

**MINUTES
KING WILLIAM COUNTY
BOARD OF SUPERVISORS
AND THE KING WILLIAM COUNTY SCHOOL BOARD
JOINT MEETING OF JUNE 1, 2017**

A joint meeting of the Board of Supervisors of King William County, Virginia, and the King William County School Board was held on the 1st day of June, 2017, beginning at 6:30 p.m. at the Hamilton-Holmes Middle School.

RE: CALL TO ORDER and ROLL CALL

Chair Morrison called the meeting to order for the School Board, the members were polled:

Mr. Donald Longest, Board Member	Aye
Mr. Bryan K. Major, Board Member	Aye
Mrs. Lindsay M. Robinson, Vice-Chair	Aye
Mr. Steven M. Tupponce, Board Member	Aye
Mrs. Kathy H. Morrison, Chair	Aye

Chairman Moskalski then called the meeting to order for the Board of Supervisors, the members were polled:

Stephen K. Greenwood	Aye
David E. Hansen	Aye
Robert W. Ehrhart II	Aye
William L. Hodges	Aye
Travis J. Moskalski, Chairman	Aye

Others in attendance included:

Mark K. Reeter, County Administrator
Daniel M. Stuck, County Attorney
Bobbi Tassinari, Director of Finance
Dr. David O. White, King William Superintendent
Olivia Schools, Deputy Clerk to the Board

RE: MOMENT OF SILENCE

The School Board Chairman called for a moment of silence.

RE: PLEDGE OF ALLEGIANCE

The School Board Chairman led the Pledge of Allegiance.

RE: APPROVAL OF JOINT MEETING AGENDA

Chairman Morrison opened the meeting and thanked the Boards for taking time out of their busy schedule to meet. She noted how important this project is for King William County. She said a lot of work has gone into preparation, and she is anxious to move forward with the process.

Chairman Moskalski thanked everyone for being in attendance.

School Board member Mr. Tupponce moved for adoption of the Agenda for this meeting by the School Board; motion was seconded by School Board member Mr. Longest. The School Board's vote on this motion was 5-0.

Supervisor Ehrhart moved for the adoption of the Agenda for this meeting as presented by the County Administrator by the Board of Supervisors; motion was seconded by Supervisor Greenwood.

The members were polled:

D. E. Hansen	Aye
R. W. Ehrhart II	Aye
W. L. Hodges	Aye
S. K. Greenwood	Aye
T. J. Moskalski	Aye

RE: UPDATE PRESENTATION BY BALLOU JUSTICE UPTON, ARCHITECTS-HAMILTON-HOLMES MIDDLE SCHOOL RENOVATION & EXPANSION PROJECT

Dr. White introduced Bill Upton and Teran Mitchell of Ballou Justice Upton.

Teran Mitchell, Vice President of Ballou Justice Upton, presented the project analysis for Hamilton-Holmes Middle School. Some of the changes included refiguring the parking lot, adding an addition, demolishing a few areas, and remodeling many other areas.

Supervisor Ehrhart questioned the cafeteria's placement, and suggested moving it to the current courtyard area.

Mr. Mitchell noted that may be possible and would include some cost savings.

Mr. Tupponce stated this would be a safety issue, since having no windows would mean there would be no escape routes in emergency situations.

Supervisor Ehrhart question the target date for the 6th grade wing.

Bill Downey of the firm of Downey & Scott introduced himself at this time and noted it was a 22 month long path.

Supervisor Ehrhart questioned Item 3, additional furniture, fixtures, and equipment costs.

Dr. White explained this included the essential fiber optic cable that would connect to the Acquinton Elementary School.

Supervisor Ehrhart questioned Item 7, Management– High-Level Architect Construction Administration. He suggested the County seek outside bids to save money.

Mr. Mitchell stated this was very possible if the County chose to do so.

Supervisor Ehrhart questioned the immediate estimate of \$12 million to the now increased current estimate of \$13 million.

Mr. Mitchell explained they were simply preliminary costs, and the new estimates have been updated for more accuracy.

Supervisor Ehrhart questioned the possibility of finding issues like asbestos in the school and the removal costs associated.

Mr. Mitchell stated inspections have been done for this and have reported nothing of note as of now. A better report will be available this summer.

Bill Upton, President of Ballou Justice Upton, explained there is a 5% contingency plan included in this contract for items such as this.

Supervisor Hodges questioned whether it would be cost effective to rent a trailer versus buying one.

Dr. White explained for the amount of time they would need to rent it, it was more cost effective to buy because they can then sell at a later date.

Supervisor Hansen questioned Item 7, Management– High-Level Architect Construction Administration and what may be reimbursable.

Mr. Mitchell explained they'd be receiving the best construction administration in the state of Virginia. Reimbursable items would be miscellaneous items later identified.

Supervisor Hansen questioned what the County would receive for this "high level" of administration construction.

Mr. Upton explained all of the inspections and security involved in the administrative construction teams.

Supervisor Hodges question how many inspections would be done.

Mr. Upton stated one per week would be the minimum.

Supervisor Hansen question if the \$50,000 in the Reimbursable column would be trackable and who they'll report to.

Mr. Mitchell stated that yes, each receipt will be given with itemized costs. They would be reporting to Mr. Upton and Mr. Mitchell who would then report to the King William County Board of Supervisors, Superintendent and School Board.

Supervisor Hodges questioned if background checks would be used to employ the contractors for this project.

Mr. Upton assured him this is a requirement for employment.

Mrs. Morrison and Dr. White thanked Ballou Justice Upton for coming as well as Bill Downey of Downey & Scott.

RE: UPDATE PRESENTATION BY DAVENPORT & COMPANY, COUNTY FINANCIAL ADVISORS- HAMILTON-HOLMES PROJECT FINANCING

David Rose, of Davenport & Company, presented the funding school capital needs. \$12,750,000 worth of capital needs has been identified by the County for the Hamilton-Holmes Project. Mr. Rose presented the unstable nature of interest rates and what suggested methods they would recommend. He presented the base case including a 3.60% for a 20 year term. He also noted possible refunding opportunities.

Supervisor Hansen questioned what the Literary Fund is.

Mr. Rose stated that this is monies for school projects in the Commonwealth of Virginia.

Supervisor Hansen stated he was advised there were waitlists of 7 to 8 years for this Fund.

Mr. Rose exclaimed that yes, there are wait times but usually of 3 to 4 years.

Supervisor Hansen questioned why the Economic Development Authority would receive this money.

Mr. Rose explained they are simply a conduit for the County. They would not actually receive the money.

Supervisor Hansen questioned which counties have used the Economic Development Authority to receive literary funds in the past.

Mr. Rose stated this has been used numerous times in Virginia by surrounding counties.

Mrs. Morrison thanked Davenport & Company for coming.

RE: ACTION BY KING WILLIAM COUNTY SCHOOL BOARD

a. Consideration of Proposed Resolution of the School Board of the County of King William, Virginia Requesting the Board of Supervisors of the County of King William, Virginia to Issue General Obligation School Bonds for School Purposes and Consenting the Issuance Thereof-

Mr. Stephen Johnson of the law firm of Troutman Sanders, in his capacity as Bond Counsel to King William County for this project explained the purpose and import of this Resolution required of the School Board.

There being no discussion, upon the motion of Mr. Tupponce, second by Mr. Longest, the proposed Resolution was adopted by the School Board. The vote on this motion was 5-0.

b. Consideration of Proposed Resolution of the School Board of the County of King William, Virginia Authorizing Submission of Literary Loan Application and Agreement to Repay Literary Fund Loan

Mr. Johnson explained the purpose and import of this Resolution required of the School Board.

There being no discussion, upon the motion of Mr. Tupponce, seconded by Mr. Major, the proposed Resolution was adopted by the School Board. The vote on this motion was 5-0.

RE: ACTION BY KING WILLIAM COUNTY BOARD OF SUPERVISORS

a. Proposed Resolution 17-23 Authorizing Use of Cash Proffer Fund

Mrs. Tassinari explained the purpose of this Resolution to the Board of Supervisors.

There being no discussion, upon the motion of Mr. Ehrhart, seconded by Mr. Greenwood, Resolution 17-23 was adopted by the following roll call vote:

R. W. Ehrhart II	Aye
W. L. Hodges	Aye
S. K. Greenwood	Aye
D. E. Hansen	Nay
T. J. Moskalski	Aye

**RESOLUTION 17-23
AUTHORIZATION TO USE CASH PROFFERS FUND**

WHEREAS, the King William County Board of Supervisors authorized the County Administrator on May 8, 2017 to proceed with utilizing the revenue receipts collected within the Proffer Cash Fund 305 to defray those design costs of the Hamilton-Holmes Middle School Construction Project associated with expansion of the school facility necessary to accommodate growth in the student population; and

WHEREAS, the King William Board of Supervisors intends the use of Proffer Cash Fund 305 to be solely for portions of the design costs of the project directly associated with growth; and

WHEREAS, the architect retained by the School Board has provided the King William Board of Supervisors with a breakdown of those design directly associated with growth;

NOW, THEREFORE, BE IT RESOLVED, that the King William County Board of Supervisors hereby appropriates up to \$932,311.39 from the Cash Proffer Fund 305 to the School Reserve Fund and grants the County Administrator authority to transfer up to \$932,311.39 to the School Reserve Fund provided that such funds are not to be disbursed until such time as expenses have been incurred for the above stated purpose.

DONE this the 1st day of June, 2017.

b. Proposed Resolution 17-24 Appropriating Funds from the Portion of the General Fund Balance Comprised of Funds Previously Allocated to the King William County School Division Special Tax District

Mrs. Tassinari explained the purpose of this Resolution to the Board of Supervisors.

There being no discussion, upon the motion of Mr. Ehrhart, seconded by Mr. Greenwood, Resolution 17-24 was adopted by the following roll call vote:

- | | |
|------------------|------|
| W. L. Hodges | Aye |
| S. K. Greenwood | Aye |
| D. E. Hansen | Naye |
| R. W. Ehrhart II | Aye |
| T. J. Moskalski | Aye |

RESOLUTION 17-24

APPROPRIATING FUNDS FROM THE PORTION OF THE GENERAL FUND BALANCE COMPRISED OF FUNDS PREVIOUSLY ALLOCATED TO THE KING WILLIAM COUNTY SCHOOL DIVISION SPECIAL TAX DISTRICT

WHEREAS, the King William County Board of Supervisors desires to authorize the County Administrator to use special tax district funds comprising a portion of the General Fund Balance to defray certain design costs of the Hamilton-Holmes Middle School Construction Project; and

WHEREAS, the King William Board of Supervisors intends that these specific monies collected and retained within the General Fund Balance be used solely for portions of the design costs of the project not related to expansion of the facility to accommodate growth in the student population; and

WHEREAS, the architect retained by the School Board has provided the King William Board of Supervisors with a breakdown of those design directly associated with growth and non-growth;

NOW, THEREFORE, BE IT RESOLVED, that the King William County Board of Supervisors hereby appropriates up to \$546,285.81 of the special tax district funds from the General Fund Balance for transfer to the School Reserve Fund and grants the County Administrator authority to transfer up to \$546,285.81 to the School Reserve Fund provided that such funds are not to be disbursed until such time as expenses have been incurred for the above stated purpose.

DONE this the 1st day of June, 2017.

c. Consideration of Resolution 17-25 of the Board of Supervisors of the County of King William County, Virginia Authorizing the School Board of the County of King William , Virginia to Apply for Funding from the Virginia Public School Authority for the Financing of Capital Projects for School Purposes

Mr. Johnson explained the purpose and import of this Resolution required of the Board of Supervisors.

There being no discussion, upon the motion of Mr. Greenwood, seconded by Mr. Hodges, Resolution 17-25 was adopted by the following roll call vote:

S. K. Greenwood	Aye
D. E. Hansen	Nay
R. W. Ehrhart II	Aye
W. L. Hodges	Aye
T. J. Moskalski	Aye

**RESOLUTION 17-25
RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF KING WILLIAM, VIRGINIA
AUTHORIZING THE SCHOOL BOARD OF THE COUNTY OF KING WILLIAM,
VIRGINIA, TO APPLY FOR FUNDING
FROM THE VIRGINIA PUBLIC SCHOOL AUTHORITY
FOR THE FINANCING OF CAPITAL PROJECTS FOR SCHOOL PURPOSES**

WHEREAS, the Board of Supervisors of the County of King William, Virginia (the "Board") has received a request from the School Board of the County of King William, Virginia (the "School Board") for the issuance of general obligation school bonds of the County of King William, Virginia (the "County") to provide for the financing of all or a portion of the costs of certain capital projects for school purposes for the County of King William, Virginia Public Schools, namely the renovation and expansion of Hamilton Holmes Middle School (the "Project");

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

1. The Board hereby consents in all respects to the financing of all or a portion of the costs of the Project by contracting a debt in an aggregate principal amount sufficient to provide \$13,005,000 in net proceeds for the purpose of financing such Project, issuing general obligation school bonds of the County therefor, and selling the same to the Virginia Public School Authority (the "VPSA"). The principal amount of such bonds will not exceed \$13,655,250. Such maximum authorized principal amount shall be reduced to the extent of the principal amount of any Literary Fund loan obtained by the School Board for the Project.
2. The School Board is hereby authorized to file with the VPSA an application relating to this bond financing, which will be issued pursuant to the VPSA's 2017 Fall Pooled Bond Sale.

ADOPTED: June 1, 2017.

d. Consideration of Proposed Resolution 17-26 of the Board of Supervisors of the County of King William, Virginia Authorizing the Filing of a Literary Fund Application with the State Board of Education of Virginia and Other Matters in Connection Therewith

Mr. Johnson explained the purpose and import of this Resolution required of the Board of Supervisors.

Supervisor Hansen requested the Resolution be amended to remove the word Economic Development Authority from its language.

Mr. Johnson explained the potential role of the Economic Development Authority as simply a legal conduit for funding purely as an option, and stated there was no need to amend the Resolution in that doing so would effectively eliminate that option. The decision whether to exercise this option would be officially decided by the Board of Supervisors at a later date.

Supervisor Ehrhart questioned the possibility of applying for Literary Loans later.

Mr. Rose stated this would only slow the project, and he would not recommend doing so at this time.

There being no discussion, upon the motion of Mr. Greenwood, seconded by Mr. Hodges, Resolution 17-26 was adopted by the following roll call vote:

D. E. Hansen	Nay
R. W. Ehrhart II	Aye
W. L. Hodges	Aye
S. K. Greenwood	Aye
T. J. Moskalski	Aye

RESOLUTION 17-26
RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KING WILLIAM, VIRGINIA AUTHORIZING THE FILING OF A LITERARY FUND APPLICATION WITH THE STATE BOARD OF EDUCATION OF VIRGINIA AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the School Board of the County of King William, Virginia (the "School Board") wishes to obtain a loan from the Literary Fund to pay for renovations to, and the expansion of, Hamilton Holmes Middle School (the "Project") located in the County of King William, Virginia (the "County"); and

WHEREAS, the School Board is preparing a written application (the "Literary Fund Application") in accordance with the provisions of Section 22.1-153 of the Code of Virginia of 1950, as amended, addressed to the State Board of Education of Virginia (the "Board of Education") for the purpose of borrowing from the Literary Fund for the Project;

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

1. The Literary Fund Application of the School Board to the Board of Education for a loan of \$7,500,000 from the Literary Fund (the "Literary Fund Loan") is hereby approved, and authority is hereby granted to the School Board to borrow such amount for the Project, as set forth in the Literary Fund Application.

2. The Board of Supervisors of the County (the "Board of Supervisors") will, each year during the life of the Literary Fund Loan, at the time the Board of Supervisors fixes the regular levies, fix a rate of levy for schools or make a cash appropriation sufficient for operation expenses and to pay the Literary Fund Loan in annual installments and the interest thereon, all as required by law regulating loans from the Literary Fund.

3. The members of the Board of Supervisors and all officers, employees and agents of the County are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the Literary Fund Loan and otherwise in furtherance of this Resolution, and any such action previously taken is hereby ratified and confirmed.

4. This Resolution shall take effect immediately upon its adoption.

DONE this the 1st day of June, 2017

e. Consideration of Proposed Resolution 17-27 of the Board of Supervisors of the County of King William, Virginia Declaring Its Intention to Reimburse the Costs of Certain Expenditures

Supervisor Ehrhart noted he would like to remove the Economic Development Authority from the language of the Resolution.

Supervisor Moskalski noted that the potential role of the Economic Development Authority had been explained during discussion of the previous resolution.

Mr. Johnson further explained inclusion of the Economic Development Authority in the language of these resolutions satisfies bond and tax regulations for such financings promulgated by the Internal Revenue Service.

Upon the motion on Supervisor Hansen, seconded by Supervisor Ehrhart to amend Resolution 17-27 to remove the Economic Development Authority from its wording. The motion failed by the following roll call vote:

R. W. Ehrhart II	Nay
W. L. Hodges	Nay
S. K. Greenwood	Nay
D. E. Hansen	Aye
T. J. Moskalski	Nay

Upon the motion on Supervisor Hodges, seconded by Supervisor Greenwood Resolution 17-27 as originally presented was adopted by the following roll call vote:

W. L. Hodges	Aye
S. K. Greenwood	Aye
D. E. Hansen	Nay
R. W. Ehrhart II	Aye
T. J. Moskalski	Aye

**RESOLUTION 17-27
OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF KING WILLIAM, VIRGINIA
DECLARING ITS INTENTION TO REIMBURSE
THE COST OF CERTAIN EXPENDITURES**

WHEREAS, the County of King William, Virginia (the "County") desires to finance the renovation and expansion of Hamilton Holmes Middle School (the "Project");

WHEREAS, the County and/or the School Board of the County of King William, Virginia (the "School Board") has made or will make expenditures (the "Expenditures") in connection with the Project;

WHEREAS, the County may determine that the funds advanced and to be advanced to pay Expenditures will be reimbursed to the County and/or the School Board from the proceeds of one or more taxable or tax-exempt obligations to be issued by the County, the School Board and/or the Economic Development Authority of King William County, Virginia (the "Indebtedness"); and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF KING WILLIAM, VIRGINIA (THE "BOARD"):

1. The Board hereby adopts this declaration of official intent under Treasury Regulations Section 1.150-2 and declares that the County intends to reimburse itself and/or the School Board with the proceeds of Indebtedness for Expenditures made on, after or within 60 days prior to the date hereof with respect to the Project, except that Expenditures made more than 60 days prior to the date hereof may be reimbursed as to certain de minimis or preliminary expenditures described in Treasury Regulations Section 1.150-2(f) and as to other expenditures permitted under applicable Treasury Regulations.
2. The maximum principal amount of Indebtedness expected to be issued for the Project is \$13,655,250.
3. This Resolution shall take effect immediately upon its adoption.

ADOPTED: June 1, 2017

RE: FINAL QUESTIONS AND REMARKS

Chairmen Morrison and Moskalski thanked everyone for being there.

Supervisor Moskalski noted there was no need for a work session meeting this month, and requested Board action to amend its meeting calendar accordingly.

There being no further discussion, upon the motion of Supervisor Ehrhart, seconded by Supervisor Hodges the Board cancelled its June work session.

The roll call vote was as follows:

S. K. Greenwood	Aye
D. E. Hansen	Aye
R. W. Ehrhart II	Aye
W. L. Hodges	Aye
T. J. Moskalski	Aye

RE: ADJOURNMENT

The meeting was adjourned at 8:30 p.m. by the King William County School Board and then the Board of Supervisors adjourned its meeting.

Upon the motion of Supervisor Greenwood, seconded by Supervisor Hodges, the Board adjourned to its June 26, 2017 regular meeting at 7:00 p.m.

The roll call vote was as follows:

D. E. Hansen	Aye
R. W. Ehrhart II	Aye
W. L. Hodges	Aye
S. K. Greenwood	Aye
T. J. Moskalski	Aye

COPY TESTE:

Travis J. Moskalski, Chairman
Board of Supervisors

Olivia L. Schools
Deputy Clerk to the Board