

**Board of Supervisors Meeting  
February 9, 2012  
5:00 P.M.**

**NORTHUMBERLAND COUNTY, VA**

The meeting was convened for the regular monthly meeting of the Northumberland County Board of Supervisors that was held at Northumberland Courts Building, on Thursday, February 9, 2012

Present:        Ronald L. Jett. – Chairman  
                  Richard F. Haynie – Supervisor  
                  Joseph Self, Sr. – Supervisor  
                  Thomas H. Tomlin – Supervisor  
                  James M. Long – Supervisor

W. Leslie Kilduff, Jr. – County Attorney  
Kenneth D. Eades – County Administrator  
Luttrell Tadlock – Assistant County Administrator

**RE: INVOCATION**

Pastor Kori Kiss, Bethany Baptist Church led the invocation.

**RE: PLEDGE OF ALLEGIANCE**

County Administrator Eades led in the Pledge of Allegiance.

**RE: APPROVAL OF MINUTES FOR JANUARY 12, 2012**

Upon motion by James M. Long, duly seconded by Richard F. Haynie, the Board voted to approve the minutes for January 12, 2012. The vote on the motion is as follows:

Ronald L. Jett – YEA	A. Joseph Self, Sr. - YEA
James M. Long – YEA	Richard F. Haynie - YEA
Thomas H. Tomlin – YEA	

**RE: APPROVAL OF AGENDA**

Upon motion by James M. Long, duly seconded by Richard F. Haynie, the Board voted to approve the agenda for today's meeting. The vote on the motion is as follows:

Ronald L. Jett – YEA	A. Joseph Self, Sr. - YEA
James M. Long – YEA	Richard F. Haynie - YEA
Thomas H. Tomlin – YEA	

**RE: NORTHERN NECK VDOT RESIDENCY**

Mr. Todd VanLandingham and Mr. Carter White were present today representing the Virginia Department of Transportation. The Board welcomed Mr. Carter White, Assistant Residency Administrator.

Supervisor Tomlin questioned the guardrail outside of Burgess after the report of a third accident. He recommended a study in that area. Mr. White said he would take a look into the matter. Supervisor Tomlin then questioned the material and the type of guardrails for emergency repairs.

Chairman Jett noted the tree situation on the Birkel property in Reedville needs to be addressed.

Mr. Eades said that he needed to know if the Board wanted to comment on the improvements at Indian Valley Road and Coopers Landing Road in Horsehead. Supervisor Self said he didn't know why we would object. The Board had no comments. Supervisor Tomlin asked which pot of money this would come out of. Mr. White said the federal and secondary fund.

### **RE: MR. CLINT STABLES, SUPERINTENDENT OF SCHOOLS**

Mr. Stables noted school events on the calendar. He said a basketball ceremony will be held in memory of Calvin Redmond who drowned last year. At the ceremony, they will retire Mr. Redmond's jersey.

Mr. Stables also noted that the students in the Elementary school are reading "Mr. Popper's Penguins" as part of the one school one book program.

Mr. Stables then gave a report on the budget situation as to what they are forecasting from the General Assembly. There are additional cuts proposed to for local school systems again.

### **RE: APPROPRIATIONS**

Upon motion by A. Joseph Self, Sr. duly seconded by James M. Long, the Board voted unanimously to approve a special appropriation for the following:

\$ 4,000.00 – U.S. Department of Education "Investing in Innovation" grant money used to train Reading Recovery teachers.

The vote on the motion was:

Ronald L. Jett – YEA	A. Joseph Self, Sr. - YEA
James M. Long – YEA	Richard F. Haynie - YEA
Thomas H. Tomlin – YEA	

Supervisor Tomlin noted that forensics team was eliminated from the calendar.

### **RE: MR. PAUL LEE, ROBINSON, FARMER, COX ASSOCIATES – DISCUSSION OF AUDIT REPORT, MRS. ELLEN BOOKER KIRBY, TREASURER.**

Ms. Ann Wall, audit partner from Robinson, Farmer, Cox Associates was present to discuss the audit. She noted several different points in the audit, which she described as "clean" with only a material weakness to note. Ms. Wall explained the fund balance of \$8.8 million dollars as of June 30, 2011 and stated that with the economy the way it is, they recommend a 15% to 20% or 2 months fund balance on hand.

Supervisor Tomlin questioned the comment on page 90 of the audit as far as a recommendation to fix the issue of reporting. Ms. Wall recommended hiring an independent auditor or adding a computer program.

Treasurer Ellen Kirby noted that tax collections are running ahead of the previous year.

**RE: MS. ELIZABETH CROWTHER, RAPPAHANNOCK COMMUNITY COLLEGE, PRESIDENT**

Ms. Crowther stated it had been a couple of years since she visited the Board and she wanted to catch them up on all that has gone on with the college. She said the student population has grown considerably to about 5,100 students. She also noted that state support for funding has dropped. The new Kilmarnock location has just opened which she said is very convenient to Northumberland residents. She also commented on the Summer Youth program that is offered through RCC and funded through a Jessie DuPont Grant .

**RE: MR. DAVE HICKEY, BLUE RIDGE MASS APPRAISAL SERVICE, REASSESSMENT**

County Administrator Eades briefed the Board on the timeline of events that started the reassessment process. He said a contract with Blue Ridge was signed on August 13, 2010. On October 7, 2011 the Commissioner of Revenue and him went to the Staunton office with their concerns about the slow pace of the project. At that time notices were suppose to be going out mid November. On November 22, 2011, we followed up and discussed the notices to go out the first week of December. On November 28, 2011, we received a letter from Blue Ridge saying the notices will be sent out January 6, 2012. On December 2, 2011, Nicholas Morris from the Virginia Department of Taxation spoke with Mr. Hickey who said the assessment book will be delivered at the end of January 2012. On January 2, 2012, Mr. Hickey notified Data Synch that he was having issues with inputting data. On January 3, 2012 the county received a bill from Blue Ridge for postage and for sending out notices. On January 5, 2012, the county notified Blue Ridge that notices were not to go out until we had reviewed the data.

Mr. Eades said he was very concerned at this point on whether the assessment will be completed in time for the budget. He hopes Mr. Hickey will shed some light on the issues today.

Mr. Hickey stated that they had been late on the data entry because of the computer program not letting multiple users input data. He had been in discussions with Data Synch to fix the issue and he is hoping to have the preliminary calculations soon. He has worked with Mr. Dave Zinder today before the meeting and he felt like he should have the final set of numbers needed and files to Mr. Thomas (Commissioner of the Revenue) in the following week.

Mr. Todd Thomas spoke up and said at this point, the data is needed for review and said Mr. Hickey had brought him some data today. Briefly looking it over, he could see some data was missing but he needed to look at the rest to come to a conclusion. He will be reviewing new construction closely to identify how much of the data is up to date.

Supervisor Self said he is concerned about the time line of getting the information with the budget, which is coming up soon.

Mr. Hickey said 15 days have to be given to the citizens to make an appointment for hearings so the middle of March it should all be finalized.

Supervisor Tomlin said the judges' order is until the end of March. So what happens if it's not completed by then?

Mr. Eades said a code change this year says the county has a 45-day wait period for people coming before the Board of Equalization. Mr. Hickey questioned if there was going to be a limitation put on the Board of Equalization. Mr. Eades responded that yes there would be a limit.

Supervisor Tomlin said worse case scenario we would have to go back to the 2006 assessment. Supervisor Self said to Mr. Hickey, that's where we are and said he has a gut feeling that if this assessment proceeds, there will be a glitch and it is not going to be done in a timely manner.

Mr. Eades suggested letting Todd Thomas go through the data he received today and meet next week. Supervisor Self said rushing this is not good and it will be good to meet next week. Mr. Eades said the code is not specific on this issue. Supervisor Self said Mr. Hickey needs to be exact on these figures.

Chairman Jett asked Mr. Hickey if there is any real reason for being so late on this. Mr. Hickey responded saying that the lack of 2 people working on the data input is the key reason and the issue is directly related to the computer. He said it took Data Synch a while to get back with him on the issues. He said he has tried to do as good of a job as humanly possible. Supervisor Tomlin asked how long they were trying to enter data. Mr. Hickey said since last fall.

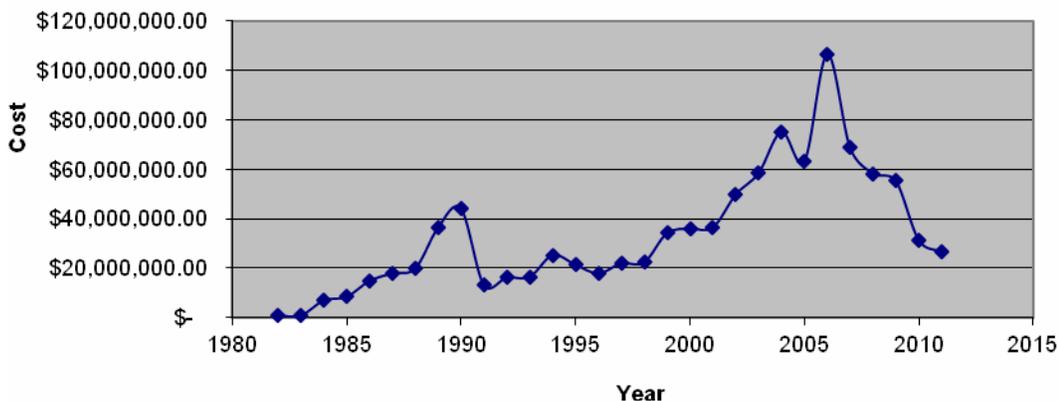
The Board decided to meet on this issue on Wednesday, February 15, 2012 at 4:30 in the Old Courthouse to discuss the assessment further. Supervisor Tomlin asked for our County Attorney to give them their full legal options at the meeting.

**RE: ASSISTANT COUNTY ADMINISTRATOR LUTTRELL TADLOCK, YEAR END REVIEW.**

Mr. Tadlock hit on several different points within the year. One point he noted was the construction cost decrease within the county as follows:

In 2011, the total estimated cost of construction was \$26,709,441.43 compared to \$31,396,805.13 for 2010. The total estimated cost of construction showed a decrease of 15% from 2010 to 2011.

**Total Construction Cost (1982-2011)**



The Board thanked Mr. Tadlock for his report and said it was well done.

**RE: BUILDING PERMIT REPORT**

Month of January	2012	2011
Total construction cost for the month	\$ 1,201,646.00	\$ 3,279,668.14
Total Bldg. Permit Cost for Month	\$ 3,641.68	\$ 7,878.97
Total Zoning Permit Cost for the Month	\$ 1,200.00	\$ 2,120.00
Total Levy Fee for the Month	\$ 72.83	\$ 151.59
<i>Total Construction cost year to date</i>	<i>\$ 1,201,646.00</i>	<i>\$ 3,279,668.14</i>

**RE: RE-APPOINTMENT TO THE PLANNING COMMISSION- KEVIN ELMORE**

Upon motion by James M. Long, duly seconded by Richard F. Haynie, the Board voted to re-appoint Mr. Kevin Elmore to the Northumberland County Planning Commission. His appointment will expire on February 15, 2016. The vote on the motion is as follows:

Ronald L. Jett – YEA                      A. Joseph Self, Sr. - YEA  
James M. Long – YEA                     Richard F. Haynie – YEA  
Thomas H. Tomlin – YEA

**RE: APPROVAL OF CHECK REGISTER**

Upon motion by James M. Long duly seconded by Richard F. Haynie, the Board voted unanimously to approve the check register, as submitted. The vote on the motion was as follows:

Ronald L. Jett – YEA                      A. Joseph Self, Sr. - YEA  
James M. Long – YEA                     Richard F. Haynie – YEA  
Thomas H. Tomlin - YEA

**RE: BOARD COMMENT PERIOD**

Supervisor Tomlin asked the status of the Reverse 911. Mr. Eades said that he has signed a contract with CodeRed for the emergency notification system. It is scheduled to be online mid March.

Chairman Jett said he was concerned about the Virginia Emergency Operations Center emailing weather notices instead of faxing them. The dispatchers do not have email currently.

Supervisor Tomlin held up the new telephone book, which does not have “white” pages and said he wanted to let everyone know that you can get a copy of the white pages by calling the number on the front cover. He asked for this to be put on our website.

**PUBLIC HEARINGS**

**RE: CARRY OVER - REQUEST BY MATT MCSHANE FOR A CONDITIONAL USE PERMIT TO ALLOW FARMING AND LIVESTOCK, HAVING MORE THAN 2 HORSES ON PROPERTY ZONED RESIDENTIAL WATERFRONT. THE PROPERTY IS LOCATED AT 191 BOW WOOD DRIVE OF BOGEY NECK ROAD NEAR WICOMICO CHURCH**

Zoning Administrator W.H. Shirley described the request for the conditional use permit. He had not received any comments on the request. This was carried over last month because no one was present to represent Mr. McShane.

Ms. Pamela Smith was present for this meeting representing the applicant.

There were no public comments.

Upon motion by Thomas H. Tomlin duly seconded by A. Joseph Self, Sr. the Board voted to approve the request with the following conditions:

1. The number of horses allowed will be limited to (1) horse per acre of available pasture and /or paddock; and ,
2. All animal waste from confined areas will be utilized or disposed of properly.

The vote on the motion is as follows:

Ronald L. Jett – YEA

Thomas H. Tomlin – YEA

A. Joseph Self, Sr. – YEA

Richard F. Haynes – YEA

James M. Long – YEA

Supervisor Tomlin said he did not have a problem with this request because horses have always been there for as long as he could remember.

**RE: CARRY OVER - REQUEST BY BRENDA AND T. DAVID WITTEN FOR A CONDITIONAL USE PERMIT TO PLACE A SECOND SINGLE-WIDE OFFICE TRAILER AT 70 JESSIE DUPONT MEMORIAL HIGHWAY NEAR INTERSECTION AT BURGESS**

Mr. Shirley described the request for the conditional use permit. He has received four in favor letters as of today and two in opposition.

Supervisor Long stated he supports business but cannot support a 2<sup>nd</sup> trailer and motioned to deny the request. He said the original plan was to renovate the building and has tried to talk to all parties to try to work it out.

Ms. Witten said she didn't understand how the wants of one individual could alter this and she requested it to be tabled again. Supervisor Long said it was more than one person and they have the right. Ms. Witten said Mr. Henderson, who is in objection, would not compromise. She continued to say this will impact the employees and community. Supervisor Long said he could not support the trailer.

Supervisor Long said he will withdraw his original motion and carryover the request.

Upon motion by James M. Long duly seconded by A. Joseph Self, Sr., the Board voted to table the request until next meeting to consider the changes. The meeting next month will be open for comments from the public but the request will not be re-advertised.

The vote on the motion is as follows:

Ronald L. Jett – YEA  
A. Joseph Self, Sr. – YEA  
James M. Long – YEA

Thomas H. Tomlin – YEA  
Richard F. Haynie – YEA

**RE: REQUEST BY DWAYNE C. WHITE FOR A SPECIAL EXCEPTIONS PERMIT TO CONSTRUCT A 34’X32’X14’ IN HEIGHT BOATHOUSE INTO COCKRELL CREEK AT 1808 FLEETON ROAD.**

Zoning Administrator Shirley described the request and said he has not received any comments on the matter.

Mr. Lee Bowles agent for the applicants was present.

Public Hearing Open

No comments were given

Public Hearing Closed

Upon motion by Ronald L. Jett duly seconded by James M. Long, the Board voted to approve the request with the following conditions:

1. The permit is valid for two (2) years and will expire February 9, 2014, at which time the boathouse must be completed;
2. The boathouse must be constructed as submitted in the application;
3. A fire extinguisher must be located within the boathouse and be accessible from the pier;
4. Any exterior lighting must be non-reflective and directed downward; and,
5. Approval of this boathouse does not imply nor grant the establishment of a riparian apportionment.

The vote on the motion is as follows:

Ronald L. Jett – YEA  
A. Joseph Self, Sr. – YEA  
James M. Long – YEA

Thomas H. Tomlin – YEA  
Richard F. Haynie – YEA

**RE:REQUEST BY T. ROGER STEPP FOR A CONDITIONAL USE PERMIT TO CONSTRUCT A 24’X45’ PRIVATE STORAGE BUILDING IN FLEETON BEACH SUBDIVISION ON CHESAPEAKE STREET.**

Zoning Administrator Shirley described the request for the conditional use permit to construct a private storage building on Chesapeake Street. He has not received any comments on the matter.

Public Hearing Open

No Comments were given.

Public Hearing Closed

Upon motion by Ronald L. Jett duly seconded by A. Joseph Self, Sr., the Board voted to approve the request with the following conditions:

1. The building must be situated on the property as shown on the site plan submitted with the application;
2. The applicant must apply for and receive all applicable permits for the construction of the proposed building; and,
3. The permit is valid for one year and will expire on February 9, 2013, at which time the building must be completed.

The vote on the motion is as follows:

Ronald L. Jett – YEA  
A. Joseph Self, Sr. – YEA  
James M. Long – YEA

Thomas H. Tomlin – YEA  
Richard F. Haynie – YEA

**RE: REQUEST BY DAVID AND VIVIAN MCGAW FOR A CONDITIONAL USE PERMIT TO CONSTRUCT A 32' X 40' PRIVATE STORAGE BUILDING OFF HIDDEN POINT LANE NEAR HARRYHOGAN.**

Zoning Administrator Shirley described the request for the private storage building. He has not received any comments as of today on the matter.

Mr. Craig Palubinski from Bay Shore Design was present representing the McGaw's'.

Public Hearing Open

No comments were given

Public Hearing Closed

Upon motion by A. Joseph Self, Sr. duly seconded by Richard F. Haynie the Board voted to approve the request with the following conditions:

1. The building must be situated on the property as shown on the site plan submitted with the application;
2. The applicant must apply for and receive all applicable permits for the construction of the proposed building; and,
3. The permit is valid for one (1) year and will expire on February 9, 2013, at which time the building must be completed.

The vote on the motion is as follows:

Ronald L. Jett – YEA  
A. Joseph Self, Sr. – YEA  
James M. Long – YEA

Thomas H. Tomlin – YEA  
Richard F. Haynie – YEA

**RE: PROPOSED REFINANCING AND BOND ISSUE TO FINANCE CAPITAL IMPROVEMENTS TO THE REEDVILLE SEWER PLANT**

County Administrator Eades proposed authorization of the revenue bonds in the estimated maximum principal amount of \$1,120,000, the purpose of which is to finance capital improvements to the Reedville Sewer Plant. He said refunding revenue bonds in the estimated maximum principal amount of \$2,210,000, the purpose of which is to refund certain outstanding System revenue bonds of the County. Mr. Eades also stated the advertised amount of \$450,000 for the 911 center will be taken out of consideration.

Public Hearing Open

No comments were given

Public Hearing Closed

Mr. Eades noted this will reduce the length time for payments and the debt will be paid off sooner.

Mr. Chris Kulp, Bond Attorney stated the end year for the original loans are 2046 and the proposed end year for the refinancing is 2032. There is a new lower rate and will basically keep the same cash flow because the payments will be about the same as they are now with approximately \$800,000 in savings.

Supervisor Tomlin questioned the deficiency piece that the county will have to pay. Mr. Kulp said there is a reserve set aside for one year at approximately \$300,000.

Upon motion by Ronald L. Jett duly seconded by James M. Long the Board voted to approve refinancing with the following Resolution:

**RESOLUTION**

**A SUPPLEMENTAL RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A SEWER SYSTEM REVENUE AND REFUNDING BOND OF NORTHUMBERLAND COUNTY, VIRGINIA, IN THE MAXIMUM PRINCIPAL AMOUNT OF \$3,330,000, AS AN ADDITIONAL BOND PURSUANT TO AN INITIAL RESOLUTION ADOPTED ON AUGUST 8, 2002, BY THE BOARD OF SUPERVISORS, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT OF THE BOND**

**WHEREAS**, pursuant to a resolution adopted August 8, 2002 (the "Initial Resolution"), the Board of Supervisors (the "Board of Supervisors") of Northumberland County, Virginia (the "County"), authorized the issuance from time to time of sewer system revenue bonds to pay the costs to acquire, finance, construct, expand, improve, operate and maintain wastewater treatment and related facilities (including, without limitation, sewerage trunk or interceptor lines and pumping stations, together with all appurtenant equipment necessary or suitable therefor and all properties, rights, easements or franchises relating thereto and deemed necessary or convenient by the County for their operation) (collectively, the "System") for the benefit of the County residents and businesses;

**WHEREAS**, there are outstanding the County's \$587,580 Taxable Sewer System Revenue Bond, Series 2002A (the "2002A Bond"), its \$654,000 Taxable Sewer System Revenue Bond, Series 2002B (the "2002B Bond"), its \$423,000 Sewer System Revenue Bond, Series of 2005A (the "2005A Bond"), and its \$482,800

Sewer System Revenue Bond, Series of 2005B (the “2005B Bond”), all of which were issued to finance improvements to the System;

**WHEREAS**, the County is not in default in payment of principal of or interest on such outstanding bonds, or in the performance of any of the covenants, conditions, agreements and provisions contained in the Initial Resolution;

**WHEREAS**, within the limitations of and in compliance with the Initial Resolution, the County is authorized to issue additional bonds to finance the cost to acquire, construct and equip improvements to the System;

**WHEREAS**, the Board of Supervisors desires to issue a revenue and refunding bond in the maximum principal amount of \$3,330,000 (the “2012 Bond”), and use the proceeds, together with other available funds, to (a) pay the cost of additional improvements to the System, including capital improvements to the Reedville Sewer Plant (the “2012 Project”), (b) refund the outstanding maturities of the 2002A Bond, the 2002B Bond, the 2005A Bond and the 2005B Bond (collectively, the “Refunded Bonds”) and (c) pay the costs of issuing the 2012 Bond and refunding the Refunded Bonds;

**WHEREAS**, the County’s administration, in collaboration with the County’s financial advisor, Davenport & Company LLC (the “Financial Advisor”), has recommended to the Board of Supervisors that the County issue and sell one or more issues of revenue bonds through a private placement with a financial institution;

**WHEREAS**, Branch Banking and Trust Company (the “Bank”) has offered to purchase the 2012 Bond upon certain terms and conditions as set forth in its letter dated December 21, 2011 (the “Commitment Letter”), which letter is on file with records of the County, and the County, after consultation with the Financial Advisor, desires to award the 2012 Bond to the Bank in accordance with the terms of the Commitment Letter as modified by any terms in this Resolution;

**WHEREAS**, to provide additional security for the 2012 Bond, the Bank has requested the Board of Supervisors to enter into a Support Agreement (the “Support Agreement”) whereby the Board of Supervisors would agree to consider appropriating moneys from time to time in amounts sufficient to pay operating expenses of the System and debt service on the 2012 Bond to the extent that revenues of the System are insufficient therefor.

**WHEREAS**, on February 9, 2012, the Board of Supervisors held a public hearing on the proposed issuance of the 2012 Bond, in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended; and

**BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF NORTHUMBERLAND COUNTY AS FOLLOWS:**

#### **INCORPORATION OF RECITALS; DEFINITIONS**

***Recitals.*** *The foregoing recitals are deemed to be a substantive part of this Resolution.*

***Definitions.*** *Capitalized terms used in this Resolution and not otherwise defined shall have the meanings given them in the Initial Resolution. Whenever used in this Resolution, unless a different meaning clearly appears from the context:*

“2012 Bond” shall mean the revenue and refunding bond issued pursuant to this Resolution.

“5-Year LIBOR Swap Rate” shall mean the rate per annum representing the International Swaps and Derivatives Association (ISDA®) mid-market par swap rate for a 5-year term for a fixed rate payer, as reflected in the Federal Reserve Board Statistical Release H.15, or any successor or, if not available, any substitute publication selected by the Bank, as of three Business Days in advance of January 1, 2027..

“Code of 1986” shall mean the Internal Revenue Code of 1986, as amended, including applicable regulations, rulings and revenue procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended.

“Initial Resolution” shall mean the resolution adopted August 8, 2002, by the Board of Supervisors and entitled “Resolution Authorizing the Issuance, Sale and Award of Sewer System Revenue Bonds of Northumberland County, Virginia, and Providing for the Form, Details and Payment Thereof to Finance the Acquisition, Construction, Expansion and Improvements to the County Wastewater System,” as previously supplemented and amended by resolutions adopted on August 12, 2004, and August 11, 2005.

“Opinion of Bond Counsel” shall mean an opinion of an attorney or firm of attorneys nationally recognized on the subject of municipal bonds.

“Series 2012 Account” shall mean the account established under Section 4.2(a) of this Resolution.

“Series 2012 Reserve Account” shall mean the account established under Section 4.2(b) of this Resolution.

“Series 2012 Reserve Requirement” shall mean an amount equal to maximum annual debt service on the 2012 Bond in the current or any future bond year.

#### **AUTHORIZATION, FORM, EXECUTION, DELIVERY AND REGISTRATION OF 2012 BOND**

Authorization of 2012 Bond. Pursuant to Article VII, Section 10(a)(3) of the Constitution of Virginia and the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) (the “Act”), there is hereby authorized to be issued a sewer system revenue and refunding bond of the County in the maximum principal amount of \$3,330,000 to provide funds to finance the cost of the 2012 Project, to refund the outstanding maturities of the Refunded Bonds, and to pay the cost of issuing the 2012 Bond and refunding the Refunded Bonds. The 2012 Bond shall be designated “Sewer System Revenue and Refunding Bond, Series 2012.” To the extent permitted by Section 15.2-2601 of the Act, the Board of Supervisors elects that the 2012 Bond will be issued under the provisions of the Act without regard to the requirements, restrictions or provisions contained in any charter or local or special act applicable to the County.

Sale and Details of 2012 Bond. The 2012 Bond shall be issued as a fully registered bond without coupons, shall be dated as of the date the 2012 Bond is delivered to the Bank (the “Closing Date”), shall be numbered R-1, and shall bear interest at the rate of 3.32% per year until January 1, 2027, at which time the Bank will have the option to reset the interest rate to a rate equivalent to 68% of the then-current 5-Year LIBOR Swap Rate plus 247 basis points. The 2012 Bond shall provide for annual installment payments of principal on each July 1, beginning July 1, 2012. Interest shall be due semi-annually on each January 1 and July 1, beginning July 1, 2012, until the principal of the 2012 Bond is paid in full. If not sooner paid, the final installment shall be due and payable no later than July 1, 2031. The County Administrator is authorized to approve the final terms of the Bond within the parameters set forth in this Resolution and is directed to file with the records of the Board of Supervisors a certificate setting forth his determinations of the final terms of the 2012 Bond.

Form of 2012 Bond. The 2012 Bond shall be in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the 2012 Bond, whose approval shall be evidenced conclusively by the execution and delivery of the 2012 Bond.

Execution and Authentication of 2012 Bond. The 2012 Bond shall be signed by the Chairman or Vice Chairman of the Board of Supervisors and the County’s seal shall be affixed thereto and attested by the Clerk of the Board of Supervisors.

Preparation and Delivery of 2012 Bond. The Chairman, Vice Chairman and the Clerk of the Board of Supervisors are each hereby authorized and directed to take all proper steps to have the 2012 Bond prepared and executed in accordance with its terms and to deliver the 2012 Bond to the Bank upon payment of the purchase price therefor. The Chairman, Vice Chairman and the Clerk of the Board of Supervisors are further authorized and directed to agree to and comply with any and all further conditions and requirements of the Bank not inconsistent with this Resolution in connection with the purchase of the 2012 Bond. In the event the 2012 Bond is not issued and delivered during the current calendar year, any of such officers is hereby authorized and directed to change the series designation to such other designation as may be appropriate at the time of its issuance.

Use of Proceeds of 2012 Bond. The County Administrator or the County Treasurer shall arrange for the proceeds from the sale of the 2012 Bond to be applied to the cost of the 2012 Project, the refunding of the Refunded Bonds and the cost of issuing the 2012 Bond and the refunding of the Refunded Bonds.

Refunding of Refunded Bonds. Since the portion of the 2012 Bond allocable to the refunding of the Refunded Bonds will have aggregate debt service payments lower than those of the Refunded Bonds, the County hereby approves the refunding of the Refunded Bonds with a portion of the proceeds of the 2012 Bond. The County Administrator is hereby authorized to call the Refunded Bonds for redemption or prepayment at the earliest date and to take all such actions as may be necessary to redeem or prepay the Refunded Bonds.

Registrar. The Treasurer of the County is hereby appointed Registrar for the 2012 Bond. Transfer of the 2012 Bond may be registered upon books maintained for that purpose at the office of the Registrar. Prior to the due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner.

Project Fund Agreement. The form of the Project Fund Agreement (the "Project Fund Agreement"), between the County and Branch Banking and Trust Company, as escrow agent, presented to the Board of Supervisors at this meeting is hereby approved. The Chairman and Vice-Chairman of the Board of Supervisors, and the County Administrator, any of whom may act, are authorized to execute and deliver on behalf of the County the Project Fund Agreement in substantially the form submitted to this meeting, with such changes, insertions or omissions as may be approved by the Chairman, Vice Chairman or County Administrator, whose approval shall be evidenced conclusively by the execution and delivery of the Project Fund Agreement. The Project Fund Agreement shall provide for the deposit of a portion of the Bond proceeds in a Construction Account (as defined therein) which shall be invested and used to pay the costs of the 2012 Project.

Support Agreement. The form of the Support Agreement presented to the Board of Supervisors at this meeting is hereby approved. The Chairman and Vice-Chairman of the Board of Supervisors, either of whom may act, are authorized to execute and deliver on behalf of the County the Support Agreement in substantially the form submitted to this meeting, with such changes, insertions or omissions as may be approved by the Chairman or Vice-Chairman, whose approval shall be evidenced conclusively by the execution and delivery of the Support Agreement.

## **PAYMENT AND REDEMPTION OF 2012 BOND**

Payment of Bonds. *The County shall pay promptly, as provided herein, the principal of and interest on the 2012 Bond, but such principal and interest shall be payable solely from Revenues, and nothing in the 2012 Bond, the Initial Resolution or this Resolution shall be deemed to create or constitute a general obligation of or a pledge of the faith and credit of the Commonwealth of Virginia or of any county, city, town or other political subdivision of the Commonwealth.*

Redemption of 2012 Bond. *Upon at least ten business days' prior notice, the 2012 Bond may be prepaid at the option of the County, in whole, on any January 1 or July 1, at a redemption price equal to 101% of the principal to be prepaid plus interest accrued and unpaid to the redemption date.*

## **SUPPLEMENTAL RESOLUTION**

Supplement to Initial Resolution. *This Resolution is adopted and the 2012 Bond is authorized herein pursuant to, within the limitations of and in compliance with the Initial Resolution as supplemented by this Resolution. All terms, covenants and provisions of the Initial Resolution shall apply with full force and effect to the 2012 Bond and to the holder thereof, except as modified by the terms of this Resolution. The Initial Resolution is hereby ratified and confirmed to be in full force and effect.*

Establishment of Accounts. *In accordance with Section 6 of the Initial Resolution, the Board of Supervisors hereby establishes the following Accounts:*

within the Northumberland County Sewer System Bond Fund, a "Series 2012 Account," to be applied in accordance with Section 6(e) of the Initial Resolution to pay debt service on the 2012 Bond; and

within the Northumberland County Sewer System Debt Service Reserve Fund, a "Series 2012 Reserve Account," to be applied in accordance with Section 6(f) of the Initial Resolution to pay debt service on the 2012 Bond to the extent funds on deposit in the Series 2012 Account are insufficient.

Transfers to Series 2012 Reserve Account. *Contemporaneously with the issuance and sale of the 2012 Bond, the County shall transfer from legally available funds for deposit in the Series 2012 Reserve Account an amount equal to the 2012 Reserve Requirement.*

## **TAX COVENANTS**

General Tax Covenants Related to the 2012 Bond. *The following tax covenants shall apply to the County so long as the 2012 Bond is outstanding:*

The County covenants that it shall not take or omit to take any action the taking or omission of which will cause interest on the 2012 Bond to be includable in gross income for federal income tax purposes under existing law.

The County covenants that it shall not permit the proceeds of the 2012 Bond or the 2012 Project to be used in any manner that would result in (i) 5% or more of such proceeds or the 2012 Project being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code of 1986, (ii) 5% or more of such proceeds or the 2012 Project being used with respect to any output facility (other than a facility for the furnishing of

water), within the meaning of Section 141(b)(4) of the Code of 1986, or (iii) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code of 1986; provided, however, that if the County receives an Opinion of Bond Counsel that any such covenants need not be complied with to prevent the interest on the 2012 Bond from being includable in the gross income of the registered owner thereof under existing law, the County need not comply with such covenants.

The County covenants that it will use the proceeds of the 2012 Bond to pay the costs of the 2012 Project and shall not permit such facilities to be used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141 (b) of the Code of 1986; provided, however, that if the County receives an Opinion of Bond Counsel that any such covenants need not be complied with to prevent the interest on the 2012 Bond from being includable in gross income for federal income tax purposes under then existing law, the County need not comply with such covenant.

The County may amend the 2012 Project description at any time or from time to time by filing with the Trustee a copy of the amendment, accompanied by an Opinion of Bond Counsel to the effect that such amendment will not affect adversely (i) the exclusion from gross income of interest on the 2012 Bond for federal income tax purposes or (ii) the non-tax preference of such interest for purposes of the Federal alternative minimum income tax.

The County hereby represents that it will provide all information necessary to evidence compliance with the requirements of the Code of 1986, including the information in IRS Form 8038-G filed with respect to the 2012 Bond and the 2012 Project, and that such information will be true and correct in all material respects.

During the period commencing 15 days prior to the date of sale of the 2012 Bond and ending 15 days after such sale date, there shall be issued or sold no other bonds the interest on which is excluded from Federal income taxation which are guaranteed or otherwise secured by payments to be made by the County or any "related person" (or group of "related persons").

No portion of the 2012 Bond shall be federally guaranteed within the meaning of Section 149(b) of the Code of 1986.

*Arbitrage Covenants. The County covenants that it shall not take or omit to take any action the taking or omission of which will cause the 2012 Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code of 1986, including regulations issued pursuant thereto, or otherwise cause interest on the 2012 Bond to be includable in gross income for federal income tax purposes under then existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the 2012 Bond.*

*Qualified Tax-Exempt Obligation. The County Administrator is hereby authorized to designate the 2012 Bond as a "qualified tax-exempt obligation" for the purpose of Section 265(b)(3) of the Code of 1986 if the County Administrator determines that it is in the best interests of the County to do so and that the County can satisfy the requirements of Section 265(b)(3) of the Code of 1986. Before designating the 2012 Bond as a "qualified tax-exempt obligation," the County Administrator must determine as follows:*

(a) The County will in no event designate more than \$10,000,000 of obligations as qualified tax-exempt obligations in calendar year 2012, including the 2012 Bond, for the purpose of such Section 265(b)(3);

(b) The County, all its “subordinate entities,” within the meaning of such Section 265(b)(3), and all entities which issue tax-exempt obligations on behalf of the County and its subordinate entities have not issued, in the aggregate, more than \$10,000,000 of tax-exempt obligations in calendar year 2012 (not including “private activity bonds,” within the meaning of Section 141 of the Code, other than “qualified 501(c)(3) bonds,” within the meaning of Section 145 of the Code), including the 2012 Bond;

(c) Barring circumstances unforeseen as of the date of delivery of the 2012 Bond, the County will not issue tax-exempt obligations itself or approve the issuance of tax-exempt obligations of any of such other entities if the issuance of such tax-exempt obligations would, when aggregated with all other tax-exempt obligations theretofore issued by the County and such other entities in calendar year 2012 result in the County and such other entities having issued a total of more than \$10,000,000 of tax-exempt obligations in calendar year 2012 (not including private activity bonds other than qualified 501(c)(3) bonds), including the 2012 Bond; and

(d) The County has no reason to believe that the County and such other entities will issue tax-exempt obligations in calendar year 2012 in an aggregate amount that will exceed such \$10,000,000 limit.

MISCELLANEOUS

***Authority of Officers and Agents.*** *The officers and agents of the County shall do all acts and things required of them by this Resolution and the Initial Resolution and the 2012 Bond for the complete and punctual performance of all the terms, covenants and agreements contained therein.*

***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.*

***Conditions Precedent.*** *Upon the issuance of the 2012 Bond all acts, conditions, and things required by the Constitution and statutes of the Commonwealth of Virginia, or this Resolution to happen, exist and be performed precedent to or in the issuance of such bond shall have happened, exist and have been performed.*

***Severability.*** *The provisions of this Resolution are hereby declared to be severable. If any court of competent jurisdiction shall hold any provision of this Resolution to be invalid and unenforceable, such holding shall not affect any other provision hereof.*

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

***Filing of Resolution.*** *The Clerk of the Board of Supervisors is hereby authorized and directed to file a certified copy of this Resolution in accordance with Section 15.2-2607 of the Act, in the Circuit Court of Northumberland County, Virginia.*

The undersigned Clerk of the Board of Supervisors of Northumberland County, Virginia (the “County”), hereby certifies that the foregoing constitutes a true and correct copy of a resolution duly adopted at a meeting of the Board of Supervisors held on [February 9], 2012. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing resolution, a quorum was present. I further certify that the minutes of such meeting reflect the attendance of the members and the voting on the foregoing resolution as follows:

<u>Members</u>	<u>Attendance</u>	<u>Vote</u>
Ronald L. Jett, Chairman	Yes	AYE

Richard F. Haynie	Yes	AYE
A. Joseph Self, Sr.	Yes	AYE
James M. Long	Yes	AYE
Thomas H. Tomlin	Yes	AYE

**Exhibit A - [FORM OF 2012 BOND]**

No. R-1

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

NORTHUMBERLAND COUNTY

Sewer System Revenue and Refunding Bond, Series 2012

[Dated Date]

Northumberland County, Virginia (the "County"), for value received, hereby promises to pay, solely from the revenues described and pledged in the Bond Resolution, as hereafter defined, to the payment hereof, to Branch Banking and Trust Company (the "Bank"), or registered assigns, the principal sum of \_\_\_\_\_ AND 00/100 DOLLARS (\$ \_\_\_\_\_) and to pay, solely from such source, to the registered owner hereof interest on the unpaid principal from the date hereof until payment of the entire principal sum at the rate of 3.32% per year until January 1, 2027, at which time the Bank may reset the rate to a rate equivalent to 68% of the then-current 5-Year LIBOR Swap Rate plus 247 basis points (as such terms are defined in the Bond Resolution). Principal shall be payable on each July 1 in the amounts and years reflected on Schedule 1 attached hereto. Interest shall be payable semi-annually on each January 1 and July 1, commencing July 1, 2012, until principal on this bond is paid in full. Such payments shall be payable in lawful money of the United States of America by check or draft mailed to the registered owner at its address as it appears on the registration books kept for that purpose at the office of the County Treasurer who has been appointed Registrar, except that the final payment shall be payable upon presentation and surrender hereof at the office of the Registrar.

This bond is issued pursuant to the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) (the "Act"), to provide funds, together with other available funds, to finance the cost of extensions to the sewer system of the County (the "System") and to refund certain outstanding bonds of the System. This bond is issued pursuant to a resolution duly adopted under the Act by the Board of Supervisors of the County (the "Board of Supervisors") on February \_\_\_\_, 2012, supplementing resolutions duly adopted by the Board of Supervisors on August 8, 2002, August 12, 2004 and August 11, 2005 (collectively, the "Bond Resolution"), and reference is hereby made to the Bond Resolution and any amendments thereto for the provisions, among others, describing the pledge and covenants securing this bond, the nature and extent of the security, the terms and conditions upon which this bond is issued, the rights and obligations of the County and the rights of the bondholder.

Upon at least ten business days' prior notice, this bond may be prepaid at the option of the County, in whole, on any January 1 or July 1, at a redemption price equal to 101% of the principal to be prepaid plus interest accrued and unpaid to the redemption date.

Principal of, premium, if any, and interest on this bond are payable solely from the revenues of the System pledged thereto in the Bond Resolution, and nothing herein or in the Bond Resolution shall be deemed to create or constitute a general obligation of or a pledge of the faith and credit of the Commonwealth of Virginia or any county, city, town or other political subdivision of the Commonwealth.

Additional bonds secured equally and ratably with this bond may be issued from time to time under the conditions, limitations and restrictions set forth in the Bond Resolution.

The County has designated this bond as a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This bond is fully registered as to both principal and interest in the name of Branch Banking and Trust Company. Transfer of this bond may be registered upon the registration books of the Registrar. Prior to due presentment for registration of transfer the Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium and interest and the exercise of all other rights and powers of the owner.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed.

IN WITNESS WHEREOF, the County has caused this bond to be signed by the Chairman of the Board of Supervisors of the County, its seal to be affixed hereto and attested by the Clerk of the Board of Supervisors of the County, and this bond to be dated the date first shown above.

ATTEST:

\_\_\_\_\_(Seal)  
Clerk, Board of Supervisors of  
Northumberland County

\_\_\_\_\_  
Chairman, Board of Supervisors of  
Northumberland County

TRANSFER OF BOND

The transfer of this bond may be registered by the registered owner or its duly authorized attorney upon presentation hereof to the Registrar who shall make note of such transfer in books kept by the Registrar for that purpose and in the registration blank below.

Date of Registration

Name of Registered Owner

Signature of Registrar

The vote on the motion is as follows:

Ronald L. Jett – YEA

Thomas H. Tomlin – YEA

A. Joseph Self, Sr. – YEA

Richard F. Haynie – YEA

James M. Long – YEA

Supervisor Tomlin stated everyone knows his position on debt but the Department of Environmental Quality is staring us in the face to upgrade the system in Reedville and with this lower rate of refinancing, he is supporting the financing to come into compliance.

**RE: AMENDMENT TO THE ZONING ORDINANCE, CHAPTER 148, ARTICLE II, SECTION 148-6B TO ALLOW “TOURIST HOME” AS A PERMITTED USE IN THE CONSERVATION ZONING DISTRICT**

Assistant County Administrator Luttrell Tadlock described the amendment for allowance of tourist home in the C-1 district. He said the Planning Commission held a public hearing on January 19, 2012 and is recommending not adopting the ordinance. Mr. Tadlock said he had received one additional comment after the Board packet was sent out which he gave to the members.

Public Hearing Open

Mr. Scott Cruz, who lives adjacent to the Boone property, stated his family has owned this land for over 20 years and is objecting to the amendment. He said college age guys have been hanging out on the beach with no adult supervision and this kind of behavior has affected his property. There have been beer bottles on the property and people trespassing on his property along with aggressive drunks. The noise from the renters has been disturbing him and his family. He asked the Board how they would like to live by this.

Mr. Harry Morrow who also stated he lives at the Tides of the Chesapeake stated that 82% of the residents there are opposed to this being approved and is opposed to Mr. Boone’s tourist home. In C-1, this is prohibited and it has been to the Planning Commission twice and this could affect the community if allowed. He said this needs a reality check.

Mr. Pat Boone said this is the first time he has heard of all the problems that Mr. Cruz described and he wished someone had told him. He usually does a really good job at the background checks of the renters. He said in the C-1 district, hotels and motels are already allowed and so why this isn’t the same. He said he was sorry for the problem, but a simple phone call would have fixed the problem.

Chairman Jett asked if all of the Tides of the Chesapeake are in the C-1 district. Mr. Eades said yes except the Bay Point Subdivision area.

Mr. Tadlock was asked what districts this was already allowed Tourist Homes. He said in A-1, R-1, and in B-1. The R-2 district is allowing with a conditional use.

Chairman Jett said he needed a legal opinion on the definition of a tourist home/weekly rental.

Supervisor Haynie asked how many reports of a problem at the Boone location has been reported to the Sheriff Department. Mr. Eades said none that he knows of.

Supervisor Long said he thinks this could be a problem and he wouldn't want it in his backyard.

Mr. Boone said he was willing not to rent to anyone under 30 years old.

Chairman Jett said there could be trouble at any single family home and he doesn't want to deprive anyone of their land rights.

Upon motion by Ronald L. Jett duly seconded by James M. Long the Board voted carryover the request to get a legal opinion of the different definitions. It will be decided at that meeting whether the Board will hear any additional comments on the matter.

The vote on the motion is as follows:

Ronald L. Jett – YEA

A. Joseph Self, Sr. – YEA

James M. Long – YEA

Thomas H. Tomlin – YEA

Richard F. Haynie – YEA

#### **RE: PUBLIC COMMENT PERIOD**

Mr. Lee Allain wanted the Board to be aware of the sludge bills that are pending.

#### **RE: ADJOURNMENT**

Upon motion by A. Joseph Self, Sr., seconded by Thomas H. Tomlin, the Board voted to carry over the meeting until February 15, 2012 at 4:30 p.m. The vote on the motion was:

Ronald L. Jett – YEA

A. Joseph Self, Sr. – YEA

James M. Long – YEA

Thomas H. Tomlin – YEA

Richard F. Haynie – YEA

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Kenneth D. Eades, Clerk