

BOARD OF SUPERVISORS MEETING MINUTES OF SEPTEMBER 14, 2015

At a special meeting of the Pulaski County Board of Supervisors held on Monday, September 14, 2015 at 2:30 p.m., in the Information Technology Training Room located on Commerce Street in the Town of Pulaski, the following members were present: Joseph L. Sheffey, Chairman; Charles Bopp, Vice-Chairman, Andy McCready; and Dean Pratt. Absent: Ranny O'Dell.

Staff members present included: Peter Huber, County Administrator; and Karen Thompson, Assistant County Administrator.

1. Welcome and Call to Order

Chairman Sheffey called the meeting to order and welcomed those in attendance.

2. Other Matters

A. Health Department Funding

Mr. Huber presented a request from the local Health Department for reconsideration of funding in the amount of \$14,359.00 for their 2015-16 budget allocation, with said request for funding due to an increase in rent and 2% pay increases.

Dr. Molly O'Dell, New River Health District Director, advised the Health Department would appreciate reconsideration for the local match to State funding, noting that without the local match, the Health Department would not receive State funds and the locality would be responsible for operating the local Health Department. Dr. O'Dell summarized a review of the budget proposal request and the services offered to Pulaski County in comparison to other localities and the focus of cost for services in Pulaski per client.

Mr. McCready expressed concerns regarding the figures for salaries and services, noting health specialists salaries are at \$68,500. Dr. O'Dell stated the services did not mirror other localities, indicating a revised spreadsheet could be provided for review. Dr. O'Dell advised the initial salary costs for Pulaski included a nurse at \$34,000 that had retired and the revised request was \$14,000. Further, that the duties of the specialists included Health Inspections of Restaurants, Soil Evaluations for Septic Tanks and Wells, and Dog Bite investigations.

Mr. McCready compared W.I.C. statistics presented and questioned how the eligibility was monitored. Dr. O'Dell explained if eligibility was established, mothers were referred for pre-natal care and if they did not have Medicaid, the Health Department would help individuals sign up for Medicaid.

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Dr. O'Dell also advised if there were substance abuse issues, smoking concerns or potential violence concerns, they would work behind the scenes, work with pregnancy issues and refer them to family planning regardless of income status. Mr. McCready questioned fraud investigating for W.I.C. clients and Dr. O'Dell reported the staff did some investigating and the federal audit process had very little findings for fraud.

On a motion by Mr. Pratt, seconded by Mr. Bopp and carried, the Board authorized the request to allocate \$14,359.00 from Contingencies to the Pulaski Health Department 2015-16 budget.

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,
Mr. Pratt

Voting no: None

Mr. McCready requested up-to-date information and expressed his concern for a three-day turn around for well and septic issuance as there was need for more customer friendly, prompt service if people were investing in Pulaski County. Mr. McCready indicated he did not want to see the Health Department being responsible for slow down of progress.

B. Dublin Elementary School Financing

Mr. Huber stated the Bond Council had met today and provided a revised version of interest and payments for improvements to Dublin Elementary School. He noted the Board could not borrow directly and the Industrial Development Authority would have to be the borrower, using the School as collateral. A handout from Davenport and Company provided rates and payments for \$3,475,000 for 15 year debt and for 12 year debt.

- Mr. McCready questioned if there was an early pay-off penalty.
- Mr. Courtney Rogers, Financial Advisor for Davenport and Company stated after six years or half of the note, the loan could be paid off early with no penalty.

On a motion by Mr. McCready, seconded by Mr. Bopp, and carried, the Board of Supervisors authorized the approval of a resolution to approve a plan for the financing of debt for public school improvements for Dublin Elementary School and authorize the chairman to execute all acts and documents necessary to execute a lease and provide for the obligations for appropriations with respect to the lease.

RESOLUTION OF THE BOARD OF SUPERVISORS OF PULASKI COUNTY, VIRGINIA, APPROVING A PLAN FOR THE FINANCING OF DEBT FOR PUBLIC SCHOOL IMPROVEMENTS, AUTHORIZING THE EXECUTION OF A LEASE, AND PROVIDING FOR THE COUNTY'S MORAL OBLIGATION TO MAKE CERTAIN APPROPRIATIONS WITH RESPECT TO THE LEASE

The Board of Supervisors (the "Board of Supervisors") of Pulaski County, Virginia (the "County"), desires to undertake in conjunction with the Industrial Development Authority of Pulaski County (the "Authority") and the School Board of Pulaski County (the "School Board") the financing of capital improvements to Dublin Elementary School (the "School").

The Board of Supervisors requests the Authority (a) to issue a lease revenue bond (the "Bonds"), (b) to use the proceeds of the Bond to pay the costs of the capital improvement project and to pay the costs and expenses incurred in connection with issuing the Bond, (c) to lease from the County or the School Board the School pursuant to the terms of a Prime Lease (as described below), (d) to lease the School back to the County and the School Board pursuant to the terms of Lease Agreement (as described below) and (e) to secure the Bond by assigning to the bondholder the Authority's rights under the Lease Agreement.

As part of the plan for financing, the Authority, the School Board and the Board of Supervisors propose to execute or approve the following documents (the "Documents"):

- a. Prime Lease from the School Board to the Authority with respect to the School;
- b. Lease Agreement from the Authority to the Board of Supervisors and School Board with respect to the School;
- c. Assignment Agreement from the Authority to the bondholder;
- d. Non-Arbitrage Certificate and Tax Compliance Agreement of the Authority, Board of Supervisors and School Board, setting forth the expected use and investment of the proceeds of the Bond and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bond.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PULASKI COUNTY, VIRGINIA:

1. Plan of Refinancing.

(a) The recitals above are by this reference made a part of this Resolution. The plan for financing the capital improvement project as described in this Resolution is approved.

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(b) The Authority will issue the Bond and will apply the proceeds of it to pay the costs of issuing the Bond. The County and the School Board will grant to the Authority leasehold interests in the School pursuant to the terms of the Prime Lease. The Authority will lease the School to the County and the School Board pursuant to the terms of the Lease Agreement. Pursuant to the Lease Agreement, the County will undertake, subject to appropriation, to make payments of Basic Rent and Additional Rent (each as defined in the Lease Agreement) to the Authority in amounts sufficient to amortize the Bond, to pay the fees or expenses of the Authority and to pay certain other related costs. The obligation of the Authority to pay principal of and premium, if any, and interest on the Bond will be limited to amounts received by the Authority under the Lease Agreement and assigned to the bondholder. The Bond shall provide that the County will have no obligation to pay the Bond or the interest thereon or other costs incident thereto. The Bond will be secured in part by an assignment to the bondholder of the payments of Basic Rent and certain Additional Rent due under the Lease Agreement. The undertaking by the County to make payments of Basic Rent and Additional Rent will be subject to the appropriation by the Board of Supervisors of the County from time to time of sufficient amounts for such purposes. The plan for financing the Project may contain such additional requirements and provisions as requested by the purchaser of any of the Bond, and approved by the officer of the County executing the Documents in accordance with Section 2 of this Resolution.

(c) The rental payments to be made by the Board of Supervisors under the Lease Agreement will be sufficient to pay the debt service on the Bond. The Bond will be in such form and content as determined by the Authority, provided, however, that (i) the aggregate principal amount of the Bond will not exceed \$3,600,000, (ii) the Bond shall be sold to Branch Banking and Trust Company on substantially the terms and conditions set forth in its proposal dated August 20, 2015, given in response to the County's request for proposals, which proposal has been presented to the Board of Supervisors at this meeting and is approved and accepted by the Board of Supervisors.

2. Execution of Documents. Any one of the Chairman, Vice-Chairman and the County Administrator is authorized and directed to approve the final form and content of the Documents and to execute and deliver the Documents to which the County is a signatory. The form and content of each Document shall be consistent with this Resolution and as approved by the officer of the County signing it, his execution to constitute conclusive evidence of his approval of any such form and content. The County Administrator is authorized and directed to take such actions and give such notices as may be required of him under the Prime Lease and Lease Agreement. All other acts of the County Administrator 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 Bond are authorized and approved to be taken, and any such acts previously taken are ratified.

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3. Moral Obligation. The Board of Supervisors is not empowered to make any binding commitment beyond the current fiscal year of the Board of Supervisors; nevertheless it is the current intention of the Board of Supervisors to make sufficient annual appropriations during the lease term to pay all rental payments and other amounts required to be paid by the Board of Supervisors under the Lease Agreement and hereby recommends that future Board of Supervisors do likewise during the term of the Lease Agreement. Notwithstanding anything in the Lease Agreement to the contrary, the Board of Supervisor's obligation to pay the cost and expense of performing its obligations under the Lease Agreement, including without limitation its obligation to pay all Rental Payments and all other amounts required to be paid by the Board of Supervisors under the Lease Agreement, shall be subject to and dependent upon appropriations being made from time to time by the Board of Supervisors for such purpose.

4. Essential Facility. The Board of Supervisors declares that the School is essential to the efficient operation of the County and anticipates that the School will continue to be essential to the operation of the County during the term of the Lease Agreement.

5. Costs. All costs and expenses in connection with the undertaking of the Project and the issuance of the Bond, including the Authority's fees and expenses and the fees and expenses of bond counsel, counsel for the Authority and counsel for the County shall be paid from the proceeds of the Bond or other legally available funds of the County. If for any reason the Bond is 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 not have any responsibility therefor.

6. Effective Date. This Resolution shall take effect immediately upon its adoption.

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp, Mr. Pratt.
Voting no: None.

C. Old School Board Office

Mr. Huber advised the Board that he had advertised for proposals for reuse or destruction of the old school board office, noting the Library had used the building for storage and the building contained wood-work and stained glass. Mr. Huber described a slide show presentation of the old offices. Mr. Huber questioned if the Board would want to start demolition.

Mr. McCready suggested efforts be made to reach out to the schools or members of the public for salvaging of the wood.

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On a motion by Mr. McCready, seconded by Mr. Pratt, and carried, the Board of Supervisors authorized the County Administrator to proceed with intent to demolish the old School Board office; giving at least six weeks before commencing work in an effort to give additional opportunity for someone to express interest.

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,
Mr. Pratt.

Voting no: None.

D. Adult Day Care

Mr. Ty Kirkner presented an update on the status of plans for the Adult Day Care Project; a 501-C3 non-profit facility. The projections include a 220-250 sq. ft. facility with 30 units and 450 patients per year. Mr. Kirkner described the steps taken to establish a corporation with a business plan, as well as fundraising tools. Mr. Kirkner also described the status of funding of the project and a projected shortfall of \$66,939.00. Following discussion, the request was to move forward with support by the Board of Supervisors with a tentative date of fall 2016 for opening.

On a motion by Mr. McCready, seconded by Mr. Bopp and carried, the Board authorized the appropriation of \$66,939.00 from contingency to fund the Adult Day Care Project.

Voting yes: Mr. McCready, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,
Mr. Pratt.

Voting no: None.

E. Assistance to Firefighters Grant

Josh Tolbert presented a request to the Board for 10% matching funds for a grant received to purchase new breathing packs fire equipment, allowing for meeting the National Fire Protection Association equipment standards, with the cost of the equipment to be \$60,445.00. Mr. Tolbert explained the need for the same type of equipment at the different fire stations.

Board members and staff discussed selling the equipment being replaced, with funds to be returned to the fire departments. Mr. McCready stated the Town of Pulaski was included under the umbrella of this grant. Further, that turning in of the old equipment would be a condition of support for new equipment distribution.

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On a motion by Mr. Pratt, seconded by Mr. McCreedy and carried, the Board authorized 10% matching funds in the amount of \$60,445.00 be allocated from Contingency funds for the Firefighters Grant subject to old equipment being turned in and surplus from sales of the old equipment will be returned to the Fire Department operating funds.

Voting yes: Mr. McCreedy, Mr. O'Dell, Mr. Sheffey, Mr. Bopp,
Mr. Pratt.

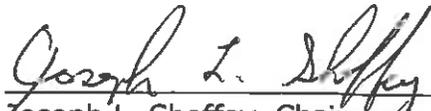
Voting no: None.

3. Adjournment

On a motion by Mr. Bopp, seconded by Mr. McCreedy and carried, the Board of Supervisors adjourned to the next regularly scheduled meeting for Monday, September 28th beginning with a closed session at 5:00 p.m., and regular meeting at 7:00 p.m., with said meeting to be held in the County Administration Building.

Voting yes: Mr. McCreedy, Mr. O'Dell, Mr. Sheffey, Mr. Bopp, Mr. Pratt.
Voting no: None.


Peter M. Huber, County Administrator


Joseph L. Sheffey, Chairman