BOARD OF SUPERVISORS
SPECIAL MEETING
APRIL 27, 2016

The Appomattox County Board of Supervisors held a Special Meeting on Wednesday, April 27, 2016 at 6:00 PM in the Board of Supervisors meeting room located at 171 Price Lane, Appomattox, Virginia.

Present:
Appomattox County Board of Supervisors:

Samuel E. Carter	Courthouse District, Chairman
Sara E. Carter	Piney Mountain District, Vice-Chairman
William H. Hogan	Appomattox River District
Chad E. Millner	Falling River District
Bryan A. Moody	Stonewall District

Also Present:
Susan M. Adams, County Administrator
J. G. Overstreet, County Attorney
John Spencer, Information Systems Manager/Purchasing Agent
Vicky Phelps, Finance
Dan Siegel, Sands Anderson

CALL TO ORDER

Chairman Carter called the meeting to order at 6:00 PM. He then called on Ms. Adams to deliver the invocation.

Chairman Carter invited all in attendance to stand and pledge allegiance to the flag of the United States.

PUBLIC PORTION

Chairman Carter welcomed everyone in attendance.

Chairman Carter stated that a special meeting of the Appomattox County Board of Supervisors has been called, in accordance with Section 15.2-1418 of the Code of Virginia, 1950, as amended. He explained that the purpose of this special called meeting would be to consider approval of the debt refinancing related documents from Davenport and to approve an invoice from Kidd's Cleaning Service.

Chairman Carter called on Mr. Dan Siegel, Attorney for Sands Anderson to come and speak with the Board regarding the debt refinancing.

Mr. Siegel came forward and provided the Board with an overview of the following resolution to be approved by the Appomattox County Board of Supervisors in order to complete the debt refinancing transaction.

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF APPOMATTOX, VIRGINIA

WHEREAS, the Board of Supervisors of the County of Appomattox, Virginia **(the "County")** directed Davenport & Company LLC as the County's financial advisor **(the "Financial Advisor")** to prepare a Request for Proposals **(the "RFP")** to obtain financing proposals to refund all or a portion of outstanding Public Facility Lease Revenue Refunding Bonds, Series 2010 **(the "2010 Bonds")** issued by the Economic Development Authority of Appomattox County, Virginia **(the "Authority")**; and

WHEREAS, the 2010 Bonds were issued pursuant to an Indenture of Trust dated as of April 1, 2010 **(the "Indenture")** between the Authority and U.S. Bank National Association, as trustee **(the "Trustee")** and the proceeds of the 2010 Bonds were utilized to refinance certain County capital projects **(the "Projects")**; and

WHEREAS, the Board of Supervisors of the County **(the "Board of Supervisors")** wishes to refund a portion of the 2010 Bonds **(the "Refunded Bonds")** to achieve budgetary advantages and cash flow savings and after reviewing responses to the RFP and the recommendation of the Financial Advisor has selected the proposal **(the "Bank Proposal")** from Branch Banking and Trust Company **(the "Bank")** to accomplish such refunding; and

WHEREAS, the Board of Supervisors requests the Authority to issue, offer and sell its public facility lease revenue refunding bond in an approximate amount of up to $7,800,000 **(the "2016 Bond")** to refund the Refunded Bonds, with the County providing its moral obligation in support of the payment of the 2016 Bond; and

WHEREAS, the Authority is requested to use the proceeds of the 2016 Bond to (a) advance refund the Refunded Bonds and (b) pay the costs incurred and to be incurred in connection with the refunding, including costs of issuing the 2016 Bond, and is further requested to (a) amend the Financing Lease between the County and the Authority, dated as of April 1, 2010 **(the "Original Financing Lease")** on certain real property in the County **(the "Leased Property")** pursuant to an amendment to the Original Financing Lease **(the "Amended Financing Lease" and, together with the Original Financing Lease, the "Financing Lease")** in order to provide for sufficient rental payments to pay debt service on the 2016 Bond and any outstanding 2010 Bonds remaining after issuance of the 2016 Bond and the defeasance of the Refunded Bonds **(the "Outstanding 2010 Bonds" and, together with the 2016 Bond, the "Bonds")**, (b) secure the Bonds on a parity basis by an assignment of its rights under such Financing Lease (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) to the Bank, under an amended assignment agreement between the Authority and the Trustee, which is to be acknowledged and consented to by the County, and (c) enter into an escrow agreement for the investment of proceeds and redemption of the Refunded Bonds through an advance refunding; and

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 County:

- An Amended Ground Lease, dated as of May 1, 2016, between the County and the Authority affirming the conveyance to the Authority of a leasehold interest in the Leased Property **(the "Amended Ground Lease")**;

- an Amended Financing Lease, dated as of May 1, 2016, between the Authority and the County affirming its conveyance of a leasehold interest in the Leased Property **(the "Amended Financing Lease")**;

- a First Supplemental Indenture, dated as of May 1, 2016, between the Authority and the Trustee **(the "First Supplemental Indenture")** pursuant to which the 2016 Bond is to be issued;

- an Amendment to Assignment Agreement, dated as of May 1, 2016, between the Authority and the Trustee, assigning to the Trustee certain of the Authority's rights under the Amended Financing Lease and the Amended Ground Lease, which is to be acknowledged and consented to by the County **(the "Amended Assignment Agreement")**; and

- an Escrow Agreement, dated as of May 1, 2016 between the Authority, the County and an escrow agent to be selected **(the "Escrow Agent")**, wherein a portion of the proceeds from the 2016 Bond will be used to advance refund the Refunded Bonds **(the "Escrow Agreement")**.

WHEREAS, there has also been presented to this meeting a form of the Authority's Public Facility Lease Revenue Refunding Bond, Series 2016 in an approximate amount of $7,800,000 with an amortization, maturity date and interest rate set forth in the Bank Proposal (which is incorporated herein by this reference), with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as set forth in the attached form of the 2016 Bond.

NOW THEREFORE, BE IT RESOLVED BOARD OF SUPERVISORS OF THE COUNTY OF APPOMATTOX, VIRGINIA:

- The County hereby approves of the undertaking of the refunding of the Refunded Bonds by the Authority for the benefit of the County and requests the Authority to take such action.

- All costs and expenses in connection with the advance refunding of the Refunded Bonds and the issuance of the 2016 Bond, including the Authority's expenses, the fees and expenses of the County and the County Attorney, and the fees and expenses of Bond Counsel, the Financial Advisor, the Escrow Agent, Authority counsel and the Bank and

its counsel, for the sale of the 2016 Bond, shall be paid from the proceeds therefrom or other funds of the County. If for any reason the 2016 Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.

. The County hereby accepts the Bank Proposal and instructs the Financial Advisor, the County Administrator, the County Attorney, Bond Counsel and other County representatives and agents to take all such action as necessary or appropriate to advance refund the Refunded Bonds based upon the recommendation of the Financial Advisor.

. The following plan for refunding the Refunded Bonds is approved. The Authority shall use a portion of the proceeds from the issuance of the 2016 Bond along with other County funds to advance refund the Refunded Bonds by funding an escrow account to be invested by an escrow agent for full redemption of the Refunded Bonds and shall amend its lease of the Leased Property to the County for a lease term not less than the term of the Bonds at a rent sufficient to pay when due the interest and principal on the Bonds. In addition, the County shall contribute up to $350,000 in legally available funds for deposit in the escrow account to be used for the defeasance and redemption of the Refunded Bonds and the issuance of the 2016 Bond. The obligation of the Authority to pay principal and interest on the 2016 Bond will be limited to rent payments received from the County under the Financing Lease. The obligation of the County to pay rent under the Financing Lease 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 2016 Bond. The 2016 Bond will be secured on a parity basis with the Outstanding 2010 Bonds by an amendment to the assignment of rents to the Trustee for the benefit of the Bank as purchaser of the 2016 Bond and any subsequent assignee thereof **(the "Bondholder")** as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Trustee for the benefit of the Bondholder may, among other things, terminate the lease or otherwise exclude the County from possession of the Leased Property. The issuance of the 2016 Bond on the terms of the Bank Proposal is hereby approved.

. The Board of Supervisors hereby approves the Documents and the form of the 2016 Bond in an amount of approximately $7,800,000 with amortization, maturity and interest rate as set forth in the Bank Proposal, but with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his/or her approval of the same.

. The Chairman or Vice Chairman of the Board of Supervisors, or either of them, and the County Administrator **(each, an "Authorized Representative")** and Clerk of the Board of Supervisors are each hereby authorized and directed to execute the Documents and such other instruments and documents as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Trustee for the benefit of the Bank as bondholder on parity with the Outstanding 2010 Bonds, to issue

the 2016 Bond, to provide such notices and irrevocable instructions regarding redemption of the Refunded Bonds to any person or party consistent with the intent of this Resolution, to advance refund the Refunded Bonds and to amend the lease of the Leased Property, and all such actions are hereby confirmed and ratified.

. Each Authorized Representative and such other officers of the County as are requested are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2016 Bond and the execution and delivery of the Documents, including without limitation (a) the execution and delivery of a tax and non-arbitrage certificate setting forth, among other things, the expected use and investment of the proceeds of the 2016 Bond to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended **(the "Code")**, and regulations thereunder, applicable to "arbitrage bonds," (b) making any elections that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the 2016 Bond, if any, (c) providing for the County to pay any such rebate amount, (d) filing Internal Revenue Service Form 8038-G, (e) the issuance of a verification report in relation to advance refunding of the Refunded Bonds and the execution and delivery of such escrow, investment, defeasance or similar agreements as may be necessary to effectuate the redemption, refunding or defeasance of the Refunded Bonds and the issuance of the 2016 Bond, (f) the execution and delivery of such agreements, certificates or other documents as may be necessary to comply with any continuing disclosure requirements in relation to the 2010 Bonds and (g) taking all such further action as they may consider necessary or desirable in connection with the issuance and sale of the 2016 Bond and the undertaking of the refunding of the Refunded Bonds.

. The Projects are hereby declared to be essential to the efficient operation of the County, and the Board of Supervisors anticipates that the Projects will continue to be essential to the operation of the County during the term of the Financing Lease.

. 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 2016 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or otherwise cause the interest on the 2016 Bond 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 County for itself or on behalf of the Authority 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 2016 Bond.

. 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.

. 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 2016 Bond, providing security therefor, the leasing of the Leased Property, providing timely notice of

redemption of the Refunded Bonds and the advance refunding of the Refunded Bonds is hereby approved, ratified and confirmed.

. The County by acceptance of this financing, to the extent permitted by law, 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 issuance of the 2016 Bond or the advance refunding of the Refunded Bonds.

. The Board of Supervisors on behalf of the County hereby designates the 2016 Bond as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code, and allocates to the Authority in relation to the issuance of the 2016 Bond an amount equal to the principal amount of the 2016 Bond of the County's calendar year 2016 allocation of "qualified tax-exempt obligations" for the purpose of Section 265(b)(3) of the Code. The County does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than $10,000,000 in qualified tax exempt obligations during calendar year 2016 for the benefit of the County and the County (and any of its subordinate entities) will not designate more than $10,000,000 of qualified tax-exempt obligations for the benefit of the County pursuant to Section 265(b)(3) of the Code during such calendar year.

. Nothing in this Resolution, the 2016 Bond, or the Documents shall constitute a debt or a pledge of the faith and credit of the County, and the Authority shall not be obligated to make any payments under the 2016 Bond or the Documents except from payments made by or on behalf of the County under the Financing Lease pursuant to annual appropriation thereof in accordance with applicable law.

. This resolution shall take effect immediately.

After completing his explanation of the provided resolution and reviewing the Escrow Agreement, Mr. Siegel explained that the provided resolution that he is asking the Board to approve refers to all documents that will be needed to move forward with the debt refinancing.

Mr. Siegel called for questions or comments from the Board.

Mr. Overstreet, County Attorney stated that he had spoken with Mr. Siegel earlier and has no questions or concerns with the Board approving the provided resolution.

Chairman Carter thanked Mr. Siegel and called for a motion from the Board.

Mr. Millner made a motion to approve the resolution as provided by Mr. Siegel. Ms. Carter seconded Mr. Millner's motion. Chairman Carter called for a Roll Call Vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

Chairman Carter stated that the next item for discussion would be an invoice that was removed from the April 18, 2016 Consent Agenda for further discussion. Chairman Carter stated that the

invoice that was removed from the Consent Agenda was for Kidd's Cleaning Services. He explained that Kidd's Cleaning Service was contacted to clean Evergreen Baptist Church after being used as the command post for the tornado event. Chairman Carter called for comment from the Board.

After lengthy discussion, Ms. Carter made a motion to pay Kidd's Cleaning Service in the amount of $4,447.00. Mr. Hogan seconded Ms. Carter's motion. Chairman Carter called for a Roll Call Vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye, Mr. Millner, nay; Mr. Moody, nay.

The motion carried with a 3-2 vote.

Chairman Carter called for a recess at 6:23 p.m. until the scheduled 6:30 p.m. public hearing.

At 6:30 p.m. Chairman Carter called the meeting to order and opened the public hearing for comment. Chairman Carter explained that the Board would receive public comment on the proposed 2016/2017 Appomattox County consolidated budget (inclusive of school budget).

NOTICE OF PUBLIC HEARING
APPOMATTOX COUNTY, VIRGINIA
PROPOSED BUDGET for the FISCAL YEAR 2017 COMMENCING JULY 1, 2016

ESTIMATED REVENUES

GENERAL FUND	
Revenue from Local Sources	16,670,358
Revenue from the Commonwealth	2,162,401
Transfers In	508,907
Revenues from Other Sources	432,533
TOTAL GENERAL FUND	19,774,199
SCHOOL FUND (10)	
Revenue from Local Sources	5,741,695
Revenue from the Commonwealth	14,259,475
Revenue from the Federal Government	1,100,000
Revenue from Other Sources	213,495
Transfer In (Cafeteria, Textbooks)	1,367,340
Transfer In (Carry Over Funds)	89,788
TOTAL SCHOOL FUND	22,771,793

COMPREHENSIVE SERVICES FUND

Revenue from Local Sources		419,199
Revenue from the Commonwealth		1,036,801
TOTAL COMPREHENSIVE SERVICES FUND		1,456,000
VIRGINIA ASSISTANCE FUND		
Revenue from Local Sources		366,552
Revenue from the Commonwealth & Federal Gov't		1,451,400
Revenue from Other Sources		2,000
TOTAL VIRGINIA PUBLIC ASSISTANCE FUND		1,819,952
PUBLIC UTILITIES FUND		
Revenue from Local Sources		339,158
Revenue from Other Sources		136,500
TOTAL PUBLIC UTILITIES FUND		475,658
TOTAL REVENUE ALL FUNDS	46,297,602	
LESS INTERFUND TRANSFERS	6,866,604	
TOTAL ESTIMATED REVENUES	**39,430,998**	

ESTIMATED EXPENSES

GENERAL FUND	
General Government Administration	1,457,688
Judicial Administration	1,356,570
Public Safety	3,922,010
Public Works	1,568,674
Health & Welfare	167,407
Community Colleges (CVCC)	381
Parks, Recreation, Cultural	418,510
Community Development	369,799
Operating Reserve & CIP Transfer	156,885
Non-Departmental	113,171
TOTAL GENERAL FUND	9,531,095
DEBT SERVICE (County)	1,394,313
DEBT SERVICE REFUNDING	350,000
DEBT SERVICE (School)	1,632,187
TOTAL DEBT SERVICE	3,376,500
SCHOOL FUND (10)	22,771,793

PUBLIC UTILITIES OPERATING FUND (082)	475,658
COMPREHENSIVE SERVICES FUND	1,456,000
VIRGINIA PUBLIC ASSISTANCE FUND (15)	1,819,952
TOTAL ESTIMATED EXPENDITURES	**39,430,998**

Proposed Tax Levies for Tax Year 2017
Unit Levy all districts per $100.00 assessed valuation

Real Estate & Mobile Homes	.65	per $100 assessed value
Personal Property	5.13	per $100 assessed value (50% NADAValue)
Machinery & Tools	4.60	per $100 assessed value (12.5% of init cost)
Merchant's Capital Tax	1.00	per $100 assessed value (85% of orig cost)
Vehicle License Tax	$35.00	per vehicle

Details on the above can be viewed at the County Administrator's Office located at 153A Morton Lane, Appomattox, Virginia. BY AUTHORITY: Susan M. Adams, County Administrator

This budget synopsis is prepared and published for informative planning purposes only. The inclusion of any item does not constitute an obligation or commitment on the part of the Board of Supervisors to appropriate funds for that purpose. There is no allocation or designation of Appomattox County funds for any purpose until an appropriation for that purpose has first been made by the Board of Supervisors.

A public hearing will be held by the Board of Supervisors respecting the proposed 2016/2017 Appomattox County consolidated budget (inclusive of school budget) in the CVCC Board of Supervisors meeting room located at 171 Price Lane, Appomattox, Virginia on Wednesday, April 27, 2016 at 6:30 pm at which time any citizen of this County shall have the right to attend and state his or her views.

Hearing no public comment, Chairman Carter closed the public hearing at 6:45 p.m.

Mr. Moody made a motion to adjourn the meeting at 6:45 p.m. Mr. Millner seconded Mr. Moody's motion. Chairman Carter called for a vote: Chairman Carter, aye; Ms. Carter, aye; Mr. Hogan, aye; Mr. Millner, aye; Mr. Moody, aye.

The special called meeting adjourned at 6:46 p.m.

_____

Samuel E. Carter, Chairman