered for an alternate member position on the Wetlands Board. He stated that Mr. Sledd was a master gardener and was very concerned about wetlands.

Mr. Gill stated that he and the County Attorney just discussed that and were not sure if our local ordinance says that there can be three alternate members on the Wetlands Board. He stated that he would check on it, which may require an ordinance amendment before an appointment could be made.

Dr. Westbrook stated that he wanted to commend Mr. Barnes for what he had done for the property adjacent and behind the School Board office and what he is doing

currently for the property at the Fisher's Pit location. He stated that the state agencies do not seem to be as concerned with the issue.

Mr. Bellows stated that he had met with some of the people who came to talk about the upcoming census and the complete count committee. He stated that they were discussing how the Board might facilitate organizations such as Bay Transit and the Lancaster Community Library supporting the census count. He stated that he will have more information as they move forward.

ADJOURNMENT

Motion was made by Mr. Bellows to adjourn.

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