

VIRGINIA: AT THE CONTINUATION MEETING OF THE DINWIDDIE COUNTY BOARD OF SUPERVISORS HELD IN THE MULTI-PURPOSE ROOM OF THE PAMPLIN ADMINISTRATION BUILDING IN DINWIDDIE COUNTY, VIRGINIA, ON THE 20TH DAY OF APRIL, 2004, AT 11:00 A.M.

PRESENT: DONALD L. HARAWAY –CHAIRMAN ELECTION DISTRICT #2
HARRISON A. MOODY - VICE CHAIR ELECTION DISTRICT #1
ROBERT L. BOWMAN IV ELECTION DISTRICT #3
DORETHA E. MOODY ELECTION DISTRICT #4
MICHAEL W. STONE ELECTION DISTRICT #5

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Mr. Donald L. Haraway, Chairman, called the continuation meeting to order at 11:15 A.M.

**IN RE: REFUNDING SERIES 1997-A & 1997-B LEASE REVENUE BONDS –
AUTHORIZATION TO ACCEPT BID**

The County Administrator commented the IDA members and Board were here to receive the bids and recommendations from the Financial Advisors for the refunding of the Lease Revenue Bonds Series 1997-A (School Facilities) and 1997- B (Courts Facilities).

MEMORANDUM

FROM: Mr. David Rose
Roland Kooch, Jr.
Davenport & Company LLC

Re: **Refinancing Bids for Series 1997A (School Facilities) and Series 1997B (Court Facilities) Bonds**

Overview

Davenport & Company LLC (“Davenport”), as Financial Advisor to Dinwiddie County, Virginia (the “County”) distributed a Request for Proposals (the “RFP”) for tax-exempt refinancing of the Industrial Development Authority of Dinwiddie County, Virginia Lease Revenue Bonds Series 1997A (School Facilities) and Series 1997B (Courts Facilities) on March 29, 2004. The RFP solicited tax-exempt bids on both a bank qualified as well as a non-bank qualified basis from the following institutions:

- BB&T;
- Bank of America;
- The Bank of Charlotte County;
- Bank of McKenney;
- Central Virginia Bank;
- Citizens Bank & Trust Company;
- Community National Bank;
- SunTrust Bank; and
- Wachovia Bank

Proposals Received

On April 12, 2004, Davenport received on behalf of the County qualified proposals for a tax-exempt private placement on both a bank qualified and non-bank qualified basis from the following institutions:

- BB&T;
- Riggs Bank;
- SunTrust Bank; and
- Wachovia Bank.

Some of the proposals also incorporated either: (1) a fixed rate to maturity of the refinancing or (2) a 10-year fixed rate with a reset for the remaining three to four years. Below please find a summary table of the proposals received.

Non-Bank Qualified Bids

<u>Institution</u>	Rate Fixed to Maturity	10-Year Rate with Reset	Upfront Costs	Call Provision
BB&T	4.25%	NA	\$20,130	101% on Any Payment Date
Community National Bank	NA	NA	NA	NA
SunTrust Bank	4.46%	4.27%	\$5,000	Fixed Option -7 Years @ 101% Reset Option – 5 Years @ 101%
Wachovia Bank	4.58%	NA	\$5,000	Non-Callable

Bank Qualified Bids

<u>Institution</u>	Rate Fixed to Maturity	10-Year Rate with Reset	Upfront Costs	Call Provision
BB&T	3.83%	NA	\$20,130	101% on Any Payment Date
Community National Bank	3.63%	3.46%	None	Anytime Without Penalty
SunTrust Bank	3.84%	3.68%	\$5,000	Fixed Option -7 Years @ 101% Reset Option – 5 Years @ 101%
Wachovia Bank	3.91%	NA	\$5,000	Non-Callable

Summary of Results

Although the Bank Qualified Bids are approximately 60 to 80 basis points lower than the non-bank qualified bids, the County may not have the ability to take advantage of Bank Qualification given its plans to borrow well over \$10 million this calendar year for the school construction program. However, the Non-Bank Qualified Bids still produce strong results. The overall best bid is the 10-year rate (with reset) from SunTrust Bank, which produces approximately \$768,000 in cash flow savings (\$604,000 in FY 05 and \$164,000 in FY 06) for the County. This upfront cash flow savings would be realized immediately over the next two fiscal years as the County embarks on its school construction program.

Recommendation

Based on the results received and the County's current borrowing plans for this calendar year, we respectfully recommend that the County approve the SunTrust Non-Bank Qualified 10-year rate (with reset).

Mr. Rose stated although BB&T had a cheaper rate their upfront costs were considerably higher than SunTrust Bank. Additionally, SunTrust was much easier to deal with because it was a local bank and BB&T was based in North Carolina. Mr. Dan Siegel agreed and commented SunTrust was much easier to deal with. Mr. Haraway stated he had dealt with SunTrust at the hospital and they were a good company to deal with.

Mr. Siegel commented they would like for the Board to take action on their recommendation to approve the SunTrust non-bank qualified 10-year rate (with reset).

Upon motion of Mr. Stone, Seconded by Ms. Moody, Ms. Moody, Mr. Bowman, Mr. Stone, Mr. Moody, Mr. Haraway, voting "Aye",

BE IT RESOLVED by the Board of Supervisors of Dinwiddie County, Virginia that based on the recommendation of the Financial Consultants the bid from SunTrust for the Non-Bank Qualified 10-year rate (with reset) was approved.

Mr. Siegel stated a resolution would be drafted for the Board and IDA's approval, which would be ready for their meeting on April 27, 2004. The Industrial Development Authority's Attorney, Mr. Samuel Johnson, stated they would like to see the resolution before they made a commitment.

IN RE: DISCUSSION OF FINANCING OF SCHOOL CAPITAL IMPROVEMENTS

The County Administrator stated the Board wanted the Financial Consultants to discuss other financing options before they made a decision on the School Capital Improvements.

The Financial Consultant, Mr. David Rose, discussed alternate ways to finance the \$55 million for the School CIP. The PPEA – Public/Private Education Act was recently enacted and it allows the local government options to avoid the bidding process. It does not require a voter referendum or public hearings. The issuing conduit can either be a created Not-for-Profit Corporation of the County or the IDA. The issuance of the bonds is either Lease Revenue or Certificates of Participation ("COP'S") Structure. The facilities being built would be used as collateral, which is no different than most loans.

The County Administrator asked the Board to authorize Staff and Davenport to proceed with obtaining a bond rating for the County. If agreeable the consultants would need to go to New York and meet with the bond rating company to secure a rating for the County. If there would be no savings to the County then they would not proceed with securing it.

Upon motion of Mr. Stone, Seconded by Ms. Moody, Mr. Bowman, Ms. Moody, Mr. Moody, Mr. Haraway, voting "Aye",

BE IT RESOLVED by the Board of Supervisors of Dinwiddie County, Virginia that authorization was granted for Staff and Davenport to proceed with obtaining a bond rating for the County.

IN RE: APPROVAL OF PLANS FOR METAL ADDITION TO THE DINWIDDIE VOLUNTEER FIRE DEPARTMENT

Mr. Charles L. Lewis, Fire Chief, Dinwiddie VFD & EMS commented that at the Board meeting on November 6, 2002 authorized them to construct a metal building addition to the current facility to expand the storage space and add a kitchen and lounge area for stews and other fund raising events. The Board also included the clause that the plans would have to be approved before the addition could be built.

Mr. Lewis stated they have the plans and would like to get the Board's approval of the plans as presented and authorize them to proceed with the bid process and construction of the addition estimated to cost \$100,000. He pointed out that there would be no County funding needed for the project. They will pursue a loan on their own.

Upon motion of Mr. Stone, Seconded by Mr. Moody, Mr. Bowman, Ms. Moody, Mr. Stone, Mr. Moody, Mr. Haraway, voting "Aye",

BE IT RESOLVED by the Board of Supervisors of Dinwiddie County, Virginia that the plans presented by the Dinwiddie Volunteer Fire Department and EMS were approved as presented. Authorization was also granted to enter into a contract with the successful bidder of the project with the understanding that no County funding would be requested.

IN RE: AUTHORIZATION FOR DINWIDDIE VOLUNTEER FIRE & EMS TO PURCHASE CHIEF'S VEHICLE – COUNTY TO PROVIDE INSURANCE & FUEL

The Fire Chief stated the members of the Dinwiddie Volunteer Fire Department and EMS have acquired the approval of the Apparatus/Equipment Committee and Fire Rescue Association for the vehicle. He commented the purpose of the vehicle would be to provide transportation to meetings, trainings, and use as a first responder unit.

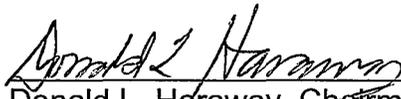
He commented Company One would provide the funding for the vehicle if they were unable to get a donated vehicle and costs to ensure compliance of the specifications of the Apparatus/Equipment and Fire/Rescue Association and cover all costs of the maintenance of the vehicle. He requested that the Board accept title and provide insurance and fuel for the vehicle as they have done for the support vehicles currently in the system.

Upon motion of Mr. Moody, Seconded by Mr. Bowman, Mr. Bowman, Ms. Moody, Mr. Stone, Mr. Moody, Mr. Haraway, voting "Aye",

BE IT RESOLVED by the Board of Supervisors of Dinwiddie County, Virginia that the Dinwiddie Volunteer Fire/Rescue Company One is authorized to purchase the vehicle for the Fire Chief with no funding from the County. The County will provide insurance, fuel and accept title to the vehicle when presented.

RE: ADJOURNMENT

Upon Motion of Mr. Moody, Seconded by Mr. Bowman, Mr. Bowman, Ms. Moody, Mr. Stone, Mr. Moody, Mr. Haraway voting "Aye", the meeting adjourned at 12:39 P.M.



Donald L. Haraway, Chairman

ATTEST: 
Wendy Weber Ralph
County Administrator

/abr