

THE REGULAR MEETING OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 4th DAY OF SEPTEMBER IN THE YEAR TWO THOUSAND EIGHTEEN IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 6:00 P.M.

IN RE: CALL TO ORDER

Chairman Thomas W. Evelyn called the meeting to order.

IN RE: ROLL CALL

Thomas W. Evelyn	Present
C. Thomas Tiller, Jr.	Present
Patricia A. Paige	Present
Ron Stiers	Present
W. R. Davis, Jr.	Present

All members were present. Mr. Evelyn thanked everyone for attending.

IN RE: INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Tiller gave the invocation and led the pledge of allegiance.

IN RE: CONSENT AGENDA

1. Miscellaneous
 - a. Approval of General Services Emergency Procurement – White Oak Equipment Inc., \$3,810.03
 - b. Approval of Public Utilities Emergency Procurement – Walter C. Via Enterprises, Inc., \$43,350.
 - c. Approval of Renewal Agreement with Worldview Solutions – GIS Support.
 - d. Street Name Approval – Jimmy Burrell Lane

2. FY18 Supplemental Appropriations for MUNIS
 - a. Funds received from VML Insurance: Buildings and Grounds - Water Damage to Fire Station #1 DOL 1/6/18 (\$12,085.28) and Water Damage to Courthouse DOL 1/7/18 (\$3,105.72), \$15,191.
 - b. Funds received from Vending Machine Sales, Sheriff's Office (\$53.05) and Administration (\$188.42), \$241.47.
 - c. Additional Funds needed for Furniture & Equipment at the New Fire Station #5 outside of the Fire Station Construction Loan, \$554,000.
 - d. Interest earnings on the Bank of America Fire Apparatus Lease Purchase Bond, \$39,414.38.
 - e. Interest earnings on Fire Station Construction Bond, \$30,542.75.

\$639,389.60 - Total
(\$15,432.47) - Total In/Out - General Fund (1101)
(\$137,129.72) - Total In/Out – Capital Projects (1302)
(\$554,000.00) - From Fund Balance – Capital Projects (1302)

3. FY19 Supplemental Appropriations for MUNIS
 - a. Program Income Received for FY19 - CDBG Plum Point Grant Participants, \$251.

- b. Donations to the Animal Shelter, \$355.
- c. Fire/Emergency Management - Edward & Vashti Coates (\$125), Catherine Daley (\$100), M. DHO (\$25), Edward & Jane Wood (\$25), James & Sherry Burbridge (\$50), Dwight & Barbara West (\$100), Helen & Allen Johnson (\$25), Eleanor Wagner (\$40), McGuire Woods (\$50), Debbie Shashaty (\$50) & Barbara Coates/Lori Powell (\$50), \$640.
- d. Funds received from VML Insurance; Sheriff's Dept - Veh #314 Deer Strike DOL 7/28/18 (\$2,353.85) and Buildings and Grounds - Water Damage to Records Room at Courthouse DOL 7/31/18 (\$1,556.53), \$3,910.38.
- e. Funds for Security Detail: Lee Hy Paving Corporation - Traffic Control Rte 60 Workzone - 7/16-7/18/18 (\$2,013.71), 7/22-7/30/18 (\$3,006.77) and 7/29-8/2/18 (\$1,793.03), \$6,813.51.
- f. Youth Sports Scholarship Funds: New Kent Youth Association Baseball Account, \$2,544.
- g. FY19 Circuit Court Records Preservation Grant, \$10,184.
- h. Carryforward unspent FY18 funds for Selective Enforcement Grants, \$16,859.06.

\$41,556.95 - Total
(\$14,513.89) - Total In/Out - General Fund (1101)
(\$25,887.92) - Total In/Out - Grants (1106)
(\$1,155.14) - From Fund Balance - General Fund (1101)

4. Treasurer's Report: Cash as of July 2018, \$36,688,870.89.

Mr. Stiers directed a question regarding Consent Agenda Item 1.b. Approval of Emergency Procurement – Walter C. Via Enterprises, Inc. to Public Utilities Director Larry Dame. He asked if the final cost was available for repairing the forcemain in the Brickshire subdivision. Mr. Dame reported the work had been completed earlier in the day, a final bill would be available soon and he did not believe it would cost any more than the original proposal price (\$43,350). Mr. Stiers reported he had initially tried to get VDOT to pay for the repairs but it had been determined the area of concern was not within the VDOT easement. He suggested this was a Brickshire/New Kent County problem and indicated he would like to propose that the cost be split between Brickshire and the County. He also indicated he would like to propose that the County fill the Brickshire Clubhouse pond within the next month. He reported New Kent County Public Utilities generally flushed the line in October or November and suggested that since the County would be pumping millions of gallons of water into the Pamunkey River and Brickshire needed the water, the Board should "use common sense" and pump the water into the pond.

County Administrator Rodney Hathaway reported the Brickshire HOA had agreed to reimburse the County up to \$20,000 for the forcemain repair cost. Mr. Evelyn asked how much water Public Utilities would be pumping when they flushed the line. Mr. Dame reported approximately three-quarters of a million gallons would be the minimum. Mr. Evelyn asked where the water had been pumped the previous year. Mr. Dame reported the water had been pumped to Colonial Downs because they had purchased water from the County in the past. He further reported no one had purchased the water this year but noted a line was ready to be flushed in accordance with the requirements of the County's permit. Mr. Evelyn asked what the County was charging for reclaimed water. Mr. Dame indicated the current rate was 82 cents per thousand gallons and noted this would be much less than the \$20,000 the Brickshire HOA had committed to pay. Mr. Stiers asked if the pond could

be filled before the end of the year. Mr. Dame reported the line would be flushed by the end of October.

Mr. Davis suggested the Brickshire pond had not been built correctly and had been a problem from the beginning. He noted he assumed the County was no longer holding a bond on the construction. Mr. Dame agreed the pond had not been installed properly, confirmed there was no longer a bond on the construction and noted the pond was now the responsibility of the current owner. Given this information, Mr. Davis indicated he agreed with Mr. Stiers and asked if a motion was needed. Mr. Hathaway reported it was his understanding the Brickshire HOA was preparing an agreement to be presented to the Board. He suggested the Board could wait to review that agreement or they could take action now to authorize him to sign the agreement once it was in final form.

County Attorney Brendan Hefty noted this discussion involved a Consent Agenda item and asked the Board if they wished to pull this item from the Consent Agenda so a separate vote could be taken. Mr. Hathaway pointed out the Consent Agenda item was for the emergency procurement only and did not involve the agreement with the Brickshire HOA. Mr. Hefty noted the proposed Consent Agenda item would only be approving the expenditure of the \$43,350, \$20,000 of which would be reimbursed by the HOA. Mr. Davis noted the reimbursement was not stated in the agenda item. Mr. Stiers asked if the item could be amended. Mr. Davis suggested the item should be pulled from the Consent Agenda for a separate vote. Mr. Hathaway pointed out the Board was being asked to allocate the full amount and the HOA reimbursement would go back into the fund balance. Action today would allow the County to move forward with paying the contractor in a timely manner. Mr. Davis asked if flushing the water line would also need to be a part of the Consent Agenda. Mr. Evelyn suggested the Board should wait for the reimbursement to be received prior to filling the pond. Mr. Hathaway suggested review and approval of the agreement could be an agenda item for the September work session. This would allow the Board an opportunity to review terms of the agreement prior to authorizing the County Administrator's signature. Mr. Stiers indicated he didn't understand why action couldn't be taken at this meeting but was okay with holding it until the work session. Mr. Hathaway recommended the Board approve the motion so the contractor could be paid for the work completed.

Mr. Tiller moved to approve the Consent Agenda as presented and that it be made a part of the record. The members were polled:

C. Thomas Tiller, Jr.	Aye
Patricia A. Paige	Aye
Ron Stiers	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: SMALL BUSINESS CLOSE UP

There was no Small Business Close Up for September.

IN RE: CITIZENS COMMENT PERIOD

Mr. Evelyn opened the citizens comment period and provided brief instructions on procedures.

Sandi Gauthier of 19665 High Bluff Lane, Barhamsville – Ms. Gauthier indicated she was “known as part of the in migration per the County’s Data Summary of 2010.” She noted New Kent’s population had been approximately 5,000 in 1970 and suggested “new folks” now made up 75% of the County’s population and were coming with “new ideas, new expectations of their county and they bring new money.” She reported since moving to New Kent in 2001, several other family members had also moved to the County. They had been in the process of convincing another family member to join them when the “Curtis CUP fiasco occurred” and they had decided they were no longer interested. She indicated she was asking for a pledge from the Board of Supervisors to “do no harm to the citizens who live here.” She asked the Board to consider a change to the CUP application process and suggested they use Hanover County as a model. She reported Hanover County was sending notices to adjacent property owners prior to formal CUP application submission and this practice would give property owners an opportunity to “take some action and be involved in the process.” She suggested this could be accommodated by a change to process only and would not require any ordinance change. She also suggested Goochland County was “an example of good governance and the things that can be done to change county operations.” She asked the Board to consider adding an eleventh prohibition, combat ranges, to the list of prohibited uses in the County Code. She suggested if this could not be done, the County should “at a minimum amend their ordinance to strictly prohibit and make it very very difficult to meet qualifications for a combat range.” She suggested this could be accomplished by “invoking DOD (Department of Defense) requirements.” She asked that environmental restrictions be included and noise standards be addressed.

Joseph Davis of 4220 Windy Knoll Road, Barhamsville - Mr. Davis noted this was his third time speaking to the Board and his topic had not changed. He indicated he and many of his neighbors had offered the Board “direction and solutions” regarding the residual effects of the Curtis application. He stated, “As your constituents, we have asked you to move forward and react to our concerns as a community.” He indicated that because the group’s request to prohibit “tactical, combat and/or military style shooting ranges and training facilities” was not on the agenda, he only had questions. The list included:

- “If not tonight, when?”
- If not on the regular meeting agenda, will you entertain our recommendations at a work session?
- If you will not entertain our recommendations at all, will you tell us that you are just not interested?
- Do legal concerns or state law restrict you from acting?
- Are you aware of any pending applications for another parcel in New Kent County?
- Are you aware of the applicant resubmitting?”

Mr. Davis noted he was “curious and remained concerned” and the group would continue seeking a solution and remain engaged. He expressed appreciation for the Board’s time and consideration.

John Lockwood of 20251 Triangle Road, Barhamsville – Mr. Lockwood indicated he wished to remind the Board that the No Combat Range group’s desire to prohibit tactical combat ranges in New Kent would not fade. He suggested the group wished “to be agents of change” and was willing “to work within the framework outlined by our governmental process.” He referenced a meeting in which Charles Karow of 4800 Windy Lane, Barhamsville and he had met with County Administrator Rodney Hathaway and Board Chair Thomas Evelyn. He reported it had been suggested in this meeting that “this may not be the best time to enact the prohibition we seek.” He noted that sometimes change required time and patience and suggested the group would remain present and engaged to be sure what they were seeking came to fruition. He also reminded everyone that the group had “worked tirelessly to put forward a firm but respectful front” and noted this was a group of

individuals who had been brought together by a common cause. He referenced comments made by Planning Commission Chair John Moyer at the August 20th meeting. He indicated he had been angered by Mr. Moyer's statement and suggested Mr. Moyer had "linked every misconduct by someone opposed to the CUP to our group." He noted they were respectful citizens and had no opportunity to object or respond to Mr. Moyer's comments. He suggested it was "a sad commentary that a Board member or Commission member would make comments about the citizens that way and I would hope that he would apologize to the citizens of New Kent County." He thanked the Board for the opportunity to speak.

Bill Francavilla of 19401 High Bluff Lane, Barhamsville – Mr. Francavilla indicated this was his first Board of Supervisors meeting and he was pleased to be present. He noted it had not been his intention to speak but suggested there were three areas, revenue, safety and moral which he wished to address. He indicated he had moved to New Kent 18 years ago and the County's revenue stream had continued to grow during that time. He noted he would love the County's revenue base to continue to grow to support education and services and suggested a combat range would have a negative impact on revenue. He suggested no one wanted to take the responsibility for a stray bullet causing harm to a child or other citizen. He noted the "outpouring of emotion and passion" and pointed out the Board's constituency was before them, speaking to them "as fellow citizens and saying we know you are going to do the right thing. We are here to support our position and we hope you will join us." He thanked the Board for the opportunity to speak.

Kathy Jeremiah of 3531 Good Hope Road, Lanexa – Ms. Jeremiah reported she was a certified residential appraiser accepted as an "expert witness" by the courts in New Kent County, James City County and the City of Williamsburg. She specifically addressed the concept of "external obsolescence" which she indicated was not only an appraisal concept but also a concept of value. She defined external obsolescence as "when something outside your property line impacts the value of your property." She suggested factors such as sounds, smells and perceptions could impact property values and in the case of a combat range, all three were present. She reported she did a great deal of work for lenders and they expected her to answer the following question: "Are there any adverse site conditions or external factors, easements, encroachments or environmental conditions or land use which impact the value of the property?" She noted the presence of a combat range would require she answer "Yes" to this question. She suggested the consequences would be that Barhamsville residents wishing to sell or refinance or were using their property for "equity security" could risk loss of funding if they were located near a combat range. She thanked the Board for the opportunity to speak.

Mr. Evelyn thanked those who had spoken. There being no others wishing to speak, the comment period was closed. He thanked Mr. Lockwood and Mr. Karow for meeting with County Administrator Rodney Hathaway and him. He indicated the Board heard and understood their concerns and assured the citizens they were "not throwing it on the back burner." He noted the Board had to consider legal issues and wanted to be sure whatever they did was done correctly. He suggested no Board member would say they didn't want a prohibited use ordinance but noted they would have to go through the process. He noted the group was very well organized and he understood their concerns. He also noted the Board represented the citizens, they were listening and they were hearing their concerns.

Mr. Davis suggested the community had done a "bang up job" of voicing their opposition and getting the word out and he reminded everyone that nothing happened overnight in county government. He stated that because there was no pending application, he could say he was opposed to the combat range. (Mr. Davis had previously recused himself from all discussion on this topic due to an existing business relationship with the applicant. The

application had since been withdrawn.) He stressed that the Board had to follow the proper process and the Planning Commission would review any proposed changes prior to the Board's consideration. He noted the County did have uses that were prohibited and suggested they should all be reviewed. He further suggested some uses prohibited years ago may need to be removed from the list. He suggested all ordinances should be reviewed and indicated discussion on this would be on the September work session agenda. Mr. Evelyn reported the Board was looking at redoing the entire County ordinance and asked County Attorney Brendan Hefty to explain some of the legal concerns. He referenced a previous situation involving a landfill which he reported had ended up costing taxpayers a lot of money. Mr. Davis pointed out there hadn't even been an application for a landfill at the time. He suggested anything the Board did that could involve litigation would cost taxpayers money and noted the Board kept the best interest of taxpayers and citizens in mind. Mr. Hefty reported there were legal limitations on prohibiting a commercial use within the County. He was looking into those limitations and what alternative options were available. He also indicated he was looking into the existing list of prohibited uses and Mr. Hathaway and he had discussed a possible review of the entire zoning ordinance. He would report back to the Board with his findings. Mr. Davis suggested that although the Board had a lot on its plate, they tried to stay on top of everything. He again reminded everyone "it doesn't happen overnight" and assured everyone, "we will be responsive."

Ms. Paige reported she had asked for a review of the zoning ordinance several months ago. Her request was not only in regard to the combat range but with zoning ordinances across the entire County. She indicated this review would be done and a Strategic Planning Committee would be formed to "look at how we want our County to grow." She indicated she was hopeful this would include input from citizens whether born and raised in New Kent or a part of the "in migration." She noted the focus would be on looking at the future of our County and how we want it to grow, "not just for us but for our children and grandchildren." She closed by stating, "I just want you to know, it's not lost, it's not lost on us."

Mr. Stiers noted he had planned to make these comments as his Elected Officials Report but had decided he would rather speak as a reply to Citizen Comments. He provided some background on what he had done as Supervisor of District Four. He had met with the Curtis Group on June 13th where they had shared details of their plans for the proposed facility. He had asked them for the facility closest to New Kent that was comparable to what they were planning. They had indicated a facility in Montross, Virginia was similar. Several weeks later he had spent two days in Barhamsville knocking on doors to "do my due diligence." He pointed out he had not done this to get votes because no one in the Barhamsville area (District Three and District Five) would ever vote for him. He and his wife had traveled to Montross, Virginia (Population 389) on August 11th and had found the O'Gara Tactical Training facility in an industrial park. He reported there were only a few homes in close proximity to the facility but he had gone to several businesses and homes in the area. Everyone they had talked to had indicated, "We hear guns all day and all night." He further reported older residents said they could hear the guns and noted they had fought against this "but have become immune to the sound." He had also stopped at a fruit stand which had been staffed by young kids who indicated they loved the training facility. They had reported having jobs at the facility that paid \$10.00 per hour. When asked what type of work they were doing, they had reported they were role playing as hostages and were having fun doing this. A car salesman whose business was approximately 1,000 yards in front of the O'Gara facility had reported the entire building would shake when IEDs (Improvised Explosive Devices) were in use and unsupervised foreigners could be seen walking through their parking lot at all hours of the day. Mr. Stiers also reported speaking by phone to the owner of a home about one-quarter mile away from the facility. The owner had built his home two years prior to the construction of the O'Gara facility. The constant

gunfire and screeching tires had made it impossible to enjoy sitting on the porch. He had attempted to sell the home and after finding no buyer had resorted to renting. O’Gara had purchased the home next to him but had refused to purchase his home. The owner had also reported it was difficult to keep a tenant longer than a year because of the noise. Mr. Stiers noted he agreed with the Barhamsville residents and suggested they knew where he stood. He reported he had tried to encourage the Board to move forward and act but noted as Mr. Hefty had suggested, the Board needed to be cautious with the moves they made. Mr. Stiers indicated he was “a firm believer in people having personal property rights as long as they do not infringe on the right of others.”

IN RE: VIRGINIA DEPARTMENT OF TRANSPORTATION – RESIDENCY
ADMINISTRATOR’S REPORT

VDOT Resident Administrator Marshall Winn noted he had discussed the two-tenths of a mile markers on I-64 at the previous meeting. Traffic engineering staff had marked the placement of 222 signs along the eastbound and westbound lanes between Exit 205 and Exit 224. This work was scheduled for completion in October. The third cycle of primary mowing had been completed and secondary mowing would soon start. He noted Route 60 paving should be completed in two to three weeks. He reported a “snafu” the previous week with the paving project which had resulted in several vehicles hitting a bridge. Staff from the New Kent headquarters had installed a temporary wedge until the contractor could make a permanent repair. The contractor had since corrected this and paved the area. He reported VDOT had received approximately a dozen work orders for repairs to vehicles and noted he was deeply sorry this had happened and the contractor would be responsible for the damages. He reported the procurement bid process for the paved ditch at Route 629 should be received soon and this project would be completed in the next few weeks. Mr. Winn also noted he would get back with Ms. Paige on several concerns she had forwarded to him and information on a request from Mr. Davis had been passed along to Operations Manager Bruce Puffenbager. The written report provided on maintenance items completed over the past thirty days described a variety of work at various locations throughout the County including tree removal, drainage work, dirt road repairs and surface treatment.

Board members provided the following comments and reported the following road concerns:

Mr. Davis reported water standing in many yards in the Eltham area in recent months. He suggested ditches along Farmers Drive had helped with the drainage for many years but VDOT had taken the position about 15 years ago that they could no longer maintain these ditches without a deeded right of way. He asked if there was a list of VDOT deeded right of ways for New Kent. Mr. Winn indicated he knew what Mr. Davis was talking about and suggested it was difficult to find a list of all VDOT right of ways. He reported offender (inmate) labor had been used to open ditches but noted this labor was not as available as it had once been. He reported situations where VDOT staff would attempt to “relieve water” and citizens would call the police. Mr. Davis reported frequent calls this summer regarding standing water and he noted he had told the citizens VDOT couldn’t do anything without a deeded right of way. Mr. Winn indicated this was correct. Referencing the four-lane road through Eltham, Mr. Davis noted there were approximately eight “concrete waterways” and asked what VDOT’s jurisdiction was in this regard. Mr. Winn indicated it would depend on the specific location. Mr. Winn reported receiving annual calls from an Eltham resident (Mr. Deskins) regarding the ditch beside his home. It had been determined the tide was a factor and there was nothing VDOT could do. Mr. Davis noted agreement and suggested the tide was getting higher all the time. Referring back to the concrete waterways, Mr. Davis reported there were two on either side of the road between the Ford and Chevrolet dealerships and two more closer to West Point. He was not sure where the runoff drained

to and asked Mr. Winn if there was anyway VDOT could look at these. Mr. Winn indicated they could check on what was present. Mr. Davis asked about VDOT's annual removal of wiregrass from the roadway in Eltham. Mr. Winn noted this was on Mr. Puffenbarger's list.

Mr. Stiers indicated he had requested mowing on Mt. Pleasant Road and asked if this had been done. Mr. Puffenbarger indicated he did not believe this had been done.

Ms. Paige expressed appreciation to Mr. Winn for his communications with her and to the individual who had come out in the rain to remove a tree from Clarke Road. The worker had noted a bee hive in the tree and had indicated the tree would be moved more off the road when the weather became colder. Barrels had been placed around the tree and Ms. Paige asked if signage could be placed on the tree to warn others of the bees. Mr. Winn suggested VDOT had equipment with an enclosed cab that could be used to remove the tree without the bees being a problem. Ms. Paige noted a number of traffic studies had been conducted on Route 249 over the years. She asked how and at what time of day traffic studies were conducted. She noted weekend traffic was especially challenging and schools were now open. She suggested Route 249 traffic was becoming more of a concern especially at Route 33, Route 155 and Route 106. She suggested speed limits should be reevaluated. She noted ongoing concerns regarding the Route 612 roundabout where she had requested reduced speed signs but nothing had been done to slow the traffic. Mr. Evelyn reported he had recently met with Mr. Puffenbarger regarding this roundabout and since the Dollar General had opened, another traffic study would be conducted. In response to Ms. Paige's question regarding how traffic studies were conducted, Mr. Winn reported the studies were conducted for a period of 48 hours. Mr. Puffenbarger reported the request for the Route 612 study had been forwarded to Assistant Resident Engineer Danny Baiden.

Mr. Tiller reported a pavement issue near the swamp on Pine Fork Road traveling from Airport Road toward Route 106. He also noted a previously reported "speed bump" in the westbound lane of Route 60 near Taco Bell. Mr. Winn indicated the Route 60 issue was on the list for patching and this portion of Route 60 was scheduled for major repairs next year.

Mr. Evelyn thanked VDOT for the resurfacing of Old River Road. He reported County Administrator Rodney Hathaway, a group of citizens and he had met with Mr. Puffenbarger and Brent Pollard (VDOT Location and Design) to discuss the beautification of the roundabout at Route 612. He noted he would be bringing information on this back to the Board. He reported receiving an email from Mr. Hathaway regarding a bike ride through the County. He noted Mr. Winn had not known about this event and asked if he had received any updates. He noted the traffic in New Kent was a serious issue and pointed out that one road this group was planning to use was not maintained by VDOT. Mr. Winn indicated he had not realized one of the roads was not VDOT maintained and had spoken to Sheriff McLaughlin earlier in the day regarding this. The Sheriff had indicated he was reaching out to the HOA to see if the bikers would be allowed to pass through (access to Mt. Pleasant Road from Brickshire). Mr. Evelyn noted no permits were needed for this group to pass through New Kent. Mr. Winn indicated he had discussed this with Mr. Pollard and he had expressed no concerns. Ms. Paige noted she was concerned about bicycles on Route 249 at any time. Mr. Winn noted this bike event permit had originated in Caroline County and had been approved by VDOT in Fredericksburg. Mr. Evelyn noted there was a bike trail from Richmond to Jamestown and suggested this group should use it. Mr. Winn reported he had reached out to someone in the Fredericksburg office and they had unfortunately been out of the office but he was still looking into this. Ms. Paige also expressed concerns with impatient automobile drivers and shared some of her own experiences while riding a motorcycle. She noted frustrations with the difficulty in getting I-64 widened while money had been spent on a bike trail running along Route 5 and now bicyclists were opting to

come through New Kent County rather than use this trail. Mr. Winn indicated he would continue to reach out to the Fredericksburg office and would follow up with Mr. Hathaway.

IN RE: PINE FORK PARK FINANCING – RESOLUTION R-30-18

Davenport and Company Senior Vice President Ted Cole and Sands Anderson Government Group Bond Counsel Jesse Bausch were present to provide the Board with information on proposed financing options for Pine Fork Park. Mr. Cole indicated he was following up on August presentations made by a colleague (Associate Vice President Chazzo Habliston) to the Board and the EDA. Davenport had worked with County staff and Sands Anderson to distribute a Request For Proposals (RFP) to banks for financing approximately \$3 million dollars towards the Pine Fork Park project which was estimated to cost \$4.4 million dollars. At the same time, a financing application had been submitted to the Virginia Resources Authority (VRA). Four bank proposals had been received including submissions from BB&T Governmental Finance, Capital One Public Funding, Citizens and Farmers Bank and Sterling National Bank. Banks had been asked to provide both 15 and 20-year financing terms. Mr. Cole drew attention to a table depicting 15-year fixed interest rates from 3.54% to 3.63% and 20-year fixed interest rates from 3.81% to 4.10%. Noting that bids for construction were scheduled to be received around November 15th, banks were asked to extend interest rate proposals to a date after November 15th to allow the County to have a clearer picture of total construction costs. Only two of the banks (Capital One and Citizens and Farmers) had been willing to hold their rates firm through November 21st. He noted prepayment provisions would be a key consideration and provided an overview of the provisions which had varied among the four bidding banks. Collateral requirements were also a key factor. Three lenders had been willing to fund the loan up to \$3.1 million dollars with only the park property as collateral. The fourth lender (Capital One) required alternate collateral with an insured value of no less than \$2 million dollars. Mr. Cole suggested Fire Station #1 could be used as alternate collateral. Mr. Evelyn asked why the Board would consider this if there were other lenders taking only the park property at a lower interest rate. Mr. Cole pointed out Capital One had offered the lowest rate for 15-year financing and the Board would need to weigh the rates, prepayment provisions and collateral requirements.

An application had been submitted to VRA, but no approval letter had been received. Discussions with VRA staff had suggested there would be no problems with approving this loan. The next VRA bond sale date was October 30th and interest rates for those bonds would not be set until then. VRA would need a decision from the Board no later than the September 26th work session. VRA had a 10-year no prepayment structure and they would also want additional collateral. VRA had also noted the County's outstanding loan on the high school and had offered to add this loan and use the existing high school as collateral.

Discussion then moved to debt service. Mr. Cole reviewed an estimated debt service structure for the 15 and 20-year proposals which also included estimated costs of issuance. Staff was proposing moving forward with a 15-year option. The chart provided included fixed rates submitted by the four banks and VRA's estimated rate. He drew attention to the following lines of information on the 15-year debt service table:

- Line 8 "project fund" - all were providing the County with \$3 million dollars at closing.
- Line 16 "All-In TIC (True Interest Cost) – Mr. Cole noted this was the interest rate taking into account the issuance cost. These rates ranged from 3.95% to 4.05%.
- Lines 26–40 provided the schedule of annual debt service payments for the duration of the loan.
- Line 46 "Total" – Total debt service including principal and interest ranged from \$4,018,574 to \$4,047,629.

- Line 50 "VRA Breakeven Interest Rate Movement" – Mr. Cole noted VRA was currently the lowest interest rate based on current market estimates but again noted VRA's rate would float with the market for another 50 to 60 days. Because the rates could increase, the figures in Line 50 indicated tolerance for a VRA rate increase before the rates would be equal to those offered by the other four banks.

County Administrator Rodney Hathaway reported the current FY19 budget included \$225,000 in annual debt service for Pine Fork Park. Annual debt service using the 15-year option would require just under \$50,000 annually in additional debt service funding. The 15-year option was recommended because it would save the County \$400,000 over the 20-year option and he believed the County could cover the additional \$45,000 to \$50,000 in annual debt service. Mr. Cole drew attention to the 20-year debt service table. He noted as Mr. Hathaway had stated, the significant savings in interest over the life of the loan and pointed out the annual debt service figures on the 20-year table were in line with the County's \$225,000 debt service budget.

Mr. Evelyn asked what this would do to the County's overall financial outlook specifically when additional debt service for a new school was considered. Mr. Cole reported the park project had been anticipated in the documents provided at the spring budget retreat. This loan would fit within the County's established debt policies and ratios and as Mr. Hathaway had noted, \$225,000 for debt service for the Pine Fork project was included in the FY19 budget. The size and timing of the school project would drive how the County would fund debt service associated with that financing. He also pointed out the debt service payments with the banks would not start until FY20 and if VRA funding was chosen, a \$60,000 payment would be due in FY19. Mr. Hathaway also noted the County had been setting aside funds from new revenues for the past four to five years for debt service on the new school but additional school operating costs would require an additional \$2 million dollars.

Mr. Cole also reported the EDA had asked how interest rates would be impacted if this were funded as a General Obligation Bond (GO). He reported GO financing would require a referendum and the banks had indicated if this was a GO, the interest rate would be approximately ten basis points lower. These figures would result in a \$2,000 annual savings or a \$30,000 to \$40,000 savings depending on the funding term. The time and cost associated with a referendum had not been factored into the savings figures.

Mr. Cole closed his presentation by providing a summary recommendation. Based upon Davenport's review of the proposals, related analysis and discussions with County staff, County Attorney and Bond Counsel, they recommended the County select the Capital One 15-year proposal. The Capital One 15-year proposal offered the lowest total debt service, the lowest fixed interest rate for 15 years and provided flexibility to prepay the loan after the first five years. Mr. Cole indicated he was looking for feedback and direction regarding the Board's preferred financing approach. If the Board made a decision regarding bank or VRA financing at this meeting, Davenport would move forward with meeting with the EDA on September 20th for approval of a Bond Resolution and related documents. Davenport would then come back to the Board at their September 26th work session for resolution and loan document approval. Financing would be scheduled to close on November 21st.

Mr. Evelyn suggested an appraisal of Fire Station #1 would be needed if it was used for collateral. Mr. Cole indicated this would not be necessary and the lender would be satisfied with the insurance carrier's valuation of the assets. Mr. Bausch indicated a title search would be required. Mr. Evelyn suggested there wasn't much savings with the lenders who were requiring additional collateral and asked why the County would want to go that route. Mr. Davis indicated he didn't like the idea of using a fire station as collateral for a park and

suggested the Wahrani property could be used as collateral. Mr. Hathaway pointed out the collateral had to have at least a \$2 million dollar value. He reported the list of County assets meeting the criteria had been reviewed and Wahrani had not been included. Mr. Cole also indicated he was not sure Wahrani would have an insurance value and suggested it would have to be appraised if it was used as collateral. He noted the bank was "looking for an essential piece of collateral" and indicated it would be easier for a borrower to walk away from land than a fire station. Mr. Evelyn expressed concern that the County may need additional collateral for something on the horizon. Mr. Cole noted the County did have other pieces of collateral and the fire station had been suggested because it most closely met the collateral requirements of the lenders. Mr. Davis pointed out there was only \$1,500 per year difference between the BB&T proposal and Capital One and BB&T was not requiring additional collateral. Mr. Stiers suggested the County had done all it could to build a fire station and noted he didn't want to tie up a fire station. Mr. Davis suggested BB&T was better because it didn't encumber additional collateral and the rate wasn't much different than Capital One. Mr. Cole drew the Board's attention to Page 2 of the hand out and pointed out BB&T had not been willing to hold their rate beyond October 6th. He suggested the County could close earlier but would not have actual costs until the bids were received on November 15th. Mr. Evelyn asked what would happen if the County did not want to accept any of the bids and would they be locked into the loan. Mr. Cole indicated if the County had already closed the loan with BB&T, the loan could be prepaid with a 1% penalty (\$30,000). He noted Citizens and Farmers had offered a rate that was a little higher but was willing to hold their rate through November 21st, was asking for no additional collateral, payments would not be much more and prepayment provisions were more flexible so long as another lender was not being used for the pay off. He noted there was approximately a \$2,000 difference annually between the payments to Citizens and Farmers and Capital One. He suggested Citizens and Farmers may be a better option if the Board wished to go with something other than Capital One. Mr. Evelyn noted he favored the BB&T option. Mr. Davis asked if there was "any more horse trading" that could be done. Mr. Cole suggested it was possible. Mr. Davis indicated he also liked the BB&T option and did not like the proposals requiring additional collateral. Mr. Evelyn suggested Mr. Cole go back to BB&T and request they extend their rate until November 21st. Mr. Cole indicated there was nothing to stop the Board from going back to any of the lenders asking for additional consideration. Mr. Davis suggested the Board should go with the best rate they could get that did not require additional collateral. Mr. Evelyn and Mr. Stiers agreed. Mr. Evelyn suggested what he was hearing was that the Board wanted Davenport to move forward with BB&T. Mr. Davis asked if they should go back to Capital One and ask them to remove the additional collateral requirement. Referring to the Board's financial stewardship, he asked Mr. Cole how much the County had saved by refinancing loans in recent years. Mr. Cole indicated he did not have that information with him but reported existing loans were financed at 2.5% or lower. He pointed out there had been a .75% to 1% increase in rates over the past twelve months.

Mr. Cole noted it would be necessary for the EDA to approve documents naming a specific bank. In order to come back to the Board on September 26th with the proper documents, those documents would need to reflect the bank and conditions of the loan. Several Board members asked if a motion was needed. Mr. Bausch indicated direction was needed for the EDA approval on September 20th. He suggested the Board could come back at its next meeting and decide to take another route which would require that the EDA be asked to approve something different. He indicated if this happened, there would still be enough time to close the loan within the County's timeframe. Mr. Hathaway noted Page 32 of the meeting packet contained a motion to approve Resolution R-30-18. The only change needed was to change Capital One Public Funding LLC to BB&T. Mr. Davis suggested the issue of holding the rate through November 21st could be addressed in the motion.

Mr. Davis moved to adopt Resolution R-30-18 to accept the financing proposal dated August 16, 2018 from BB&T Governmental Finance for the design and construction of Pine Fork Park contingent upon BB&T holding the stated interest rate through November 21, 2018. The members were polled:

Patricia A. Paige	Aye
Ron Stiers	Aye
W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: PUBLIC HEARING – SURPLUS PROPERTY SALE OF FORMER WELL LOT
RESOLUTION R-29-18.

Before the Board for consideration was Resolution R-29-18 to sell surplus property in the Quinton Estates subdivision consisting of a former well lot approximately .23 acre in size at 7954 Quinton Place.

County Administrator Rodney Hathaway noted this property had previously been the subject of a proposed surplus property sale before the Board in 2016. The Board had approved the sale but the purchaser had never finalize the transaction. He reported adjacent property owners, Daniel and Cynthia Snell at 7950 Quinton Place, had recently expressed interest in purchasing the property. Other adjoining owners had been notified and none had expressed any interest. Mr. Hathaway recommended the Board approve the sale of the well lot to Mr. and Mrs. Daniel Snell for \$690 which was the same sale amount the Board had approved in 2016. The property owner would be responsible for all costs associated with surveying and recording. He suggested the property had no value to the County and reported it was actually being used by several of the adjacent property owners which was a liability to the County. He also noted the County was still responsible for maintenance costs.

Mr. Davis asked if the parcel was "land locked." Mr. Hathaway indicated it was. Mr. Evelyn asked for the property's assessed value. Mr. Hathaway noted the property was assessed at \$40,000 but suggested it could not be sold for this price and noted this was not a buildable lot. Mr. Evelyn suggested Board members knew how he felt about these sales. Mr. Stiers noted agreement with Mr. Hathaway and suggested that although the County would not be getting a lot of money from the sale, the taxpayers would be relieved of a lot of liability.

Mr. Evelyn opened the public hearing. There being no individuals wishing to speak, the public hearing was closed.

Mr. Stiers noted the map provided showed several small sheds present on the property and asked if these belonged to the Snells. Mr. Hathaway indicated he was not sure who they belonged to and also pointed out a fire pit on the property. The fact that the property was being used was a concern and the County was carrying the liability. Mr. Stiers asked if the County was responsible for the removal of these items. Mr. Hathaway indicated if the Board decided to not dispose of the property, he would recommend the County determine ownership of the structures, have them removed and possibly fence the lot.

Mr. Tiller moved to adopt Resolution R-29-18 as presented to dispose of surplus property formerly used as a well lot in the Quinton Estates subdivision. The members were polled:

Ron Stiers	Aye
W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
Patricia A. Paige	Aye
Thomas W. Evelyn	Nay

The motion carried.

IN RE: ELECTED OFFICIALS' REPORTS

Mr. Davis indicated he had nothing to report.

Mr. Stiers noted appreciation for having been allowed to make his Elected Officials Report earlier in the meeting.

Ms. Paige reported the New Kent Rotary would be hosting a Car, Bike and Aircraft Show on September 8th from 11:00 a.m. to 4:00 p.m. at the New Kent Airport. Admission would be free and there would be a variety of activities, games and vendors. She encouraged everyone to attend. She also reported the Third Annual Unity Walk showing support and unity for our law enforcement had been held recently at the courthouse. She reported Mr. (Charles) Moss and his team had worked to put this event together. Donations of school supplies had been received and there had been several guest speakers.

Mr. Tiller indicated he had nothing to report.

Mr. Evelyn noted schools had started and encouraged everyone to be careful and on the lookout for school buses.

IN RE: STAFF REPORTS

There were no staff reports.

IN RE: OTHER BUSINESS

There was no other business.

IN RE: APPOINTMENTS – DELEGATED BY DISTRICT

There were no appointments delegated by district.

IN RE: APPOINTMENTS – NOT DELEGATED BY DISTRICT

There were no appointments not delegated by district.

IN RE: ANNOUNCEMENT OF UPCOMING MEETINGS

Mr. Evelyn announced the next regularly scheduled meeting of the Board of Supervisors would be held at 6:00 p.m. on Monday, October 8, 2018, and the next work session at 9:00 a.m. on Wednesday, September 26, 2018 both in the Boardroom of the County Administration Building. Mr. Evelyn thanked everyone for attending and entertained a motion to adjourn.

IN RE: ADJOURNMENT

Mr. Tiller moved to adjourn. The members were polled:

W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
Patricia A. Paige	Aye
Ron Stiers	Aye
Thomas W. Evelyn	Aye

The motion carried. The meeting was adjourned at 7:41 p.m.