At a regular meeting of the Orange County Board of Supervisors held on Tuesday, May 8, 2007 beginning at 4:00 p.m., in the Meeting Room of the Gordon Building, 112 West Main Street, Orange, Virginia. Present: R. Mark Johnson, Chairman; Clement L. Dodson, Vice-Chairman; Richard D. Wallace; Thomas E. Graves; and Teri Pace. Also, Present: William C. Rolfe, County Administrator; Todd G. Patrick, County Attorney; and Donna D. Curry, Chief Deputy Clerk.

RE: ADOPTION OF AGENDA

Mr. Dodson moved, seconded by Mr. Wallace and carried, to approve the agenda as presented. Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: CONSENT AGENDA

Mr. Dodson moved, seconded by Mr. Wallace and carried, to approve the following consent agenda items excluding the budget transfers. Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

Following discussion, Mr. Wallace moved, seconded by Mr. Dodson and carried, to approve the following budget transfers as presented. Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: SUPPLEMENTAL APPROPRIATIONS

The Board approved the following supplemental appropriations:

- $1,805.00 from Donations 18990-0305 to Animal Shelter, Emergency Veterinary Fund (35200-3115);
- $6,352.96 from Donations 18990-0305 to cover costs of surgery to Animal Shelter, Shelter S/N (35200-3116);
- $15.00 from Donations 18990-0305 to Animal Shelter, Animal Shelter's Building Fund (94530-1055);
- $3,685.00 from Adoption Fees 16060-0150 to Animal Shelter, Adoptable S/N (35200-3116);
- $25.85 from Donations 18990-0305 to Animal Shelter, Shelter S/N (35200-3116);
- $403.01 from Donations 18990-0305 to Emergency Veterinary Fund (35200-3115);
- $1,125.00 from Donations 18990-0305 to Animal Shelter, Shelter S/N (35200-3116);
- $1,055.50 from Donations 18990-0305 to Animal Shelter, Animal Shelter's Building Fund (94350-1055);
- $62,162.00 from New State Revenues to support CSA services to Welfare & Social Services, Residential Mandated service (53510-5651);
- $21,590.00 from New State Revenues to support CSA services to Welfare & Social Services, Residential/private/mandated service (53510-5652);
- $61,148.00 from New State Revenues to support CSA services to Welfare & Social Services, Nonresidential mandated service (53510-5653);
- $12,981.39 from Carry over request from FY06 funds to Welfare & Social Services, Comp Services Act Pool Funds (53510-5650);
- $4,567.84 from Four for Life Funds in excess of budget to Orange County Fire & EMS, Four For Life fund expenditures (32310-5850);
- $11,627.00 from State Emergency Revenues for Surveillance Camera system to Capital Projects Fund, Wireless Project (312-94400-3100);
- $9,953.00 from DMV Grant 154AL-2007-57080-2555 to Sheriff's Office, Sheriff O/T DMV (31200-1206);
- $2,047.00 from DMV Grant 154AL-2007-57080-2555, Radar Units to Sheriff's Office, DMV Grant-Equipment (31200-8191);
- $5,430.00 from Additional Headstart Grant to Headstart Fund, Training (210-61310-3002).

RE: BUDGET TRANSFERS

The Board approved the following budget transfers:

- $10,000.00 from Parks & Recreation, OES PT Salaries (100-71310-1322) to Parks & Recreation, LES PT Salaries (100-71320-1322);
- $765.00 from Parks & Recreation, OES FICA (100-71310-2100) to Parks & Recreation, LES FICA (100-71320-2100);
- $2,000.00 from Parks & Recreation, District 3 Park – 6001 (100-71233-6001) to Parks & Recreation, Child Garden Repairs & Maint. (100-71350-3310);
- $2,000.00 from Parks & Recreation, District 3 Park – Concession (100-71233-6002) to Parks & Recreation, Prospect Annex – Capital (100-94800-1010);
- $7,000.00 from Parks & Recreation, GBES FT Salaries (100-71300-1111) to Parks & Recreation, LGES PT Salaries (100-71330-1322);
- $536.00 from Parks & Recreation, GBES FICA (100-71300-2100) to Parks & Recreation, LGES FICA (100-71330-2100);
- $3,000.00 from Parks & Recreation, GBES Salaries (100-71300-1111) to Parks & Recreation, GBES PT Salaries (100-71300-1322);
- $3,500.00 from Parks & Recreation, Furniture (100-71100-8102) to Parks & Recreation, Equipment (100-71200-8102);
- $10,000.00 from Parks & Recreation, OES PT Salary (100-71310-1322) to Parks & Recreation, Programs PT Salary (100-71200-1322);
- $1,000.00 from Parks & Recreation, OES FICA (100-71310-2100) to Parks & Recreation, Programs FICA (100-71200-2100);
- $100,000.00 from Office On Youth, Reserve-CSA Mandated Services (100-53510-5660), $42,800.00 to Office On Youth, Residential Mandated Services (100-53510-5651), $14,900.00 to Office On Youth, Residential/private/mandated svc (100-53510-5652), $42,300.00 to Office On Youth, Nonresidential mandated svc (100-53510-5653);
- $5,000.00 from Parks & Recreation, District 3 Park - Maintenance (100-71233-6007) $2,000.00 to Parks & Recreation, Aquatics – Repairs & Maint. (100-71225-3310), $3,000.00 to Parks & Recreation, Aquatics – Supplies (100-71225-6013);
- $300.00 from Parks & Recreation, Telephone (100-71350-5230), $500.00 from Parks & Recreation, Telephone (100-71216-5239), $800.00 to Parks & Recreation, Telephone (100-71100-5230);
- $3,000.00 from Parks & Recreation, Boosters – Rec Supplies (100-71200-5650) to Parks & Recreation, Office Supplies (100-71100-6001);
- $995.72 from Human Resources, Employee Appreciation (100-12220-2901) to Animal Shelter, Shelter Uniforms (100-35200-6011).

RE: MINUTES

The Board approved the following minutes:

- March 13, 2007 Regular Meeting
- March 22, 2007 Subdivision Ordinance Worksession
- March 27, 2007 Regular Meeting
- April 9, 2007 Regular Meeting.

RE: 84 LUMBER RESOLUTION OF SUPPORT FOR INDUSTRIAL ACCESS RAILROAD TRACK FUNDS

Mr. Dodson moved, seconded by Mr. Wallace and carried, to approve the following resolution of support for a request by 84 Lumber to the Commonwealth Transportation Board for Industrial Access Railroad Track Funds:

A RESOLUTION TO SUPPORT A REQUEST BY 84 LUMBER TO THE COMMONWEALTH TRANSPORTATION BOARD FOR INDUSTRIAL ACCESS RAILROAD TRACK FUNDS

WHEREAS, 84 Lumber has expressed its intent and desire to the Board of Supervisors to locate a truss manufacturing operation in the Thomas E. Lee Industrial Park in Orange County; and

WHEREAS, 84 Lumber and its operation will require rail access; and

WHEREAS, 84 Lumber is applying for Industrial Access Railroad Track Funds from the Commonwealth of Virginia Department of Rail and Public Transportation in the amount of $186,250; and

WHEREAS, 84 Lumber has requested that the County provide a resolution supporting its application for said funds.

NOW, THEREFORE, BE IT RESOLVED by the Orange County Board of Supervisors, that it hereby endorses and supports the application of 84 Lumber for One Hundred Eighty-Six Thousand Two Hundred Fifty Dollars ($186,250) in Industrial Access Railroad Track Funds; and

NOW, THEREFORE BE IT FURTHER RESOLVED that the Board hereby encourages the Commonwealth Transportation Board to approve the grant request and provide the maximum allowable financial assistance to 84 Lumber for the purpose of locating its manufacturing facility in Orange County.

Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: PUBLIC APPEARANCES

RE: VDOT UPDATE

Don Gore, VDOT Resident Engineer, updated the Board on the status of various projects within Orange County and the Supervisors discussed various projects within their districts.

RE: BOARD OF EQUALIZATION REPORT

Tim Ferguson, Chairman of the Board of Equalization, briefly summarized meetings of the Board of Equalization, problems with the recent reassessment and suggestions for future reassessments. Mr. Ferguson concluded by saying that the biggest help came from the office of the Commissioner of the Revenue.

The Board members thanked Mr. Ferguson and the Board of Equalization for its service to the citizens of Orange County, and also thanked the media representatives for articles in the paper educating the public on the reassessment process.

RE: ACTION ITEMS

RE: CARRY-FORWARD TEXTBOOK FUNDS

Ted Coberly, Assistant County Administrator, explained that the Textbook Fund serves as both a fund into which monies are placed and accumulated for the purpose of replacing textbooks, and a fund from which monies are expended to replace textbooks. As a result, it has been County policy that, once funds are appropriated into the Textbook Fund, they will only be moved from the Fund for the purpose of textbook acquisition or with the approval of the Board of Supervisors. It is intended that any funds remaining in the Fund at the end of the fiscal year be retained in that fund and will not revert to the General Fund. In this way, the School Division can, over a period of years, accumulate monies to be used for large textbook purchases without undue impact on any single year's budget. He explained that at the end of FY06, there was $29,209.73 remaining in the Textbook Fund. Due to an accounting error, these funds reverted to the General Fund rather than remaining in the Textbook Fund as intended. Mr. Coberly concluded by saying

that staff recommends that the Board appropriate $29,209.73 from the General Fund balance to the Textbook Fund to correct the error. He noted that the transfer of these funds was taken into consideration by staff in its estimate of the amount of money remaining as excess to the General Fund balance requirements after approval of the FY 2008 Budget.

Mr. Dodson moved, seconded by Mr. Wallace and carried, to approve the appropriation of $29,290.73 from the General Fund Balance to the School division Textbook fund to correct the accounting error that occurred in FY 2006 and restore money intended to remain in the Textbook Fund. Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: AWARD OF MAINTENANCE CONTRACT FOR EMERGENCY RESPONSE COMMUNICATIONS SYSTEMS

Melissa McDaniel, Director of Emergency Management & Operations, explained that a Request for Proposal (RFP) and a Statement of Work (SOW) for the Emergency Response Communications Systems Maintenance was received and reviewed by the E911 Center Manager; the County Procurement Technician; and herself. She stated that only one proposal was received, which was submitted by Clear Communications and Electronics, Inc. She stated that key areas of concern were addressed in the RFP and SOW which included: increased response times; preventive maintenance; and experience and qualifications of technicians. 70% of the contract is funded from the Emergency Management and Operations budget while the remaining 30% is funded from the Sheriff's Office budget. A breakdown of the proposal is as follows:

- Year One: 5/1/2007-4/30/2008 $16,900 ($1,408.33/month)
- Year Two: 5/1/2008 – 4/30/2009 $17,900 ($1,491.66/month)
- Year Three: 5/1/2009 – 4/30/2010 $18,900 ($1,575.00/month)

The total cost for two years - $34,800; and three years - $53,700. (An additional 5% discount allowed with annual pre-payment.)

Ms. McDaniel concluded by saying that Clear Communications is qualified to continue to maintain the Emergency Response Communications System which is currently in place within Orange County; and noted that the Sheriff's Office concurs with this recommendation as well.

Mr. Graves moved, seconded by Mr. Dodson and carried, to authorize the County Administrator to execute the Emergency Response Communications Systems Maintenance Contract and Notice of Contract Award with Clear Communications and Electronics, Inc., effective May 1, 2007.

RE: ESTABLISHMENT OF THE DEPARTMENT OF FIRE AND EMS CADETS

Ted Coberly, Assistant County Administrator, reported that the Department of Fire and EMS has advised that, to achieve certification, high school students participating in the EMS classes at the high school would soon be required to ride with paid staff on calls and treat patients. He indicated that other localities provide insurance coverage for students under these circumstances through the policies that are maintained for volunteers. Mr. Coberly stated that he had contacted the Virginia Association of Counties (VACo), the County's principal insurance company, to determine if any existing coverage would cover the students. The senior underwriter at VACo said no and explained that many schools have coverage that could be relevant under the described circumstances.

Mr. Graves moved, seconded by Mr. Wallace and carried, to approve the following resolution establishing the County of Orange Department of Fire and EMS Cadets and other actions as described:

A Resolution to Establish the County of Orange Department of Fire & EMS Cadets

WHEREAS the Board of Supervisors have authorized the establishment of an academic program to provide emergency medical technician (EMT) and basic firefighter education in the County's high school; and

WHEREAS the implementation of this program requires high school EMT students to ride ambulances and treat patients under a licensed emergency medical services agency and the firefighter students must perform hazardous skills using fire suppression equipment and prove their ability through a live fire exercise in order to meet the requirements for State certification; and

WHEREAS it is in the County's best interests to ensure that these high school students are medically insured against possible injury incurred during this out-of-classroom education; and

WHEREAS these high school students are not County employees but rather volunteers for this education and may not be covered by workers' compensation insurance; and

WHEREAS the School Board has no insurance in place that would cover this educational activity; and

WHEREAS County medical insurance provided to firefighter and EMS volunteers is only applicable to organizational activities named in the policy; and

WHEREAS these high school students are properly considered as volunteers to the County Fire and EMS Department during their EMT and firefighter education; and

WHEREAS the County Fire and EMS Department does not currently have a volunteer auxiliary to which these high school students may be added.

NOW THEREFORE BE IT RESOLVED by the Orange County Board of Supervisors as follows:

1) That the COUNTY OF ORANGE DEPARTMENT OF FIRE AND EMS CADETS is established as a volunteer organization under the auspices of the County of Orange Department of Fire and EMS for the purpose of facilitating the education and certification of high school students enrolled in the EMT-Basic and Firefighter courses at the Orange County High School.

2) That the Orange County insurance policy with the Hartford Life and Accident Insurance Company, policy number 14 VP 840591, and each succeeding policy will be modified to change the policyholder's name and address to:

Orange County Board of Supervisors
P.O. Box 111
Orange, Virginia 22960

3) That the Orange County insurance policy with the Hartford Life and Accident Insurance Company, policy number 14 VP 840591, and each succeeding policy will be modified to add the Orange County Department of Fire and EMS Cadets as a named volunteer organization covered by the policy.

Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: VIRGINIA DEPARTMENT OF AVIATION GRANT – AIRPORT PROMOTION

Ted Coberly, Assistant County Administrator, explained that each year the airport budgets funds to use in promoting the airport to increase the number of based aircraft, transient

users and ultimately reduce the amount that County taxpayers pay for airport operations. The budget for advertising and promotion in the current year is $5,000. He indicated that the State Department of Aviation offers grant funding to assist in the promotion of general aviation airport operations. The Airport Manager has applied for and received a grant to produce a new tri-fold glossy brochure promoting the airport. Mr. Coberly stated that the plan is to contract with a vendor for final design and printing. The County Administrator will approve the final design but the Airport Manager will work with Tourism and Economic Development to ensure the content meets County needs. Conceptually, it will include pictures of current facilities and based aircraft, a description of the services available at the airport and a description and graphical depiction of future development plans. The intent is to produce about one year's supply and have it distributed to the State Department of Aviation, the Orange Chamber of Commerce, the County Tourism Office and outlets, and the Airport. The brochure will also be available on the County website. Mr. Coberly reported that the State will fund 50% of the cost of this project and, based on the estimated cost, the grant is in the amount of $2,295. The County has $2,400 set aside to cover the County's share of the cost. Should the total cost reach $4,800, the County has the ability to seek a $105 increase in the grant amount. He noted that it is anticipated that the brochure will be updated annually and State grant funds are expected to be available each year to share the cost burden. Mr. Coberly concluded by saying that staff recommends the Board approve the acceptance of State grant funds and requests appropriation of $2,295 in grant funds.

Mr. Dodson moved, seconded by Mr. Wallace and carried, to authorize the County Administrator to accept the Department of Aviation Grant and execute all documents associated with the grant and appropriate $2,295 in State grant funding, Fund 504, line 81700-3600. Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: AUGMENTATION OF BANK SERVICE CHARGES FUNDS

Ted Coberly, Assistant County Administrator, explained that the County budgeted $5,000 to cover bank service charges associated with permitting citizens to pay taxes and fees with credit cards. He noted that there was not a good experience base which could be relied upon to determine the total funding needed for the service during the budgetary process. The current year's bank costs (through March) to provide the service is $12,948.97. Projecting costs through the end of the fiscal year, it is expected that an additional $12,000 will be required. Increasing the line by $12,000 will bring the total budget for this line item to $17,000. He concluded by saying that staff recommends that an additional $12,000 be transferred from the Contingency Fund for this purpose. At this time, the current contingency fund balance is $73,879.04. Should the Board approve the proposed action, the contingency fund balance will be $61,879.04.

Phyllis M. Yancey, Treasurer, stated that the Treasurer's Office has seen a good response to on-line payments.

Mr. Wallace moved, seconded by Mr. Dodson and carried, to approve the transfer of $12,000.00 from the contingency fund to budget line 12410-3185 to fund bank service charge fees through the end of the fiscal year. Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: RESOLUTION TO ENACT THE SPECIFIC RELIEF METHOD OF PERSONAL PROPERTY TAX RELIEF

Ted Coberly, Assistant County Administrator, stated that in accordance with the County ordinance adopted on December 13, 2005, each year the County staff, in consultation with the Commissioner of the Revenue and the Treasurer, determines the extent to which Personal Property Tax Relief Act (PPTRA) funds projected to be received from the state will provide relief to the Orange County taxpayers. He indicated that staff has estimated the personal property tax revenues to be received in calendar year 2007 and compared those to the budgeted PPTRA funds expected from the State and determined the personal property tax relief available in tax

year 2007 to be 56%. This contrasts with the 70% figure for 2005 and earlier years and the 63% relief provided in 2006. Mr. Coberly concluded by saying that implementation of the 56% relief rate for 2007 requires a Board resolution.

Mr. Dodson moved, seconded by Mrs. Pace and carried, to approve the following resolution to enact the specific relief method of personal property tax relief for calendar year 2007 at the rate of 56%:

A RESOLUTION TO ENACT THE SPECIFIC RELIEF METHOD OF PERSONAL PROPERTY TAX RELIEF

WHEREAS the Personal Property Tax Relief Act of 1998, Va. Code Section 58.1-3523 et seq. ("PPTRA"), has been substantially modified by the enactment of Chapter 1 of the Acts of Assembly, 2004 Special Session I (Senate Bill 5005), and the provisions of Item 503 of Chapter 951 of the 2005 Acts of Assembly (the 2005 revisions to the 2004-06 Appropriations Act, hereinafter cited as the "2005 Appropriations Act"); and

WHEREAS these legislative enactments require the County to take affirmative steps to implement these changes, and to provide for the computation and allocation of relief provided pursuant to the PPTRA as revised; and

WHEREAS these legislative enactments provide for the appropriation to the County, commencing in 2006, of a fixed sum to be used exclusively for the provision of tax relief to owners of qualifying personal use vehicles that are subject to the personal property tax ("PPT") on such vehicles; and

WHEREAS on December 13, 2005, the Orange County Board of Supervisors adopted an ordinance to provide for the implementation of the 2004-2005 changes to the Personal Property Tax Relief Act of 1998 – Specific Relief; and

WHEREAS the Orange County Commissioner of the Revenue, Orange County Treasurer and the Orange County Finance Director have calculated that the revenue to be received by the County from the State for PPTRA equates to approximately 56% rather than the 70%.

NOW THEREFORE BE IT RESOLVED by the Orange County Board of Supervisors as follows:

1) In accordance with the requirements set forth in Section 58.1-3524(C)(2) and Section 58.1-3912(E) of the Code of Virginia, as amended by Chapter 1 of the Acts of Assembly (2004 Special Session 1) and as set forth in Item 503.E(Personal Property Tax Relief Program) of Chapter 951 of the 2005 Acts of Assembly any qualifying vehicle sitused within the County commencing January 1, 2007, shall receive personal property tax relief in the following manner:

2) Personal use vehicles valued at $1,000 or less will be eligible for 100% tax relief:

3) Personal use vehicles valued at $1,001 to $20,000 will be eligible for 56% tax relief;

4) Personal use vehicles valued at $20,001 or more shall only receive 56% tax relief on the first $20,000 of value; and

5) All other vehicles which do not meet the definition of "qualifying" (business use vehicles, farm use vehicles, motor homes, etc.) will not be eligible for any form of tax relief under this program.

In accordance with Item 503.D.1., the entitlement to personal property tax relief for qualifying vehicles for tax year 2006 shall expire on June 30, 2007. Supplemental assessments for tax year

2006 that are made on or after June 30, 2007 shall be deemed "non-qualifying" for purposes of state tax relief and the local share due from the taxpayer shall represent 100% of the tax assessable.

Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: BARBOURSVILLE POST OFFICE SITE PLAN WORK

Ted Coberly, Assistant County Administrator, stated that as requested by the United States Postal Service (USPS) and authorized by the Board of Supervisors, Orange County submitted a contingent proposal for the establishment of a postal facility in Barboursville, to be considered should the USPS be unable to secure a satisfactory proposal from private interests. He indicated that while most of the requirements associated with the proposal were met with in-house assets, the County required the service of an architectural and engineering firm for development of a schematic site plan which cost $692.50. Mr. Coberly indicated that the USPS has advised the County of its desire to establish a post office site on the property identified by the County in its contingent proposal. As the County has previously advised the USPS of its intent not to compete with the private sector, and the USPS has acknowledged that position, it is now apparent that the only option to restore postal service to Barboursville is through its location on the County property previously identified. He explained that Board approval is now required to proceed with the project to establish a post office site on County property at 5259 Governor Barbour Street between Thomas Haney Road and Ponton Drive. While the Board has budgeted $100,000 for the proposed project in the FY08 budget, no funds are available in the current fiscal year. To minimize the delay in restoring postal service to Barboursville, staff recommends the Board immediately transfer the $100,000 budgeted for this project from the fund balance into the Capital Projects Fund line established for the project. Further, staff recommends that the Board authorize the County Administrator to take all necessary actions to fulfill the County's role in establishing the postal site, so long as those actions do not exceed the approved budget of $100,000.

Following a brief discussion, Mr. Wallace moved, seconded by Mr. Johnson and carried, to appropriate $100,000.00 from the General Fund Balance into line 312-94600-8320 to cover all costs associated with establishing a new postal facility in Barboursville, and to authorize the County Administrator to take all actions necessary, within the budgeted funds, to fulfill the County's role in establishing the facility.

Ayes: Johnson, Graves, Dodson, Wallace. Nays: None. Abstain: Pace.

RE: APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

- Mr. Graves nominated Thomas Czelusta for reappointment to the Orange County Nursing Home Commission for a four year term, with said term expiring May 31, 2011.
- Mr. Dodson nominated Judy Carter for appointment to the Orange County Planning Commission as a District Three representative for a four year term, with said term expiring April 30, 2011.
- Mr. Dodson nominated Rebecca Yellets as an At-Large representative to the Rappahannock Rapidan Disability Services Board for a four year term, with said term expiring April 30, 2011.
- Mr. Dodson nominated Phillip Cooke for reappointment as an At-Large representative to the Rappahannock Rapidan Disability Services Board for a four year term, with said term expiring April 30, 2011.
- Mr. Johnson nominated Thomas Graves to serve on the Piedmont Workforce Network as Orange County's local government representative.
- Mr. Dodson nominated Todd Patrick to serve as a County representative on the Thomas Jefferson Area Community Criminal Justice Board.

Ayes: Johnson, Graves, Dodson, Pace. Nays: None. Absent: Wallace

RE: INFORMATION ITEMS

The following information was presented to the Board for its information:

- Treasurers Report;
- Rappahannock-Rapidan Community Services Board Report for April, 2007;
- 2007 Estimated Ratio; and
- Vaucluse Road Tower Site.

RE: CONTRACT TO OPERATE THE LANDFILL

Mr. Rolfe stated that he had pulled the agenda item pertaining to the consideration of a contract to operate the landfill. He reported that bids had been opened and only one proposal adequately addressed everything listed in the Request for Proposals. He noted that staff and the consulting firm will be meeting with the representatives from the proposed company next week to make certain that everyone understands the expectations. Mr. Rolfe concluded by saying that the proposed company has much experience in working with landfills. He reported that there are sufficient funds available to award the contract. He stated that this item will be added to the Board's May 22, 2007 agenda for action.

RE: CALENDAR

The Board received copies of its calendar for the months of May, June and July, 2007.

RE: CLOSED SESSION

At 5:09 p. m., Mr. Dodson stated, "Mr. Chairman, I move this meeting be recessed and that the Orange County Board of Supervisors immediately reconvene in closed session for the following purpose:

- Discussion or consideration of the acquisition of real property for a public purpose, that being for a school, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, as permitted by Virginia Code section 2.2-3711(A)(3)."

The motion was seconded by Mr. Graves and carried. Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: OPEN SESSION

At 7:00 p.m., Mr. Dodson moved, seconded by Mr. Wallace and carried, to reconvene in open session whereupon the Board adopted the following resolution:

WHEREAS, the Orange County Board of Supervisors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Orange County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law;

NOW THEREFORE, BE IT RESOLVED, that the Orange County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Orange County Board of Supervisors.

The motion carried. Ayes: Johnson, Graves, Dodson, Pace, Wallace. Nays: None.

RE: PUBLIC COMMENT

Chairman Johnson opened the floor for public comment. Bob Cooke, 214 Madison Circle, Locust Grove, commented on the dedicated staff at the Orange County Animal Shelter and voiced concern regarding the sale of puppies from other localities in Orange County. He suggested the County consider a mandatory spay/neuter ordinance.

RE: BOARD COMMENT

Mr. Dodson stated that the Planning Commission passed a resolution to send to legislators to exempt Orange County from the Cluster Subdivision Ordinance. He indicated that there are some localities in the State of Virginia that have been exempted. He stated that the Planning Commission would like the Board to send a similar resolution.

Discussion ensued including: why the localities were exempted; why the Planning Commission felt it had the authority to suggest legislative changes that impact Orange County without presenting it to the Board of Supervisors first; whether the Planning Commission can adopt a resolution of this type on its own; and the process for Boards, Committees and Commissions to make suggestions for legislative changes.

By consensus, the Board asked the County Administrator and the County Attorney to follow up on this issue and report back to the Board.

RE: COURTHOUSE AND NURSING HOME FINANCING

Ted Cole, representative of Davenport & Company, explained to the Board an opportunity for refinancing of the Courthouse bonds and debt service, as well as the financing of the Nursing Home expansion project. He explained that the proposed resolution would offer a minimum savings of 3% for the refunding of the Courthouse bonds, not to exceed the borrowing of $12,000,000. The actual amount to be refinanced is expected to be $9,900,000 unless the insurance company insuring the bonds requires the County to refund all of the outstanding bonds on the Courthouse project. Mr. Cole stated that the second part of the resolution would authorize the borrowing of up to $20,000,000 to finance the proposed expansion of the Nursing Home. He noted that the County recently adopted a resolution supporting the Nursing Home project with hopes of securing a direct loan and a loan guarantee on a six million dollar loan from Wachovia from the Rural Development Administration (RDA) of the United States Department of Agriculture. Unfortunately, the RDA is being funded under a continuing resolution as Congress has not adopted a budget to provide permanent funding for the RDA. This has impacted the RDA's ability to provide all of the financing needed for this project. As a result, the Nursing Home Commission began to explore alternative financing through the County. Mr. Cole indicated that his firm has developed a financing proposal using the County's Economic Development Authority (EDA) and combining the issuance of the Courthouse refunding bonds with the issuance of the Nursing Home bonds. The result accomplishes both the goals of the County and the Nursing Home Commission and reduces issuance cost by combining the two projects. He concluded by saying that the proposed resolution asks the EDA to issue the bonds. He noted that the EDA will be required to hold a public hearing on the matter, adopt the appropriate resolutions and then resubmit the matter to the Board of Supervisors for final consideration.

Discussion ensued regarding: financial savings with refinancing; joint versus separate financing; co-mingling of projects; and problems with funding from RDA and when the funds will be available.

Following a lengthy discussion, Mr. Graves moved to approve the following resolution authorizing the issuance of refunding bonds on the Courthouse project and provide financing for the expansion of the Nursing Home project; and to authorize the Economic Development Authority to hold a public hearing on the matter. Mr. Dodson seconded the motion.

A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF ORANGE, VIRGINIA REQUESTING THE

ECONOMIC DEVELOPMENT AUTHORITY
OF THE COUNTY OF ORANGE, VIRGINIA
TO ISSUE LEASE REVENUE AND REFUNDING BONDS

The Board of Supervisors of the County of Orange, Virginia (the "County") has determined that it is advisable to refund all or a portion of the Industrial Development Authority of the County of Orange, Virginia's $9,900,000 Public Facility Lease Revenue Bonds (Orange County Project), Series 2002, issued on July 23, 2002 (the "Series 2002 Bonds") for the purpose of financing certain facilities for the County consisting of the construction and equipping of a new County courthouse and an animal shelter and to obtain financing to refund all or a portion of the Series 2002 Bonds through lease revenue refunding bonds (the "Refunding Bonds") to be issued by the Economic Development Authority of the County of Orange, Virginia (the "Authority").

The Board of Supervisors of the County has determined that it is advisable to assist Orange County Senior Living Incorporated ("Senior Living Incorporated") in financing the construction of an assisted living facility to be operated by the Orange County Nursing Home Commission (the "Facility") and to obtain financing for the Facility through lease revenue bonds to be issued by the Authority (the "Facility Bonds," together with the Refunding Bonds, the "Bonds"). Senior Living Incorporated will agree to make payments to the County, or to the Authority to be applied to the County's rental payments, in amounts sufficient to pay the financing costs of the Facility.

The Bonds will be payable solely from the revenues derived from the Lease Agreement dated as of July 1, 2002 (the "Financing Lease") between the Authority and the County, as amended by the First Amendment to Lease Agreement, between the Authority and the County (the "First Amendment to Lease") pursuant to which the County will agree to make rental payments, subject to annual appropriation, sufficient to pay the principal of and interest on any outstanding Series 2002 Bonds and the Bonds.

The Bonds will be issued pursuant to the following documents: (i) a First Supplemental Trust Agreement between the Authority and U. S. Bank, National Association, as successor to Wachovia Bank, National Association, as trustee (the "Trustee"), with the form of the Bonds attached thereto; (ii) the First Amendment to Lease; (iii) a Preliminary Official Statement (the "Preliminary Official Statement") and an Official Statement (the "Official Statement") with respect to the issuance and sale of the Bonds; (iv) a Bond Purchase Agreement (the "Bond Purchase Agreement"), among the County, the Authority and Morgan Keegan & Company, Inc., as underwriter (the "Underwriter"); (v) an Escrow Agreement among the Authority, the County and the Trustee, as escrow agent; (vi) a Continuing Disclosure Agreement for the benefit of the Underwriter and the owners of the Bonds; (vii) a sublease of the real estate on which the Facility will be located from Senior Living Incorporated to the Authority and a lease back to Senior Living Incorporated of such real estate and the Facility; and (viii) such assignments of such agreements and leasehold deeds of trust as may be necessary to secure the Bonds and the County. All of the documents listed above, except the Bonds, the Preliminary Official Statement and the Official Statement are referred to in this Resolution as the "Basic Documents."

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

1. Issuance of Bonds. The County requests the Authority to issue its Bonds in the maximum amount of $32,000,000, of which approximately $12,000,000 is anticipated to be issued as Refunding Bonds and approximately $20,000,000 is anticipated to be issued as Facility Bonds. The Bonds will be paid from revenues derived from payments made by the County pursuant to the Financing Lease, as amended by the First Amendment to Lease.

2. Authorization of Basic Documents. The Bonds and the Basic Documents shall be in such forms and shall contain such terms as may be approved by the County Administrator, whose approval shall be evidenced conclusively by the execution and delivery of the Basic Documents to which the County is a party. The execution and delivery of and performance by the County under the Basic Documents to which it is a party are authorized.

3. Execution of Documents. The Chairman of the Board of Supervisors and the County Administrator, or either of them, are authorized to execute, deliver and record, if appropriate, on behalf of the County the Basic Documents to which the County is a party, and, if required, the County Administrator is authorized and directed to affix or to cause to be affixed the seal of the County to the Basic Documents and to attest such seal. Such officers or their designees are authorized to execute, deliver and record, if appropriate, on behalf of the County such instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Basic Documents, including application for bond insurance and debt service reserve fund surety; and all of the foregoing, previously done or performed by such officers or agents of the County, are in all respects approved, ratified and confirmed.

4. Sale of Bonds. The County Administrator is authorized and directed to approve the terms of the Bonds and the terms of their sale by the Authority to the Underwriter, including the interest rate or rates on the Bonds (provided that the annual interest rate on the Facility Bonds shall not exceed 6.5%), the principal amount of the Bonds (not to exceed the maximum amount set forth in paragraph 1), the maturity of the Bonds (not to exceed approximately 29 years from their date) and the sale price to the Underwriter, and to execute and deliver the Bond Purchase Agreement, provided that the minimum savings achieved by the issuance of the Refunding Bonds is not less than 3% savings on a present value basis compared to existing debt service on the Series 2002 Bonds to be refunded. The approval of such terms by the County Administrator shall be evidenced conclusively by the execution and delivery of the Bond Purchase Agreement.

5. Disclosure Documents. The County Administrator and such officers and agents of the County as he may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate Preliminary Official Statement and Official Statement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The Preliminary Official Statement, Official Statement or other documents shall be published and distributed in such manner, including by electronic distribution, and at such times as the County Administrator, or such officers and agents of the County as he may designate, shall determine. The County Administrator is authorized to deem the Preliminary Official Statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

6. Nature of Obligations. Nothing in this Resolution, the Bonds or the Basic Documents shall constitute a debt of the County and the Authority shall not be obligated to make any payments under the Bonds or the Basic Documents except from payments made by or on behalf of the County under the Financing Lease, as amended by the First Amendment to Lease. The County Administrator is directed to submit for each fiscal year a request to the Board of Supervisors for an appropriation to the Authority for an amount equal to the rental payments coming due under the Financing Lease, as amended by the First Amendment to Lease for the next fiscal year. The County's obligations to make payments to the Authority pursuant to this Resolution shall be subject to and dependent upon annual appropriations being made from time to time by the Board of Supervisors for such purpose. Nothing in this Resolution, the Bonds, the Financing Lease or the First Amendment to Lease shall constitute a pledge of the full faith and credit of the County.

7. Effective Date. This Resolution shall take effect immediately.

Adopted this 8th day of May, 2007.

Ayes: Johnson, Graves, Dodson. Nays: Pace. Abstain: Wallace.

RE: ADOURNMENT

There being no further business to discuss, Mr. Wallace moved to adjourn the meeting at 8:19 p.m.