

**VIRGINIA:** County of Lee, to-wit:

At the Regular Meeting of the Lee County Board of Supervisors in the General District Courtroom of the Lee County Courthouse on May 17, 2016 at 6:00 p.m. thereof.

MEMBERS PRESENT: Charles Slemple, Jr., Chairman  
Nathan Cope  
D. D. Leonard  
Larry Mosley  
Robert Smith

MEMBERS ABSENT: None

OTHERS PRESENT: Stacy Estep Munsey, County Attorney  
Dane Poe, County Administrator  
Jeny Hughes, Administrative Assistant

OTHERS ABSENT: None

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**INVOCATION**

Layne Pennington, Pastor of Jonesville First United Methodist Church, led in the invocation.

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**PLEDGE TO THE FLAG**

Nathan Cope led the Pledge to the Flag.

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**MEETING CALLED TO ORDER**

The meeting was called to order at 6:06 p.m.

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**AMEND AGENDA**

It was consensus of the Board to amend the agenda to hear Dr. Scott Hamilton prior to the public hearings.

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**DELEGATIONS**

**MOUNTAIN EMPIRE COMMUNITY COLLEGE  
DR. SCOTT HAMILTON**

Dr. Scott Hamilton, President of Mountain Empire Community College, reported that enrollment is up 2% percent more than last year with 26% of enrollees being dual enrollment students. The Technology Program created a Solar Power Alternative Renewable Clean Energy unit that will create about 5,000 watts of power from solar energy. The unit received the first place award at the Virginia Community College Spring Conference in Roanoke. Mountain Empire also had a student, Emily Hillstrom, qualify for the NASA Scholars Program. Emily was one of 200 students chosen nationwide for the program, and one of only a few chosen to go to an actual NASA

facility. He stated that Mountain Empire Community College is working with different companies to get students trained for jobs that will be coming into Scott and Wise Counties.

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Mr. Cope asked how many students from Lee County receive the AIMS scholarship.

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Dr. Hamilton stated he is not sure of Lee County's number, but there are over 300 students on campus that are participating in the program.

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**PUBLIC HEARINGS**

**PROPOSED REVISION AND AMENDMENT TO  
LEE COUNTY COMPREHENSIVE ANIMAL CARE ORDINANCE**

The Lee County Board of Supervisors held a Public Hearing on Tuesday, May 17, 2016 at 6:00 p.m. in the General District Courtroom of the Lee County Courthouse in Jonesville, Virginia. The purpose of the Public Hearing was to receive public comment on the proposed revision and amendment to the Lee County Comprehensive Animal Care Ordinance.

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Mr. Poe reported that this ordinance mirrors the statute in the State Code of what localities are allowed to adopt. The County's Animal Ordinance has not been revised since around 1962.

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Allen Fortner, Animal Control Officer, stated that this adds nothing new to what his department is currently using; it will just allow the officers to use County Codes instead of State Codes when writing summonses and the County would keep any fines collected instead of the money going to the State.

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The chairman opened the floor for public comment.

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There was no public comment.

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The chairman closed the floor.

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It was moved by Mr. Cope, seconded by Mr. Leonard, to adopt the Lee County Comprehensive Animal Care Ordinance as presented. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slemp, Mr. Smith  
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**DEPARTMENTAL REPORTS**

**ANIMAL CONTROL**

Allen Fortner, Animal Control Officer, reported for the month of April that his department received 270 calls at the Pound and 82 through dispatch, 63 dogs were picked up, 36 were owner surrendered and had 1 bite case. There were 7 dogs reclaimed, 8 were adopted, 42 were transferred to rescue and 6 were euthanized. The department collected \$100 in holding fees, \$678.50 in fines and restitution, and issued 3 summonses. He stated the need for a cattle trailer and an area around the Pound to keep livestock. He added that Officer Whitt graduated at the top of his class at the Cardinal Criminal Justice Academy and won 4 awards.

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**LITTER CONTROL**

Josh Fleenor, Litter Control Coordinator, reported that there were 164 people in the Community Service Program with 121 participating and 1,132 bags of trash collected, 7 people completed the program, 14 were removed for non-participation and 23 people signed up. He took printer cartridges to Norton for recycling, and worked a golf tournament for KSVB on May 6. He continues to work on complaints in several areas of the County.

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Mr. Cope asked about the time period to get into compliance on the houses.

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Mr. Fleenor stated that it depends on the severity of the case, but no more than 45 days is given.

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Mr. Cope asked what happens when time runs out.

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Mr. Fleenor stated that summonses would be issued and the matter is taken to court.

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Mr. Mosley asked about the houses on Town Branch.

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Mr. Fleenor stated that he is working on the one near the car wash, the house on the other end is has a little more time left.

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Mr. Poe stated that the Building Inspector is working on the Town Branch houses and if there is not a response soon the issue would be brought before the Board at the June meeting.

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**SOLID WASTE**

Gary Collingsworth, Transfer Station Superintendant, reported that there were 1,168.47 tons of garbage and 13.93 tons of tires brought into the Transfer Station. The department has been working on routine maintenance issues, exchanging dumpsters, and white goods removal. He stated that the Scale House construction is underway and ready to begin putting the metal siding on the outside. The department has had several vehicle breakdowns in the past few months.

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Mr. Slemph asked when the expected date of moving to the new facility would be.

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Mr. Poe stated hopefully by July 1 if possible.

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Mr. Mosley asked about unmanned sites.

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Mr. Poe stated his recommendation would be to get rid of them.

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Mr. Slemph asked what would happen if the sites were closed.

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Mr. Poe stated that they would have to go to the next site.

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Mr. Collingsworth stated that many of the dumpsters that get burned are at the unmanned sites and are burned in the middle of the night and that would not happen if it was a fenced site.

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**CONSTITUTIONAL OFFICERS**

**TREASURER'S REPORT**

The Treasurer's Report for the month of April 2016 was submitted as follows:

Revenues	\$ 4,224,897.21
Expenditures	\$ 5,869,957.39
General Fund	\$ 8,314,184.71
Total Assets and Liabilities	\$13,671,327.98

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**PUBLIC EXPRESSION**

The Chairman opened the floor for public comment and advised that each speaker would be limited to a three-minute time-period for individuals, and 5-minute time-period for a group.

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Josh Flanary, Dryden Volunteer Fire Department, addressed the Board about possibly starting a Rescue Squad and asked for the Board's support.

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Mr. Slemp stated he would support starting a Rescue Squad in Dryden.

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Mr. Poe stated he could have a Resolution ready for the next Board meeting.

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Keith Harless, Pennington Gap Town Manager, expressed the Town's gratitude for the Board helping with the expenses for hosting Fisher's ATV. He stated that after filming, Fisher's ATV decided to give the Pennington Trail a 30-minute show, instead of the agreed 15-minute segment. He added that the Heart of Appalachia and Spearhead Trail brought in a reporter from Side by Side Magazine that will be writing an article on the Stone Mountain Trail.

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Mr. Mosley asked about the opening date for the Welcome Center and the campground rates.

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Mr. Harless stated that the Welcome Center is scheduled to be open by the end of June, and the campground has 22 sites with full hookups, \$25 for 30-amp hookup and \$35 for 50-amp hookup.

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There was no further public comment.

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The chairman closed the floor.

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**APPROVAL OF MINUTES**

It was moved by Mr. Mosley, seconded by Mr. Leonard, to approve the minutes of the April 11, 2016 Recessed Meeting, April 19, 2016 Regular Meeting and the May 3, 2016 Recessed Meeting. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slemp, Mr. Smith

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**PAYROLL**

The County Administrator reports that payroll warrants have been issued.

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**APPROVAL OF DISBURSEMENTS**

It was moved by Mr. Mosley, seconded by Mr. Leonard, to approve the disbursements for the month of May in the amount of \$158,780.53. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slemp, Mr. Smith

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**DELEGATIONS**

**DANIEL BOONE SOIL AND WATER CONSERVATION DISTRICT  
ROGER ELKINS**

Bobby Burchett reported that the Virginia Agricultural Cost-Share Program has spent \$598,601.29 with an additional \$290,809.00 obligated on agricultural projects. The North Fork Powell River Watershed Project has spent \$175,277.12 for completion of two acid mine drainage sites, with an additional \$4,757.90 being spent on realty services.

Roger Elkins reported that 4 Erosion and Sediment permits were issued, with 9 active projects ongoing and 3 Erosion and Sediment projects in the planning stage. He added that the Daniel Boone Soil and Water Conservation District spent \$19,500, for the Cedars/Powell River Russell Sawmill Remediation Project from Virginia Brownfield Restoration and Economic Redevelopment Assistance Fund Program for the development of a Limited Site Remediation Plan and the Appraisal Report. Project sponsors are negotiating with the landowner in hopes of developing the site for recreational and educational use.

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**FINANCE**

**MONTHLY APPROPRIATIONS**

It was moved by Mr. Mosley, seconded by Mr. Leonard, to adopt the following Resolution. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slemp, Mr. Smith

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**RESOLUTION  
MONTHLY APPROPRIATIONS  
16-009**

**WHEREAS**, the Lee County Board of Supervisors has approved the Lee County Public School Budget and Virginia Public Assistance Budget for FY2015-16; and

**WHEREAS**, it is now necessary to appropriate sufficient funds for the contemplated expenditures as they are contained in the Lee County Public School and Virginia Public Assistance Budgets;

**NOW, THEREFORE, BE IT RESOLVED**, that the following activities 1/12 of the amount shown is appropriated for a 1-month period ending June 30, 2016;

Federal/State Funds	\$ 7,082,972
Local Funds	<u>1,292,948</u>
<b>TOTAL VIRGINIA PUBLIC ASSISTANCE</b>	<b>\$ 8,375,920</b>

**LEE COUNTY PUBLIC SCHOOLS**

Categorical Appropriation:

Instruction	\$ 24,512,881
Administration, Attendance and Health	2,038,267

Pupil Transportation	1,862,995
Operation and Maintenance	3,213,825
School Food Services	1,589,425
Facilities	449,000
Technology	1,262,110
Partially Self-Funded Insurance Fund	<u>4,200,000</u>
<b>TOTAL</b>	<b>\$39,128,503</b>

Source of Revenue:

Federal Funds	\$ 4,639,454
State Funds	24,889,483
Other Funds	39,100
Self Insured Health Fund	3,750,000
Local Funds	5,040,466
Textbook Carryover Funds	<u>770,000</u>
<b>TOTAL PUBLIC SCHOOLS</b>	<b>\$ 39,128,503</b>

1. The Lee County Treasurer is hereby authorized and directed to transfer sums as needed to meet expenses already incurred. The transfer will be from the General Fund to the Public School and Virginia Public Assistance funds and will not exceed the foregoing one month appropriations.

The Lee County Treasurer is also directed to revert all unexpended balances of the Public School and Virginia Public Assistance Funds to the General Fund as of the beginning and ending of Fiscal Year 2015-2016.

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**SUPPLEMENTAL APPROPRIATIONS**

**VICTIM WITNESS**

It was moved by Mr. Slep, seconded by Mr. Mosley, to approve a supplemental appropriation in the amount of \$7,639.00 to the Victim Witness Department as follows. Upon the question being put the vote was as follows.

Revenue Source		
3-001-23020-001	Victim Witness Assistance Program	\$ 7,639.00
Expenditure		
4-001-21900-1134	Salaries	\$ 3,503.00
4-001-21900-2100	FICA (Employers Share)	\$ 351.00
4-001-21900-2210	VRS-RET	\$ 427.00
4-001-21900-2300	Health Insurance	\$ 24.00
4-001-21900-2400	VRS-SGL	\$ 17.00
4-001-21900-2700	Worker's Compensation	\$ 23.00
4-001-21900-3500	Printing	\$ 564.00
4-001-21900-3600	Advertising	\$ 2,019.00
4-001-21900-5230	Telephone Services	\$ 37.00
4-001-21900-5530	Travel (lodging and subsistence)	\$ 300.00
4-001-21900-5810	Dues and Memberships	\$ 115.00
4-001-21900-6001	Office Supplies	\$ 259.00

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slep, Mr. Smith

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**SHERIFF'S DEPARTMENT**

It was moved by Mr. Slep, seconded by Mr. Mosley, to approve a supplemental appropriation in the amount of \$1,748.50 to the Sheriff's Department as follows. Upon the question being put the vote was as follows.

Revenue Source		
3-001-22010-0023	Triad Grant	\$ 1,748.50
Expenditure		
4-001-31200-3150	Triad Grant	\$ 1,748.50

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slep, Mr. Smith

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### **FINES AND FORFEITURES**

It was moved by Mr. Slep, seconded by Mr. Mosley, to approve a supplemental appropriation in the amount of \$16,350.00 to the Fines and Forfeitures as follows. Upon the question being put the vote was as follows.

Revenue Source		
3-007-14010-0016	Unclaimed Evidence Proceeds	\$ 16,350.00
Expenditure		
4-007-94100-5845	LCSO Unclaimed Evidence Proceeds	\$16,350.00

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slep, Mr. Smith

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### **DEPARTMENT OF SOCIAL SERVICES**

It was moved by Mr. Slep, seconded by Mr. Mosley, to approve a supplemental appropriation in the amount of \$45,000.00 to the Department of Social Services as follows. Upon the question being put the vote was as follows.

Revenue Source		
3-002-24010-0005	State & Federal Funding	\$45,000.00
Expenditure		
4-002-53100-0011	IV-E Foster Care	\$35,000.00
4-002-53100-0017	Special Needs Adoption	\$10,000.00

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slep, Mr. Smith

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### **COAL ROAD IMPROVEMENT**

It was moved by Mr. Slep, seconded by Mr. Mosley, to approve a supplemental appropriation in the amount of \$332.16 to the Coal Road Improvement as follows. Upon the question being put the vote was as follows.

Revenue Source		
3-027-12150-0001	Gas Severance Tax	\$ 332.16
Expenditure		
4-027-95100-5860	Gas Severance Tax Disbursements	\$ 332.16

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slep, Mr. Smith

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**NEW BUSINESS**

**TRANSFER STATION PAY REQUEST NUMBER 12**

Mr. Poe reported that he received Pay Request Number 12 from Green Construction Company in the amount of \$43,902.74 for work completed to date on the new transfer station project. It is Mr. Poe's recommendation to approve this pay request.

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It was moved by Mr. Cope, seconded by Mr. Smith, to approve the New Transfer Station Pay Request Number 12 from Green Construction Company in the amount of \$43,902.74. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slempp, Mr. Smith

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**RESOLUTION AND RELATED DOCUMENTS FOR TAXABLE BOND ISSUE**

Mr. Poe presented the Board with a Resolution and several documents relevant to the taxable portion of the upcoming bond issue, which is providing funding for a portion of construction of the new transfer station project and the building addition and renovation for Virginia Cooperative Extension offices. The Resolution authorized and approved issuance of the bond, the loan agreement, and repayment provisions. The total amount of this portion of the issue is \$409,000 and will cover construction costs of the transfer station incurred more than sixty days prior to the Board's adoption of the initial Resolution on this matter in February.

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It was moved by Mr. Slempp, seconded by Mr. Leonard, to approve Resolution 16-010. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slempp, Mr. Smith

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**RESOLUTION  
OF THE  
BOARD OF SUPERVISORS OF LEE COUNTY, VIRGINIA  
AUTHORIZING THE ISSUANCE AND SALE OF ITS TAXABLE  
PUBLIC FACILITY BOND, SERIES 2016 AND THE EXECUTION  
AND DELIVERY OF CERTAIN DOCUMENTS PREPARED IN  
CONNECTION THEREWITH  
16-010**

**WHEREAS**, the Board of Supervisors (the "Board") of Lee County, Virginia (the "County"), has determined that it is advisable and in the interest of the County to issue certain indebtedness to finance infrastructure improvements of the County; and

**WHEREAS**, the Board, having held a public hearing previously regarding the issuance of indebtedness intends to issue its public facility bond in the maximum amount of \$409,000 (the "Bond") to accomplish such financing; and

**WHEREAS**, the Board has previously submitted an application to the Virginia Municipal League/Virginia Association of Counties' (VML/VACo) Finance Program in order to obtain funds in order to pay a portion of the costs of the design, construction, improvement, site work and equipping for (a) a waste transfer station at 720 Bus Shop Road in Jonesville, also comprised of recycling handling facilities, a scale, a tipping

building, a scale house and office space, and (b) an addition and renovation to an administration building located at 486 Industrial Drive in Pennington Gap also comprised of demolition of an existing building at the courthouse used by the Virginia Cooperative Extension Office and related site work improvement and paving, all together with related engineering, administrative and financing costs (the "Project"); and

**WHEREAS**, the County has previously received a proposal from Powell Valley National Bank (the "Bank") to purchase the Bond, and the Bank has indicated its willingness to purchase such bond and make a loan to fund the Project in accordance with the terms of a Loan Agreement between the Bank and the County (the "Agreement"), the form of which has been presented at this meeting; and

**WHEREAS**, the members present at this meeting comprise a majority of the Board;

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

**1. Issuance of Bond and Use of Proceeds.** Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended, (the "Act"), and without regard to any requirements or restrictions contained in any charter or special act of the County, the Board having held a public hearing now does authorize and approve the issuance and sale of the Bond of the County in a maximum principal amount of \$409,000, to provide funds to finance the Project and to pay related costs, including costs incurred in issuing the Bond.

**2. Authorization of Bond Purchase Agreement.** The form of the Agreement submitted at this meeting is hereby approved. The Chairman and the County Administrator, either of whom may act (each an "Authorized Signatory"), are authorized to execute the Agreement in substantially such form, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by such official, whose approval shall be evidenced conclusively by the execution and delivery thereof. The issuance and sale of the Bond shall be upon the terms and conditions of the Agreement. The proceeds of such Bond shall be applied in the manner set forth in the Agreement. All capitalized terms used but not otherwise defined herein shall have the same meaning as set forth in the Agreement.

**3. Bond Details.** The Bond shall be issued as a single, fully registered bond, shall be designated "Taxable Public Facility Bond, Series 2016", shall be numbered R-1, and shall be in substantially the form of Exhibit A to this Resolution as hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing such Bond. The Board authorizes the issuance and sale of the Bond on such terms as shall be satisfactory to the Authorized Signatory; provided however, that the Bond (a) shall be in a principal amount not to exceed \$409,000, (b) shall mature no later than February 1, 2024 and (c) shall bear interest on the outstanding principal balance thereof at a rate of interest approved by the Authorized Signatory, with such rate to not exceed 4.00% (provided that default interest may be payable at a rate in excess thereof as provided in the Agreement). As set forth in the Agreement, the County agrees to pay any applicable late payment or similar costs and expenses described therein. Subject to the preceding terms, the Board further authorizes the Authorized Signatory to determine the final terms, purchase price, initial interest rate, interest rate adjustment provisions, maturity date, and amortization schedule of the Bond, all of which shall be evidenced by the execution and delivery of the Bond, and no further action shall be necessary on the part of the County so long as such provisions are within the limits prescribed in this Resolution.

**4. Payment and Redemption Provisions.** The principal of and premium, if any, and interest on the Bond shall be payable as set forth in the Bond and the Agreement. The principal of and premium, if any, and interest on the Bond shall be payable in lawful money of the United States of America. Nothing in the Bond, this Resolution, or the Agreement shall be deemed to create or constitute, other than of the County, an indebtedness of the Commonwealth of Virginia or any political subdivision

thereof, or a pledge of the full faith and credit of the Commonwealth of Virginia or of any its political subdivisions, including the County. The County may, at its option, redeem, prepay or refund the Bond upon the terms set forth in the Agreement.

**5. Execution and Form of Bond.** The Bond shall be signed by the Chairman and the County's seal shall be affixed thereon and attested by the Clerk of the Board. The Bond shall be issued as a typewritten bond in substantially the form of the Bond Form, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Authorized Signatory, whose approval shall be evidenced conclusively by the execution and delivery of the Bond.

**6. Subject to Appropriation.** The undertaking by the County to make the payments due under the Agreement shall be a limited obligation of the County, payable solely from funds appropriated by the Board from time to time for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation.

**7. Annual Budget.** The Board believes that funds sufficient to make payment of all amounts due under the Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make such payments beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the terms of the Agreement. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Agreement an amount sufficient to pay all amounts coming due under the Agreement and the Bond during such fiscal year. As soon as practicable after the submission of the County's annual budget to the Board, the County Administrator is authorized and directed to deliver to the Bank evidence that a request for an amount sufficient to make the payment of all amounts payable under the Agreement has been made. Throughout the term of the Agreement, the County Administrator shall deliver to the Bank within 30 days after the adoption of the budget for each fiscal year, but not later than July 1, a certificate stating whether an amount equal all payments coming due or payable during the next fiscal year has been appropriated by the Board in such budget. If at any time during any fiscal year of the County, the amount appropriated in the County's annual budget is insufficient to pay when due all amounts payable under the Agreement, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

**8. Preparation of Printed Bond; Mutilated or Destroyed Bond.** The County shall initially issue the Bond in typewritten form. The printed Bond may be executed by manual or facsimile signature of the Chairman, the County's seal affixed thereto and attested by the Clerk of the Board; provided, however, that if both such signatures are facsimiles, no bond shall be valid until it has been authenticated by the manual signature of the Registrar and the date of authentication noted thereon. The typewritten Bond surrendered in any such exchange shall be canceled. If the Bond has been mutilated, lost or destroyed, the County shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the County shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the County in connection therewith and, in the case of a lost or destroyed Bond, (a) has filed with the County an affidavit reasonably satisfactory to the County that such Bond was lost or destroyed and (b) has furnished to the County reasonably satisfactory indemnity.

**9. Registration and Transfer of the Bond.** The County appoints the Treasurer of the County as paying agent and registrar (the "Registrar") for the Bond. Upon surrender of the Bond at the office of the Registrar, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be reasonably satisfactory to the Registrar, the

County shall execute, and the Registrar shall authenticate and deliver in exchange, a new Bond or bonds having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

**10. Delivery of Bond.** The Chairman of the Board and the County Administrator are authorized and directed to take all proper steps to have the Bond prepared and executed in accordance with its terms and to deliver it to the purchaser or assignee thereof as set forth in the Agreement.

**11. Redemption of Refunded Note.** The Authorized Signatory is authorized and directed to call the Refunded Note for redemption on the first respective date on which it may be redeemed at the option of the County.

**12. Contract with Bondholders.** The provisions of this Resolution shall constitute a contract between the County and the bondholder for so long as the Bond is outstanding. In the event of a conflict between the provisions of the Agreement and the provisions of this Resolution, the Agreement shall control.

**13. Limitation of Liability of Officials of County.** No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of an officer, employee, member of the Board, or agent of the County in his or her individual capacity, and no officer of the County or member of the Board executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No officer, employee or agent of the County shall incur any personal liability with respect to any other action taken by him or her pursuant to this resolution provided he or she acts in good faith.

**14. Conditions Precedent.** Upon the issuance of the Bond, all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia or this Resolution to have happened, exist and to have been performed precedent to or in the issuance of the Bond shall have happened, exist and have been performed.

**15. Other Actions.** All other actions of officials of the County in conformity with the purposes and intent of this Resolution and the Agreement and in furtherance of the issuance and sale of the Bond are ratified, approved and confirmed. The officials of the County are authorized and directed to execute and deliver on behalf of the County such depository or other agreements and other 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 Bond or the Agreement, and all of the foregoing, previously done or performed by such officers of the County, are in all respects approved, ratified and confirmed.

**16. Headings.** Any headings in this resolution are solely for convenience of reference and shall not constitute a part of the resolution nor shall they affect its meaning, construction or effect.

**17. Severability.** If any court of competent jurisdiction shall hold any provision of this Resolution to be invalid and unenforceable, such holding shall not invalidate any other provision hereof.

**18. Effective Date.** This Resolution shall take effect immediately.

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**RESOLUTION AND RELATED DOCUMENTS FOR NON-TAXABLE  
BOND ISSUE**

Mr. Poe presented the Board with a Resolution and several documents relevant to the non-taxable portion of the upcoming bond issue, which is providing funding for a

portion of construction of the new transfer station project and the building addition and renovation for Virginia Cooperative Extension offices, and the refinancing of the Social Services building bond. The Resolution authorizes and approves issuance of the bond, the loan agreement, the prime lease, the lease agreement, the loan agreement, and repayment provisions. The amount of this portion of the bond issue is authorized up to \$2,491,000. More than half this amount will be applied to refinancing of the Social Services building to reduce the interest rate and overall cost.

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It was moved by Mr. Slemph, seconded by Mr. Mosley, to approve Resolution 16-011. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slemph, Mr. Smith  
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**RESOLUTION  
OF THE BOARD OF SUPERVISORS OF  
LEE COUNTY, VIRGINIA  
AUTHORIZING AND APPROVING A LEASE FINANCING TO  
PROVIDE FOR THE ACQUISITION, RENOVATION AND  
FINANCING OF CERTAIN PUBLIC FACILITIES AND THE  
EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS  
PREPARED IN CONNECTION THEREWITH  
16-011**

**May 17, 2016**

**WHEREAS**, the Board of Supervisors of Lee County, Virginia (the "County") and the Industrial Development Authority of the County (the "IDA") have each determined that it is necessary and advisable to obtain funds for the financing of certain capital infrastructure projects of the County including the design, construction, improvement, site work and equipping for (a) a waste transfer station at 720 Bus Shop Road in Jonesville, also comprised of recycling handling facilities, a scale, a tipping building, a scale house and office space, and (b) an addition and renovation to an administration building located at 486 Industrial Drive in Pennington Gap also comprised of demolition of an existing building at the courthouse used by the Virginia Cooperative Extension Office and related site work improvement and paving, all together with administrative and financing costs, and the refinancing of the IDA's Public Facility Lease Revenue Bond (Lee County Project), Series 2006, together with related administrative and financing costs (collectively, the "Project");

**WHEREAS**, the County is authorized, pursuant to Section 15.2-1800 of the Code of Virginia of 1950, as amended, to lease property held by the County;

**WHEREAS**, the County duly held a public hearing in order to proceed with the leasing of the Project and approval of the financing by the IDA pursuant to Section 15.2-2606 of the Code of Virginia of 1950, as amended;

**WHEREAS**, the County has previously submitted an application to the Virginia Municipal League/Virginia Association of Counties' Finance Program ("VML/VACo") to obtain funds to pay a portion of the costs of the Project, together with related costs and expenses (the "Financing"), and VML/VACo has indicated its willingness to assist with the Financing through the Powell Valley National Bank ("Bank") in accordance with the terms of a Loan Agreement between the IDA, the County, and the Bank (the "Loan Agreement"), the form of which has been presented to this meeting;

**WHEREAS**, pursuant to a resolution to be adopted by the IDA Board of Directors on May 5, 2016 (the "Board of Director's Resolution"), expected to be approved by the Board of Directors in substantially the form of the draft presented at this meeting, the IDA is expected to approve the financing of the Project through a lease revenue financing transaction between the IDA and the County;

**WHEREAS**, the financing of the Project contemplates, among other things, the execution and delivery of (i) a Prime Lease (the "Prime Lease") between the IDA and the County, conveying to the IDA a leasehold interest in certain real property and improvements, including a portion of the property on which the Project is located (namely, as set forth in the Exhibit of the Prime Lease, the "Property"), (ii) a Lease Agreement (the "Lease Agreement") between the IDA and the County, conveying the Property back to the County for use by the County in a manner consistent with the governmental purposes for which the Property is currently being utilized; and (iii) the Loan Agreement, whereby the Bank makes a loan to the IDA in an amount up to \$2,491,000 (the "Loan") to finance the Project and to pay related costs and expenses;

**WHEREAS**, the obligations payable by the IDA pursuant to the foregoing financing arrangement shall be payable solely from and secured by a pledge of lease payments made by the County under the Lease Agreement and other funds appropriated from time to time by the County under the Loan Agreement, and an assignment of certain rights of the IDA under the lease documents;

**WHEREAS**, the IDA has no taxing powers, and accordingly, all amounts payable by the IDA under the Lease Agreement and any other documentation in connection with the Loan shall be subject to appropriation from time to time by the County of sufficient monies for such purpose, such monies to be derived solely from the receipt by the IDA of sufficient appropriations for such purposes from the Board of Supervisors, or from other legally available funds, and the Board of Supervisors is under no legal obligation to make such appropriations; and

**WHEREAS**, neither the Lease Agreement nor the obligations of the County and the IDA under the Loan Agreement will constitute a debt of the Commonwealth of Virginia or any political subdivision thereof, including the County and the IDA, or a pledge of the faith and credit or taxing power of the Commonwealth of Virginia or the County.

**NOW, THEREFORE, BE IT RESOLVED AND ORDAINED BY THE BOARD OF SUPERVISORS OF LEE COUNTY, VIRGINIA:**

**1. Authorization to Enter into Leasing Arrangement; Use of Proceeds.** Pursuant to the public hearing and the statutes of the Commonwealth of Virginia, The leasing arrangement with the IDA described above to accomplish the financing of the Project for the benefit of the County is hereby approved.

**2. Approval of Leasing Arrangement.** The Board accepts the proposal of the IDA to enter into a leasing arrangement. The following financing plan is approved. The Bank will provide funds to finance the Project. The County will lease certain property and improvements, including a portion of the property on which the Project is located to the IDA and re-lease it from the IDA. A description of the Property to be leased is set forth as Exhibit A to this Resolution. The IDA, the County, and the Bank will enter into a Loan Agreement, pledging the lease revenues from the County and the moral obligation of the County to appropriate lease payments. The IDA will assign its lease interests to the Bank, and the County hereby approves and agrees to such assignment. Further, pursuant to the provisions of Va. Code Section 15.2-1800.1, the County declines, by this Resolution, any tenancy in common with the IDA with regard to the Property while the Loan Agreement, the Prime Lease or the Lease Agreement are in effect.

**3. Approval of Loan and Lease Agreements.** The form of the Loan Agreement submitted to this meeting and the forms of the following leases and assignment (with the Loan Agreement, collectively, the "Loan Documents") are hereby approved:

(a) a Prime Lease (the "Prime Lease") between the County and the IDA conveying from the County a leasehold interest in the Property; and

(b) a Lease Agreement (the "Lease Agreement") between the IDA and the County conveying a leasehold interest in the Property back to the County.

The County Administrator and the Chairman of the Board are each authorized to execute the Loan Documents in substantially the form presented at this meeting, with such completions, omissions, insertions and changes not inconsistent with this Resolution and in the Board of Directors' Resolution as may be approved by the County Administrator or the Chairman of the Board, whose approval shall be evidenced conclusively by the execution and delivery thereof.

**4. Payment and Redemption Provisions.** The obligations for payment under the Loan Agreement shall be payable as set forth in the Loan Agreement. The County may, at its option, prepay lease payments consistent with the provisions set forth in the Loan Agreement.

**5. Security for Bond; Subject to Appropriation.** The lease payments shall be secured by rental payments received from the County. In addition, the County has undertaken in the Loan Agreement to consider appropriations from time to time to supplement such payments as necessary. The undertaking by the County to make the payments due under the Loan Agreement shall be a limited obligation of the County, payable solely from funds to be appropriated by the Board from time to time for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit of the County beyond any fiscal year for which the Board has lawfully appropriated from time to time. Nothing herein or in the Loan Agreement shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

**6. Annual Budget.** The Board believes that funds sufficient to make payment of all amounts due under the Loan Agreement can be obtained. While recognizing that it is not empowered to make any binding commitment to make such payments beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the terms of the Loan Agreement. The Board directs the County's chief financial officer, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Loan Agreement an amount sufficient to pay all amounts coming due under the Loan Agreement during such fiscal year. As soon as practicable after the submission of the County's annual budget to the Board, the County Administrator is authorized and directed to deliver to the Bank evidence that a request for an amount sufficient to make the payment of all amounts payable under the Loan Agreement has been made. Throughout the term of the Loan Agreement, the Administrator shall deliver to the Bank within 30 days after the adoption of the budget for each fiscal year, but not later than July 1, a certificate stating whether an amount equal all payments coming due or payable during the next fiscal year has been appropriated by the Board in such budget. If at any time during any fiscal year of the County, the amount appropriated in the County's annual budget is insufficient to pay when due all amounts payable under the Loan Agreement, the Board directs the chief financial officer, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

**7. Confirm the Essentiality of the Project.** The Project is hereby declared to be essential to the efficient operation of the County, and the County anticipates that the Project will continue to be essential to the operation of the County during the terms of the Loan Documents.

**8. Tax Provisions.** The Board hereby represents and covenants that the County's use of the Property, and the portion of the proceeds of the Loan that are expended by the County, shall be used for the essential governmental purposes of the County. Notwithstanding anything herein to the contrary, the County shall comply with the provisions of the Internal Revenue Code of 1986, as amended, including Treasury Regulations and pronouncements thereunder, with respect to its use of the Property and the portion of the proceeds of the Loan that are expended by the County in connection with the Project, in order that the income to the Bank from the Loan will remain excludible from gross income for federal income tax purposes. The County covenants that any of the proceeds in its accounts pursuant to the Loan Agreement will be invested and expended as set forth in any tax certificate executed by the IDA, to be delivered simultaneously with the issuance and delivery of the Loan Agreement and that the County shall comply with the other covenants and representations contained therein.

**9. Other Actions.** All other actions of County officials in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of the Loan Agreement are ratified, approved and confirmed. The County officials are authorized and directed to execute and deliver all certificates and other instruments considered necessary or desirable in connection with the execution and delivery of the Loan Agreement pursuant to this Resolution.

**10. Effective Date.** This Resolution shall take effect immediately.

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**BYRNE JUSTICE ASSISTANCE GRANT PROGRAM**

Mr. Poe reported that the Lee County Sheriff's Office has been approved to receive funds from the Byrne Justice Assistance Grant Program. These federal funds are made available to localities to help support efforts to reduce crime and improve public safety. The award this year is \$1993.00 with a required local cash match of \$221.00, making a total award of \$2,214.00. The grant will be used to purchase crime prevention supplies to hand out to youth during public events.

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It was moved by Mr. Leonard, seconded by Mr. Slemph, to approve the Byrne Justice Assistance Grant in the amount of \$2,214.00 with a required local match of \$221.00. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slemph, Mr. Smith

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**EXTENSION OFFICE BUILDING PAY REQUEST NUMBER 4**

Mr. Poe stated that he received Pay Request Number 4 from Haynes and Son Construction in the amount of \$31,016.25 for work completed to date on the renovation and addition project for the new Extension Office. The architect's final inspection was conducted on May 11 with only a few minor items noted to complete the project requirements. The anticipated date the building will be ready is mid June.

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Mr. Slemph asked how much extra these items would cost to complete.

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Mr. Poe stated it may cost \$1,000 total, it is just minor items.

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It was moved by Mr. Mosley, seconded by Mr. Smith, to approve Pay Request Number 4 to Haynes and Son Construction in the amount of \$31,016.25. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slempp, Mr. Smith

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**SECONDARY SIX-YEAR PLAN RESOLUTION**

Mr. Poe reported that if the Board was in agreement with the Secondary Six-Year Plan that was presented in the public hearing, there would need to be a Resolution adopted to approve the plan and construction budget for the upcoming fiscal year.

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It was moved by Mr. Slempp, seconded by Mr. Smith, to approve Resolution 16-012. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slempp, Mr. Smith

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**RESOLUTION  
SECONDARY SIX-YEAR ROAD PLAN  
16-012**

**WHEREAS**, Sections 33.1-23 and 33.1-23.4 of the 1950 Code of Virginia, as amended provides the opportunity for each county to work with the Virginia Department of Transportation in developing a Secondary Six-Year Road Plan; and

**WHEREAS**, this Board had previously agreed to assist in the preparation of this Plan, in accordance with the Virginia Department of Transportation policies and procedures, and participated in a public hearing on the proposed Plan (2016/2017 through 2021/22) as well as the Construction Priority List (2016/17) on May 17, 2016, after duly advertised so that all citizens of the County had the opportunity to participate in said hearing and to make comments and recommendations concerning the proposed Plan and Priority List; and

**WHEREAS**, Allen Sumpter, Wise Residency Administrator, Virginia Department of Transportation, appeared before the board and recommended approval of the Six-Year Plan for Secondary Roads (2016/17 through 2021/22) and the Construction Priority List (2016/17) for Lee County, Virginia;

**NOW, THEREFORE, BE IT RESOLVED**, that since said Plan appears to be in the best interests of the Secondary Road System in Lee County and of the citizens residing on the Secondary System, said Secondary Six-Year Plan (2016/17 through 2021/22) and Construction Priority List (2016/17) are hereby approved as presented at the public hearing.

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**GOLF COURSE ROAD**

It was moved by Mr. Smith, seconded by Mr. Leonard, to approve Golf Course Road for Rural Addition funding. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Slempp, Mr. Smith

VOTING NO: Mr. Mosley

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Prior to the question being put to vote, Mr. Mosley stated that there are some roads that have been waiting over 8 years. The Board needs to discuss the projects that have been on the list for years.

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**SOUTHWEST REGIONAL RECREATION AUTHORITY**

Mr. Poe reported that Tina Rowe resigned her appointment on the Southwest Regional Recreation Authority.

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It was moved by Mr. Mosley, seconded by Mr. Cope, to table this appointment until next month. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slempp, Mr. Smith

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**REPORTS AND RECOMMENDATIONS OF THE COUNTY ATTORNEY**

None.

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**REPORTS AND RECOMMENDATIONS OF THE COUNTY ADMINISTRATOR**

**SCHOOL FACILITY FUND**

Mr. Poe reported that he had suggested that the School Facility Fund be done by ordinance, but he cannot find authorizing code that says the Board can do that. If there is no statutory authority for that, the Board can still develop a policy to create it. The Board would still have final say in appropriating the funds and the purpose for which they are appropriated.

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**SOUTHWEST REGIONAL RECREATION AUTHORITY**

It was moved by Mr. Mosley, seconded by Mr. Cope, to take from the table the appointment to the Southwest Regional Recreation Authority. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slempp, Mr. Smith

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It was moved by Mr. Mosley, seconded by Mr. Slempp, to appoint Richard "D.D." Leonard to an un-expired term on the Southwest Regional Recreation Authority. Mr. Leonard's term will expire June 30, 2017. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slempp, Mr. Smith

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**BUDGET UPDATE**

Mr. Poe presented the Board with an updated budget, which included \$4,700,000 to the School Board, an average 2% raise equal to \$624 for all County employees, an

additional full time position for the Circuit Court Judge leaving a deficit of \$756,000. Mr. Poe also gave the Board three alternate options on paying the County's portion of the Health Insurance.

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Mr. Slempp asked what was in for the Tourism budget.  
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Mr. Poe stated that the department is fully funded, \$2,500 going to the committee and \$10,000 in advertising. He added that Spearhead Trails asked for a considerable increase. The County funded them \$15,000 this year and they asked for \$57,760, he reduced it to \$25,000 adding that there is a limit in what the County can do for the Trails without a revenue stream offsetting that.

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**REPORTS AND RECOMMENDATIONS OF THE BOARD**

Mr. Mosley recommended that the Board establish an Agriculture Committee with one appointment form each district.  
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It was moved by Mr. Leonard, seconded by Mr. Cope, to recess until May 26, 2016 at 4:00 p.m. at the Lee County Airport. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Cope, Mr. Leonard, Mr. Mosley, Mr. Slempp, Mr. Smith

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CHAIRMAN OF THE BOARD

\_\_\_\_\_  
CLERK OF THE BOARD