

BOARD OF SUPERVISORS MEETING

May 19, 2020

A meeting of the Campbell County Board of Supervisors was held on the 19th day of May 2020 in the Board of Supervisors meeting room of the Walter J. Haberer Building, Rustburg, Virginia. The members present were:

Charlie A. Watts II, Chairman, Presiding	Brookneal Election District
Kenneth R. Brown	Spring Hill Election District
Matt W. Cline	Concord Election District
Jon R. Hardie	Rustburg Election District
Susan R. Hogg	Timberlake Election District
A. Dale Moore	Altavista Election District
Steve W. Shockley	Sunburst Election District

Also present were:

Frank J. Rogers, County Administrator
Clifton M. Tweedy, Deputy County Administrator
Kristin B. Wright, Staff Attorney
Catherine H. Moore, Clerk

Chairman Watts called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance followed by a moment of silence.

// FINANCING FOR RADIO SYSTEM AND MIDDLE SCHOOL PROJECTS

Over the past several months the County has been working on a plan of finance for the Rustburg Middle School project. As the Board would recall, staff along with its financial advisors travelled to New York to meet with the three credit reporting agencies. Following that meeting, the County successfully achieved an AA rating. (A triple AAA rating was generally achieved by larger localities with more industries and possibly large universities.) David Rose of Davenport & Company was present to review next steps for long term financing.

Mr. Rose indicated the bond issue would include \$4.5 million for the Public Safety Radio System and \$40 million (90%) for the Rustburg Middle School Project. Should the bids for the school project come in under \$40 million, those excess payments would be used to pay down the debt service. Current interest rates were favorable, and it was hopeful an interest rate of 3.5% would be obtained for the school project. The loan for the radio system would be over 12 years with an estimated 2.41% rate. The School project would be financed over a period of 27 years with an estimated 3.5% interest rate. The required resolution to move forward with the bond issue would cap the interest rate at five (5%) percent. The length of the loans was sized along the useful life of the projects. While the school had a longer useful life than 27 years, it was projected the school would be needing some improvements at 25+ years old, and the debt would be paid by then.

Once the Board adopts the required resolution, Mr. Rose would meet with the Industrial Development Authority (IDA) on May 26 or 27th. The IDA would act as the conduit for the bond funds. Approval would also be requested from the School Board on June 8th. Davenport would reach out to lenders during another bid process to receive the best interest rates. It was anticipated the bonds would be marketed and sold by the end of June 2020.

There was agreement by the Board to move forward with adoption of the resolution.

On motion of Supervisor Hardie, it was resolved the Board of Supervisors adopts the following resolution:

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF CAMPBELL, VIRGINIA**

WHEREAS, the Board of Supervisors (**the “Board”**) of County of Campbell, Virginia (**the “County”**), deems it to be in the best interests of the County to provide funds to finance certain costs in connection with the acquisition, design, construction and equipping of a new middle school to be located within the County (the "School Project") and upgrades to the public safety communications system in the County (**the "Public Safety Project" together with the School Project, the “Project”**) and has received from Davenport & Company LLC (**the “Financial Advisor”**) a plan of financing for the Project; and

WHEREAS, the Board will request the Industrial Development Authority of the County of Campbell, Virginia (**the “Authority”**) to (a) issue, offer and sell its public facility lease revenue bonds in an amount of up to \$50,000,000 (**the “Bonds”**) to finance the Project and to pay the costs of issuance of the Bonds, to accomplish certain purposes of the Virginia Industrial Development Revenue Bond Act (**the “Act”**), with the Board providing its moral obligation in support of the payment of the Bonds, (b) lease from the County and the School Board of Campbell County, Virginia (**the “School Board”**) certain County and School Board property consisting of the existing site of Rustburg Middle School, plus adjacent property being acquired by the County in connection with the School Project (**the “Leased Property”**), pursuant to a ground lease and, in turn, lease to the County the Leased Property pursuant to a lease agreement between the County and the Authority, (c) secure the Bonds by an assignment of its rights under such lease agreement and ground lease (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) to a corporate trustee to be selected by the County (**the “Trustee”**), under an assignment agreement between the Authority and the Trustee, which is to be acknowledged and consented to by the County, all in accordance with a bond purchase agreement among (i) an underwriter or underwriters to be selected by the County based on input from the Financial Advisor (**the “Underwriter”**), (ii) the County and (iii) the Authority; and

WHEREAS, the rent and other payments to be made to the Authority by the County pursuant to the lease agreement will be payable solely from funds appropriated therefor by the Board from time to time and will not under any circumstances constitute a pledge of the full faith and credit or taxing power of the County; and

WHEREAS, there have been presented to this meeting drafts of the following documents (**collectively, the “Documents”**) in connection with the transactions described above, copies of which shall be filed with the records of the County Administrator:

- a. a Ground Lease, among the County, the School Board and the Authority conveying to the Authority a leasehold interest in the Leased Property (**the “Ground Lease”**) for a term of approximately ten years longer than the term of the Bonds;
- b. an Indenture of Trust between the Authority and the Trustee, and approved by the County, relating to the issuance of the Bonds (**the “Indenture”**);
- c. a Financing Lease between the Authority and the County conveying to the County the Leased Property (**the “Financing Lease”**);
- d. a Bond Purchase Agreement, among the Authority, the County and the Underwriter, pursuant to which the Bonds are to be issued (**the “Bond Purchase Agreement”**);
- e. an Assignment of Rents and Leases between the Authority and the Trustee, assigning to the Trustee certain of the Authority’s rights under the Financing Lease and the Ground Lease, which is to be acknowledged and consented to by the County and the School Board (**the “Assignment Agreement”**); and
- f. a Specimen Bond.

WHEREAS, there has also been presented to this meeting a copy of the Preliminary Official Statement (**the “Preliminary Official Statement”**) relating to the public offering of the Bonds that has been prepared in connection with the issuance and sale of the Bonds;

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

1. The issuance and sale of the Bonds, pursuant to and upon the terms and conditions set forth herein and in the Indenture and the Bond Purchase Agreement, and the financing of the Project and leasing of the Leased Property for the benefit of the County are hereby approved and authorized. The following plan for financing the costs of the Project is approved. The Authority shall use the proceeds from the issuance of the Bonds to finance the Project. The Authority shall lease the Leased Property to the County for a lease term not less than the term of the Bonds at a rent sufficient to pay when due the interest and principal on the Bonds. The obligation of the Authority to pay principal and interest on the Bonds will be limited to rent payments received from the County under the Financing Lease. The obligation of the County to pay rent under the Financing Lease will be subject to the Board making annual appropriations for such purpose. The Board on behalf of the County has adopted this resolution as its moral obligation to the repayment of the Bonds. The Bonds will be secured by the Assignment Agreement to the Trustee on behalf of the Bondholders. If the Board exercises its right not to appropriate money for rent payments, the Bondholders may terminate the Financing Lease or otherwise exclude the County from possession of the Leased Property.

2. The Documents shall be in substantially the forms submitted to this meeting, which are hereby approved with such completions, omissions, modifications, insertions and changes, including, but not limited to rates, redemption premium, payment dates, amounts, prices, maturities, as may be approved, based on the recommendation of the Financial Advisor, by the Chairman or in his absence, the Vice Chairman, of the Board (**together, the "Chairman"**), the County Administrator (**the "County Administrator"**) or the other officers executing them, their execution to constitute conclusive evidence of his or her approval of any such completions, omissions, modifications, insertions and changes.

3. The Chairman or the County Administrator and all other appropriate officers of the County are each hereby authorized and directed to execute the Documents and to deliver the Documents to the other parties thereto and to execute all certificates and documents, including but not limited to a federal tax compliance certificate and agreement relating to the tax-exempt status of the interest on the Bonds and a continuing disclosure agreement relating to compliance with the below-described Rule, and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds, the accomplishment and financing of the Project and the leasing of the Leased Property.

4. The Preliminary Official Statement in the form presented to this meeting is approved with respect to the information contained therein pertaining to the County. The Underwriter is authorized to distribute to prospective purchasers of the Bonds, the Preliminary Official Statement in 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 Chairman or the County Administrator. 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 Chairman or the County Administrator 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 5, and the details thereof and that are appropriate to complete it as an official statement in final form (**the "Official Statement"**) and distribution thereof by the Underwriter shall constitute conclusive evidence that the County has deemed the Official Statement final as of its date within the meaning of the Rule, with respect to the information contained therein pertaining to the County.

5. The County hereby authorizes the sale of the Bonds to an underwriter or group of underwriters with demonstrated experience in underwriting municipal securities ("**Underwriter"**) to be selected by the County Administrator. The Chairman or the County Administrator is authorized and directed to enter into the Bond Purchase Agreement containing the terms and the price or prices upon which the Bonds shall be sold to the Underwriter, which terms and prices shall be established by the Chairman or the County Administrator, upon negotiation with the Underwriter, based on the recommendations of the Financial Advisor, and not inconsistent with the provisions of this Resolution. The Bonds shall mature not later than

December 31, 2049, with such maturities and sinking fund and optional redemption provisions as the officers of the County approving such terms shall deem appropriate based on the recommendation of the Underwriter and the Financial Advisor (but any redemption premium shall not exceed two percent (2%)), and shall be sold initially at a purchase price (exclusive of original issue discount) of not less than 98% of the face amount of the Bonds plus interest accrued thereon to the date of issuance of the Bonds, if any, in any case so as to produce an annual true interest cost of the Bonds of not to exceed 5.00%.

6. The Chairman or the County Administrator is authorized and directed to execute, deliver and, as appropriate, record the Ground Lease, the Financing Lease and the Assignment Agreement, and all necessary certificates and documents and to approve the terms of the Indenture and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the financing of the Project. The Chairman or the County Administrator is authorized to select a corporate trustee to act as Trustee under the Indenture. The Chairman, the County Administrator, County Attorney, County Treasurer and County Finance Director and all other officers of the County are hereby authorized and directed to work with representatives of the Authority, the Financial Advisor, Bond Counsel (Sands Anderson PC), the Underwriter and counsel to the Underwriter to perform all services and prepare all documentation necessary to bring the Bonds to market and to issue the same.

7. 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.

8. The Leased Property is hereby declared to be essential to the efficient operation of the County, and the Board anticipates that the Leased Property will continue to be essential to the operation of the County during the term of the Bonds.

9. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the "Code"**) or otherwise cause the interest on the Bonds to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bonds.

10. Nothing in this Resolution, the Bonds, the Documents or the Bond Purchase Agreement shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bonds or the Documents except from payments made by or on behalf of the County under the Financing Lease pursuant to annual appropriation thereof in accordance with applicable law. The Board, 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 annual appropriations in future fiscal years in amounts sufficient to make all payments under the Financing Lease and hereby recommends that future Boards do likewise during the term of thereof.

11. The Board of Supervisors has determined to authorize the County, if and as necessary, to utilize SNAP in connection with the investment of the proceeds of the Bonds.

12. The Board of Supervisors hereby approves Sands Anderson PC serving as Bond Counsel.

13. All other acts of the officers of the County that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the accomplishment and financing of the Project are ratified and approved.

14. This Resolution shall take effect immediately.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Board of Supervisors of the County of Campbell, Virginia hereby certifies that the Resolution set forth above was adopted in an open meeting on May 19, 2020, by the Board of Supervisors with the following votes:

The roll call vote was: Aye: Brown
 Aye: Cline
 Aye: Hardie
 Aye: Hogg
 Aye: Moore
 Aye: Shockley
 Aye: Watts
 Nay: None
Absent During Meeting: None
Absent During Vote: None

// UPDATE ON CORONAVIRUS PANDEMIC IN COUNTY

Administrator Rogers indicated the number of cases in Campbell County was still at 13 with 3 hospitalized and 1 death. The call volume in Public Safety had increased slightly, and Campbell County was fortunate not to see a large volume of COVID cases at this time. Staff has been advised of federal funding available for response to the COVID 19 pandemic and would be evaluating how those funds might be utilized. Campbell County has been allotted a little more than \$4.7 million for its response to the pandemic. The County offices have reopened with minimal staffing and with safety protocols in place to continue being vigilant and mindful of the spread of the virus.

Chairman Watts asked if there had been any complaints from the business community on the reopening of businesses. Administrator Rogers advised that other than the citizens that appeared before the Board on May 5th, he had not heard any complaints. He had received correspondence from the hotel industry indicating its occupancy was down and asking if the County could help.

// UPDATE ON EVINGTON FIRE FIGHTERS

In answer to a question from the Board, two Evington Volunteer Fire Fighters were improving, and one was expected to be released from the hospital soon. The two firefighters were seriously injured in an ATV accident over the weekend.

// ADJOURNMENT

On motion of Supervisor Cline, the meeting was adjourned at 6:35 p.m.

The vote was: Aye: Brown, Cline, Hardie, Hogg, Moore, Shockley, Watts
 Nay: None
 Absent: None

CHARLIE A. WATTS, II, CHAIRMAN

Approved: _____