

A joint meeting of the Botetourt County Board of Supervisors, the Botetourt County School Board, and the Botetourt County Economic Development Authority was held on Thursday, March 29, 2018, in the auditorium of Lord Botetourt High School in Daleville, Virginia, beginning at 7:00 P. M. The meeting was a continued meeting of the Board of Supervisors and a special meeting of the School Board and Economic Development Authority.

PRESENT: Members: Mr. L. W. Leffel, Jr., Chairman, Board of Supervisors
 Dr. Donald M. Scothorn, Vice-Chairman, Supervisors
 Mr. Steve Clinton, Supervisors member
 Mr. I Ray Sloan, Supervisors member
 Mr. Billy W. Martin, Sr., Supervisors member
 Mrs. Michelle Crook, Chairman, School Board
 Mr. Michael Beahm, Vice Chairman, School Board
 Mr. D. Scott Swortzel, School Board member
 Mr. John Alderson, Jr., School Board & EDA member
 Mrs. Anna Weddle, School Board member
 Mr. John Kilby, Chairman, EDA
 Mr. John Griffin, Vice-Chairman, EDA
 Mrs. Joyce Kessinger, EDA member
 Mr. Jeff Emry, EDA member
 Mr. G. Lyn Hayth, III, EDA member
 Mr. John Williamson, III, EDA member

ABSENT: Members: None

Others present at the meeting:

Mr. Michael W. S. Lockaby, County Attorney
 Mr. Gary Larrowe, County Administrator
 Mr. F. B. Webster Day, EDA Attorney
 Mr. Tony Zerrilla, Director of Finance
 Mr. John Busher, Superintendent of Schools

The Chairman of the Board of Supervisors called their meeting to order at 7:00 P. M.

The Chair of the School Board called their meeting to order at 7:00 P. M.

On motion by Mr. Beahm, seconded by Mr. Alderson, and carried by the following recorded vote, the School Board approved the meeting's agenda as presented.

AYES: Mrs. Crook, Mr. Alderson, Mrs. Weddle, Mr. Swortzel, Mr. Beahm

NAYS: None

ABSENT: None

ABSTAINING: None

The Chairman of the EDA called their meeting to order at 7:01 P. M.

Mr. Leffel stated that this meeting by the Board of Supervisors is to conduct a public hearing on the proposed issuance of approximately \$22.5 million in bonds to finance capital improvements for public school purposes, including the acquisition and construction of a new elementary school in the Blue Ridge area. He then opened the floor for public comment.

Mrs. Sue Palmer of First Crossing Drive in Blue Ridge stated that she is a member of 1959's last graduating class of Colonial High School which is now Colonial Elementary School. Mrs. Palmer thanked those who built the school in the 1930's under President Franklin Roosevelt's "new deal" program after the depression. She also thanked those who continued operating the building as a school since that time and making a new Colonial school become a reality.

Mrs. Palmer stated that a petition was presented to the Supervisors and School Board a couple of years ago asking that the current school building be preserved when the new school is built. She noted that the petition requested that the County maintain and utilize the building

following the construction of the new elementary school. Mrs. Palmer stated that the facility provides a great deal of square footage including a gymnasium which could be used by Parks and Recreation and others, rooms that could be used for office space, as well as community meeting space. She also requested that an area in the building be designated as a museum to preserve historical items from the Blue Ridge area.

Mrs. Palmer stated that there will be costs to renovate this building but good planning and wise usage of the space will offset expenses. She noted that there are 79 years of memories and "Colonial family spirit" in this building and she hopes that the walls in the new school will "ring with the same spirit."

The Board thanked Mrs. Palmer for her comments.

After questioning by Mr. Leffel, it was noted that there was no one else present to speak regarding this matter. The public hearing was then closed.

Mr. Michael Lockaby, County Attorney, stated that it is required that the School Board now consider adoption of a resolution requesting that the Supervisors adopt a resolution authorizing the issuance of General Obligation Bonds for the construction of this new school.

On motion by Mr. Swartzel, seconded by Mr. Beahm, and carried by the following recorded vote, the School Board adopted the following resolution requesting the Board of Supervisors to adopt a resolution authorizing the issuance of general obligation bonds for school purposes, consenting to the issuance of the bonds, and authorizing certain related actions.

AYES: Mrs. Crook, Mr. Alderson, Mrs. Weddle, Mr. Swartzel, Mr. Beahm

NAYS: None

ABSENT: None

ABSTAINING: None

BE IT RESOLVED BY THE BOTETOURT COUNTY SCHOOL BOARD:

1. The Botetourt County School Board (the "School Board") (a) requests, pursuant to Section 15.2-2640 of the Code of Virginia, 1950, as amended (the "Code"), that the Board of Supervisors of Botetourt County adopt an ordinance or resolution authorizing the issuance by Botetourt County (the "County") of general obligation school bonds (the "Bonds") in an aggregate principal amount not greater than \$22,500,000, but with the objective of providing \$22,500,000 in net proceeds for the purpose of financing capital improvements for public school purposes, including the acquisition and construction of a new elementary school (collectively, the "Project"), and (b) consents to the issuance of the Bonds, pursuant to Section 15.2-2638(B)(iii) of the Code and Article VII, Section 10(b) of the Constitution of Virginia.

2. The School Board has submitted an application to the Virginia Public School Authority (the "VPSA") for the purchase of the Bonds by the VPSA as part of its 2018 Spring Pooled Bond Sale. The Chairman of the School Board, the Superintendent of the schools of Botetourt County School Division (the "Schools"), and such other officer or officers of the School Board or the Schools as either may designate (the "Authorized Officers") are authorized to decrease the amount of proceeds requested to the extent the County and such Authorized Officers deem it necessary to issue the Bonds in an amount less than provided in paragraph 1 above.

3. The Authorized Officers are authorized and directed to execute and deliver on behalf of the School Board a Use of Proceeds Certificate and Tax Compliance Agreement (the "Tax Compliance Agreement") setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary for the bonds issued by VPSA in the Spring of 2018 (the "VPSA Bonds") to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the applicable regulations. The School Board covenants on behalf of itself and the Schools under its governance that the School Board and the Schools shall comply with the provisions of the Tax Compliance Agreement and the Tax Code so that the interest on the VPSA Bonds is excludable from gross income under the Tax Code.

5. The School Board has made within the last sixty days and will make capital expenditures in connection with the Project ("Expenditures") before the Bonds are issued, and the School Board finds and declares that it reasonably expects to reimburse Expenditures with proceeds of the Bonds. A written allocation that evidences the use of proceeds of the Bonds to

reimburse an Expenditure will be made no later than 18 months after the latter of (a) the date on which the Expenditure is paid or (b) the Project is placed in service or abandoned, but in no event more than three (3) years after the date on which the Expenditure is paid. The School Board recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" and expenditures for construction projects of at least five years. This resolution is intended to constitute the "official intent" of the School Board under Section 1.150-2 of the regulations promulgated under the Internal Revenue Code of 1986, as amended.

6. This resolution shall take effect immediately.

Mr. Tony Zerrilla, County Director of Finance, then stated that the County intends to obtain Virginia Public School Authority (VPSA) financing for this project. He noted that the School Board approved this financing in an amount not to exceed \$22.5 million at their February 22 meeting.

Mr. Zerrilla stated that this financing will be used to purchase property as well as construct and equip the new school facility. Mr. Zerrilla stated that the Supervisors are being requested to adopt a resolution authorizing the issuance of General Obligation Bonds in an amount not to exceed \$22.5 million at this time.

Mr. Zerrilla stated the bond sale will be conducted around May 1, 2018, with the closing date anticipated to be mid-May. He further stated that reimbursement of preliminary costs will take place at the closing, with on-going funds to be available most likely beginning in June. Mr. Zerrilla noted that the resolution to be considered for adoption by the Supervisors includes approval of the bond sale and the bond proceeds agreement.

On motion by Mr. Kilby, seconded by Mr. Griffin, and carried by the following recorded vote, the Economic Development Authority adopted the following resolution authorizing the exercise of an option to purchase real property for a new elementary school and certain related actions.

AYES: Mr. Emry, Mr. Alderson, Mrs. Kessinger, Mr. Kilby, Mr. Hayth, Mr. Williamson
Mr. Griffin

NAYS: None

ABSENT: None

ABSTAINING: None

WHEREAS, the Economic Development Authority of Botetourt County, Virginia (the "Authority"), has an option to purchase certain real property (the "Real Property") under the Purchase Option dated November 21, 2017 (the "Option Agreement"), between H. Forest Murray and Pejie H. Murray and the Authority;

WHEREAS, the Board of Supervisors of Botetourt County, Virginia, has authorized an appropriation of money to the Authority in order for the Authority to exercise such option and acquire the Real Property to be used as the site of a new public elementary school;

WHEREAS, the Authority desires to authorize the exercise of the option, authorize the sale of structures on the Real Property and authorize a short-term lease of the Real Property; and

WHEREAS, long term financing of the costs of acquiring the Real Property and constructing the school will be through the issuance of bonds by Botetourt County to the Virginia Public School Authority, and it may be necessary for the Authority to enter into a tax compliance agreement relating to such bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF BOTETOURT COUNTY, VIRGINIA:

1. The Authority finds that the Real Property will constitute an "authority facility" within the meaning of the Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2, Code of Virginia of 1950, as amended) (the "Act") and that the actions authorized by this resolution are in furtherance of the purposes for which the Authority was organized.

2. The Chairman, Vice Chairman and Secretary of the Authority are each authorized to exercise the option under the Option Agreement on behalf of the Authority.

3. The Chairman, Vice Chairman and Secretary of the Authority are each authorized to arrange for the sale at public auction of the houses and other improvements on the Real Property, whether before or after the Authority acquires the Real Property, on such terms and conditions as he deems to be in the Authority's best interests.

4. The Chairman, Vice Chairman and Secretary of the Authority are each authorized to execute and deliver on behalf of the Authority a lease whereby the current owners of the Real Property would occupy a portion of the Real Property for a term expiring on or before May 15, 2018, on such terms and conditions as he deems to be in the Authority's best interests.

5. The Chairman, Vice Chairman and Secretary of the Authority are each authorized to execute and deliver on behalf of the Authority a Use of Proceeds Certificate and Tax Compliance Agreement (the "Tax Compliance Agreement") setting forth the expected use and investment of the proceeds of certain bonds of the County to be issued to the Virginia Public School Authority ("VPSA") in the Spring of 2018 and containing such covenants as may be necessary for bonds issued by VPSA ("VPSA Bonds") to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), and the applicable regulations. The Authority covenants that the Authority shall comply with the provisions of the Tax Compliance Agreement and the Tax Code so that the interest on the VPSA Bonds is excludable from gross income under the Tax Code.

6. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates, and to do and perform such things and acts, as he deems necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the Agreement or such instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

7. This resolution will take effect immediately upon its adoption.

On motion by Dr. Scothorn, seconded by Mr. Leffel, and carried unanimously, the Board of Supervisors adopted the attached resolution authorizing the issuance of a not to exceed \$22,500,000 General Obligation School Bond of Botetourt County, Virginia, to be sold to the Virginia Public School Authority and providing for the form and details of the bond. (Resolution Number 18-03-20)

On motion by Mr. Leffel, seconded by Mr. Martin, and carried by the following recorded vote, the Board of Supervisors assigned the Colonial School construction project to the Economic Development Authority to construct a school for the School Board subject to Virginia Public School Authority funding that will pass from the Supervisors to the Authority as needed. (Resolution Number 18-03-21)

AYES: Mr. Sloan, Mr. Clinton, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: None

ABSTAINING: None

On motion by Mr. Williamson, seconded by Mr. Hayth, and carried by the following recorded vote, the Economic Development Authority accepted the task from the Board of Supervisors to construct a school for the School Board subject to Virginia Public School Authority funding that will pass from the Supervisors to the Authority as needed.

AYES: Mr. Emry, Mr. Alderson, Mrs. Kessinger, Mr. Kilby, Mr. Hayth, Mr. Williamson
Mr. Griffin

NAYS: None

ABSENT: None

ABSTAINING: None

Mr. Webster Day, EDA Attorney, then stated that a roll call vote is required for the Supervisors resolution which authorized the issuance of the General Obligation Bonds in an amount not to exceed \$22.5 million as well as providing for the form and details of the bond.

After discussion, the following roll call vote was taken on the Board of Supervisors Resolution Number 18-03-20 which authorized issuance of the General Obligation Bonds in an amount not to exceed \$22.5 million and provided for the form and details of the bond.

AYES: Mr. Sloan, Mr. Clinton, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: None

ABSTAINING: None

There being no further discussion or business items to consider, on motion by Mr. Hayth, seconded by Mrs. Kessinger, and carried by the following recorded vote, the EDA meeting was adjourned at 7:10 P. M.

AYES: Mr. Emry, Mr. Alderson, Mrs. Kessinger, Mr. Kilby, Mr. Hayth, Mr. Williamson
Mr. Griffin

NAYS: None

ABSENT: None

ABSTAINING: None

There being no further discussion or business items to consider, on motion by Mr. Beahm, seconded by Mr. Swortzel, and carried by the following recorded vote, the School Board meeting was adjourned at 7:11 P. M.

AYES: Mrs. Crook, Mr. Alderson, Mrs. Weddle, Mr. Swortzel, Mr. Beahm

NAYS: None

ABSENT: None

ABSTAINING: None

There being no further discussion or business items to consider, on motion by Dr. Scothorn, seconded by Mr. Leffel, and carried by the following recorded vote, the Board of Supervisors meeting was adjourned at 7:13 P. M. (Resolution Number 18-03-22)

AYES: Mr. Sloan, Mr. Clinton, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: None

ABSTAINING: None