

ACTIONS
Board of Supervisors Meeting of October 12, 2011

October 13, 2011

<u>AGENDA ITEM/ACTION</u>	<u>ASSIGNMENT</u>
<p>1. Call to Order.</p> <ul style="list-style-type: none"> • Meeting was called to order at 2:02 p.m. by the Chair, Ms. Mallek. All BOS members were present. Also present were Tom Foley, Larry Davis and Ella Jordan. 	
<p>2. Recognitions:</p> <p>a. Recognition of Virginia Wine Month.</p> <ul style="list-style-type: none"> • Lee Catlin presented. 	
<p>3. Albemarle County Debt Financing – 2011 - Adoption of Resolution.</p> <ul style="list-style-type: none"> • ADOPTED resolution, by a vote of 6:0. 	<p><u>Clerk:</u> Forward copy of signed resolution to Finance and County Attorney's office. (Attachment 1)</p>
<p>4. Brief Update on Board Attendance at Upcoming Meetings.</p> <ul style="list-style-type: none"> • Received. 	
<p>5. Work Session: Departmental Budget Reviews:</p> <p>a. Department of Social Services</p> <ul style="list-style-type: none"> • Received. <p>b. Information Technology</p> <ul style="list-style-type: none"> • Received. 	
<p>6. Recess. The Board recessed at 4:01 p.m., and reconvened at 4:11 p.m.</p>	
<p>7. <u>Joint Meeting with School Board</u></p> <p>a. Total Compensation Report.</p> <ul style="list-style-type: none"> • APPROVED, by a vote of 5:0:1 (Dorrier absent), the following recommendations: <ol style="list-style-type: none"> 1. Establish a budget target for providing a 1-2% salary increase for classified employees and teachers. Final recommendations by the County Executive and Superintendent will be based on additional market data and the availability of adequate funding. 2. Use a portion of the Health Care Reserve Fund to offset any increase in employee premium and to reduce the employer premium costs. 3. Plan for a 7% increase in dental costs. 4. Continue to pick-up the five percent (5%) member contribution for VRS and for VRS Plan 2 employees. <p>b. Employee Benefits Cost Analysis</p> <ul style="list-style-type: none"> • Received. <p>c. From the Boards: Matters Not Listed on the Agenda.</p> <ul style="list-style-type: none"> • There were none. 	<p><u>Human Resources/County Executive:</u> Proceed as approved.</p>
<p>8. VDoT Revenue Sharing Program, Request for Participation and Recommended Projects for Funding (Deferred from October 5, 2011)</p> <ul style="list-style-type: none"> • APPROVED, by a vote of 6:0, the County requesting funding for the <i>Sidewalk Improvement Plan</i> to complete the following four sidewalk projects: 	<p><u>David Benish:</u> Proceed as approved. <u>Clerk:</u> Schedule resolution on December 2nd agenda.</p>

<ol style="list-style-type: none"> 1. Crozet Avenue North, from St. George to Ballard Drive; 2. State Farm Boulevard and South Pantops Drive to Carriage Hill Apartments; 3. Barracks Road, from the City to Barracks West Apartments; and, 4. Hydraulic Road, from south of Commonwealth to the Georgetown Road Intersection. <ul style="list-style-type: none"> • AUTHORIZED staff to submit a Detailed Description of Funds Form Application to apply for up to \$1.0 million FY13 Revenue Sharing Program funds requiring a local match of up to \$1.0 million. • DIRECTED staff to prepare a resolution to formally request to participate in the Program for the Board's consideration at its December 2, 2011 meeting. 	
<p>9. Adoption of Resolution: Northern Terminus of Route 29 Western Bypass.</p> <ul style="list-style-type: none"> • ADOPTED resolution by a vote of 6:0. • Mr. Rooker stated that he would be bringing to the Board on November 2nd, a resolution from the Jack Jouett Bypass Design Committee. 	<p><u>Clerk:</u> Forward resolution to Jim Utterback at VDoT with copy to the County Attorney's office. (Attachment 2)</p>
<p>From the Board: Matters Not Listed on the Agenda.</p> <ul style="list-style-type: none"> • Ms. Mallek mentioned a request from Verizon representatives to have a work session with the Board to provide information on requests they will be bringing forward for 4G service to the County. Consensus of Board to take a look at the wireless policy with staff input and analysis. 	<p><u>County Executive/Community Development:</u> Proceed as directed.</p>
<p>10. Adjourn.</p> <ul style="list-style-type: none"> • At 5:11 p.m., the Board adjourned to November 1, 2011, Classroom 120 at Darden, UVa's Graduate School of Business, from 5:30-8:00 p.m., for the School/Business Partnership follow-up meeting. 	

ewj/mrh

Attachment 1 – Resolution - Albemarle County Debt Financing
Attachment 2 – Resolution – Northern Terminus of Route 29 Western Bypass

RESOLUTION APPROVING A PLAN TO FINANCE AND REFINANCE CERTAIN PUBLIC FACILITIES PROJECTS THROUGH THE ISSUANCE OF REVENUE AND REFUNDING BONDS BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF ALBEMARLE

WHEREAS, the Industrial Development Authority of Albemarle County, Virginia (now the Economic Development Authority of Albemarle County, Virginia) (the "Authority"), pursuant to the Industrial Development and Revenue Bond Act (the "Act") under which it is created, is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans to, among others, a county in furtherance of the Act, to finance or refinance and lease facilities for use by, among others, a county, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source, as security for the payment of principal of and interest on any such obligations; and

WHEREAS, the Authority has previously issued its \$18,535,000 Public Facility Revenue Bonds (Albemarle County Project), Series 2003 (the "2003 Bonds"), the proceeds of which were loaned to Albemarle County, Virginia (the "County") pursuant to a Financing Agreement (as defined below), to finance (a) the acquisition, renovation and equipping of new administrative facilities for the County located at 1600 5th Street, Charlottesville, Virginia (the "5th Street Building"), and (b) the County's capital contribution to the costs of acquiring, constructing and equipping, in conjunction with the City of Charlottesville, a juvenile courts facility and related improvements;

WHEREAS, the Authority has previously issued its \$6,841,021 Public Facility Revenue Note (Albemarle County Fire Station), Series of 2009 (the "2009 Note"), the proceeds of which were loaned to the County pursuant to a Note Purchase Agreement and Lease Agreement dated as of June 1, 2009, among the Board of Supervisors of Albemarle County, Virginia (the "Board of Supervisors"), the Authority and SunTrust Bank, as purchaser of the 2009 Note, to finance and refinance the costs of acquiring, constructing and equipping a fire station known as the Hollymead Fire Station and replacing certain fire and EMS apparatus;

WHEREAS, the Board of Supervisors desires to undertake, in conjunction with the Authority, the financing of certain projects from the County's Capital Improvement Plan for Fiscal Years 2011 and 2012 (collectively, the "CIP Project"); and

WHEREAS, the County desires to finance the CIP Project and realize interest rate savings by requesting the Authority to issue its Public Facility Revenue and Refunding Bonds (Albemarle County Project), Series 2011 (the "Bonds"), and use the proceeds to (a) finance the CIP Project, (b) refund the 2003 Bonds and the 2009 Note (together, the "Refunded Bonds") and (c) pay the related costs of issuing the Bonds and refunding the Refunded Bonds; and

WHEREAS, the Bonds will be secured in part by payments appropriated from time to time by the Board of Supervisors and payable to the Authority in accordance with the terms of the Financing Agreement; and

WHEREAS, to improve the marketing of the Bonds at attractive interest rates, Davenport & Company LLC, the County's financial advisor (the "Financial Advisor") has recommended that the County consider providing additional security for the Bonds by undertaking a lease/lease-back financing arrangement with the Authority of certain County property (the "Property"); and

WHEREAS, there have been circulated prior to this meeting drafts of the following documents (collectively, the "Documents"), proposed in connection with the issuance and sale of the Bonds and the refunding of the Refunded Bonds:

- (a) Second Supplemental Agreement of Trust, supplementing the Agreement of Trust dated as of March 1, 2003, between the Authority and U.S. Bank, as successor trustee, (the "Trustee") as previously supplemented (collectively, the "Trust Agreement"), all between

the Authority and the Trustee, including the form of the Bonds, pursuant to which the Bonds are to be issued and which is to be acknowledged and consented to by the County;

- (b) First Supplemental Financing Agreement (the "Supplemental Financing Agreement"), supplementing a Financing Agreement dated as of March 1, 2003 (collectively, the "Financing Agreement"), both between the Authority and the County, pursuant to which the Authority will loan the proceeds of the Bonds to the County and the County will undertake, subject to appropriation, to make payments to the Authority in amounts sufficient to pay the principal of and premium, if any, and interest on the Bonds and certain other related costs;
- (c) Preliminary Official Statement of the Authority relating to the public offering of the Bonds (the "Preliminary Official Statement");
- (d) Notice of Sale (attached as Appendix G to the Preliminary Official Statement) (the "Notice of Sale") (applicable only if the Bonds are sold through a competitive sale);
- (e) Continuing Disclosure Agreement (attached as Appendix F to the Preliminary Official Statement), pursuant to which the County agrees to undertake certain continuing disclosure obligations with respect to the Bonds;
- (f) Deed and Agreement of Ground Lease (the "Ground Lease"), between the Authority and the County, conveying to the Authority a leasehold interest in certain County real property as hereinafter described (the "Property");
- (g) Deed and Agreement of Financing Lease, between the Authority and the County (the "Financing Lease"), conveying to the County a subleasehold interest in the Property;
- (h) Assignment Agreement (the "Assignment Agreement"), between the Authority and the Trustee, assigning to the Trustee certain rights of the Authority under the Ground Lease and the Financing Lease; and
- (i) Bond Purchase Agreement (the "Bond Purchase Agreement"), between the Authority and an underwriter (to be selected by the Authority and the County), and which is to be acknowledged by the County (applicable only if the Bonds are sold through a negotiated sale);

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

1. The following plan for financing the CIP Project and refunding the Refunded Bonds is hereby approved. The Authority will issue the Bonds in an aggregate principal amount not to exceed \$39,600,000. The Authority will use the proceeds of the Bonds to finance the CIP Project, refund the Refunded Bonds, and pay the costs of issuing the Bonds and refunding the Refunded Bonds. Pursuant to the Financing Agreement, the County will undertake to make certain Basic Payments and Additional Payments (each as defined in the Financing Agreement) to the Authority in amounts sufficient to amortize the Bonds, to pay the fees or expenses of the Authority and the Trustee and to pay certain other related costs. The obligation of the Authority to pay principal of and premium, if any, and interest on the Bonds will be limited to Basic Payments and Additional Payments received from the County. The Bonds will be secured in part by an assignment of the Basic Payments and certain Additional Payments due under the Financing Agreement, all for the benefit of the holders of the Bonds. The undertaking by the County to make Basic Payments and Additional Payments will be subject to the appropriation by the Board of Supervisors from time to time of sufficient amounts for such purposes. As additional security for the Bonds, the County will grant to the Authority a leasehold interest in the Property pursuant to the terms of the Ground Lease. The Authority will sublease the Property to the County pursuant to the terms of the Financing Lease. The County Executive is authorized to determine, in consultation with the Financial Advisor as to what would improve the marketing of the Bonds at attractive interest rates, which one or more of the following County-owned properties shall constitute the "Property" for purposes of the Ground

Lease and the Financing Lease: (a) the 5th Street Building, (b) the County's administrative facilities located at 401 McIntire Road, Charlottesville, Virginia, and (c) the County's Monticello Fire Station property (and for which the County's Hollymead Fire Station property may subsequently be substituted when the County acquires title). Payments due under the Financing Lease will be credited in an amount and time to the extent the County makes all Basic Payments and Additional Payments due under the Financing Agreement with respect to the Bonds. The plan of financing the CIP Project and refunding the Refunded Bonds shall contain such additional requirements and provisions as may be approved by the County Executive and the Chairman of the Authority.

2. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make appropriations in future fiscal years in amounts sufficient to make all payments due under the Financing Agreement, which payments, as applicable, shall be credited toward the payment of amounts due under the Financing Lease, and hereby recommends that future Board of Supervisors do likewise during the term of the Financing Agreement and, if applicable, the Financing Lease. The Board of Supervisors hereby confirms that the CIP Project is essential to the efficient operation of the County and the Board of Supervisors anticipates that the CIP Project will continue to be essential to the operation of the County during the term of the Financing Agreement and the Financing Lease.

3. The Chairman of the Board of Supervisors and the County Executive, either of whom may act, are hereby authorized and directed to execute the Documents to which the County is a signatory, which shall be in substantially the forms circulated prior to this meeting, which are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer signing such Documents, the execution and delivery thereof to constitute conclusive evidence of the officer's approval of any such completions, omissions, insertions and changes. The County Attorney is hereby authorized to cause the Ground Lease, the Financing Lease, the Assignment Agreement and other documents as are necessary to be recorded in the Clerk's Office of the Circuit Court of Albemarle County.

4. In making completions to the Supplemental Financing Agreement and the Financing Lease, the County Executive, in collaboration with Financial Advisor and the Authority, shall provide for Annual Payments (under the Financing Agreement) and Basic Payments (under the Financing Lease) in amounts equivalent to the payments on the Bonds, which shall be sold to the purchaser thereof on terms as shall be satisfactory to the County Executive; provided that the Annual Payments/Basic Payments shall be equivalent to the Bonds (a) maturing in installments or subject to mandatory sinking fund redemption ending not later than December 31, 2032; (b) having a true or "Canadian" interest cost not exceeding 5.00% (taking into account any original issue discount or premium); (c) being subject to optional redemption, if at all, at a premium not to exceed 2.00% of their principal amount; and (d) being sold to the purchaser thereof at a price not less than 98% of the aggregate principal amount thereof (without taking into account any original issue discount or premium). The County Executive is also authorized to approve a lesser principal amount for the Bonds, a maturity schedule (including serial maturities and term maturities for the Bonds) and the redemptions provisions of the Bonds, all as the County Executive shall determine to be in the best interest of the County.

5. (a) The Board of Supervisors approves the following terms of the sale of the Bonds. The Bonds shall be sold through a competitive sale or a negotiated sale, as the County Executive, in collaboration with the Financial Advisor and the Authority, determines to be in the best interests of the County.

(b) If the County Executive determines that the Bonds shall be sold by competitive sale, the County Executive is authorized to receive bids for such Bonds and award such Bonds to the bidder providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in Section 4. Following a competitive sale, the County Executive shall file a certificate with the Authority and the Board of Supervisors setting forth the final terms of the Bonds. The actions of the County Executive in selling the Bonds by competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board of Supervisors.

(c) If the Bonds are sold by competitive bid, the County Executive, in collaboration with the Financial Advisor, is authorized and directed to take all proper steps to advertise the Bonds for sale

substantially in accordance with the form of Notice of Sale, which is hereby approved; provided that the County Executive, in collaboration with the Financial Advisor, may make such changes in the Notice of Sale not inconsistent with this Resolution as he may consider to be in the best interest of the County.

(d) If the County Executive determines that the Bonds shall be sold by negotiated sale, the County Executive is authorized, in collaboration with the Financial Advisor and the Authority, to choose an investment bank or firm to serve as underwriter for the Bonds and to execute and deliver to the underwriter a bond purchase agreement (the "Bond Purchase Agreement") substantially in the form circulated to the Board prior to this meeting, which is hereby approved, with such completions, omissions, insertions and changes as approved by the County Executive and necessary to reflect final terms of the Bonds. The execution thereof by the County Executive shall constitute conclusive evidence of his approval of any such completions, omissions, insertions and changes. Following a negotiated sale, the County Executive shall file a copy of the Bond Purchase Agreement with the records of the Board. The actions of the County Executive in selling the Bonds by negotiated sale to the underwriter shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Board of Supervisors.

6. The Preliminary Official Statement in the form circulated prior to this meeting is approved with respect to the information contained therein (excluding information pertaining to the Authority). The County authorizes distribution of the Preliminary Official Statement to prospective purchasers of the Bonds in a form deemed to be "near final," within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the County Executive. Such distribution shall constitute conclusive evidence that the County has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, with respect to the information therein pertaining to the County. The County Executive is authorized and directed to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement that are necessary to reflect the terms of the sale of the Bonds, determined as set forth in paragraph 4, and the details thereof and that are appropriate to complete it as an official statement in final form (the "Official Statement") and distribution thereof to the purchaser of the Bonds shall constitute conclusive evidence that the County has deemed the Official Statement final as of its date within the meaning of the Rule.

7. The County covenants that it shall not take or omit to take any action the taking or omission of which shall cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations thereunder, or otherwise cause interest on the Bonds to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States of America any part of the earnings derived from the investment of the gross proceeds of the Bonds. The County shall pay from its legally available general funds any amount required to be rebated to the United States of America pursuant to the Code.

8. All costs and expenses in connection with the financing of the CIP Project, the refunding of the Refunded Bonds and the issuance of the Bonds, including the Authority's fees and expenses and the fees and expenses of bond counsel, counsel for the Authority, and the Financial Advisor for the sale of the Bonds shall be paid from the proceeds of the Bonds or other legally available funds of the County. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

9. 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.

10. All other acts of the County Executive and other officers of the County that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the refunding of the Refunded Bonds are hereby approved and ratified.

11. This Resolution shall take effect immediately.

RESOLUTION

WHEREAS, a task force of community members was convened by Ken Boyd, Board of Supervisor representative from the Rivanna District, to provide input to VDOT engineers on the design of the northern terminus interchange of the Route 29 Western Bypass; and

WHEREAS, the task force has concluded its study and discussion of design issues related to the northern terminus interchange; and

WHEREAS, the task force has identified four recommendations that they consider to be critical to that design; and

WHEREAS, those recommendations are outlined as followed:

- The terminus interchange should be located south of the Ashwood Boulevard;
- The terminus interchange should be constructed entirely on the west side of Route 29;
- There will be no more traffic lights added to Route 29 as a result of the terminus interchange; and
- There will be no u-turns as part of the interchange traffic pattern.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors endorses the above recommendations and strongly encourages VDOT to accept these recommendations as part of the final design of the northern terminus interchange of the Route 29 Western Bypass, so long as these recommendations can be implemented while maintaining a design year Level of Service of no less than C.