

Grayson County Board of Supervisors
Budget Work Session
June 6th, 2012

Members attending were: David M. Sexton, Brenda Sutherland, Mike Maynard, Kenneth R. Belton and John K. Brewer.

IN RE: CONSENT AGENDA

Brenda Sutherland made the motion to approve the agenda; duly seconded by Mike Maynard. Motion carried 5-0.

IN RE: OLD BUSINESS – RESOLUTION – USDA-RD LOAN FUNDING FOR THE
GRAYSON COUNTY PUBLIC WORKS FACILITY

Jonathan D. Sweet explained the USDA Resolution for the spending not to exceed \$250,000 for the Parson-Rives Building for Public Works. Mike Maynard made the motion to approve the Resolution; duly seconded by Brenda Sutherland. Motion carried 5-0. Resolution reads as follows:

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF GRAYSON, VIRGINIA**

WHEREAS, the Board of Supervisors (**the “Board of Supervisors”**) of the County of Grayson, Virginia (**the “County”**) has determined that the County has an immediate need for the acquisition and equipping of the Parson-Rives Building for use as a County maintenance building (**the “Project”**).

WHEREAS, the Board of Supervisors has requested the Industrial Development Authority of the County of Grayson (**the “Authority”**) to apply to the United States of America, acting by and through Rural Housing Service, an agency of the United States Department of Agriculture (**“RHS”**) for financing of the Project and RHS has, subject to the fulfillment of certain conditions, indicated its willingness to provide financing for the Project; and

WHEREAS, there has been presented to the Board of Supervisors a plan for lease financing of the acquisition and equipping of the Project involving issuance of the Authority’s not to exceed \$250,000 Public Facility Lease Revenue Bond, Taxable Series 2012 (**the “Bond”**), which would not create debt of the County for purposes of the Virginia Constitution; and

WHEREAS, there have been presented to this meeting drafts of the following documents (**the “Documents”**), copies of which shall be filed with the records of the Board of Supervisors:

- (a) a Deed of Ground Lease, between the Authority and the County, conveying to the Authority a leasehold interest in the Real Estate (as defined therein) (**the “Ground Lease”**);
- (b) a Deed of Financing Lease, between the Authority and the County, conveying to the County a leasehold interest in the Project (**the “Lease Agreement”**);
- (c) an Assignment Agreement, between the Authority and RHS, assigning to RHS certain of the Authority’s rights under the Financing Lease, which is to be acknowledged and consented to by the County (**the “Assignment Agreement”**);
- (d) a Leasehold Deed of Trust and Security Agreement, given to secure payment by the County under the Lease Agreement, which is to be acknowledged and consented to by the County (**the “Deed of Trust”**); and
- (e) an Option Agreement, between the Authority and the County (**the “Option Agreement”**).

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

1. The following plan for financing the acquisition and equipping of the Project for the County as described in the preambles above is hereby approved. The Authority will be requested to issue the Bond in the maximum amount of \$250,000 and to use the proceeds therefrom to finance the acquisition and equipping of the Project. The Authority will acquire and equip the Project on the Real Estate which will be leased to the Authority under the Ground Lease, and the Authority will lease the Project to the County pursuant to the Lease Agreement. The Authority will also enter into the Assignment Agreement and the Deed of Trust whereby the Authority’s rights under the Ground Lease and the Lease Agreement will be assigned to RHS, which Assignment Agreement and Deed of Trust are to be acknowledged and consented to by the County. The Authority will be requested to lease the Project to the County for the term of the Bond at rents sufficient to pay interest and principal due on the Bond, all pursuant to the Lease Agreement. The obligation of the Authority to pay principal and interest on the Bond will be limited to rent payments received from the County. The obligation of the County to pay rent will be subject to the Board of Supervisors making annual appropriations for such purpose. The Bond will be secured by an

assignment of the Ground Lease and the Lease Agreement to RHS for the benefit of the RHS and by the Deed of Trust. If the County exercises its right not to appropriate money for rent payments, the holder of the Bond

may terminate the Lease Agreement or otherwise take possession of the Project, subject to the terms of the Financing Lease, the Assignment Agreement, the Deed of Trust, and the Ground Lease.

2. The Board had previously selected Sands Anderson PC, as Bond Counsel.
3. The Chairman or Vice Chairman of the Board of Supervisors, either of whom may act, is hereby authorized and directed to execute and deliver the Ground Lease, the Lease Agreement and the Option Agreement.
4. The Chairman or Vice-Chairman of the Board of Supervisors, either of whom may act, is hereby authorized and directed to acknowledge and consent to the provisions of the Assignment Agreement and the Deed of Trust and any other instruments executed by the Authority in connection with issuance of the Bond and an assignment of the Lease Agreement for the purpose of securing the Bond, including designating and confirming the final interest rate, maturities, redemption provisions and other terms of the Bond.
5. The Documents shall be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions and changes as may be approved by the officer executing them, his or her execution to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and changes.
6. The Project is hereby declared to be essential to the efficient operation of the County, and the Board of Supervisors anticipates that the Project will continue to be essential to the operation of the County during the term of the Lease Agreement. The Board of Supervisors, while recognizing that it is not empowered to make any binding commitment to make appropriations beyond the current fiscal year, hereby states its intent to make annual appropriations in future fiscal years in amounts sufficient to make all payments under the Lease Agreement and hereby recommends that future Boards of Supervisors do likewise during the term of the Lease Agreement.
7. The Chairman and Vice-Chairman of the Board of Supervisors, the County Administrator, the County Attorney, the County Treasurer and all other officers of the County are hereby authorized and directed to work with representatives of the Authority, the Authority Counsel and Bond Counsel to perform all services and prepare all documentation necessary for sale of the Bond to RHS, including without limitation, final forms of the Documents.

8. All other acts of the Chairman and Vice-Chairman of the Board of Supervisors, the County Administrator, the County Attorney and other

officers of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the plan of financing, the issuance and sale of Bond and the acquisition and equipping of the Project are hereby approved and ratified.

9. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.
10. The County hereby agrees, to the extent permitted by law, to indemnify, defend and save harmless the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the County, the issuance of the Bond or the acquisition and equipping of the Project.
11. Nothing in this Resolution, the Bonds or the Documents shall constitute a debt or a pledge of the faith and credit of the County, and neither the County nor the Authority shall be obligated to make any payments under the Bond or the Documents except from payments made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.
12. This resolution shall take effect immediately.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Board of Supervisors of the County of Grayson, Virginia hereby certifies that the Resolution set forth above was adopted during an open meeting on June 6th, 2012, by the Board of Supervisors with the following votes:

Yes

David M. Sexton
Brenda Sutherland
Thomas M. Maynard
Kenneth R. Belton
John K. Brewer

No

Absent

Abstained

PASSED AND ADOPTED this 6th day of June, 2012.

Signed this 6th day of June, 2012.

By: 
Clerk, Board of Supervisors

IN RE: NEW BUSINESS - GRAYSON COUNTY FY 2012-13 BUDGET
PREPARATION

- Jonathan D. Sweet presented a balanced budget of \$16,391,561.00.
- Reduction of \$65,799.00 less than FY 2011-12 Budget.
- \$673,429 reduction from requested this year.
- Jonathan D. Sweet presented the Sheriff's budget to the Board and opened the floor for discussion among the Sheriff and the Board members. Jonathan D. Sweet also presented Dr. Thomas' request for keeping the \$172,000 out of this year's budget, with exception of \$32,000 coming back to the County, to use for Resource Officers at the schools and Activity buses to run in next year's budget along with one (1) bus to replace an older bus. Jonathan D. Sweet recommended \$30,000.00 for the School Resource Officers and \$82,000.00 for a school bus. The Board consented to fund \$82,000.00 for the bus but the School System must run the activity buses at \$26,900.00.
- Jonathan D. Sweet also discussed the \$10,000.00 transfer to the Fries Rec Park. David M. Sexton covered the referee expenses which is \$54.20 per game for a total of \$5,320.00 plus \$407.00 for fringes, totaling \$5,727.00. The Board consented to adding \$5,000.00 to the Rec Park Budget for Fries referees and umpires. This additional \$5,000.00 will come out of the working capital.

RE: ADJOURN

Mike Maynard made the motion to adjourn; duly seconded by Brenda Sutherland.
Motion carried 5-0.