

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 30TH DAY OF MARCH, 2004, AT 1:00 P.M.

PRESENT: DONALD L. HARAWAY –CHAIRMAN ELECTION DISTRICT #2
 Arrived 1:26 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

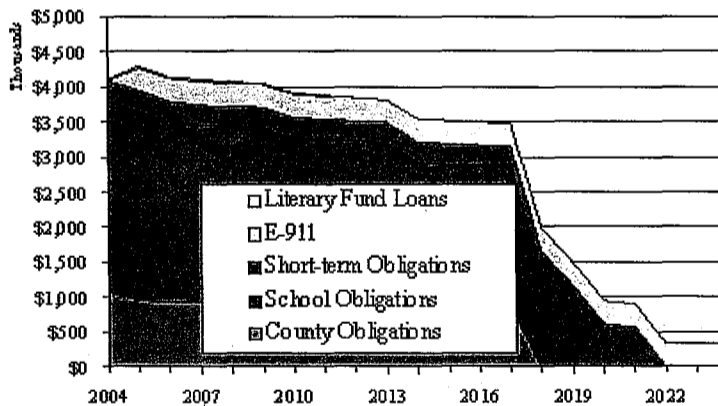
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Mr. Donald L. Haraway, Chairman, called the continuation meeting to order at 1:09 P.M. in the Multi-purpose room of the Pamplin Administration Building.

IN RE: SCHOOL CAPITAL FUNDING PRESENTATION – DAVENPORT & COMPANY LLC

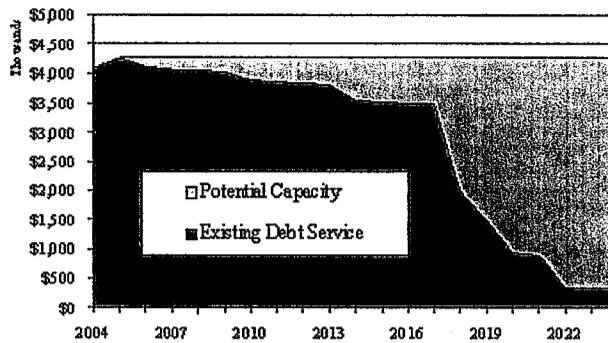
The Board of Supervisors, Industrial Development Authority and School Board members met for the presentation of the School Capital Funding Strategies prepared by Davenport & Company LLC. Mr. David Rose with Davenport presented the following School Capital Funding Strategies

EXISTING DEBT SERVICE



Existing Debt Service is Based on All Outstanding Primary Government and Component Unit School Board Obligations as of June 30, 2003.

POTENTIAL DEBT CAPACITY – Decline in Debt Service



Fiscal Year	Total Debt Service	Cumulative Annual Decline	Borrowing Capacity
2004	4,083,194	NA	NA
2005	4,262,768	NA	NA
2006	4,118,194	144,574	2,040,000
2007	4,070,361	192,407	2,715,000
2008	4,044,900	217,868	3,075,000
2009	4,031,006	231,762	3,275,000
2010	3,891,704	371,064	5,240,000
2011	3,860,142	402,626	5,685,000
2012	3,844,959	417,809	5,900,000

Potential Debt Capacity is Based on Debt Service Budget for FY 2005.

Decline in Debt Service Produces an Estimated Borrowing Capacity Assuming 28 Year Level Debt Service at 5.50%.

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KEY ASSUMPTIONS

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CAPITAL PROJECTS TO BE CONSIDERED (2005 – 2012)

Dinwiddie County School Facilities Master Plan Option 1 Prepared by BCWH.

Inflation Factor		1.03	1.06	1.09	1.13
	FY 2008-2012 Totals	2005	2006	2007	2008
Phase One					
1 New Elementary School	16,408,732	5,362,330	11,046,401		
2 Middle - Renovate Existing H.S.	22,295,003	347,050	1,429,848	10,283,480	10,234,623
3 New High School	53,420,463	3,407,722	16,142,218	32,783,770	1,086,750
4 Consolidated Educational Fac.	3,047,592				3,047,588
5 Joint Vehicle Maintenance	TBD				
Subtotal Phase One	95,171,790	9,117,103	28,618,467	43,067,249	14,368,961
Phase Two					
6 Midway Additions/Renovations	3,245,328				
7 Southside Additions/Renovations	7,822,279				
8 Summyside Additions/Renovations	5,754,522				
Subtotal Phase Two	16,822,128	0	0	0	0
Inflation Adjusted Totals	111,993,919	9,117,103	28,618,467	43,067,249	14,368,961

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CAPITAL PROJECTS TO BE CONSIDERED (2005 – 2012)

Dinwiddie County School Facilities Master Plan Option 1 Prepared by BCWH.

Inflation Factor		1.16	1.19	1.23	1.27
	2009	2010	2011	2012	
Phase One					
1 New Elementary School					
2 Middle - Renovate Existing H.S.					
3 New High School					
4 Consolidated Educational Fac.					
5 Joint Vehicle Maintenance					
Subtotal Phase One	0	0	0	0	0
Phase Two					
6 Midway Additions/Renovations	0	155,470	1,601,567	1,488,285	
7 Southside Additions/Renovations	0	374,731	3,860,294	3,587,247	
8 Summyside Additions/Renovations	0	275,673	2,839,855	2,638,986	
Subtotal Phase Two	0	805,874	8,301,715	7,714,518	
Inflation Adjusted Totals	0	805,874	8,301,715	7,714,518	

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TIMING OF THE PROPOSED FINANCINGS

➤ **Phase One - FY 2005:**

- **\$92,124,198** **New Elementary School, Middle Renovation to High School and New High School.**

➤ **Phase One - FY 2008:**

- **\$3,047,588** **Consolidated Educational Facilities.**

➤ **Phase Two - FY 2010:**

- **\$16,822,128** **Midway, Southside and Sunnyside Additions & Renovations.**

TOTAL **\$111,993,914**

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KEY ASSUMPTIONS – Continued...

- **Existing Debt Service has been Updated and Verified.**
- **Capital Reserve Fund Interest Earnings Assume Current Market Conditions (\$10.65 Million with a 1.50% Annual Rate of Return).**
 - **Includes Impact of Restructuring – Additional \$850,000 in Capital Reserve Funds**
- **Annual Lottery Monies of \$300,000.**
- **Meals and Gate Revenues are Held Constant at \$400,000.**
- **Value of 1 Penny on the Real Estate Tax Rate is Approximately \$110,000 (FY 2005).**

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VALUE AND GROWTH OF 1 PENNY

Fiscal Year	Real Estate Valuation	Growth Rate
1992	426,864,447	
1993	579,694,444	35.80%
1994	605,404,766	4.44%
1995	629,312,055	3.95%
1996	682,264,562	8.24%
1997	724,744,459	9.43%
1998	867,209,870	19.66%
1999	910,281,517	4.97%
2000	991,684,357	8.94%
2001	1,103,351,570	11.26%
2002	1,202,491,877	8.99%
2003	1,245,888,983	3.61%
2004	1,320,642,322	6.00%
2005	1,399,880,861	6.00%
2006	1,483,873,713	6.00%
2007	1,572,206,136	6.00%
2008	1,667,280,504	6.00%
2009	1,767,317,334	6.00%
2010	1,873,266,314	6.00%

Fiscal Year	Increase in Value of 1¢	Cumulative Increase in Value of 1¢
2005	110,000	NA
2006	116,800	6,800
2007	123,596	13,596
2008	131,012	21,012
2009	138,872	28,872
2010	147,205	37,205
2011	156,037	46,037
2012	165,399	55,399
2013	175,323	65,323
2014	185,843	75,843
2015	196,993	86,993
2016	208,813	98,813

Multiply
by Tax Rate of
77.0%

Cumulative Revenues Generated	25th Allocated to Debt Service
NA	NA
502,200	127,050
1,046,832	261,725
1,617,506	404,476
2,223,180	555,795
2,864,771	716,193
3,544,857	886,214
4,266,748	1,064,457
5,028,893	1,261,473
5,839,887	1,469,972
6,698,420	1,674,620
7,608,583	1,902,147

Assume
Growth Rate of
6.00%

➤ County Historic Real Estate Valuation Growth Rate is 10.23% Since 1992.

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KEY GLOBAL PROJECT FINANCING ASSUMPTIONS

- **Maximize the Use of Literary Loan Funding. Maximum Funding Available is Approximately \$20 Million at the County's 2% Literary Loan Rate.**
- **All Financings are Assumed to be Non-Bank Qualified.**
- **County would Utilize a 3-year Interim Financing at a 3.00% Rate due to Timing of Literary Loan Funds.**
- **Strategically Restructure the Series 1997 Bonds in Order to add Approximately \$850,000 to the Capital Reserve Account.**
- **Strategic Structuring of All Financings to Optimize use of the \$10.65 Million in the Capital Reserve Account**

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EQUIVALENT TAX IMPACT

EQUIVALENT TAX IMPACT - CASE 1A - Phase One

- **Literary Loan Plus Insured Lease Revenue Transactions.**
 - **5.50% Interest Rate.**
 - **30 Year Bonds.**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
Annual Net Debt Service Payments						TOTAL REQUIREMENT									Estimated Incremental Tax Effect (D)
Fiscal Year	Ending Debt Service	EMI Debt Service	Original	Estimated New Debt Service	Ending and Proposed Debt Service	Budgeted Debt Service	Capital Fund Withdrawals	Incremental Growth (G)	Lottery Funds	Misc and Gate Revenues	Incremental Tax Revenues	Funds Available	Surplus (Deficit)	Estimated Incremental Tax Effect (D)	
2004	3,793,194	0	200,000	0	4,003,194	3,793,194	0	0A	300,000	400,000	0	4,493,194	410,000	0	
2005	3,649,678	324,160	200,000	4,646,168	8,538,828	3,793,194	455,741	0A	300,000	400,000	3,953,000	8,300,525	0	35.04	
2006	3,498,613	329,631	200,000	4,848,168	9,704,361	3,793,194	134,110	127,050	300,000	400,000	3,953,000	8,704,361	0	0	
2007	3,452,126	329,233	200,000	5,609,580	9,697,044	3,793,194	1,165,024	261,723	300,000	400,000	3,953,000	9,879,941	0	0	
2008	3,429,205	326,636	200,000	6,760,550	10,025,448	3,793,194	1,567,773	404,476	300,000	400,000	3,953,000	10,825,448	0	0	
2009	3,411,133	329,672	200,000	6,760,550	10,791,556	3,793,194	1,702,527	526,795	300,000	400,000	3,953,000	10,791,556	0	0	
2010	3,273,537	327,767	200,000	6,789,710	10,561,413	3,793,194	1,512,026	716,193	300,000	400,000	3,953,000	10,631,413	0	0	
2011	3,244,671	325,471	200,000	6,769,710	10,629,691	3,793,194	1,280,443	636,214	300,000	400,000	3,953,000	10,629,691	0	0	
2012	3,227,650	327,651	200,000	6,749,710	10,634,629	3,793,194	1,075,023	1,064,437	300,000	400,000	3,953,000	10,634,629	0	0	
2013	3,190,740	325,827	200,000	6,729,710	10,543,476	3,793,194	632,959	1,257,473	300,000	400,000	3,953,000	10,543,476	0	0	
2014	3,151,625	326,676	200,000	6,709,710	10,243,439	3,793,194	336,313	1,489,972	300,000	400,000	3,953,000	10,243,439	0	0	
2015	2,892,656	329,351	200,000	6,629,710	10,303,716	3,793,194	72,502	1,674,620	300,000	400,000	3,953,000	10,200,716	0	0	
2016	2,684,336	324,526	200,000	6,629,710	10,168,586	3,793,194	0	1,902,147	300,000	400,000	3,953,000	10,255,341	136,755	0	
Total Tax Impact =													30.04		

Notes: (1) Net Growth Abatement to Debt Service. Additional dollars needed (available) by year of 1/4 of that fiscal year.

- **Phase One Tax Impact = 36¢.**
- **With 15% Reassessment = 31¢.**
- **Using All Capital Reserve.**

EQUIVALENT TAX IMPACT - CASE 1B - Phases One & Two

➤ **Literary Loan Plus Insured Lease Revenue Transactions.**

- **5.50% Interest Rate.**
- **30 Year Bonds.**

A	B	C	D	E	E	G	H	I	J	K	L	M	N	O	
Annual Net Debt Service Payments						TOTAL REQUIREMENT									Estimated Incremental Tax Effect (\$)
Year	Young Debt Service	Y11 Debt Service	Original	Estimated New Debt Service	Existing and Proposed Debt Service	Outgoing Debt Service	Capital Fund Principal Withdrawals	Inter-serial Amortiz	Literary Funds	Meals and Other Expenses	Incremental Tax Revenue	Funds Available	Surplus (Deficit)		
2004	3,793,194	0	200,000	0	4,093,194	3,793,194	0	NA	300,000	400,000	0	4,493,194	410,000		
2005	3,649,575	374,183	200,000	4,645,158	8,000,232	3,793,194	0	NA	300,000	400,000	4,620,000	9,115,184	204,233	42.0%	
2006	3,493,613	239,521	200,000	4,645,158	8,764,361	3,793,194	0	127,050	300,000	400,000	4,620,000	9,240,244	475,632		
2007	3,452,128	326,253	200,000	6,901,580	9,870,541	3,793,194	505,024	261,723	300,000	400,000	4,620,000	9,979,041	0		
2008	3,429,265	326,255	200,000	6,780,550	10,825,419	3,793,194	1,307,779	204,476	300,000	400,000	4,620,000	10,625,445	0		
2009	3,411,123	329,973	200,000	6,702,550	10,791,525	3,793,194	1,122,567	555,795	300,000	400,000	4,620,000	10,791,525	0		
2010	3,379,937	327,767	200,000	7,239,431	11,625,134	3,793,194	1,225,748	716,183	300,000	400,000	4,620,000	11,625,134	0		
2011	3,244,671	325,471	200,000	7,719,431	11,573,573	3,793,194	1,674,165	806,214	300,000	400,000	4,620,000	11,573,573	0		
2012	3,227,038	327,891	200,000	7,964,784	11,609,743	3,793,194	1,521,112	1,055,437	300,000	400,000	4,620,000	11,609,743	0		
2013	3,193,748	328,027	200,000	7,944,784	11,738,563	3,793,194	1,387,383	1,257,478	300,000	400,000	4,620,000	11,738,563	0		
2014	2,991,665	328,979	200,000	7,944,784	11,421,227	3,793,194	620,361	1,429,622	300,000	400,000	4,620,000	11,463,227	0		
2015	2,892,656	328,351	200,000	7,964,784	11,415,790	3,793,194	627,976	1,674,620	300,000	400,000	4,620,000	11,415,790	0		
2016	2,884,238	324,529	200,000	7,854,784	11,382,663	3,793,194	358,319	1,832,147	300,000	400,000	4,620,000	11,382,663	0		

Notes: (1) (2) Additional dollar needed/shortfall by year of: in that first year

- **Phases One & Two Tax Impact = 42¢.**
- **With 15% Reassessment = 36.5¢.**
- **Using All Capital Reserve.**

EQUIVALENT TAX IMPACT - CASE 2A - Phase One

➤ **Literary Loan Plus:**

- **Bond Anticipation Note @ 3.00%.**
- **4.50% 15-Year Interest Rate/30 Year Amortization.**

A	B	C	D	E	E	G	H	I	J	K	L	M	N	O	
Annual Net Debt Service Payments						TOTAL REQUIREMENT									Estimated Incremental Tax Effect (\$)
Year	Young Debt Service	Y11 Debt Service	Original	Estimated New Debt Service	Existing and Proposed Debt Service	Outgoing Debt Service	Capital Fund Principal Withdrawals	Inter-serial Amortiz	Literary Funds	Meals and Other Expenses	Incremental Tax Revenue	Funds Available	Surplus (Deficit)		
2004	3,793,194	0	200,000	0	4,093,194	3,793,194	0	NA	300,000	400,000	0	4,493,194	410,000		
2005	3,649,575	374,183	200,000	4,421,612	5,684,778	3,793,194	0	NA	300,000	400,000	2,780,000	7,243,184	1,549,414	25.0%	
2006	3,493,613	239,521	200,000	4,421,612	5,550,232	3,793,194	0	127,050	300,000	400,000	2,750,000	7,243,244	1,520,028		
2007	3,452,128	326,253	200,000	3,967,247	7,937,607	3,793,194	432,551	261,723	300,000	400,000	2,750,000	7,937,607	0		
2008	3,429,265	326,255	200,000	4,004,630	8,649,737	3,793,194	1,222,067	204,476	300,000	400,000	2,750,000	8,649,737	0		
2009	3,411,123	329,973	200,000	4,764,630	8,615,643	3,793,194	1,016,925	555,795	300,000	400,000	2,750,000	8,615,643	0		
2010	3,379,937	327,767	200,000	6,066,550	9,078,251	3,793,194	2,016,395	716,183	300,000	400,000	2,750,000	9,078,251	0		
2011	3,244,671	325,471	200,000	6,066,550	9,926,730	3,793,194	1,787,282	806,214	300,000	400,000	2,750,000	9,926,730	0		
2012	3,227,038	327,891	200,000	6,346,550	9,891,517	3,793,194	1,531,565	1,056,437	300,000	400,000	2,750,000	9,891,517	0		
2013	3,193,748	328,027	200,000	6,325,550	9,843,235	3,793,194	1,326,583	1,257,478	300,000	400,000	2,750,000	9,843,235	0		
2014	2,991,665	328,979	200,000	6,306,550	9,245,232	3,793,194	642,165	1,429,622	300,000	400,000	2,750,000	9,245,232	0		
2015	2,892,656	328,351	200,000	6,306,550	8,497,695	3,793,194	578,751	1,674,620	300,000	400,000	2,750,000	8,497,695	0		
2016	2,884,238	324,529	200,000	6,306,550	8,465,436	3,793,194	322,364	1,832,147	300,000	400,000	2,750,000	8,465,436	0		

Notes: (1) (2) Additional dollar needed/shortfall by year of: in that first year

- **Phase One Tax Impact = 25¢.**
- **With 15% Reassessment = 20¢.**
- **Using All Capital Reserve.**

EQUIVALENT TAX IMPACT – CASE 2B – Phases One & Two

➤ **Literary Loan Plus:**

- **Bond Anticipation Note @ 3.00%.**
- **4.50% 15-Year Interest Rate/30 Year Amortization.**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Fiscal Year	Existing Debt Service	EBI Debt Service	Original	Estimated New Debt Service	Existing and Proposed Debt Service	Budgeted Debt Service	Capital Fund Withdrawals	Incremental Interest (0)	Literary Funds	Media and Other Expenses	Incremental Tax Revenue	Funds Available	Dayton (Deficit)	Estimate#
														Incremental Tax Effect (0)
2004	3,793,194	0	200,000	0	4,003,194	3,793,194	0	NA	300,000	400,000	0	4,493,194	410,000	31.0¢
2005	3,648,575	324,153	200,000	1,432,012	5,684,735	3,793,194	0	NA	300,000	400,000	3,410,000	7,803,194	2,258,414	0
2006	3,493,613	329,581	200,000	1,432,012	5,550,206	3,793,194	0	127,000	300,000	400,000	3,410,000	8,030,244	2,400,030	0
2007	3,452,126	326,233	200,000	3,067,247	7,937,607	3,793,194	0	261,723	300,000	400,000	3,410,000	8,164,917	227,300	0
2008	3,428,305	326,595	200,000	4,764,830	8,849,737	3,793,194	542,267	404,476	300,000	400,000	3,410,000	8,619,737	0	0
2009	3,411,133	329,973	200,000	4,764,830	8,615,643	3,793,194	356,925	555,795	300,000	400,000	3,410,000	8,815,843	0	0
2010	3,279,817	327,767	200,000	6,859,694	10,750,357	3,793,194	2,131,311	716,193	300,000	400,000	3,410,000	10,750,357	0	0
2011	3,244,671	325,471	200,000	6,859,694	10,650,325	3,793,194	1,989,427	626,214	300,000	400,000	3,410,000	10,650,325	0	0
2012	3,227,058	327,591	200,000	7,299,589	10,944,908	3,793,194	1,975,277	1,066,437	300,000	400,000	3,410,000	10,944,908	0	0
2013	3,198,740	326,027	200,000	7,079,549	10,693,715	3,793,194	1,733,949	1,267,473	300,000	400,000	3,410,000	10,693,715	0	0
2014	2,921,695	326,979	200,000	7,079,549	10,680,723	3,793,194	1,236,567	1,429,572	300,000	400,000	3,410,000	10,680,723	0	0
2015	2,692,656	326,361	200,000	7,079,549	10,650,756	3,793,194	973,142	1,674,620	300,000	400,000	3,410,000	10,650,756	0	0
2016	2,694,330	324,539	200,000	7,019,549	10,510,826	3,793,194	713,465	1,902,147	300,000	400,000	3,410,000	10,510,826	0	0
Total Tax Impact =													31.0¢	

Notes: (1) % of Growth Allocated to Debt Service. (2) Additional dollars needed divided by value of 1¢ in that fiscal year.

- **Phases One & Two Tax Impact = 31¢.**
- **With 15% Reassessment = 26¢.**
- **Using All Capital Reserve.**

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EQUIVALENT TAX IMPACT – CASE 3 – \$55 Million

➤ **Literary Loan Plus Insured Lease Revenue Transactions.**

- **5.50% Interest Rate.**
- **30 Year Bonds.**

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Fiscal Year	Existing Debt Service	EBI Debt Service	Original	Estimated New Debt Service	Existing and Proposed Debt Service	Budgeted Debt Service	Capital Fund Withdrawals	Incremental Interest (0)	Literary Funds	Media and Other Expenses	Incremental Tax Revenue	Funds Available	Dayton (Deficit)	Estimate#
														Incremental Tax Effect (0)
2004	3,793,194	0	200,000	0	4,003,194	3,793,194	0	NA	300,000	400,000	0	4,493,194	410,000	10.5¢
2005	3,648,575	324,153	200,000	2,526,590	6,769,757	3,793,194	1,741,563	NA	300,000	400,000	1,155,000	6,769,757	0	0
2006	3,493,613	329,581	200,000	2,526,590	6,645,194	3,793,194	629,940	127,000	300,000	400,000	1,155,000	6,645,194	0	0
2007	3,452,126	326,233	200,000	3,067,066	7,161,426	3,793,194	1,241,510	261,723	300,000	400,000	1,155,000	7,161,426	0	0
2008	3,428,305	326,595	200,000	3,861,066	7,925,566	3,793,194	1,073,255	404,476	300,000	400,000	1,155,000	7,925,566	0	0
2009	3,411,133	329,973	200,000	3,861,066	7,632,073	3,793,194	1,630,063	555,795	300,000	400,000	1,155,000	7,632,073	0	0
2010	3,279,817	327,767	200,000	3,941,066	7,724,759	3,793,194	1,252,323	716,193	300,000	400,000	1,155,000	7,724,759	0	0
2011	3,244,671	325,471	200,000	3,821,066	7,601,207	3,793,194	1,146,790	626,214	300,000	400,000	1,155,000	7,601,207	0	0
2012	3,227,058	327,591	200,000	3,821,066	7,645,026	3,793,194	931,364	1,066,437	300,000	400,000	1,155,000	7,645,026	0	0
2013	3,198,740	326,027	200,000	3,701,066	7,644,032	3,793,194	629,165	1,267,473	300,000	400,000	1,155,000	7,644,032	0	0
2014	2,921,695	326,979	200,000	3,701,066	7,299,630	3,793,194	191,674	1,429,572	300,000	400,000	1,155,000	7,299,630	0	0
2015	2,692,656	326,361	200,000	3,741,066	7,262,072	3,793,194	0	1,674,620	300,000	400,000	1,155,000	7,262,072	70,742	0
2016	2,694,330	324,539	200,000	3,721,066	7,219,642	3,793,194	0	1,902,147	300,000	400,000	1,155,000	7,219,642	340,399	0
Total Tax Impact =													10.5¢	

Notes: (1) % of Growth Allocated to Debt Service. (2) Additional dollars needed divided by value of 1¢ in that fiscal year.

- **Tax-Impact = 10.5¢**
- **Does Not Rely on Reassessment.**
- **Using All Capital Reserve.**

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EQUIVALENT TAX IMPACT - CASE 4 - \$45 Million

Literary Loan Plus Insured Lease Revenue Transactions.

- 5.50% Interest Rate.
- 30 Year Bonds.

A	B	C	D	E	E	G	H	I	J	K	L	M	N	O	
TOTAL REQUIREMENT						PLUS	PLUS	PLUS	PLUS	PLUS	EQUALS				
Annual Net Debt Service Payments						Capital Fund		Meds and Gsa		Incremental Tax		Funds Available		Surplus (Deficit)	Estimated Incremental Tax Effect (C)
Fiscal Year	Existing Debt Service	EPH Debt Service	Chopped	Estimated New Debt Service	Existing and Proposed Debt Service	Budgeted Debt Service	Principal Withdrawals	Interest (Net)	Lease Costs	Meds and Gsa Expenses	Incremental Tax Expenses	Funds Available	Surplus (Deficit)	Estimated Incremental Tax Effect (C)	
2004	3,793,194	0	200,000	0	4,063,194	3,793,194	0	NA	300,000	400,000	0	4,493,194	410,000	5.0c	
2005	3,646,575	324,193	200,000	2,161,285	6,264,133	3,793,194	1,276,529	NA	300,000	400,000	520,000	6,384,123	0		
2006	3,493,513	324,193	200,000	2,161,136	6,219,239	3,793,194	1,349,239	127,000	300,000	400,000	520,000	6,219,529	0		
2007	3,452,128	326,233	200,000	2,576,151	6,545,512	3,793,194	1,341,575	251,723	300,000	400,000	520,000	6,646,512	0		
2008	3,426,266	326,556	200,000	3,172,151	7,221,151	3,793,194	1,272,321	404,476	300,000	400,000	520,000	7,221,151	0		
2009	3,411,133	329,373	200,000	3,161,151	7,192,157	3,793,194	1,233,163	555,755	300,000	400,000	520,000	7,192,157	0		
2010	3,273,937	327,767	200,000	3,146,151	7,037,655	3,793,194	1,276,460	716,193	300,000	400,000	520,000	7,037,655	0		
2011	3,244,671	325,471	200,000	3,121,151	6,991,292	3,793,194	1,091,925	636,314	300,000	400,000	520,000	6,991,292	0		
2012	3,227,069	327,891	200,000	3,116,151	6,501,110	3,793,194	651,480	1,036,437	300,000	400,000	520,000	6,501,110	0		
2013	3,193,740	325,267	200,000	3,161,151	6,914,616	3,793,194	614,261	1,257,473	300,000	400,000	520,000	6,914,616	0		
2014	2,931,056	326,979	200,000	3,066,151	6,624,925	3,793,194	121,723	1,459,922	300,000	400,000	520,000	6,624,925	0		
2015	2,632,656	326,351	200,000	3,071,151	6,562,156	3,793,194	0	1,674,620	300,000	400,000	520,000	6,747,814	135,658		
2016	2,694,326	324,529	200,000	3,056,151	6,555,026	3,793,194	0	1,902,147	300,000	400,000	520,000	6,945,341	390,313		

Notes: (1) K of Growth Allocated to Debt Service. (2) Additional dollars needed divided by value of it in that fiscal year.

- Tax Impact = 5.0c
- Does Not Rely on Reassessment.
- Using All Capital Reserve.

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EQUIVALENT TAX IMPACT - CASE 5 - \$45 Million

Literary Loan Plus Insured Lease Revenue Transactions.

- 4.75% Interest Rate (Current Market).
- 30 Year Bonds.

A	B	C	D	E	E	G	H	I	J	K	L	M	N	O	
TOTAL REQUIREMENT						PLUS	PLUS	PLUS	PLUS	PLUS	EQUALS				
Annual Net Debt Service Payments						Capital Fund		Meds and Gsa		Incremental Tax		Funds Available		Surplus (Deficit)	Estimated Incremental Tax Effect (C)
Fiscal Year	Existing Debt Service	EPH Debt Service	Chopped	Estimated New Debt Service	Existing and Proposed Debt Service	Budgeted Debt Service	Principal Withdrawals	Interest (Net)	Lease Costs	Meds and Gsa Expenses	Incremental Tax Expenses	Funds Available	Surplus (Deficit)	Estimated Incremental Tax Effect (C)	
2004	3,793,194	0	200,000	0	4,063,194	3,793,194	0	NA	300,000	400,000	0	4,493,194	410,000	3.5c	
2005	3,646,575	324,193	200,000	1,876,153	6,139,921	3,793,194	1,260,727	NA	300,000	400,000	395,000	6,136,921	0		
2006	3,493,513	325,561	200,000	1,876,153	6,064,747	3,793,194	995,164	177,000	300,000	400,000	395,000	5,994,347	0		
2007	3,452,128	326,233	200,000	2,473,091	6,461,251	3,793,194	1,341,335	351,723	300,000	400,000	395,000	6,521,251	0		
2008	3,426,266	326,556	200,000	2,923,091	7,025,730	3,793,194	1,272,120	404,476	300,000	400,000	395,000	7,125,730	0		
2009	3,411,133	329,373	200,000	2,923,091	7,025,656	3,793,194	1,232,367	555,755	300,000	400,000	395,000	7,025,656	0		
2010	3,273,937	327,767	200,000	2,903,091	6,821,634	3,793,194	1,210,207	716,193	300,000	400,000	395,000	6,821,634	0		
2011	3,244,671	325,471	200,000	2,865,691	6,825,132	3,793,194	1,051,524	636,314	300,000	400,000	395,000	6,825,132	0		
2012	3,227,069	327,891	200,000	2,865,691	6,785,650	3,793,194	651,219	1,036,437	300,000	400,000	395,000	6,785,650	0		
2013	3,193,740	325,267	200,000	2,923,091	6,749,667	3,793,194	612,990	1,257,473	300,000	400,000	395,000	6,749,667	0		
2014	2,931,056	326,979	200,000	2,923,091	6,452,634	3,793,194	121,493	1,459,922	300,000	400,000	395,000	6,452,634	0		
2015	2,632,656	326,351	200,000	2,923,091	6,415,697	3,793,194	0	1,674,620	300,000	400,000	395,000	6,552,814	135,917		
2016	2,694,326	324,529	200,000	2,903,091	6,389,756	3,793,194	0	1,902,147	300,000	400,000	395,000	6,700,341	320,514		

Notes: (1) K of Growth Allocated to Debt Service. (2) Additional dollars needed divided by value of it in that fiscal year.

- Tax Impact = 3.5c
- Does Not Rely on Reassessment.
- Using All Capital Reserve.

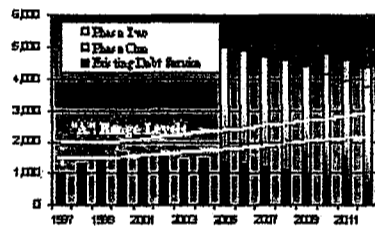
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DEBT RATIOS

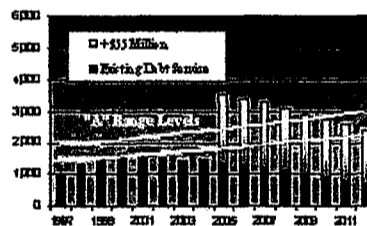
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DEBT PER CAPITA

➤ Cases 1 & 2



➤ Case 3

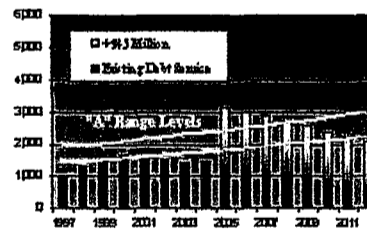


➤ Population Growth Rate = 1.0%

➤ Borrowing Capacity:

Fiscal Year	Minimum	Maximum
2005	10,395,886	25,883,843
2010	31,666,724	50,565,430
2012	41,126,622	61,591,410

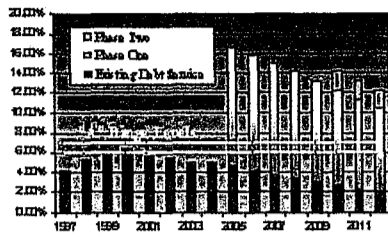
➤ Cases 4 & 5



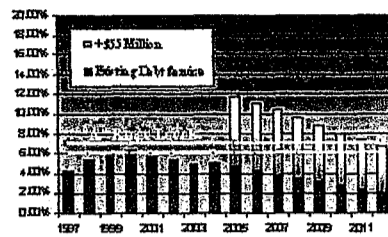
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DEBT TO INCOME

> Cases 1 & 2



> Case 3

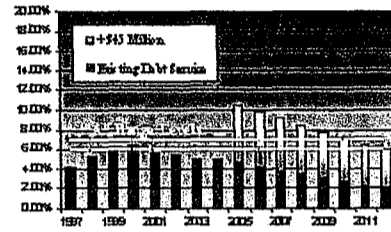


> Income Growth Rate = 3.5%

> Borrowing Capacity:

Fiscal Year	Minimum	Maximum
2005	10,490,923	18,250,741
2010	30,334,801	39,562,166
2012	39,068,423	48,957,784

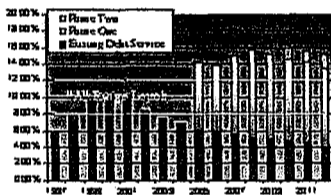
> Cases 4 & 5



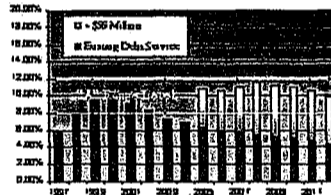
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DEBT SERVICE TO EXPENDITURES

> Case 1



> Case 3



> Case 2



> Cases 4 & 5



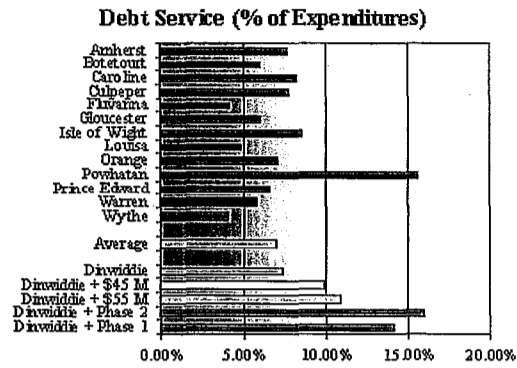
> Expenditures Growth Rate = 3.25%

> Borrowing Capacity:

Fiscal Year	Minimum	Maximum
2005	13,699,376	41,477,155
2010	26,914,526	59,521,233
2012	34,471,484	69,237,174

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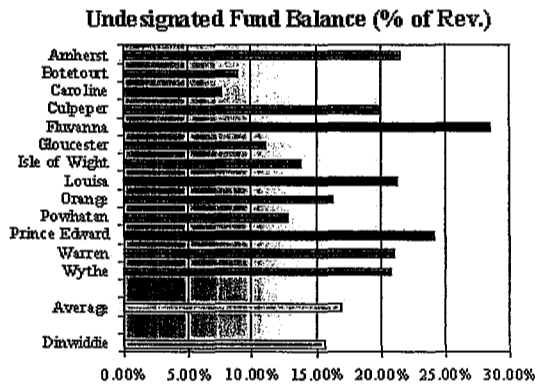
PEER GROUP – Debt Service vs. Expenditures



➤ Note Phase One Ratio is Projected for FY 2005 and Phase Two and Plus \$55 M Ratios are Projected for FY 2010.

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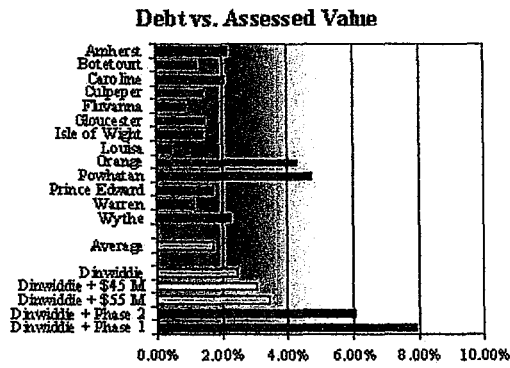
PEER GROUP – Fund Balance



➤ Assumes Dinwiddie's Undesignated Fund Balance is Approximately \$8.2 Million.

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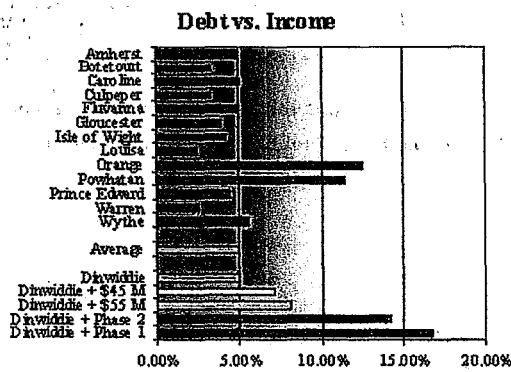
PEER GROUP – Debt to Total Assessed Value



> Note Phase One Ratio is Projected for FY 2005 and Phase Two and Plus \$55 M Ratios are Projected for FY 2010.

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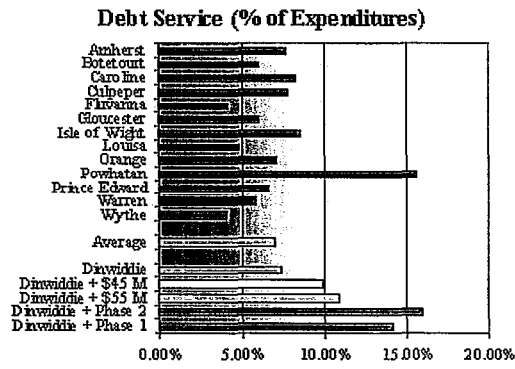
PEER GROUP – Debt to Personal Income



> Note Phase One Ratio is Projected for FY 2005 and Phase Two and Plus \$55 M Ratios are Projected for FY 2010.

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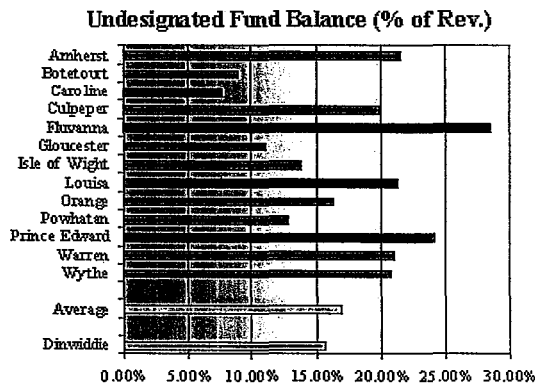
PEER GROUP – Debt Service vs. Expenditures



➤ Note Phase One Ratio is Projected for FY 2005 and Phase Two and Plus \$55 M Ratios are Projected for FY 2010.

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PEER GROUP – Fund Balance



➤ Assumes Dimwiddie's Undesignated Fund Balance is Approximately \$8.2 Million.

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OTHER LOCALITIES

**APPROACH TO FUNDING
CHALLENGES**

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FUNDING OPTIONS FOR SCHOOLS

1. **Literary Loans.**
2. **General Obligation Bonds.**
3. **Virginia Public School Authority (VPSA)**
4. **Lease Revenue Bonds.**
5. **Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA).**

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PEER GROUP – School Financing Approaches

Municipality	Literary Loans	G.O. Bonds	VPSA	Lease Revenue	PPEA
Amherst	✓		✓		
Botetourt				In Progress	
Caroline(NA)					
Culpeper	✓	✓			
Fluvanna	✓			✓	
Gloucester(NA)					
Isle of Wight		✓			
Louisa	✓				
Orange	✓		✓	✓	
Powhatan	✓	✓		✓	
Prince Edward					
Warren					In Progress
Wythe	✓				
Dinwiddie	✓			✓	

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WHAT IS PPEA

- **Recently Enacted Statewide Legislation Enabling Localities to Expedite Building Process.**
- **Does not Require Voter Referendum.**
- **Does not Require Public Hearings.**
- **Issuing Conduit can be Either a Created Not-for-Profit Corporation of the County (63-20 Corporation) or the IDA of the County.**
- **Issuance of Bonds is Either Lease Revenue or Certificates of Participation (“COPs”) Structure.**
- **Mortgage of the Facilities to be Built Used as Collateral.**

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POTENTIAL ADVANTAGES/BENEFITS OF PPEA

- Ability to Steamline Process of Building School(s).
- No Bidding (I.e. Procurement Required for A&E, Construction or Financing).
- No Public Hearings Required.
- Financing Process Itself can be Separated from the A&E/Construction Portion of the PPEA Proposal.

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LOCALITIES' EXPERIENCE WITH PPEA

- Warren County - In Progress/Under Review; Financing Expected to be Done by County Through IDA.
- Stafford County - Financing Done Via County.
- City of Winchester - Financing Done via City.
- City of Virginia Beach - Financing Done via City.

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IN RE: REVIEW OF ESTIMATED EXPENDITURES

The County Administrator distributed copies of the breakdown of the projected reductions in the expenditures for FY 04-05 for the Board to review. She presented several Options for the Board's consideration. There was a lengthy discussion between the Board members and Staff regarding the options.

IN RE: RECESS

The Chairman declared a short recess at 4:51 P.M. The meeting reconvened at 5:03 P.M.

**IN RE: AUTHORIZATION TO ADD CONSTITUTIONAL OFFICERS EMPLOYEES
TO COUNTY PAY PLAN & POLICIES**

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

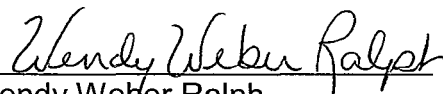
BE IT RESOLVED by the Board of Supervisors of Dinwiddie County, Virginia that the Constitutional Officers employees are hereby authorized to come under the County Policies and Pay Plan with a 3 1/2% increase in their present salary in the FY04-05 budget.

RE: ADJOURNMENT

Upon Motion of Mr. Moody, Seconded by Mr. Stone, Mr. Stone, Mr. Bowman, Ms. Moody, Mr. Moody, Mr. Haraway voting "Aye", the meeting adjourned at 5:46 P.M.



Donald L. Haraway, Chairman

ATTEST: 
Wendy Weber Ralph
County Administrator

/abr