

VIRGINIA: At a Regular Monthly Meeting of the Board of Supervisors for the County of Accomack held in the Board Chambers in Accomac on the 20th day of March, A.D., 2013, at 5:00 p.m.

Members Present: Donald L. Hart, Jr., Chair
Wanda J. Thornton
Ron S. Wolff
Grayson Chesser
John Charles "Jack" Gray, Vice Chair
Kay W. Lewis
Robert D. Crockett
C. Reneta Major

Members Absent: Laura Belle Gordy

Others Present: Steven B. Miner, County Administrator
Michael Mason, Finance Director
Mark B. Taylor, County Attorney
Shelia Goodman, Administrative Assistant

Call to Order

The meeting was called to order by the Chair and opened with a prayer by the Reverend Broad, after which the Pledge of Allegiance to the Flag was recited.

Adoption of the Agenda

Chairman Hart informed the Board that Mrs. Gordy was ill and there were changes to the Agenda as follows: add 5.12 Resolution to honor Joe McMath requested by Mrs. Laura Belle Gordy; 8.2 under Old Business, Consideration of Board Resolution to postpone vote until after Closed Meeting; and add 11.6 under New Business to discuss potential fire band requested by Sheriff Godwin.

Mr. Wolff made a motion to approve the Agenda with changes. Mrs. Lewis seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

Public Comments

The County Attorney read the rules governing conduct during the public comment period.

The following spoke in favor of the Library:

Ms. Andrea Benda from Onancock spoke on support of the need for the new Library and urged the Board to think of this as a critical need for the County when they are making their decision.

Bev Turner from Onancock spoke in favor of the Library and the importance of it.

Jane Rochester from Onancock spoke on behalf of the Friends of the Eastern Shore Library and the need for the new Library and their financial needs and asked the

Board for their financial support for the new Library and the residence of Accomack County.

Ina Birch, Director of Project to Horizon from Melfa spoke in favor of the Library.

Elizabeth Ontiveros from Parksley spoke in favor of the Library.

Pam Hollye, Chair of the Library Board of Trustee, presented additional letters of support to the Board.

Katie Oshea from Nelsonia spoke in support of the new Library.

Discussion on Request from Fire Ban

Sheriff Godwin responded to questions from the Board and offered thoughts on the fire control burns. He asked the Board to place a temporary moratorium on the control burn fires. Mrs. Thornton discussed the issue of the Pine Bark Beetle that were destroying the trees on Chincoteague and stated there was no other way to destroy them except by burning and asked if Chincoteague could be excluded in the control burn issue.

Mr. Crockett made a motion to temporarily ban control burning on a month to month basis effective immediately and exclude Chincoteague from the control burn fires because the trees have to be burned due to the situation of the Pine Bark Beetle. Ms. Major seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

Minutes

Ms. Major made a motion to approve the minutes of February 20, 2013 Adjourned Meeting, February 20, 2013 Regular Meeting (with the correction), and February 28, 2013 Adjourned meeting. Mr. Crockett seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

Recognition

Resolution of Recognition to Economic Development Authority Member Robert W. Marshall

Mr. Hart stated Mr. Marshall could not be present at the meeting but Mr. Wolff would take the following Resolution of Recognition to Robert W. Marshall.

Mr. Wolff read a letter on behalf of Mr. Marshall thanking the Board for recognizing him and said it was a great honor.

RESOLUTION OF COMMENDATION

WHEREAS, Robert W. Marshall has served on the Economic Development Authority, formerly named the Industrial Development Authority, from August 18, 1993 – February 6, 2013; and

WHEREAS, he has been a conscientious and devoted member of the Economic Development Authority, and the Industrial Development Authority, and has given generously of his time and efforts to the betterment of the County of Accomack; now

THEREFORE, BE IT RESOLVED that the County of Accomack Board of Supervisors does hereby recognize and commend the distinguished, faithful and outstanding service of Robert W. Marshall to the Economic Development Authority and the citizens of the County of Accomack; and

BE IT FURTHER RESOLVED that a copy of this Resolution be spread upon the Minutes and be put upon a plaque to be presented to Mr. Robert W. Marshall.

Adopted this 20th day of March, 2013.

Consent Agenda

Mr. Crockett made a motion to approve the Consent Agenda. Ms. Major seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

5.1 Polling Place Change – Bloxom Ordinance Amendment to Chapter 34, Elections, Article III, Precincts, Sec. 34-67, Polling Places, to move the polling place from the Bloxom Town Hall to the Bloxom Fire House Banquet Hall

The Board will hold a Public Hearing on April 17, 2013 at 7:30 P.M. in the Board of Supervisors Chambers to afford interested persons the opportunity to be heard or to present written comments concerning the following County Ordinance Amendment.

AN ORDINANCE TO AMEND CHAPTER 34, ELECTIONS, ARTICLE III, PRECINCTS, SEC. 34-67, POLLING PLACES OF THE ACCOMACK COUNTY CODE

WHEREAS, the Board of Supervisors of Accomack County, Virginia, has been notified by the Electoral Board that the Polling Place in Bloxom, Virginia, situated presently in the Town Hall building at 26215 Shoremain Drive, is inadequate due to its small space and it needs to be relocated at the Bloxom Fire House Banquet Hall, 15312 Bayside Drive, Bloxom, Virginia.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED as an Ordinance of Accomack County, that the Accomack County Code is hereby amended to provide that the Bloxom, Virginia Polling Place is removed from the Town Hall Building at 26215 Shoremain Drive, Bloxom, Virginia, to the Bloxom Fire House located at 15312 Bayside Drive, Bloxom, Virginia. Therefore, Chapter 34, Elections, Article III, Precincts, Sec. 34-67 of the Accomack County Code is hereby amended as follows:

Chapter 34. Elections

Article III. Precincts

Sec. 34-67. Polling Places.

Section 34-67 as previously shown in the Accomack County Code is hereby deleted in its entirety.

The precincts for each election district and the polling place for each precinct shall be set forth below:

Election District	Precinct Number	Precinct Name	Polling Location
District 1	101	Chincoteague	Chincoteague Community Center
District 2	201 202	Atlantic Greenbackville	Atlantic Fire House Greenbackville Vol. Fire Dept.
District 3	301	Oak Hall	Arcadia High School
District 4	401	Bloxom	Bloxom Town Hall <u>Fire House Banquet</u> Hall
	402 403	Parksley Saxis	Parksley Fire House Saxis Fire House
District 5	501 502	Mappsville Rue	Kegotank Elementary Metompkin Elementary
District 6	601 602	Accomac Tangier	Tasley Fire House Tangier Combined School
District 7	701 702	Onancock Onley	Onancock Town Hall Onley Volunteer Fire and Rescue Company 25489 Maple Street
District 8	801 802 803	Bobtown Melfa Wachapreague	Pungoteague Elementary School Melfa Fire House Wachapreague Fire House
District 9	901	Painter	Painter Fire House
Central Absentee Ballot Precinct Place			Board of Supervisors Room, Accomack County Administra- tion Building, 23296 Courthouse Avenue Accomac, Virginia

State Law Reference – Polling Places, §24.2-305, et seq.

This Ordinance is effective immediately.

5.2 Stormwater Management Program Implementation Application

5.3 Approval to Place Two Roll-Off Containers in Horntown for a Community Clean-up Day

5.4 Add Nandua Shores Drive to Rural Addition List – E. D. 9

5.5 Speed Study on Horntown Road near Horntown Circle – E. D. 3

5.6 Add Unpaved Portion of Horntown Circle to the Rural Addition List – E. D. 3

5.7 Add Unpaved Portion of Raymond Townsend Lane to Rural Addition List – E. D. 3

5.8 Add Cold Kall Lane to Rural Addition List – E. D. 3

5.9 Add Brooke Lane to Rural Addition List – E. D. 8

5.10 Add Calvin Drive to Rural Addition List – E. D. 8

5.11 Add Sunnyside Drive to Rural Addition List – E. D. 8

5.12 Consider Resolution Honoring Joe McMath – Authorized staff to prepare resolution for Presentation by the Board at the April 17, 2013

Chris Isdell, VDOT Residency Administrator Update on Rural Addition Program

Mr. Isdell introduced the Assistant Residency Administrator, Steve McKyver.

Mr. Isdell informed the Board a Permit and Land Development Specialist had been assigned to the residency office in Accomack and it makes things move more convenient and run more smoothly. Mr. Isdell responded to questions from the Board. Mr. Isdell explained the current structure of the program and VDOT's role in the funding for the program.

HVAC System in the Administration Building

Mr. Gray stated there had been a problem with the heating and air conditioning for a long period of time in the Administration Building. He asked the contractor Mr. Stevens questions.

Mr. Carl Stevens from Trademark Mechanical explained the multi-zone system and how it worked mixing the cold and hot air and responded to questions.

Borrowing Resolution for the Wallops Research Park

Mr. Miner asked the Board to postpone the vote until after closed session. He stated Courtney Rogers, the financial advisor, would be present to answer questions and a replacement resolution to clarify that no bonding can take place unless the TPOF grant is awarded but asked to delay the vote until after the closed session.

FY12 External Audit

David Foley, CPA from the audit firm Robinson, Farmer, Cox Associates went over the external financial audit and answered and responded to questions regarding the County's Fiscal Year 2012 Comprehensive Annual Financial Report (CAFR) which was given to the Board at their last month's meeting.

Appointments

Mr. Crockett asked the replacement for Mr. Robert Marshall be placed on hold because Mrs. Gordy was absent and it was in the plans to have a joint meeting with the Board and the EDA. The Board agreed to wait until after the joint meeting to appoint someone to the EDA. Mrs. Thornton stated she felt it would be a good idea to have a list of the EDA members and where they were from. Mr. Hart asked County Administrator Steve Miner to send the Board the list.

New Business Items

Amendment to the Board of Supervisors Rules of Procedures, Article VI, Order of business and motions, Section 6.01 to add (m) Other

Ms. Major made a motion to amend the Board of Supervisors Rules of Procedures, Article VI, Order of Business and Motions, Section 6.01 to add (m) Other. Mr. Crockett seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

Bid Awards – Marine Projects IFB 656, 657, 658, 659

Mr. Hall told the Board improvements to these marine facilities were bid as a result of damage caused by Hurricane Sandy. He stated the Federal Emergency Management Agency (FEMA) and the Virginia Department of Emergency Management (VDEM) will pay 94% of the costs to repair the storm related damages and the balance of \$33,583 is requested from the County contingency funding.

Mrs. Thornton made a motion to approve the use of contingency funds totaling \$33,583 to cover the local commitment for the work. Mr. Wolff seconded the motion. A discussion ensued. The motion was unanimously approved with Mrs. Gordy absent.

Bid 656 – Pitts Wharf award to low bidder, BIC, Inc., in the amount of \$11,285 for the Base Bid plus add alternates 1-6

Bid 657 – Johnson's Wharf award to low bidder, BIC, Inc., in the amount of \$19,070 for the Base Bid plus add alternates 1, 3, and 4

Bid 658 – Young’s Creek Phase I award to low bidder, BIC, Inc. in the amount of 33,3810 for the Base Bid plus add alternates 1-5

Bid 659 – Harborton award to the low bidder, Early Marine, in the amount of \$312,285 for the Base Bid plus add alternates 1, 3, 4, and items 2-4

Draft Audit Policy for External Organizations receiving County Funding

County Finance Director Mike Mason told the Board at the January 16, 2013 Board of Supervisors meeting they had directed him to develop a policy requiring organizations who received County funding to submit an annual audit by an independent certified public accountant and to supply the County with audited financial statements. He continued and stated he had completed the draft and noted that the policy requires audited financial statements not only from those organizations currently receiving County funding but also from organizations that request funds. He requested feedback from the Board on the policy provisions and also on an effective date.


Mr. Mason told the Board any organizations requesting or receiving \$10,000 or more from the County that the policy requires audit financial statements to be done and in order for the financial statements to be considered current, they must pertain to a fiscal year ending no more the 20 months prior to the date the funds were requested. Mr. Mason stated organizations that have been awarded County funds in an amount greater than or equal to \$10,000 must submit annual audited financial statements covering the periods the grant funds were used for as long as the organization receives County Funding. He said these financial statements are due to the County within 9 months after the fiscal year end of the organization

Mr. Mason continued and told the Board external organizations are required to submit unaudited financial statements to the County under the following circumstances: Organizations requesting County funds in an amount less than \$10,000 must submit current unaudited financial statements to the County before their request will be considered and in order for the financial statements to be considered current, they must pertain to a fiscal year ending no more than 20 months prior to the date the funds were requested. He told the Board organizations that have been awarded County funds in an amount less than \$10,000 must submit annual unaudited financial statements covering the periods in which the grant funds were used for as long as the organization receives

County funding and those financial statements are due to the County within 9 months after the fiscal year end of the organization.

Mr. Crockett stated he would like the Board to consider an addition to the policy which would be to have external organizations to acknowledge and agree to the policy in writing before receiving the funds. Mr. Wolff, Ms. Major, Mrs. Thornton and Chairman Hart made comments concerning the cost of the audit and maybe looking into RFP's.

Mr. Crockett made a motion to adopt the Audit Policy and the effective date would be July 1, 2013. Mrs. Thornton seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

	GENERAL SUBJECT:	
	<i>a. Fiscal Policies</i>	
	SPECIFIC SUBJECT:	
	Audit Requirements for Organizations Applying for or Receiving County Funding	
POLICY NUMBER:	NUMBER OF PAGES:	
FP1200		
EFFECTIVE DATE	REVISED DATE:	
7/1/2013		

PURPOSE:

The purpose of this policy is to establish an audit requirement or other financial reporting requirement for all external organizations requesting and/or receiving direct County funding. The policy will help ensure that these organizations have adequate levels of financial management and operational transparency which are necessary to ensure public trust and accountability and are precursors to receiving taxpayer funds.

SCOPE:

This policy does not apply to funds paid to external organizations for services obtained through the normal procurement process.

DEFINITIONS:

1. *Audited Financial Statements* – Financial statements that have been prepared in accordance with generally accepted accounting principles, audited by an independent certified public accountant and upon which an opinion has been expressed as to whether they present fairly the financial position of the organization.
2. *Unaudited Financial Statements* – For purposes of this policy, unaudited financial statements are a grouping of statements that contain, at a minimum, a balance sheet or statement of net assets, a statement of activities or income statement and a notarized certification from the organization's President and Treasurer that the statements provided accurately reflect the financial position of the organization.
3. *External Organization* – Any organization that is separate and distinct from the County of Accomack and which is not included within the County of Accomack's financial reporting entity.

PROVISIONS:

1. General

The County partners with multiple external organizations including volunteer fire and rescue companies, nonprofits and other governmental boards, councils, commissions, etc. to provide essential services to the public in exchange for the organization receiving financial support from the County.

Although the County does not provide these services or administer these funds directly, it expects those organizations that do to adhere to the same elevated principles of accountability and transparency that it applies to itself. The County has therefore developed this policy to require all external organizations that **request or receive** direct County funding to furnish audited or unaudited financial statements to the County on an annual basis as a condition of receiving these funds. Which statements to furnish, audited or unaudited, is dependent on the amount of funds the organization is requesting or receiving from the County.

2. Audited Financial Statement Requirement

External organizations are required to submit audited financial statements to the County under the following circumstances:

- a. Organizations **requesting** County funds in an amount greater than or equal to \$10,000 must submit current audited financial statements to the County before their request will be considered. In order for the financial statements to be considered current, they must pertain to a fiscal year ending no more than 20 months prior to the date the funds were requested.
- b. Organizations that have been **awarded** County funds in an amount greater than or equal to \$10,000 must submit annual audited financial statements covering the periods the grant funds were used for as long as the organization receives County funding. These financial statements are due to the County within 9 months after the fiscal year end of the organization.

3. Unaudited Financial Statement Requirement

External organizations are required to submit unaudited financial statements to the County under the following circumstances:

- a. Organizations **requesting** County funds in an amount less than \$10,000 must submit current unaudited financial statements to the County before their request will be considered. In order for the financial statements to be considered current, they must pertain to a fiscal year ending no more than 20 months prior to the date the funds were requested.
- b. Organizations that have been **awarded** County funds in an amount less than \$10,000 must submit annual unaudited financial statement(s) covering the periods in which the grant funds were used for as long as the organization receives County funding. These financial statements are due to the County within 9 months after the fiscal year end of the organization.
- c. Organizations required to submit unaudited financial statements may substitute audited financial statements in lieu of unaudited ones if available.

1. Where to Submit Information

Financial statements should be submitted via email to the Accomack County Finance Department.

2. Form of submission

Financial statements must be submitted in electronic format. No paper copies will be accepted.

3. Annual Review

A review will be conducted annually during the budget process to ensure external organizations are complying with the provisions of this policy.

4. Noncompliance Consequences

External organizations whose financial statements fail to meet reasonable standards or who fail to meet the timeframes specified in this policy will be notified by the County. Organizations will be given 30 days from the date of this notification to rectify the situation before it is escalated. If the organization fails to adequately address the issue within the 30 day window, it will be brought before the Accomack County Board of Supervisors in public session. The Board of Supervisors may:

- a. Suspend or sequester any remaining unpaid funds.
- b. Prohibit the organization from applying for or receiving County funds in the future.
- c. Demand repayment of previously paid funds.
- d. Pursue any other legal consequences available to it.

5. Cost of Compliance

The financial cost associated with obtaining audited or unaudited financial statements shall be borne by the external organizations requesting or receiving funds from the County.

Contract Award – RFP 261 Joint Land Use Study Consultant

Rich Morrison gave a brief overview of the Contract award to Clark Nexsen and Ecology and Environment, Inc. and he introduced Mr. Lee Smith and Ms. Cynthia Shurling.

Mr. Morrison introduced the new Joint Land Use Study Project Manager John Giangrant.

Mr. Smith gave a short presentation on the project and stated the Kick-Off Meeting would be done in a couple weeks and responded to questions.

Mr. Wolff made a motion to award the contract in the amount of \$142,000 to Clark Nexsen and Ecology and Environment, Inc. to provide the consulting services requested in RFP 261 for the Joint Land Use Study with the Navy. Mrs. Thornton seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

Update on Space Needs Process and the Eastern Shore Public Library

Mr. Wolff stated he was a member of the Library Foundation and the Library had done a lot of work and feels the Library was at a crossroads now with the proposal of the new library with the need of possibly looking at other options such as land that might be available which might entitle them to apply for other monies that would offset a lot of the cost.

Mr. Wolff made a motion to have a joint meeting of the Board with the Library Board, Eastern Shore Public Library Foundation, Friends of the Library in May at a time to be set. Mrs. Thornton seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

Recess

Chairman Hart recess the meeting until 7:30 p.m.

Call to Order

Chairman Hart called the meeting back to order.

Proposed Amendment to Fiscal Year 2012 – 2013 Budget for Public School Commonwealth Carryover Funds

County Attorney Mark Taylor read the Public Hearing Rules.

Mr. Hart opened the Public Hearing.

No comments were given.

Mr. Hart closed the Public Hearing.

Mr. Crockett made a motion to amend the Fiscal Year 2013 – 2013 Budget to appropriate \$4,327,119 in State Carryover Funds to Accomack County Public Schools.

Ms. Major seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

School Board's Retiree's

Mrs. Thornton asked the School Boards Finance Director if she had brought the information that was requested concerning the retirees. Mrs. Thornton stated she had asked the County Administrator to send a request to School Board Finance Director Beth Charnock to provide a list, combined with associated costs, of those school retirees who return to work on a part-time basis and send the information to all Board members when she gets it finished.

County Administrator's Report

Mr. Miner told the Board a tentative date for May 1st could be set for a Work Session with the EDA and the EMS Funding. A discussion ensued. Chairman Hart stated at the meeting on March 26, 2013 the Board would set an affirmative date. Mr. Miner said the Library Board would need to have a Work Session separate from the EDA Work Session and the Department of Public Safety regarding Emergency Medical Services.

County Attorney's Report

Mr. Taylor told the Board House Bill 1926 relating to the School Board Selection Members was not passed. He provided information on same. County Attorney Taylor told the Board that Mrs. Thornton had asked him to provide information to the Board on how the County's method of selection of the School Board might be changed.

Mr. Taylor informed the Board to change the method of School Board selection to election by voters, a petition must be signed by at least 10 percent of the voters registered in Accomack County as of January 1 of the year the petition is filed which means 2,381 signatures would be needed this year. He continued and said for the members to be selected by the Board of Supervisors, 15 percent of the votes cast in the most recent Presidential Election would be required which would be 2,264 votes. Mr. Taylor informed the Board no Virginia statute was found which enabled a local Board of Supervisors to directly petition the Circuit Court for a referendum on the manner in which School Board members are selected.

A discussion ensued concerning having Mr. Taylor prepare a citizens petition to be brought back to the Board's next month meeting for election of school board members.

County Attorney Mark Taylor addressed the issue of Hunting Deer with Dogs which was discussed at last month's meeting under Public Comment from three (3) citizens that had concerns of safety. He told the Board to change the Law the Department of Game and Inland Fisheries would have to receive a request, but it was too late to change the regulations for this year, but the Board could hold a Public Hearing on the issue either this summer, 2013, or next summer, 2014, but the regulations could not be changed until 2014.

Chairman Hart requested Mark Taylor contact Mr. Peterson and explain to him the process.

Board of Supervisor's Comment Period

Mr. Wolff informed that there had been a date published for the rocket and the dates were April 16 – 18, 2013.

Mrs. Thornton reminded the Board the Partnership Meeting with the Army Corp of Engineers would be held on Friday, March 22, 2013.

Budget and Appropriation Items

Mrs. Thornton made a motion to approve the Budget Amendments and Appropriation Funds. Ms. Major seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

**Budget and Appropriation Items
March 20, 2013 Board of Supervisors Meeting
FISCAL YEAR 2013**

Grants

Increased Revenues

Revenue from the Federal Government \$182,577

Increase Expenditures

Planning \$182,577

--Joint Land Use Study grant award. County match provided through in-kind services

Increase Revenues

Revenue from the Commonwealth \$300

Increase Expenditures

Community Corrections Program \$300

--Department of Criminal Justice Services training grant award

Increase Revenues

Revenue from the Federal Government \$21,743

Increase Expenditures

Sheriff \$21,743

--USDA grant award to purchase police vehicle

Decrease Revenues

Revenue from the Federal Government \$19,733

Revenue from the Commonwealth \$ 2,843

Increase Expenditures

Social Services \$22,576

--State budget adjustments

Contingencies (Balance as of 2/4/13=\$263,988

Decrease Contingencies

Operating Contingency \$14,500

Increase Expenditures

Public Safety \$14,000

--Employee turnover expenses

Other

Increase Expenditures

Delinquent Tax Collection Recoveries \$11,377

Increase Expenditures	
Treasurer	\$11,377
--Attorney and DMV stop fees recovered from delinquent Taxpayers	
Increase Revenues	
Insurance Recoveries	\$ 528
Increase Expenditures	
Hazard Materials Response Fund	\$ 528
Sheriff	
--Emergency management response recovery	
Increase Revenues	
Contributions	\$10,000
Increase Expenditures	
Fire Training Center	\$10,000
--Fire training contribution	
Increase Revenues	
Miscellaneous Recoveries	\$35,135
Increase Expenditures	
Solid Waste-Garage	\$35,135
--Garage expense recovery from servicing non-public works fleet vehicles	

Payables

Mr. Miner certified the payables.

Mrs. Thornton made a motion to authorize the payment of invoices. Mr. Wolff seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

Closed Meeting

County Attorney Mark Taylor advised they needed a motion to go into a closed meeting pursuant to Virginia Code §2.2-3711.A(3). of the Code of Virginia of 1950, as amended, and more particularly under subsection A.(3) for discussion and consideration of the acquisition of real property for a public purpose or the disposition of publicly held real property where discussion in opening meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Mr. Wolff made a motion to go into Closed Meeting pursuant §2.2-3711.A(3) of the Code of Virginia of 1950, as amended. Ms. Lewis seconded the motion. The motion was unanimously approved with Mrs. Gordy absent.

Open Session

The Chair declared the meeting open to the public.

Certification of Closed Meeting

Mr. Wolff made the motion to reconvene in Open Meeting and to certify by roll call vote, pursuant to Section 2.2-3711 (A) (1) and (3) of the Code of Virginia, that to the best of each member's knowledge the only matters heard, discussed, or considered during the Closed Meeting were (i) public business matters lawfully exempted from Opening

Meeting requirements under this chapter and (ii) such public business matters as were identified in the motion by which the Closed Meeting was convened. Ms. Lewis seconded the motion. The motion was unanimously approved with Mrs. Gordy.

Roll Call

Ayes: Mr. Chesser Mrs. Thornton Mr. Crockett
 Mr. Wolff Ms. Lewis Mr. Hart
 Mr. Gray Ms. Major

Nays: None Absent: Mrs. Gordy

Borrowing Resolution for the Wallops Research Park

Mr. Wolff made a motion to approve the Borrowing Resolution for the Wallops Search Park based on all of its contingencies. Ms. Lewis seconded the motion. The motion was approved. 7 – 1 – 1 with Mrs. Gordy absent. The roll call vote was as follows:

Ayes: Mrs. Thornton, Mr. Wolff, Mr. Gray, Ms. Lewis, Mr. Crockett, Ms. Major, Mr. Hart.

Nays: Mr. Chesser

Absent: Mrs. Gordy

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF ACCOMACK, VIRGINIA APPROVING THE LEASE FINANCING OF VARIOUS CAPITAL PROJECTS FOR THE COUNTY AND AUTHORIZING THE LEASING OF CERTAIN COUNTY-OWNED PROPERTY, THE EXECUTION AND DELIVERY OF A PRIME LEASE AND A LOCAL ACQUISITION AND FINANCING LEASE, AND OTHER RELATED ACTIONS

WHEREAS, the Board of Supervisors (the "Board") of the County of Accomack, Virginia (the "County"), intends to finance the development and construction of improvements at the Wallops Research Park and the acquisition of property to replace the existing Wallops Park recreation facility (the "Projects");

WHEREAS, the Board has determined that it is in the best interest of the County to enter into a lease arrangement in order to obtain funds to finance the Projects;

WHEREAS, the County has applied to the Commonwealth of Virginia for a grant from the Transportation Partnership Opportunity Fund to fund the Wallops Research Park Taxiway (the "Grant");

WHEREAS, the Board is authorized, pursuant to Section 15.2-1800 of the Code of Virginia of 1950, as amended, to lease any improved or unimproved real estate held by the County;

WHEREAS, Virginia Resources Authority ("VRA") intends to issue its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2013A (the "Series 2013A VRA Bonds") and its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2013B (the "Series 2013B Bonds" and collectively with the Series 2013A Bonds, the "VRA Bonds"), and, subject to VRA credit approval, to provide a portion of the proceeds to the County to finance the Projects pursuant to the terms of a Local Lease Acquisition Agreement and Financing Lease (the "Financing Lease"), between the County and VRA;

WHEREAS, the County will enter into a Prime Lease (the "Prime Lease") with VRA whereby the County will lease certain real estate, which may include any or all of the real estate related to the County's General District and Juvenile and Domestic Relations courthouse, owned by the County as may be required by VRA (the "Real Estate") and the associated improvements and property located thereon (the "Improvements") to VRA;

WHEREAS, the County will enter into the Financing Lease with VRA pursuant to which VRA will lease the Real Estate and the Improvements back to the County and the County will make rental payments corresponding in amount and timing to the debt service on the portion of the VRA Bonds issued to finance the Projects (the "Rental Payments");

WHEREAS, pursuant to the Financing Lease the County will undertake and complete the Projects;

WHEREAS, the County intends to pay the Rental Payments out of appropriations from the County's General Fund;

WHEREAS, the Financing Lease shall indicate that approximately \$3,969,000 is the amount of proceeds requested (the "Proceeds Requested") from VRA;

WHEREAS, VRA has advised the County that (i) the sale date of the Series 2013A VRA Bonds is tentatively scheduled for May 7, 2013, but may occur, subject to market conditions, at any time between May 1, 2013 and June 1, 2013 and (ii) VRA presently intends to sell and issue the Series 2013B VRA Bonds in the third quarter of 2013, and that VRA's objective is to pay the County an amount which, in VRA's judgment, reflects the market value of the Rental Payments under the Financing Lease (the "VRA Purchase Price Objective"), taking into consideration the Proceeds Requested and such factors as the purchase price to be received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters' discount and other costs incurred by VRA (collectively, the "VRA Costs")) and other market conditions relating to the sale of the VRA Bonds;

WHEREAS, such factors may result in the County receiving an amount other than the par amount of the aggregate principal components of the Rental Payments under the Financing Lease and consequently (i) the aggregate principal components of the Rental Payments under the Financing Lease may be greater than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized aggregate principal components of the Rental Payments under the Financing Lease set forth in paragraph 4 of this Resolution does not exceed the Proceeds Requested by at least the amount of the VRA Costs and any original issue discount, the amount to be paid to the County, given the VRA Purchase Price Objective and market conditions, will be less than the Proceeds Requested; and

WHEREAS, the Prime Lease and the Financing Lease are referred to herein as the "Documents." Copies of the Documents are on file with the County Administrator.

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

1. **Approval of Lease-Leaseback Arrangement.** The lease-leaseback arrangement with VRA to accomplish the financing of the Projects is hereby approved.

2. **Approval of Prime Lease.** The leasing of the Real Estate and the Improvements by the County, as lessor, to VRA, as lessee, pursuant to the terms of the Prime Lease is hereby approved.

3. **Approval of the Financing Lease.** The leasing of the Real Estate and the Improvements by VRA, as lessor, to the County, as lessee, pursuant to the terms of the Financing Lease is hereby approved.

4. **Approval of the Terms of the Rental Payments.** The Rental Payments set forth in the Financing Lease shall be composed of principal and interest components reflecting an original aggregate principal amount not to exceed \$4,165,000 and a true interest cost not to exceed 5.50% per annum (exclusive of "Supplemental Interest" as

provided in the Financing Lease and taking into account any original issue discount or premium); and the final maturity shall be not later than approximately 21 years from the date of the Financing Lease.

It is determined to be in the best interest of the County to enter into the Financing Lease with VRA, subject to the terms and conditions set forth in this Resolution, which Financing Lease shall be executed by the Chairman of the Board (the "Chairman") and the County Administrator, or either of them. Given the VRA Purchase Price Objective and market conditions, it may become necessary to enter into the Financing Lease with aggregate principal components of the Rental Payments greater than the Proceeds Requested. If the limitation on the maximum aggregate principal components of Rental Payments on the Financing Lease set forth in this paragraph 4 restricts VRA's ability to generate the Proceeds Requested, taking into account the VRA Costs, the VRA Purchase Price Objective and market conditions, the County Administrator is authorized to accept a purchase price at an amount less than the Proceeds Requested. The actions of the County Administrator shall be conclusive, and no further action shall be necessary on the part of the Board.

The Financing Lease, in substantially the form presented at this meeting, is hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Chairman or the County Administrator. The Chairman and the County Administrator, either of whom may act, are hereby authorized and directed to enter into the Financing Lease.

The actions of the Chairman and the County Administrator in accepting the final terms of the Rental Payments shall be conclusive, and no further action shall be necessary on the part of the Board.

5. **Other Payments under Financing Lease.** The County agrees to pay all amounts required by the Financing Lease, including any amounts required by Section 5.1(b) of the Financing Lease, including the "Supplemental Interest," as provided in such section.

6. **Execution and Recordation of Documents.** The Chairman and the County Administrator, either of whom may act, are authorized and directed to execute the Documents and deliver them to the other parties thereto. The Chairman and the County Administrator, either of whom may act, are further authorized to cause the Prime Lease and the Financing Lease, to be recorded in the Clerk's Office of the Circuit Court of Accomack County.

7. **Form of Documents.** The Documents shall be in substantially the forms on file with the County Administrator, which are hereby approved with such completions, omissions, insertions and changes as may be approved by the Chairman and the County Administrator, either of whom may act, with the execution and delivery of the Documents by the Chairman and/or the County Administrator constituting conclusive evidence of the approval of any such completions, omissions, insertions, and changes.

8. **Essentiality of the Projects and Real Estate.** The Projects, the Real Estate and the Improvements are hereby declared to be essential to the efficient operation of the County, and the County anticipates that the Projects, the Real Estate and the Improvements will continue to be essential to the operation of the County during the term of the Financing Lease.

9. **Annual Budget.** While recognizing that it is not empowered to make any binding commitment to make Rental Payments and any other payments required under the Financing Lease beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Financing Lease. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Financing Lease an amount sufficient to pay the Rental Payments and all other payments coming due under the Financing Lease during such fiscal year. If at any time during any fiscal year of the County throughout the term of the Financing Lease, the amount appropriated in the County's annual budget in any such fiscal year is insufficient to pay when due the Rental

Payments and any other payments required under the Financing Lease, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

10. **Rental Payments Subject to Appropriation.** The County's obligation to make the Rental Payments and all other payments pursuant to the Financing Lease is hereby specifically stated to be subject to annual appropriation therefor by the Board, and nothing in this resolution or the Documents shall constitute a pledge of the full faith and credit or taxing power of the County or compel the Board to make any such appropriation.

11. **Disclosure Documents.** The County authorizes and consents to the inclusion of information with respect to the County to be contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both to be prepared in connection with the sale of the VRA Bonds. If appropriate, such disclosure documents shall be distributed in such manner and at such times as VRA shall determine. The County Administrator is authorized and directed to take whatever actions are necessary and/or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

12. **Tax Documents.** The County Administrator and the Chairman, either of whom may act, is authorized to execute a Nonarbitrage Certificate and Tax Compliance Agreement and/or any related document (the "Tax Documents") setting forth the expected use and investment of the proceeds of the VRA Bonds to be received pursuant to the Documents and containing such covenants as may be necessary in order for the County and/or VRA to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the VRA Bonds and the Documents including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The County covenants that the proceeds of the VRA Bonds to be received pursuant to the Documents will be invested and expended as set forth in the Tax Documents, to be delivered simultaneously with the issuance and delivery of the Financing Lease and that the County shall comply with the other covenants and representations contained therein.

13. **Other Actions.** All other actions of the officers of the County in conformity with the purpose and intent of this Resolution are hereby approved and confirmed. The officers of the County are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the actions contemplated by this Resolution or the execution and delivery of the Documents.

14. **SNAP Investment Authorization.** The County has heretofore received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the County has determined to authorize the County Administrator to utilize SNAP in connection with the investment of the proceeds of the lease-leaseback transaction if the County Administrator determines that the utilization of SNAP is in the best interest of the County. The Board acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the contract creating the investment program pool.

15. **Authorization Subject to Approval of Grant; VRA Bond Sale.** The approval of the financing arrangement set forth in this resolution and the execution and delivery of the Prime Lease and the Financing Lease on behalf of the County are subject to the approval of the Grant by the Commonwealth of Virginia. The County Administrator is authorized and directed to determine, subject to VRA approval, whether to participate in the Series 2013A VRA Bonds financing or the Series 2013B VRA Bonds financing.

16. **Repeal of Conflicting Resolutions.** All resolutions or parts of resolutions in conflict herewith are hereby repealed.

17. **Effective Date.** This resolution shall take effect immediately.

Adjournment

Mr. Crockett made a motion to adjourn until March 25, 2013 at 7:30 p.m. at Metompkin Elementary School Cafetorium. Ms. Major seconded the motion. The motion was unanimously approved with Mrs. Gordy absent. The meeting adjourned at 8:50 p.m.

Donald L. Hart, Jr., Chair

Date