### BOARD OF SUPERVISORS COUNTY OF STAFFORD STAFFORD, VIRGINIA

#### **MINUTES**

## Adjourned Meeting March 28, 2006

<u>Call to Order.</u> An adjourned meeting of the Stafford County Board of Supervisors was called to order by Robert C. Gibbons, Chairman, at 4:05 P. M., Tuesday, March 28, 2006, in the Board Chambers, Stafford County Administration Center.

Roll Call. The following members were present: Jack R. Cavalier, Vice Chairman; Mark Dudenhefer; Robert C. Gibbons, Chairman; Paul V. Milde III; George H. Schwartz and M. S. "Joe" Brito. Mr. Fields arrived at 4:06 P.M.

Also in attendance were: Steve Crosby, County Administrator; Anthony Romanello, Deputy County Administrator; Joe Howard, County Attorney and Marty Y. Beard, Chief Deputy Clerk.

<u>Legislative</u>; Approve a Proclamation to Express Congratulations and Best Wishes to the Citizens of Stafford, England, on Its 800<sup>th</sup> Anniversary.

Mr. Gibbons motioned, seconded by Mr. Cavalier, to adopt proposed Proclamation P06-20.

The Voting Board tally was:

Yea: (6) Dudenhefer, Gibbons, Milde, Schwartz, Brito, Cavalier

Nay: (0)

Absent: (1) Fields

#### Proclamation P06-20 reads as follows:

A PROCLAMATION TO EXPRESS CONGRATULATIONS AND BEST WISHES TO THE CITIZENS OF STAFFORD, ENGLAND, ON ITS  $800^{\text{TH}}$  ANNIVERSARY

WHEREAS, Stafford Borough, England, Stafford County's sister community across the Atlantic, celebrates its 800<sup>th</sup> anniversary this year; and

WHEREAS, on May 1, 1206, King John granted Stafford Borough its Royal Charter, recognizing Stafford as a Borough and launching eight centuries of history and achievement; and

WHEREAS, throughout 2006, the Borough Council, community groups, schools and local businesses will mark this historic event; and

WHEREAS, the Borough Council has graciously invited members of the Stafford County Board of Supervisors to share in this remarkable occasion in the life of Stafford Borough;

NOW THEREFORE, BE IT PROCLAIMED by the Stafford County Board of Supervisors on this the 28<sup>th</sup> day of March, 2006, that it does hereby extend its congratulations to the Mayor, Council and citizens of Stafford Borough as it celebrates its 800<sup>th</sup> anniversary, and good wishes that the future will bring much peace and prosperity.

03/28/06 - Page 3

Finance; Authorize the Issuance and Sale of Up to \$41,700,000 General Obligation School Bonds to be Sold to the Virginia Public School Authority. The County Administrator gave a presentation.

Mr. Cavalier motioned, seconded by Mr. Fields, to adopt proposed Resolution R06-115.

The Voting Board tally was:

Yea: (7) Fields, Gibbons, Milde, Schwartz, Brito, Cavalier, Dudenhefer

Nay: (0)

#### Resolution R06-115 reads as follows:

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$41,700,000 GENERAL OBLIGATION SCHOOL BONDS OF THE COUNTY OF STAFFORD, VIRGINIA TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY AND PROVIDING FOR THE FORM AND DETAILS THEREOF

WHEREAS, the Board of Supervisors (the "Board") of the County of Stafford, Virginia (the "County") has determined that it is necessary and expedient to borrow in an amount not to exceed \$41,700,000 and to issue its general obligation school bonds to finance certain capital projects for school purposes; and

WHEREAS, the Board held a public hearing on March 21, 2006, on the issuance of the Bonds (as defined below) in accordance with the requirements of Section 15.2-2606, Code of Virginia of 1950, as amended (the "Virginia Code"); and

WHEREAS, the School Board of the County has requested by resolution the Board to authorize the issuance of the Bonds and has consented to the issuance of the Bonds; and

WHEREAS, the objective of the Virginia Public School Authority (the "VPSA") to pay the County a purchase price for the Bonds which, in VPSA's judgment, reflects the Bonds' market value (the "VPSA Purchase Price Objective"), taking into consideration such factors as the amortization schedule the County has requested for the Bonds, the amortization schedules requested by other localities, the purchase price to be received by VPSA for its bonds and other market conditions relating to the sale of VPSA's bonds; and

WHEREAS, such factors may result in requiring the County to accept a discount, given the VPSA Purchase Price Objective and market conditions, under which circumstance the proceeds from the sale of the Bonds received by the County will be less than the amount set forth in paragraph 1 below;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF STAFFORD, VIRGINIA, ON THIS THE 28TH DAY OF MARCH, 2006 THAT:

- 1. <u>Authorization of Bonds and Use of Proceeds</u>. The Board hereby determines that it is advisable to contract a debt and to issue and sell general obligation school bonds of the County in the aggregate principal amount not to exceed \$41,700,000 (the "Bonds") for the purpose of financing certain capital projects for school purposes. The Board hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution.
- 2. Sale of the Bonds. It is determined to be in the best interest of the County to accept the offer of VPSA to purchase from the County, and to sell to the VPSA, the Bonds at a price determined by the VPSA and accepted by the Chairman of the Board or the County Administrator and upon the terms established pursuant to this Resolution. The County Administrator and the Chairman of the Board, or either of them, and such officer or officers of the County as either of them may designate, are hereby authorized and directed to enter into the Bond Sale Agreement with the VPSA providing for the sale of the Bonds to the VPSA in substantially the form on file with the County Administrator, which form is hereby approved ("Bond Sale Agreement").

- 3. Details of the Bonds. The Bonds shall be issuable in fully registered form in denominations of \$5,000 and whole multiples thereof; shall be dated the date of issuance and delivery of the Bonds; shall be designated "General Obligation School Bonds, Series 2005" (or such other designation as the County Administrator may approve) shall bear interest from the date of delivery thereof payable semi-annually on each January 15 and July 15 (each an "Interest Payment Date"), beginning January 15, 2007, at the rates established in accordance with paragraph 4 of this Resolution; and shall mature on July 15 in the years (each a "Principal Payment Date") and in the amounts established in accordance with paragraph 4 of this Resolution. The Interest Payment Dates and the Principal Payment Dates are subject to change at the request of VPSA.
- 4. Principal Installments and Interest Rates. The County Administrator is hereby authorized and directed to accept the interest rates on the Bonds established by the VPSA, provided that each interest rate shall be no more than ten one-hundredths of one percent (0.10%) over the interest rate to be paid by the VPSA for the corresponding principal payment date of the bonds to be issued by the VPSA (the "VPSA Bonds"), a portion of the proceeds of which will be used to purchase the Bonds, and provided further, that the true interest cost of the Bonds does not exceed six and one-half percent (6 1/2%) per annum. The County Administrator is further authorized and directed to accept the aggregate principal amount of the Bonds and the amounts of principal of the Bonds coming due on each Principal Payment Date ("Principal Installments") established by the VPSA, including any changes in the Interest Payment Dates, the Principal Payment Dates and the Principal Installments which may be requested by VPSA provided that such aggregate principal amount shall not exceed the maximum amount set forth in paragraph one and the final maturity of the Bonds shall not be later than 25 years from their date. The execution and delivery of the Bonds as described in paragraph 8 hereof shall conclusively evidence such Interest Payment Dates, Principal Payment Dates, interest rates, principal amount and Principal Installments as having been so accepted as authorized by this Resolution.
- 5. <u>Form of the Bonds</u>. The Bonds shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.

- 6. <u>Payment; Paying Agent and Bond Registrar</u>. The following provisions shall apply to the Bonds:
  - (a) For as long as the VPSA is the registered owner of the Bonds, all payments of principal of, premium, if any, and interest on the Bonds shall be made in immediately available funds to the VPSA at or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next preceding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption;
  - (b) All overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rate or rates on the Bonds; and
  - (c) SunTrust Bank, Richmond, Virginia, is designated as Bond Registrar and Paying Agent for the Bonds.
- 7. Prepayment or Redemption. The Principal Installments of the Bonds held by the VPSA coming due on or before July 15, 2016, and the definitive Bonds for which the Bonds held by the VPSA may be exchanged that mature on or before July 15, 2016, and the definitive Bonds for which the Bonds held by the VPSA may be exchanged that mature after July 15, 2016, are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after July 15, 2016, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2016 to July 14, 2017, inclusive	101%
July 15, 2017 to July 14, 2018, inclusive	100.5
July 15, 2018 and thereafter	100;

Provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption. The County Administrator is authorized to approve such other redemption provisions, including changes to the redemption dates set forth above, as may be requested by the VPSA.

- 8. Execution of the Bonds. The Chairman or Vice Chairman and the Clerk or any Deputy Clerk of the Board are authorized and directed to execute and deliver the Bonds and to affix the seal of the County thereto. The manner of such execution may be by facsimile, provided that if both signatures are by facsimile, the Bonds shall not be valid until authenticated by the manual signature of the Paying Agent.
- 9. Pledge of Full Faith and Credit. For the prompt payment of the principal of, and the premium, if any, and the interest on the Bonds as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of, and the premium, if any, and the interest on the Bonds as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

- 10. <u>Use of Proceeds Certificate</u>; <u>Non-Arbitrage Certificate</u>. The Chairman of the Board and the County Administrator, or either of them and such officer or officers of the County as either may designate are hereby authorized and directed to execute a Non-Arbitrage Certificate, if required by bond counsel, and a Use of Proceeds Certificate setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Use of Proceeds Certificate and the County shall comply with the covenants and representations contained therein and (ii) the County shall comply with the provisions of the Code so that interest on the Bonds and on the VPSA Bonds will remain excludable from gross income for federal income tax purposes.
- 11. State Non-Arbitrage Program; Proceeds Agreement. The Board hereby determines that it is in the best interests of the County to authorize and direct the County Treasurer to participate in the State Non-Arbitrage Program in connection with the Bonds. The County Administrator and the Chairman of the Board, or either of them and such officer or officers of the County as either of them may designate, are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Bonds by and among the County, the other participants in the sale of the VPSA Bonds, the VPSA, the investment manager, and the depository substantially in the form on file with the County Administrator, which form is hereby approved.
- 12. <u>Continuing Disclosure Agreement</u>. The Chairman of the Board and the County Administrator, or either of them, and such officer or officers of the County as either of them may designate are hereby authorized and directed (i) to execute a Continuing Disclosure Agreement, as set forth in Appendix F to the Bond Sale Agreement, setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of

03/28/06 - Page 9

the Securities and Exchange Commission Rule 15c2-12 and (ii) to make all filings

required by Section 3 of the Bond Sale Agreement should the County be determined by

the VPSA to be a MOP (as defined in the Continuing Disclosure Agreement).

13. Filing of Resolution. The appropriate officers or agents of the County are

hereby authorized and directed to cause a certified copy of this Resolution to be filed

with the Circuit Court of the County.

Further Actions. The County Administrator, the Chairman of the Board, and such other

officers, employees and agents of the County as either of them may designate are hereby

authorized to take such action as the County Administrator or the Chairman of the Board

may consider necessary or desirable in connection with the issuance and sale of the

Bonds and any such action previously taken is hereby ratified and confirmed.

<u>Effective Date</u>. This Resolution shall take effect immediately.

The undersigned Clerk of the Board of Supervisors of the County of Stafford, Virginia,

hereby certifies that the foregoing constitutes a true and correct extract from the minutes

of a meeting of the Board of Supervisors held on March 28, 2006, and of the whole

thereof so far as applicable to the matters referred to in such extract. 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. The front page of this

Resolution accurately records (i) the members of the Board of Supervisors present at the

meeting, (ii) the members who were absent from the meeting, and (iii) the vote of each

member, including any abstentions.

WITNESS MY HAND and the seal of the Board of Supervisors of the County of

Stafford, Virginia, this 28th day of March, 2006.

Clerk, Board of Supervisors

of the County of Stafford, Virginia

(SEAL)

#### **EXHIBIT A**

#### (FORM OF TEMPORARY BOND)

NO. TR-1 \$

# UNITED STATES OF AMERICA COMMONWEALTH OF VIRGINIA COUNTY OF STAFFORD General Obligation School Bond Series 2006A

For as long as the Virginia Public School Authority is the registered owner of this Bond, SunTrust Bank, Richmond, Virginia, as bond registrar (the "Bond Registrar") shall make all payments of principal, premium, if any, and interest on this Bond, without presentation or surrender hereof, to the Virginia Public School Authority, in immediately available funds at or before 11:00 a.m. on the applicable Payment Date or date fixed for

prepayment or redemption. If a Payment Date or date fixed for prepayment or redemption is not a business day for banks in the Commonwealth of Virginia or for the Commonwealth of Virginia, then the payment of principal, premium, if any, or interest on this Bond shall be made in immediately available funds at or before 11:00 a.m. on the business day next preceding the scheduled Payment Date or date fixed for prepayment or redemption. Upon receipt by the registered owner of this Bond of said payments of principal, premium, if any, and interest, written acknowledgment of the receipt thereof shall be given promptly to the Bond Registrar, and the County shall be fully discharged of its obligation on this Bond to the extent of the payment so made. Upon final payment, this Bond shall be surrendered to the Bond Registrar for cancellation.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of and the premium, if any, and interest on this Bond. The resolution adopted by the Board of Supervisors authorizing the issuance of the Bonds provides, and Section 15.2-2624 of the Code of Virginia of 1950, as amended, requires, that there shall be levied and collected an annual tax upon all taxable property in the County subject to local taxation sufficient to provide for the payment of the principal, premium, if any, and interest on this Bond as the same shall become due which tax shall be without limitation as to rate or amount and shall be in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

This Bond is duly authorized and issued in compliance with and pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia of 1950, as amended, and resolutions duly adopted by the Board of Supervisors of the County and the School Board of the County to provide funds for capital projects for school purposes.

This Bond may be exchanged without cost, on twenty (20) days written notice from the Virginia Public School Authority at the office of the Bond Registrar on one or more occasions for one or more temporary bonds or definitive bonds in marketable form and, in any case, in fully registered form, in denominations of \$5,000 and whole multiples thereof, having an equal aggregate principal amount, having principal installments or maturities and bearing interest at rates corresponding to the maturities of

and the interest rates on the installments of principal of this Bond then unpaid. This Bond is registered in the name of the Virginia Public School Authority on the books of the County kept by the Bond Registrar, and the transfer of this Bond may be effected by the registered owner of this Bond only upon due execution of an assignment by such registered owner. Upon receipt of such assignment and the surrender of this Bond, the Bond Registrar shall exchange this Bond for definitive Bonds as hereinabove provided, such definitive Bonds to be registered on such registration books in the name of the assignee or assignees named in such assignment.

The principal installments of this Bond coming due on or before July 15, 2016 and the definitive Bonds for which this Bond may be exchanged that mature on or before July 15, 2016 are not subject to prepayment or redemption prior to their stated maturities. The principal installments of this Bond coming due after July 15, 2016, and the definitive Bonds for which this Bond may be exchanged that mature after July 15, 2016 are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after July 15, 2016, upon payment of the prepayment or redemption prices (expressed as percentages of principal installments to be prepaid or the principal amount of the Bonds to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2016 to July 14, 2017, inclusive	101%
July 15, 2017 to July 14, 2018, inclusive	100.5
July 15, 2018 and thereafter	100;

<u>Provided</u>, <u>however</u>, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without the prior written consent of the registered owner of the Bonds. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

All acts, conditions and things required by the Constitution and laws 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 due time, form and manner as so required, and this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Stafford, Virginia, has caused this Bond to be issued in the name of the County of Stafford, Virginia, to be signed by its Chairman or Vice-Chairman, its seal to be affixed hereto and attested by the signature of its Clerk or any of its Deputy Clerks, and this Bond to be dated May \_\_\_, 2006.

	COUNTY OF STAFFORD, VIRGINIA
(SEAL)	
ATTEST:	
	_
	By:
Clerk, Board of Supervisors of the County of	Chairman, Board of Supervisors of the
Stafford, Virginia	County of Stafford, Virginia
ASSIC	
<u>A55IG</u>	<u>INMENT</u>
FOR VALUE RECEIVED, the unde	ersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

PLEASE INSERT SOCIA	AL SECURITY OR OTH	ER	
IDENTIFYING	NUMBER	OF	ASSIGNEE:
the within Bond and irrev	ocably constitutes and ap	points	
		attorn	ney to exchange said
Bond for definitive bonds	in lieu of which this Bo	nd is issued and to	o register the transfer
of such definitive bonds	on the books kept for re	egistration thereof	f, with full power of
substitution in the premise	es.		
Dated:			
Signature Guaranteed:			

(NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.)

#### Registered Owner

(NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or change.)

03/28/06 - Page 15

Budget; Authorize a Public Hearing on Proposed FY2007 County Budgets and 2006

Property Tax Rates.

Mr. Cavalier motioned, seconded by Mr. Fields, to adopt proposed Resolution R06-184.

Discussion ensued.

Mr. Milde made a substitute motion, seconded by Mr. Dudenhefer, to adopt proposed

Resolution R06-184 with a change.

Discussion further ensued.

Mr. Dudenhefer withdrew the second to the motion.

The motion died for lack of a second to the motion.

The Voting Board tally was:

Yea: (6) Gibbons, Schwartz, Brito, Cavalier, Dudenhefer, Fields

Nay: (1) Milde

Resolution R06-184 reads as follows:

A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO ADVERTISE PUBLIC HEARINGS ON THE PROPOSED FISCAL YEAR 2007 COUNTY BUDGETS AND THE PROPOSED 2006

PROPERTY TAX RATES

WHEREAS, the Code of Virginia requires that the governing body shall cause to

be published in a newspaper having general circulation in the County, a brief synopsis of

the budget, proposed property tax levies, and notices at a public hearing, at which any

citizen of the County shall have the right to attend and state views thereon;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 28th day of March, 2006, that the County Administrator be and he hereby is authorized to publish a brief synopsis of the Proposed Fiscal Year 2007 County Budgets for public hearing on April 11, 2006, and the Proposed 2006 Property Tax Rates for public hearing on April 25, 2006.

Legislative; Work Session Schedule. The Chairman commented.				
Discussion ensued.				
Hearing no objections from the Board, the Budget 'cancelled.	Work Session on April 3, 2006, was			
Adjournment. At 4:12P. M. the Chairman declared the meeting adjourned.				
Steve Crosby	Robert C. Gibbons			
County Administrator	Chairman			