

AGENDA
FLUVANNA COUNTY BOARD OF SUPERVISORS
Regular Meeting
Circuit Courtroom
Fluvanna Courts Building
February 16th 2011
7:00 p.m.

1-CALL TO ORDER, PLEDGE OF ALLEGIANCE, MOMENT OF SILENCE

2-REPORTS

Jay Scudder, County Administrator

3-PUBLIC COMMENTS #1 (5 minutes each)

4-CONSENT AGENDA

TAB P Minutes of January 19th, 2011 – Mary Weaver, Clerk to the Board of Supervisors
TAB Q Minutes of February 2nd, 2011 – Mary Weaver, Clerk to the Board of Supervisors

5-ACCOUNTS PAYABLE

None

6-PUBLIC HEARING

TAB R An Ordinance to Amend Chapter 2 Article 7 of the Fluvanna County Code Sections 2-7-2 and 2-7-3,
Concerning the Adoption and Use of the County's Official Seal". -

7-PRESENTATIONS (normally not to exceed 10-minute limitation)

8-ACTION MATTERS

TAB S Resolution to VPSA for Available Refund Savings – Renee Hoover, Finance Director
TAB T Pet Sheltering Grant – Jackie Meyers, CSA Program Manager
TAB U Kent Store Fire House update – John Robins, Public Works Director

9-OLD BUSINESS

10-NEW BUSINESS

TAB V 5yr Financial Forecast – Steve Jacobs, Robinson, Farmer, Cox Associates

11-PUBLIC COMMENT #2 (5 minutes each)

12-CLOSED MEETING

13-ADJOURN

Pledge of Allegiance

I pledge allegiance to the flag
of the United States of America
and to the Republic for which it stands,
one nation, under God, indivisible,
with liberty and justice for all.

**FLUVANNA COUNTY BOARD OF SUPERVISORS
PUBLIC HEARING RULES OF PROCEDURE**

1) PURPOSE

The purpose of a public hearing is to receive testimony from the public on certain resolutions, ordinances or amendments prior to taking action. A hearing is not a dialogue or debate. Its express purpose is to receive additional facts, comments and opinion on subject items.

2) SPEAKERS

- Speakers should approach the lectern so they may be visible and audible to the Board.
- Each speaker should clearly state his/her name and address.
- All comments should be directed to the Board.
- All questions should be directed to the Chairman. Members of the Board are not expected to respond to questions, and response to questions shall be made at the Chairman's discretion. Speakers are encouraged to contact staff regarding unresolved concerns or to receive additional information.
- Speakers with questions are encouraged to call County staff prior to the public hearing.
- Speakers should be brief and avoid repetition of previously presented comments.

3) ACTION

At the conclusion of the public hearing on each item, the Chairman will close the public hearing. The Board will proceed with its deliberation and will act on or formally postpone action on such item prior to proceeding to other agenda items. Further public comment after the public hearing has been closed generally will not be permitted.

ORDER

1. It shall be the duty of the Chairman to maintain order and decorum at meetings. The Chairman shall speak to points of order in preference to all other members.
2. In maintaining decorum and propriety of conduct, the Chairman shall not be challenged and no debate shall be allowed until after the Chairman declares that order has been restored. In the event the Board wishes to debate the matter of the disorder or the bringing of order; the regular business may be suspended by vote of the Board to discuss the matter.
3. No member or citizen shall be allowed to use abusive language, excessive noise, or in any way incite persons to use such tactics. The Chairman and/or the County Administrator shall be the judge of such breaches, however, the Board may vote to overrule both.
4. When a person engages in such breaches, the Chairman shall order the person's removal from the building, or may order the person to stand silent, or may, if necessary, order the person removed from the County property.

MOTION: I move the regular meeting minutes of the Fluvanna County Board of Supervisors for Wednesday, January 19th, 2011 be adopted.

AGENDA BOARD OF SUPERVISORS DATE: February 16th 2011

SUBJECT: Adoption of the Fluvanna County Board of Supervisors regular meeting minutes.

RECOMMENDATION: Approval

TIMING: Routine

FISCAL IMPLICATIONS: None

POLICY IMPLICATIONS: None

DISCUSSION: None

LEGISLATIVE HISTORY: None

Staff: Mary L. Weaver, Clerk to the Board of Supervisors

Copy:

County Administrator's Use Only

Comments:

Jay Scudder, County Administrator

FLUVANNA COUNTY BOARD OF SUPERVISORS
REGULAR MEETING MINUTES
Circuit Courtroom
Fluvanna Courts Building
January 19th 2011
7:00 p.m.

MEMBERS PRESENT: John Y. Gooch, Chairman
Shaun V. Kenney, Vice-Chairman - arrived late
Joe Chesser
Donald W. Weaver
Mozell H. Booker

MEMBERS ABSENT: None

ALSO PRESENT: Jay Scudder, County Administrator
William Tanner, Assistant County Attorney
Renee Hoover, Finance Director
Pat Groot, Grants Administrator
Amy Hall, Permits Clerk

CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

Chairman Gooch called the regular meeting of January 19th 2011 to order at 7:00 p.m., in the Circuit Courtroom of the New Courts Building in Palmyra, Virginia and the Pledge of Allegiance was recited; after which Chairman Gooch called for a moment of silence.

Chairman Gooch delayed the interviews and moved to the Reports on the agenda until Mr. Kenney arrived.

REPORTS

Mr. Jay Scudder, County Administrator, reported on the following topics:

- ***Carysbrook Renovation*** – pre-bid meeting was held on January 13th, 2011. The construction schedule was revised; Mr. Robins will present the board with an update at the February 16th, 2011 meeting.
- ***Fork Union Firehouse*** – received proposals on January 10th, 2011; four firms were selected for interviews and will be presented to the Board at the February 16th, 2011 meeting.
- ***Kent Store Firehouse*** – moved into new building and working on completing the site work and new sign.
- ***Results of Comparative Radio Analysis Study*** – scheduled for this evening was deferred due to a lack of degree of analysis on the existing infrastructure. The consultants are making changes to include that information and will present at a later time.

PUBLIC COMMENTS #1

Chairman Gooch opened the floor for the first round of public comments.

The following citizens addressed the Board:

- Ida Swanson, Rivanna District – addressed the Board in support of not restructuring the Virginia Cooperative Extension.

- Ms. Marian Huber, Rivanna District – addressed the Board in support of not restructuring the Virginia Cooperative Extension and keeping this service local.
 - Mr. Sam Patterson, Palmyra District – addressed the Board in support of not restructuring the Virginia Cooperative Extension. He supports funding and writing letters to Virginia Tech.
 - Ms. Nancy Fund, Cunningham District – addressed the Board in support of not restructuring the Virginia Cooperative Extension.
 - Mr. David Tatman, Columbia District – addressed the Board in support of the Virginia Cooperative Extension.
 - Mr. Dave Miller, Palmyra District – addressed the Board in support of not restructuring the Virginia Cooperative Extension.
 - Mr. Jeff Haislip, Rivanna District – addressed the Board as Commonwealth Attorney and parent of a 4-H member, in support of not restructuring the Virginia Cooperative Extension.
 - Mr. Mel Sheridan, Columbia District – addressed the Board in support of not restructuring the Virginia Cooperative Extension.
 - Mr. Ryant Washington, Columbia District – addressed the Board in support of not restructuring the Virginia Cooperative Extension, beneficial program.
 - Mr. Marvin Moss, Columbia District – addressed the Board in support of not restructuring the Virginia Cooperative Extension. Please support this program any way you can.
 - Ms. Marie Taylor, Palmyra District – addressed the Board in support of not restructuring the Virginia Cooperative Extension.
 - Ms. Connie Dombrowski, Rivanna District – representing the Master Gardeners, addressed the Board in support of not restructuring the Virginia Cooperative Extension.
 - Ms. Pat Bozza, Rivanna District – addressed the Board in support of not restructuring the Virginia Cooperative Extension. In the best interest of the extension office keep it in Fluvanna County
- With no one else wishing to speak, Chairman Gooch closed the first round of public comments.

Mr. Kenney arrived at 7:33

PRESENTATIONS FOR RIVANNA DISTRICT BOS MEMBER

The following 8 candidates addressed the board in reference to why they would like to serve as a Board of Supervisor member.

- Mr. Jeffrey Hans Braun
- Mr. Chris Fairchild
- Mrs. Debra Y. Kurre – withdrew her application
- Ms. Gequetta G. Murray-Key
- Mr. Steve Nichols
- Mr. Lyle Pitt
- Mr. Samuel E. Richardson
- Mr. Joe Ronan

After all candidates spoke Chairman Gooch opened the floor for nominations.

MOTION:

Mr. Chesser moved to nominate Mr. Chris Fairchild to fill the vacant Rivanna District position. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Weaver, Booker, Chesser and Kenney. NAYS: None. ABSENT: None.

CONSENT AGENDA

The following items were pulled from the consent agenda:

- Minutes of January 5th 2011
- Approve Payment of Fluvanna's Legal Fees for James River Water Authority (JRWA)

The following items were approved under the consent agenda:

MOTION:

Mr. Kenney moved to approve the consent agenda which consisted of:

- Federal Grant Signatory Authority

Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES: Gooch, Weaver, Booker, Chesser and Kenney. NAYS: None. ABSENT: None.

Minutes of January 5th 2011

Mr. Weaver requested the minutes of January 5th, 2011 be deferred to the February 2nd, 2011 meeting to allow time to make corrections.

Approve Payment of Fluvanna's Legal Fees for James River Water Authority (JRWA)

Mr. Kenney questioned whether this would be the last bill from the JRWA and what exactly this bill is for. Mr. Chesser advised the Board that he had spoken with the firm, and was told the case with Mr. Johnson was dismissed, and this would be the last bill. Ms. Hoover mentioned that an audit was done last year, and it is possible there will be a bill for that.

MOTION:

Mr. Weaver moved to approve payment of legal fees in the amount of \$326.50 for the James River Water Authority (JRWA), from the Board of Supervisors contingency fund 4-1000091070-5850. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Gooch, Weaver, Booker, Chesser and Kenney. NAYS: None. ABSENT: None.

ACCOUNTS PAYABLE

None

PUBLIC HEARING

None

PRESENTATIONS:

Region Ten Community Service Board

Ms. Barbara Bartels, Region Ten Community Service Board Member, provided the Board with information about likely changes to how Medicaid will be managed at the State Level. The local impact of these changes is likely to be significant, hoping to begin an ongoing conversation with council that facilitates community planning of a local system of care. Requested the Board help lobby the State Legislature in favor of CSB self-management of Medicaid, partner with local stakeholders, to proactively plan a local system of care and support the ACSB proposal to

manage the state Medicaid dollars which will prevent private “for-profit” HMOs from taking scarce resources from our community.

Results of Comparative Radio Analysis Study
Deferred

Virginia Cooperative Extension (VCE) Fluvanna County

Mr. John Thompson, Virginia Cooperative Extension Agent, provided the Board with an overview of the VCE Faculty and Staff, who provide services to Fluvanna County, along with the programs offered. Mr. Thompson also updated the Board on the impact the proposed restructuring of the VCE office will have on Fluvanna County. Mr. Steve Pence, Extension Leadership Council Chairman, spoke in reference to the restructuring of the VCE. When offices leave the county you lose the contact; when you lose the contact you lose the service. Please support the extension service.

The Board discussed the importance of having the VCE office in Fluvanna County. Mr. Scudder, County Administrator, suggested writing a draft letter for the Board to Virginia Tech, in reference to reconsidering the restructuring of the VCE. Mr. Scudder will have the letter available for review at the next meeting.

Mid Fiscal Year 2011 Financial Report Update as of December 31, 2010

Ms. Renee Hoover, Finance Director, provided the Board with a Mid Fiscal year 2011 Financial Report Update as of December 31, 2010.

ACTION MATTERS

Authorize Request for Proposal (RFP) for Audit Services

MOTION:

Mr. Kenney moved to authorize the issuance of the “Request for Proposal for Audit Services,” as reviewed by the County Attorney. Mr. Weaver seconded. The motion carried with a vote of 5-0. AYES: Gooch, Weaver, Booker, Chesser and Kenney. NAYS: None. ABSENT: None.

OLD BUSINESS

Ms. Booker thanked the board members for their concern and get well wishes during her time of illness.

NEW BUSINESS

Proposal Authorization for Envoy of Fork Union, LLC

MOTION:

Mr. Kenney moved to authorize attached resolution as amended. Ms. Booker Seconded. The motion carried with a vote of 5-0. AYES: Gooch, Weaver, Booker, Chesser and Kenney. NAYS: None. ABSENT: None.

PUBLIC COMMENTS #2

Chairman Gooch opened the floor for the second round of public comments. The following citizens addressed the Board:

- Mr. Channing Snoddy, Palmyra District, President of Fluvanna Farm Bureau – addressed the Board in support of not restructuring the Virginia Cooperative Extension office.
- Mr. Frank Persico, Cunningham District, a member of the Extension Leadership Council and Master Gardener – addressed the Board in support of not restructuring the Virginia Cooperative Extension office. Virginia Association of Counties passed a resolution opposing the restructuring of the Virginia Cooperative Extension Service.
- Mr. Mel Sheridan, Columbia District – addressed the Board in reference to asking the Planning District Commission representative to put the VCE restructuring and the Department of Forestry on their agenda

With no one else wishing to speak, Chairman Gooch closed the second segment of public comments.

CLOSED MEETING

MOTION TO ENTER INTO A CLOSED MEETING:

At 9:39 p.m. Mr. Weaver moved the Fluvanna County Board of Supervisors enter into a closed meeting, pursuant to the provisions of Section 2.2-3711 of the Code of Virginia, 1950, as amended, for the purpose of discussing potential litigation. Ms. Booker seconded. The motion carried by a vote of 5-0. AYES: Chesser, Gooch, Kenney, Booker and Weaver. NAYS: None. ABSENT: None

Ms. Booker left the meeting early due to health reasons.

MOTION TO EXIT A CLOSED MEETING & RECONVENE IN OPEN SESSION:

At 10:14 p.m., Mr. Weaver moved the closed meeting be adjourned and the Fluvanna County Board of Supervisors convene again in open session. Mr. Kenney seconded. The motion carried by a vote of 4-0. AYES: Chesser, Gooch, Kenney and Weaver. NAYS: None. ABSENT: Booker

MOTION:

At 10:15 p.m., the following resolution was adopted by the Fluvanna County Board of Supervisors, following a closed meeting held Wednesday, January 19th 2011 on motion of Mr. Weaver, seconded by Mr. Chesser and carried by the following vote: AYES: Chesser, Gooch, Kenney and Weaver. NAYS: None. ABSENT: Booker

“BE IT RESOLVED to the best of my knowledge (i) only public business matters lawfully exempted from open meeting requirements under Section 2.2-3711-A of the Code of Virginia, 1950, as amended, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting.”

MOTION:

Mr. Chesser moved to direct the County Attorney to initiate amendment to section 2-7-2 and 2-7-3 of the Fluvanna County Code to reflect the State Code of Virginia on the County Seal. Mr. Kenney seconded. The motion carried with a vote of 4-0. AYES: Chesser, Gooch, Kenney and Weaver. NAYS: None. ABSENT: Booker

ADJOURN

MOTION:

At 10:17 p.m., Mr. Kenney moved to adjourn the meeting of Wednesday, January 19th 2011. Mr. Chesser seconded. The motion carried with a vote of 4-0. AYES: Chesser, Gooch, Kenney and Weaver. NAYS: None. ABSENT: Booker

John Y. Gooch, Chairman

DRAFT



BOARD OF SUPERVISORS
County of Fluvanna
Palmyra, Virginia

RESOLUTION

At a regular monthly meeting of the Fluvanna County Board of Supervisors held on Wednesday, January 19, 2011 in Palmyra, Virginia, the following action was taken:

<u>Present</u>	<u>Vote</u>
John Y. Gooch, Chairman	YEA
Shaun V. Kenney, Vice-Chairman	YEA
Donald W. Weaver	YEA
Mozell H. Booker	YEA
Joe Chesser	YEA

On a motion by Mr. Kenney, seconded by Mr. Weaver and carried by a vote of 5-0, the following resolution was adopted:

**A RESOLUTION OF THE
FLUVANNA COUNTY BOARD OF SUPERVISORS**

WHEREAS, the Environmental Protection Agency requires grant recipients to designate representatives authorized to transact business associated with grants awarded, and

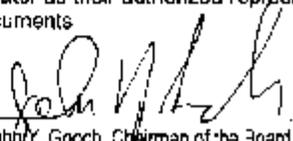
WHEREAS, such designation is required as part of the application to access special appropriation funds earmarked for Fluvanna County under the State and Territorial Assistance Grant Program,

NOW THEREFORE BE IT RESOLVED, that the Fluvanna County Board of Supervisors does hereby name and appoint Jay Scudder, County Administrator as their authorized representative to transact and sign any and all documents related to securing all current and future U.S. Environmental Protection Agency's Special Appropriation Act Project grants awarded Fluvanna County, and

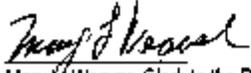
BE IT FURTHER RESOLVED, that the Fluvanna County Board of Supervisors does hereby name and appoint Renee Hoover, Director of Finance as their authorized representative to transact and sign payment request, and

BE IT FURTHER RESOLVED, that the Fluvanna County Board of Supervisors does hereby name and appoint Patricia A. Groot, Grants Administrator as their authorized representative to transact and sign any and all grant administration documents

ADOPTED this 19th day of January,


John Y. Gooch, Chairman of the Board of Supervisors

A COPY ATTEST:


Mary W. Weaver, Clerk to the Board



COUNTY OF FLUVANNA

"Responsive & Responsible Government"

P.O. Box 541 Fluvanna, VA 22962 (434) 591-1000 FAX (434) 591-1011 www.fluvanna.org

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

WHEREAS, Envoy of Fork Union, LLC ("Envoy") became the operator of the nursing facility in the Village of Fork Union, now known as Envoy at the Village, on January 1, 2009;

WHEREAS, Envoy has invested time, money and effort in revitalizing the quality of care at this nursing facility, such that Envoy at Fork Union has again become the provider of choice for Fluvanna County residents and the surrounding area;

WHEREAS, the Virginia Commissioner of Health has issued a Request for Applications ("RFA") for a Certificate of Public Need to build a 120 bed nursing facility in Planning District 10 which is composed of the Counties of Albemarle, Fluvanna, Green, Louisa and Nelson and the City of Charlottesville;

WHEREAS, Envoy accepts patients on a "first come, first served" basis, including low income patients, and provides a high quality of care, including inpatient and outpatient rehabilitation services, but is too small to meet the needs of county residents who therefore must obtain such services at less convenient facilities in Albemarle and Charlottesville;

WHEREAS, the bed need methodology of the Department of Health applied on a county by county basis shows that Fluvanna County has a need for sixty-four additional nursing beds available but that the competing applicant's proposed location in Albemarle County near Charlottesville has one hundred and six more beds than needed to serve those jurisdictions;

WHEREAS, awarding the RFA bids for the expansion of Envoy at the Village will result in far lower capital costs, operating costs and service charges to its patients than are proposed by the competing applicant which is located in one of the highest cost of living areas in the Commonwealth;

WHEREAS, health care services are too high already for many individuals, and federal and state budgets are strained by the need to fund health services, expanding a quality, low cost facility such as Envoy at the Village should be favored over building a higher cost new facility to protect both private and public payors;

WHEREAS, Envoy at the Village proposes a Medicaid occupancy of 73.5%, consistent with its current service to this population and the competitor proposes a Medicaid occupancy of only 63.15%, it is clear that Medicaid patients will be better served by the expansion of Envoy at the Village;

WHEREAS, the rural counties surrounding the Charlottesville area in PD 16 all show a need for more nursing beds, while the Charlottesville area has an excess of nursing beds, an award of such beds to the Charlottesville area unfairly treats rural counties because it denies them the ability to develop needed local health care services and to increase local tax revenues, as well as effectively forces their residents to support such services in a more affluent area to the detriment of their home counties; and

WHEREAS, the Board of Supervisors after careful deliberation finds that the citizens of Fluvanna County and of the surrounding area served by Envoy at the Village would be best served by the Commissioner of Health awarding the sixty beds available under the RFA to Envoy for the reasons set forth herein;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Fluvanna County does hereby endorse and recommend that the Commissioner of Health issue a Certificate of Public Need for the expansion of Envoy at the Village and directs the County Administrator to send a certified copy of this resolution to the Virginia Commissioner of Health and to otherwise provide support for the expansion of Envoy at the Village.

Dated this 26th day of January, 2011.

COUNTY OF FLUVANNA, VIRGINIA

By: John J. D-eh

Its: Board Chair

MOTION: I move the regular meeting minutes of the Fluvanna County Board of Supervisors for Wednesday, February 2nd, 2011 be adopted.

AGENDA BOARD OF SUPERVISORS DATE: February 16th 2011

SUBJECT: Adoption of the Fluvanna County Board of Supervisors regular meeting minutes.

RECOMMENDATION: Approval

TIMING: Routine

FISCAL IMPLICATIONS: None

POLICY IMPLICATIONS: None

DISCUSSION: None

LEGISLATIVE HISTORY: None

Staff: Mary L. Weaver, Clerk to the Board of Supervisors

Copy:

County Administrator's Use Only

Comments:

Jay Scudder, County Administrator

FLUVANNA COUNTY BOARD OF SUPERVISORS
REGULAR MEETING MINUTES
Circuit Courtroom
Fluvanna Courts Building
February 2nd, 2011
2:00 p.m.

MEMBERS PRESENT: John Y. Gooch, Chairman
Shaun V. Kenney, Vice-Chairman
Joe Chesser
Donald W. Weaver
Mozell H. Booker
Chris S. Fairchild

MEMBERS ABSENT: None

ALSO PRESENT: Jay Scudder, County Administrator
Fred Payne, County Attorney
Renee Hoover, Finance Director
Darren K. Coffey, Planning Director
Mary L. Weaver, Clerk, Board of Supervisors

CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE

Chairman Gooch called the regular meeting of February 2nd 2011 to order at 2:00 p.m. in the Circuit Courtroom of the New Courts Building in Palmyra, Virginia and the Pledge of Allegiance was recited after which, Chairman Gooch called for a moment of silence.

REPORTS

Mr. Jay Scudder, County Administrator, reported on the following topics:

- ***Virginia Cooperative Extension Restructuring*** – reviewed with the Board a draft letter written to the Dean of Agricultural of Virginia Tech in support of not restructuring the Virginia Cooperative Extension offices.
- ***Health Insurance*** – apprised the Board of possible changes with health insurance.

PUBLIC COMMENTS #1

Chairman Gooch opened the floor for the first round of public comments.

The following citizen addressed the Board:

- Melissa Markiewicz, Palmyra District – addressed the Board in support Steger Creek Subdivision Streets becoming state roadways

With no one else wishing to speak, Chairman Gooch closed the first round of public comments.

CONSENT AGENDA

The following items were approved under the consent agenda:

MOTION:

Mr. Weaver moved to approve the consent agenda which consisted of:

- Minutes of January 5th 2011

Mr. Chesser seconded. The motion carried with a vote of 3-0-2. AYES: Gooch, Weaver, and Chesser. NAYS: None. ABSTAINED: Booker and Fairchild
ABSENT: Kenney.

Mr. Kenney arrived at 2:06

ACCOUNTS PAYABLE

Renee Hoover, Finance Director, addressed the Board regarding the accounts payable. The Board requested Ms. Hoover to research the payment made to the Scottsville Volunteer Rescue Squad.

MOTION:

Mr. Kenney moved the Accounts Payable from December 23, 2010 through January 22, 2011 and payroll for the month of December 2010 in the amount of \$1,204,090.48 be ratified. Mr. Weaver seconded. The motion carried with a vote of 6-0. AYES: Chesser, Gooch, Kenney, Booker, Fairchild and Weaver. NAYS: None. ABSENT: None.

Fund 100	General Fund	\$ 540,586.26
Fund 120	Recreation	902.87
Fund 302	Capital	57,330.44
Fund 401	Debt Services	33,036.57
Fund 502	Utility (Sewer)	19,605.89
Fund 505	Fork Union Sanitary District	17,949.31
Payroll		<u>534,679.14</u>
Total		\$ 1,204,090.48

PUBLIC HEARING

None

PRESENTATIONS:

EMS Coverage and Needs

Mr. Leonard Bozza, EMS Committee Representative, provided the Board with information on current data and future improvement needs for the Fluvanna County Emergency Medical Services.

Ms. Booker left the meeting at 3:00 p.m. to attend the public comment hearing for Envoy of Fork Union regarding the addition of 60 beds. This expands the facility and demonstrates critical need before the State of Virginia Department of Public Health Board.

School Board Budget Presentation

Ms. Gena Keller, Superintendent and Ed Breslauer, Director of Finance, presented the Board with an overview of the current progress of their proposed FY12 School Budget and reviewed the priorities for Fluvanna County Schools. A Joint Work Session is scheduled for February 23, 2011 at 6:00p.m. in the Fluvanna County Circuit Court Room.

County Budget Presentation

Mr. Jay Scudder, County Administrator, presented the Board with a recommended FY12 Budget with changes and considerations behind it. Mr. Kenney mentioned that the Board needs to decide what their priorities are with the limited funds. Chairman Gooch asked the Board

members to consider what their top three priorities would be and share them at the February 16, 2011 meeting.

2010 Development Activity Report

Mr. Darren K. Coffey, Planning Director, presented the Board with an overview of development activity during 2010 along with the long range projects that were planned and completed.

ACTION MATTERS

Resolutions for Steger Creek Subdivision

Mr. Darren K. Coffey, Planning Director, addressed the Board regarding two resolutions for Steger Creek Subdivision Streets to become State Roadways.

MOTION:

Mr. Kenney moved to approve the resolution for a surety amount of \$12,000.00 to expire on March 31, 2012, in order for Steger Creek Subdivision's two streets to be taken into the state roadway system. Further, I move to approve the resolution requesting that the Virginia Department of transportation accept Meade Lane and Naylor Lane into the Secondary System of State Highways. Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES: Gooch, Weaver, Fairchild, Chesser and Kenney. NAYS: None. ABSENT: Booker.

Appointment of Boards, Commissions and Committees

Appointment/Audit Committee

MOTION:

Mr. Kenney moved to appoint Donald Weaver to the Audit Committee with a term to begin immediately and to terminate on December 31st 2011. Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES: Chesser, Gooch, Kenney, Weaver and Fairchild. NAYS: None. ABSENT: Booker.

Appointment/Community Policy Management Team

MOTION:

Mr. Chesser moved to appoint Mozell Booker to the Community Policy Management Team with a term to begin immediately and to terminate on December 31st 2011. Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES: Chesser, Gooch, Kenney, Weaver and Fairchild. NAYS: None. ABSENT: Booker.

Appointment/Piedmont Workforce Council

MOTION:

Mr. Chesser moved to appoint Shaun Kenney to the Piedmont Workforce Council with a term to begin immediately and to terminate on December 31st 2011. Mr. Fairchild seconded. The motion carried with a vote of 5-0. AYES: Chesser, Gooch, Kenney, Weaver and Fairchild. NAYS: None. ABSENT: Booker.

Appointment/Palmyra Wastewater Committee

MOTION:

Mr. Kenney moved to appoint Chris Fairchild to the Palmyra Wastewater Committee with a term to begin immediately and to terminate on December 31st 2011. Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES:

Chesser, Gooch, Kenney, Weaver and Fairchild. NAYS: None. ABSENT:
Booker.

Appointment/Thomas Jefferson Planning Economic Commission

MOTION:

Mr. Kenney moved to appoint Chris Fairchild to the Thomas Jefferson Planning Economic Commission with a term to begin immediately and to terminate on December 31st 2011. Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES: Chesser, Gooch, Kenney, Weaver and Fairchild. NAYS: None. ABSENT: Booker.

Appointment/Thomas Jefferson Planning District Commission (TJPDC)

MOTION:

Mr. Fairchild moved to appoint Keith Smith to the TJPDC Citizen Representative position with a term to begin immediately and to terminate on December 31st 2011, filling the unexpired term of Mr. Chris Fairchild. Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES: Chesser, Gooch, Kenney, Weaver and Fairchild. NAYS: None. ABSENT: Booker.

Appointment/Planning Commission

MOTION:

Mr. Fairchild moved to appoint Steven M. Nichols to the Planning Commission Rivanna District position with a term to begin immediately and to terminate on June 30th 2012, filling the unexpired term of Elizabeth Fortune, who has resigned. Mr. Chesser seconded. The motion carried with a vote of 5-0. AYES: Chesser, Gooch, Kenney, Weaver and Fairchild. NAYS: None. ABSENT: Booker.

OLD BUSINESS

Chairman asked for an update in reference to the concerns of SUP 10:04/Central Meadows. Mr. Darren K. Coffey, Planning Director, addressed the board that this is a legitimate business and this is a legal special use permit.

Mr. Chesser wanted to recognize that Fluvanna County has a lot of volunteers and their efforts are greatly appreciated.

NEW BUSINESS

None

PUBLIC COMMENTS #2

Chairman Gooch opened the floor for the second round of public comments.

The following citizens addressed the Board:

- Mr. Scott Carpenter, Rivanna District, Elected President of the Fire and Rescue Association and Elected Vice-Chief for Lake Monticello Fire and Rescue – addressed the Board in reference to funding fire and safety services.
- Mr. Bob Leapold, Rivanna District, Chairman of the Electoral Board– addressed the Board regarding the redistricting of Fluvanna County.
- Mr. Dennis Holder, Kent Store – addressed the Board in reference to the definition of a Small Home Industry.

With no one else wishing to speak, Chairman Gooch closed the second segment of public comments.

ADJOURN

MOTION:

At 5:01 p.m., Mr. Weaver moved to adjourn the meeting of Wednesday, February 2nd, 2011. Mr. Kenney seconded. The motion carried with a vote of 5-0. AYES: Chesser, Gooch, Kenney, Weaver and Fairchild. NAYS: None. ABSENT: Booker

John Y. Gooch, Chairman

**BOARD OF SUPERVISORS
COUNTY OF FLUVANNA
RESOLUTION**

At a regular meeting of the Fluvanna County Board of Supervisors held in the Fluvanna County Courts Building at 7:00 p.m. on the February 2nd, 2011, in Palmyra, Virginia the following resolution was adopted by the Board of Supervisors:

<u>PRESENT</u>	<u>VOTE</u>
John Y. Gooch, Chairman.....	Yes
Shaun V. Kenney, Vice-Chairman.....	Yes
Mozell H. Booker.....	Absent
Chris Fairchild.....	Yes
Joe Chessier.....	Yes
Donald W. Weaver.....	Yes

On the motion of Mr. Kenney, seconded by Mr. Chessier, which carried by a vote of 5-0, the following resolution was adopted:

**A RESOLUTION FOR A SURETY AMOUNT FOR STEGER CREEK
SUBDIVISION IN FLUVANNA, VIRGINIA**

WHEREAS, the Virginia Department of Transportation (VDOT) generated a punch list of items to be corrected in order to properly meet state specifications; and

WHEREAS, VDOT, Fluvanna County, and subdivision residents have worked together to resolve all items on the punch list and the subdivision streets are ready to be taken into the state road system; and

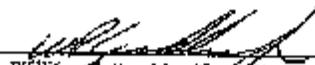
WHEREAS, the Fluvanna County Board of Supervisors will petition the Virginia Department of Transportation to begin the process for the road to be taken into the Secondary System of Highways in Fluvanna County, Virginia; and

WHEREAS, the Virginia Department of Transportation is requiring the County to agree to reimburse all costs incurred by the Virginia Department of Transportation to correct faults in workmanship or materials or both during the first year.

NOW, THEREFORE BE IT RESOLVED, by the Fluvanna County Board of Supervisors on February 2nd, 2011 that this Board hereby agrees to reimburse all costs incurred by VDOT to correct faults in workmanship, or materials, or both for the roads listed in the attached inventory of streets proposed for acceptance for maintenance as part of the VDOT maintained secondary system of state highways, up to but not more than \$12,000 until March 31, 2012.

BE IT YET FURTHER RESOLVED, that a certified copy of this resolution be forwarded to the Residency Administrator for the Virginia Department of Transportation.

A Copy, testc:


William P. Scudder, Jr., County Administrator

SURETY ADDENDUM

Surety and Fees Rate for the Street Inventory Listed Below			
Surety Expiration	Amount of Surety	Maintenance Fee	Admin Cost Recovery Fee
3/31/2012	\$12,000.00		
Total Lane Miles for Fees		0.52	1/10 mile Factor

The dollar amounts shown in the table titled "Fees and Surety for the Street Additions Listed Below" were calculated in accordance with §24 VAC 30-91-140 of VDOT's Subdivision Street Requirements (SSR). The amounts are based on the following described inspection approach and the listed inventory of streets proposed for acceptance in the captioned subdivision. The fee amounts reported here govern over those in Appendix 1 of the Subdivision Street Requirements, which is illustrative and presumes standard VDOT inspection. The Surety Expiration date, if shown, is (a) the earliest surety expiration date acceptable to VDOT, (b) based on the date of the Local Government's resolution requesting VDOT to accept the streets, and (c) may include a processing period for VDOT's final acceptance.

Surety and the Administrative Cost Recovery Fee is based on the following:
 Standard VDOT inspection procedures were used. Costs associated with intermittent VDOT inspections are recovered under the standard fee structure for the Administrative Cost Recovery Fee.

Inventory of Streets Proposed for VDOT Acceptance

Project or Subdivision	Steeger Creek Subdivision
Locality and Anticipated Resolution Date	County of Fluvanna February 02, 2011

Route Number	Street Name	Tiepoint Description and Length	Lanes	Median Type	Fee Level	Lane Miles
1090	Heads Lane	From: Rte 616 To: 0.12 miles south to end of old eas, Length (mi) 0.12	2	1	2	0.24
1091	Naylor Lane	From: Rte 690 To: 0.14 miles west to end of old eas, Length (mi) 0.14	2	-	2	0.28

Certification of Institution Issuing Surety

This "Surety Addendum" is hereby incorporated as part of our Surety Instrument _____, issued Feb 2, 2011.

Fluvanna County _____
 Name of Institution Issuing Surety

[Signature] _____
 Signature of Authorized Institution Officer and Date

**BOARD OF SUPERVISORS
COUNTY OF FLUVANNA
RESOLUTION**

At a regular meeting of the Fluvanna County Board of Supervisors held in the Fluvanna County Courts Building at 7:00 p.m. on the February 2nd, 2011, in Palmyra, Virginia the following resolution was adopted by the Board of Supervisors:

<u>PRESENT</u>	<u>YOTE</u>
John Y. Gooch, Chairman.....	Yes
Shaun V. Kenney, Vice-Chairman.....	Yes
Mozell H. Booker.....	Absent
Chris Fairchild.....	Yes
Joe Chesset.....	Yes
Donald W. Weaver.....	Yes

On the motion of Mr. Kenny, seconded by Mr. Chesset, which carried by a vote of 5-0, the following resolution was adopted:

**RESOLUTION
Secondary Road Addition – Steger Creek Subdivision, Fluvanna County**

WHEREAS, the streets in Steger Creek Subdivision, as described on the attached Additions Form AM-43 dated February 2, 2011, fully incorporated herein by reference, is shown on plats recorded in the Clerk's Office of the Circuit Court of Fluvanna County, Virginia; and

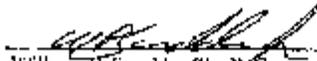
WHEREAS, the Residency Administrator for the Virginia Department of Transportation has advised the Board that the streets meet the requirements established by the Subdivision Street Requirements of the Virginia Department of Transportation.

NOW, THEREFORE BE IT RESOLVED that the Fluvanna County Board of Supervisors requests the Virginia Department of Transportation to add the streets in Steger Creek Subdivision, as described on the attached Additions Form AM-43 dated February 2, 2011, to the secondary system of state highways, pursuant to §3.1-229, Code of Virginia, and the Department's Subdivision Street Requirements; and

BE IT FURTHER RESOLVED, that the Board guarantees a clear and unrestricted right-of-way, as described, exclusive of any necessary easements for cuts, fills and drainage as described on the recorded plats; and

FURTHER RESOLVED, that a certified copy of this resolution be forwarded to the Residency Administrator for the Virginia Department of Transportation.

A Copy, to-wit:


William F. Scudder "Jay", County Administrator

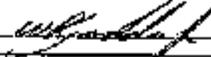
In the County of Fluvanna

By resolution of the governing body adopted February 2, 2011

The following VDOT Form AM-4.3 is hereby attached and incorporated as part of the governing body's resolution for changes in the secondary system of state highways.

A Copy Testee

Signed (County Official):



Report of Changes in the Secondary System of State Highways

Project/Subdivision Steger Creek Subdivision

Type Change to the Secondary System of State Highways: Addition

The following additions to the Secondary System of State Highways, pursuant to the statutory provision or provisions cited, are hereby requested; the right of way for which, including additional easements for cuts, fills and drainage, as required, is hereby guaranteed:

Reason for Change: New subdivision street
Pursuant to Code of Virginia Statute: §33.1-329

Street Name and/or Route Number

◆ Naylor Lane, State Route Number 1081

Old Route Number: 0

◆ From: Rte 800

To: 0.14 miles east to end of old road, a distance of 0.14 miles.

Recordation Reference: PB 2, page 161

Right of Way width (feet) = 60 ft

Street Name and/or Route Number

◆ Meade Lane, State Route Number 1090

Old Route Number: 0

◆ From: Rte 815

To: 0.12 miles south to end cul de sac, a distance of 0.12 miles.

Recordation Reference: PB 2, page 168

Right of Way width (feet) = 30 ft

MOTION: I move that the Board of Supervisors adopt the amendment to the ordinance entitled “An Ordinance to Amend the Fluvanna County Code by the Addition in Chapter 2 of an Article 7, Sections 2-7-2 and 2-7-3, Concerning the Adoption and Use of the County’s Official Seal”.

AGENDA BOARD OF SUPERVISORS DATE: February 16th 2011

SUBJECT: The County’s interest in the seal and its right to control the seal’s use.

RECOMMENDATION: Adopt the amended ordinance that gives the County a property right in the seal which it is entitled to protect.

TIMING: Routine

FISCAL IMPLICATIONS: None

POLICY IMPLICATIONS: This action is consistent with state statute.

DISCUSSION: The County Attorney’s office recommends “The seal of Fluvanna County shall be deemed the property of the County; and no persons shall exhibit, display, or in any manner utilize the seal or any facsimile or representation of the seal of Fluvanna County for nongovernmental purposes unless such use is specifically authorized by law.”

LEGISLATIVE HISTORY: Since the official seal adoption, the seal has been used on County stationery, the arm patches for the Sheriff’s office and a number of different applications. In addition, the Board of Supervisors has authorized a few users not directly employed by the County and has declined to authorize its use by a few others.

Staff: Mary L. Weaver, Clerk to the Board of Supervisors

Attachments: Ordinance
Public Hearing Advertisement

Copy:

County Administrator’s Use Only

Jay Scudder, County Administrator

**AN ORDINANCE TO AMEND THE FLUVANNA COUNTY CODE BY THE
AMENDMENT OF CHAPTER 2, ARTICLE 7, SECTIONS 2-7-2 AND 2-7-3,
CONCERNING THE USE OF THE COUNTY'S OFFICIAL SEAL**

Be it ordained by the Fluvanna County Board of Supervisors, pursuant to Virginia Code Section 15.2-1402, that the County Code be, and is hereby, amended, in Chapter 2, Article 7, Sections 2-7-2 and 2-7-3, as follows:

Article 7. Official County Seal

Sec 2-7-2. Seal Deemed Property of the County; Unauthorized Use Prohibited.

The seal of Fluvanna County shall be deemed the property of the County; and no persons shall exhibit, display, or in any manner utilize the seal or any facsimile or representation of the seal of Fluvanna County for nongovernmental purposes unless such use is specifically authorized by law.

Sec. 2-7-3. Violation and Penalty.

Any person violating the provisions of this section shall be punished by a fine of not more than \$100, or by imprisonment for not more than 30 days or both.

Monticello; \$136,000. Deed to foreclose.
 • Hill, Robert B., Sub Tr. & Goldf. to Branch Banking and Trust Company; PO Box 1847, Wilson, NC 27894; 3.010 Acres + Cunningham Mag. Dist.; \$52,000. Deed to foreclose.

Craiel Jones and Sheila M. Jones, 6 Acres Fork Union; \$39,120. Deed to foreclose.
 • Abinette, Herman L. and Frances to Painter, Connie Herndon, 38 West Lake Forest Drive; Lot 197, Phase 9, Lake Monticello, \$215,000.

Monday Bargains!
9 a.m.-1 p.m.

**2722 Jefferson Park Ave.,
 Charlottesville, VA 22903**

Directions: Out Ridge St/5th St. Ext. to right at light at Harris St. for 1/2 mi.; right on Jeff. Park; hse. on right.

Maple dropleaf table/6 chairs; end tables, rocker, ottoman, entertainment ctr. w/drop-front desk, vintage iron cherry pitter, lamps, mirrors, hosp. bed, elec. lift chair, china, collectibles & more! Jan Durkin 434-962-1292

**1046 Blackburn Bluff, Dunlora,
 Charlottesville, VA 22901**

Directions: Rio Rd. into Dunlora to third left on Blackburn Bluff; house on left. Parking on one side of road only.

Elegant camelback sofa, Louis XV-style chair, side-by-side refrigerator/freezer, 2nd refrigerator/freezer, stacked Maytag washer & dryer, vintage bowls, black Mid-century Modern dining table & queen bed, vintage secretary w/beveled mirror, sofas, coffee tables, end tables, lamps, vintage glass collectibles, water pipes (Iran), rugs, collectibles & much more!

**Beverly Smith • 434-960-4865
 www.estatesalesunlimited.net**

Sale

**10 Out of Bounds Road
 Palmyra, VA
 Lake Monticello**

Turn left on Jefferson Drive at the main gate. Turn right on Out of Bounds Road. House is on the left. Please park safely and respectfully.

ES

**- 4 p.m.
 4 p.m.**

Antique sewing machine, hair/ottoman, matching large 1930-40s furniture to include a dining room table, bar table - tall and short chests of drawers, new day-bed, poster bed, large chest on chest and dresser with set, 5 piece wicker set, matching end tables, large entrance, painted hutch, full length Raccoon coat, 5 piece oak Moments collection, Madame Alexander doll collection, Fenton figurines, TVs, large leather ottoman, cast iron admill, compressor, service for 12 Farberware "Bellini" items, Weber gas grille, floor lamps, costume jewelry, **TOO MUCH MORE TO MENTION! Everything is in cash and checks only.** Bring this ad for admittance to clement weather dates: February 12-13 (434) 591-6119

**LAKE MONTICELLO
 REAL ESTATE AUCTION**

Fri. Feb. 25 @ 11 am

52 Bolling Circle

Palmyra, VA 22963

Home Tour: February 18 @ 11 am



Ready to Move into 3BR/2BA Home on Conveniently Located Water View Lot. Lake Monticello Amenities and More!! Only \$25,000 Starting Bid!!

Chuck and Bill Harlowe - Auction Coordinators

Call 540-226-1279

NicholsAuction.com

VAAF 729

**Agenda
 Fluvanna County
 School Board Meeting
 February 9, 2011
 Closed Meeting – 6 p.m.
 Regular Meeting – 7 p.m.**

- I. Call to Order
- II. Closed Meeting
- III. Reconvene
- IV. Adoption of Agenda
- V. Public Comments
- VI. Consent Agenda
- VII. Recognitions
- VIII. Delegations
- IX. Action Items
- X. Old Business
- XI. New Business
- XII. Information Items
- XIII. School Board Member Comments
- XIV. Closed Meeting
- XV. Adjournment

*Public and staff comments are welcome during the discussion of each Old Business, New Business, and Information Item. Persons may speak once for three minutes.

The Fluvanna County School Board does not discriminate on the basis of race, color, ethnicity, religion, age, national origin, marital status, disability, sex, status of a parent, or any other legally protected status in the provision of employment services, programs, activities or treatment. The Director of Secondary Education is designated as the responsible person (Compliance Officer) regarding assurances of nondiscrimination. Any complaint alleging discrimination based on a disability shall be directed to the Director for Special Services (the Section 504 Coordinator). Both may be reached at the following address: P.O. Box 419, Palmyra, VA 22963; telephone (434) 689-8208. The Fluvanna County School Board is an Equal Opportunity Employer.



**PUBLIC HEARING
 FLUVANNA COUNTY
 BOARD OF SUPERVISORS**

The Fluvanna County Board of Supervisors will conduct a public hearing pursuant to Section 15.2-1427 of the Code of Virginia, on Wednesday, February 16th, 2011 at 7:00 p.m. in the Circuit Courtroom of the Fluvanna Courts Building in Palmyra, Virginia in order to receive public input on the following:

To receive comments on the amended ordinance entitled "An Ordinance to Amend the Fluvanna County Code by the Amendment of Chapter 2, Article 7, Sections 2-7-2 and 2-7-3, Concerning the Use of the County's Official Seal" that would amend the Fluvanna County Code, in Chapter 2, Article 7, Sections 2-7-2 and 2-7-3, as follows:

Article 7. Official County Seal

Sec 2-7-2. Seal Deemed Property of the County; Unauthorized Use Prohibited.

The seal of Fluvanna County shall be deemed the property of the County; and no persons shall exhibit, display, or in any manner utilize the seal or any facsimile or representation of the seal of Fluvanna County for nongovernmental purposes unless such use is specifically authorized by law.

Sec. 2-7-3. Violation and Penalty.

Any person violating the provisions of this section shall be punished by a fine of not more than \$100, or by imprisonment for not more than 30 days or both.

The full text of the amended Ordinance appears above and is also on file in the County Administrator's office and the Fluvanna County Public Library and may be reviewed during regular work hours. The public is invited to attend the public hearing.

Authorized by Fluvanna County Board of Supervisors

MOTION: I move to adopt the attached resolution for the County to claim a refunding savings of \$12,620.02 from VPSA and authorize the County Administrator to execute any documents necessary for a refunding savings from VPSA as reviewed by the County Attorney and Bond Counsel.

AGENDA

BOARD OF SUPERVISORS

February 16, 2011

SUBJECT: Resolution to VPSA for Available Refund Savings

RECOMMENDATION: Staff recommends the Board of Supervisors adopted the resolution for the County to claim a refunding savings of \$12,620.02 from VPSA.

TIMING: Within the next six months.

FISCAL IMPLICATIONS: Apply refunding savings to the construction of the new high school.

POLICY IMPLICATIONS: None

DISCUSSION: Virginia Public School Authority (VPSA) notified the County that there was unclaimed lump sum refunding savings of \$12,620.02 from a VPSA refunding activity in 2003 outlined below.

On December 11, 2003, the Virginia Public School Authority ("VPSA") issued its School Refunding Bonds (1997 Resolution) Series 2003 D. With a portion of the proceeds of the 2003 D bonds, the VPSA refunded certain maturities of 8 different series of outstanding pool bond issues involving 74 different localities. The refunded bonds included all of the Series 1991 C, the Series 1992 B, the Series 1993 A, Series 1993 B, the Series 1993 C, the Series 1995 A, the Series 1995 B and a portion of the Series 1999 B bonds.

With the February 1, 2005 payment date for the 2003 D Bonds, the final portion of the total \$17.5 million lump sum savings generated by this refunding transaction will be available. The allocable savings attributable to the refunded bonds for VPSA loans will be distributed to the respective participants. Your share of the VPSA's net savings from such refunding can now be distributed to you in accordance with Section 22.1-167.1 Code of Virginia. The Financial Advisor to the VPSA has computed the allocable share of the savings realized from the refunding of VPSA's bonds on a present value lump sum basis for each local issuer. The VPSA Board of Commissioners approved the distribution of the allocable savings to the local issuers.

As a participant in one or more of the refunded prior pool bond issues, we are due to receive a distribution of the total allocable lump sum savings attributable to the refunded bond issues.

In order to receive the funds, it is required for the Board of Supervisor to adopt the attached resolution and execute a Use of Proceeds Agreement and a Continuing Disclosure Agreement in connection with the lump sum savings distribution.

LEGISLATIVE HISTORY: None

Staff: Renee Hoover  Director of Finance

Copy:

Attachments:

.....
For County Administrator's Use Only:

Comments:

Jay Scudder, County Administrator

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE AGREEMENT IN CONNECTION WITH THE ISSUANCE BY THE VIRGINIA PUBLIC SCHOOL AUTHORITY OF ITS SCHOOL FINANCING BONDS (1997 RESOLUTION) REFUNDING SERIES 2003 D, A PORTION OF THE PROCEEDS OF WHICH REFUNDED THE COUNTY OF FLUVANNA GENERAL OBLIGATION SCHOOL BONDS, REFUNDING SERIES 1994 A; AND AUTHORIZING ANY OTHER ACTIONS NECESSARY TO ACHIEVE THE OBJECTIVES CONTEMPLATED HEREBY

WHEREAS, the Virginia Public School Authority (the "Authority") pursuant to (i) a bond resolution adopted on August 13, 1987, as amended and supplemented (the "1987 Resolution") and (ii) a bond resolution adopted on October 23, 1997, as amended, restated and supplemented (the "1997 Resolution") issued bonds (respectively, the "1987 Resolution Bonds" and the "1997 Resolution Bonds") for the purpose of purchasing general obligation school bonds of certain cities and counties within the Commonwealth of Virginia;

WHEREAS, the Authority used a portion of the proceeds of certain 1987 Resolution Bonds to purchase certain duly authorized and issued general obligation school bonds of the County of Fluvanna, Virginia (the "County") designated the County of Fluvanna General Obligation School Bond, Series of 1988 A ("Prior Local School Bonds");

WHEREAS, the Authority has issued under the 1987 Resolution a series of 1987 Resolution Bonds designated as "School Financing Bonds (1987 Resolution) 1993 Refunding Series B" (the "Series 1993 B Bonds");

WHEREAS, the Authority refunded certain 1987 Resolution Bonds with a portion of the proceeds of its Series 1993 B Bonds and, in connection therewith, the County exchanged its Prior Local School Bonds with a duly authorized and issued general obligation school bond designated the County of Fluvanna General Obligation School Bond, Refunding Series 1994 A (the "Local School Bonds");

WHEREAS, the Authority refunded its Series 1993 B Bonds ("Refunded Bonds") with a portion of the proceeds of its Virginia Public School Authority School Financing Bonds (1997 Resolution) Refunding Series 2003 D (the "Refunding Bonds") issued pursuant to the 1997 Resolution;

WHEREAS, the Authority in refunding the Refunded Bonds has pledged the Local School Bonds for the benefit of the holders of bonds issued under its 1997 Resolution;

WHEREAS, the Authority is required to assist the underwriters (the "Underwriters") of the Refunding Bonds with their duty to comply with Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule");

WHEREAS, the Authority has requested the County to execute a Continuing Disclosure Agreement in order for the Authority to assist the Underwriters in complying with the Rule, and;

WHEREAS, the Board of Supervisors of the County of Fluvanna, Virginia considers it to be advisable for the County to fulfill the request of the Authority to execute a Continuing Disclosure Agreement;

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

1. Continuing Disclosure Agreement.

The Chairman of the Board of Supervisors, the County Administrator and such officer or officers as they may designate are hereby authorized to enter into a Continuing Disclosure Agreement in substantially the form attached as Appendix A hereto, containing such covenants as may be necessary in order for compliance with the provisions of the Rule, and any other documents the Authority deems necessary to comply with the SEC rules and any Internal Revenue Service rules and regulations regarding maintaining the tax-exempt status of the bonds.

2. Use of Proceeds Certificate.

The Chairman of the Board of Supervisors, the County Administrator and such officer or officers as they may designate are hereby authorized to enter into a Use of Proceeds Certificate in substantially the form attached as Appendix B hereto, containing such covenants as may be necessary in order for compliance with any Internal Revenue Service rules and regulations regarding maintaining the tax-exempt status of the bonds.

3. Further Actions.

The members of the Board 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 execution and delivery of the Continuing Disclosure Agreement and the Use of Proceeds Certificate and maintaining the tax-exempt status of the bonds, and any such action previously taken is hereby ratified and confirmed.

4. Effective Date.

This resolution shall take effect immediately.

* * * *

The undersigned Clerk of the Board of Supervisors of the County of Fluvanna, 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 _____, 2011 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 duly held and complied with all requirements of law.

A Copy, teste:

_____, Clerk
Board of Supervisors
Fluvanna County, Virginia

)
:
i

2
5
7

CONTINUING DISCLOSURE AGREEMENT

[This Continuing Disclosure Agreement will impose obligations on the Local Issuer if and only if the Local Issuer is or has become and remains a “Material Obligated Person”, as defined below]

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered by the undersigned local issuer (the “Local Issuer”) in connection with the issuance by the Virginia Public School Authority (the “Authority”) of \$286,670,000 aggregate principal amount of its School Financing Bonds (1997 Resolution) Refunding Series 2003 D (the “Series 2003 D Bonds”) pursuant to the provisions of a bond resolution (the “1997 Resolution”) adopted on October 23, 1997, as amended and restated. The Series 2003 D Bonds and all other parity bonds heretofore or hereafter issued under the 1997 Resolution are collectively called the “Bonds”. A portion of the proceeds of the Series 2003 D Bonds are being used by the Authority to provide funds to refund in advance of their maturity certain bonds of the Authority. The proceeds of the refunded bonds were used to purchase general obligation school bonds (the “Transferred Local School Bonds”) issued by certain Virginia counties and cities (the “Transferred Local School Bond Issuers”) that have used the proceeds thereof for capital projects for public schools.

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Local Issuer for the benefit of the holders of the Series 2003 D Bonds and in order to assist the Participating Underwriters (defined below) in complying with the Rule (defined below). The Local Issuer acknowledges that it is undertaking primary responsibility for any reports, notices or disclosures that may be required under this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the 1997 Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Local Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Dissemination Agent” shall mean the Local Issuer, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by such Local Issuer and which has filed with such Local Issuer a written acceptance of such designation.

“Filing Date” shall have the meaning given to such term in Section 3(a) hereof.

“Fiscal Year” shall mean the twelve-month period at the end of which financial position and results of operations are determined. Currently, the Local Issuer’s Fiscal Year begins July 1 and continues through June 30 of the next calendar year.

“holder” shall mean, for purposes of this Disclosure Agreement, any person who is a record owner or beneficial owner of a Series 2003 D Bond.

“Listed Events” shall mean any of the events listed in subsection 5(b)(5)(i)(C) of the Rule.

“local school bonds” shall mean any of the Local School Bonds and any other bonds of the Local Issuer pledged as security for Bonds issued under the Authority’s 1997 Resolution.

“Material Obligated Person” (or “MOP”) shall mean the Local Issuer if it has local school bonds outstanding in an aggregate principal amount that exceeds 10% of the aggregate principal amount of all outstanding Bonds of the Authority.

“MSRB” shall mean the Municipal Securities Rulemaking Board, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Agreement.

“Participating Underwriter” shall mean any of the original underwriters of the Authority’s Series 2003 D Bonds required to comply with the Rule in connection with the offering of such Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Local Issuer shall, or shall cause the Dissemination Agent to, provide the MSRB, in the electronic format prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Such Annual Report shall be filed on a date (the “Filing Date”) that is not later than 12 months after the end of any Fiscal Year (commencing with its Fiscal Year ending June 30, 2005) as of the end of which such Local Issuer was a MOP, unless as of the Filing Date the Local Issuer is no longer a MOP.¹ Not later than ten (10) days prior to the Filing Date, the Local Issuer shall provide the Annual Report to the Dissemination Agent (if applicable) and shall provide copies to the Authority. In each case, the Annual Report (i) may be submitted as a single document or as separate documents comprising a package, (ii) may cross-reference other information as provided in Section 4 of this Disclosure Agreement and (iii) shall include the Local Issuer’s audited financial statements prepared in accordance with applicable State law or, if audited financial statements are not available, such unaudited financial statements as may be required by the Rule. In any event, audited financial statements of such Local Issuer must be submitted, if and when available, together with or separately from the Annual Report.

(b) If the Local Issuer is unable to provide an Annual Report to the MSRB by the date required in subsection (a), the Local Issuer shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

SECTION 4. Content of Annual Reports. Except as otherwise agreed, any Annual Report required to be filed hereunder shall contain or incorporate by reference, at a minimum, annual financial information relating to the Local Issuer, including operating data,

- (i) updating such information relating to the Local Issuer as shall have been included or cross-referenced in the final Official Statement of the Authority describing the Authority’s Series 2003 D Bonds or
- (ii) if there is no such information described in clause (i), updating such information relating to

¹ The Authority will advise the Local Issuer within 60 days of the end of each Fiscal Year if such Local Issuer was a Material Obligated Person as of the end of such Fiscal Year. Upon written request, the Authority will also advise the Local Issuer as to its status as a MOP as of any other date.

the Local Issuer as shall have been included or cross-referenced in any comparable disclosure document of the Local Issuer relating to its tax-supported obligations or

- (iii) if there is no such information described in clause (i) or (ii) above, initially setting forth and then updating the information referred to in Exhibit B as it relates to the Local Issuer, all with a view toward assisting Participating Underwriters in complying with the Rule.

Any or all of such information may be incorporated by reference from other documents, including official statements of securities issues with respect to which the Local Issuer is an "obligated person" (within the meaning of the Rule), which have been filed with the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Local Issuer shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events. Whenever the Local Issuer is a Material Obligated Person required to file Annual Reports pursuant to Section 3(a) hereof and obtains knowledge of the occurrence of a Listed Event, and if such Local Issuer has determined that knowledge of the occurrence of a Listed Event with respect to its local school bonds would be material, such Local Issuer shall promptly file a notice of such occurrence with the MSRB, with a copy to the Authority.

SECTION 6. Termination of Reporting Obligation. The Local Issuer's obligations under this Disclosure Agreement shall terminate upon the earlier to occur of the legal defeasance or final retirement of all the Transferred Local School Bonds.

SECTION 7. Dissemination Agent. The Local Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Local Issuer shall advise the Authority of any such appointment or discharge. If at any time there is not any other designated Dissemination Agent, the Local Issuer shall be the Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Disclosure Agreement, the Local Issuer may amend this Disclosure Agreement, if such amendment has been approved in writing by the Authority and is supported by an opinion of independent counsel, acceptable to the Authority, with expertise in federal securities laws, to the effect that such amendment is permitted or required by the Rule.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Local Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Local Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, such Local Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. Any person referred to in Section 11 (other than the Local Issuer) may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Local Issuer to file its Annual Report or to give notice of a Listed Event. The Authority may, and the holders of not less than a majority in aggregate principal amount of Bonds outstanding may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to challenge the adequacy of any information provided pursuant to this Disclosure Agreement, or to enforce any other obligation of the Local Issuer hereunder. A default under this Disclosure Agreement

shall not be deemed an event of default under the applicable resolution or bonds of the Local Issuer, and the sole remedy under this Disclosure Agreement in the event of any failure of the Local Issuer to comply herewith shall be an action to compel performance. Nothing in this provision shall be deemed to restrict the rights or remedies of any holder pursuant to the Securities Exchange Act of 1934, the rules and regulations promulgated thereunder, or other applicable laws.

SECTION 11. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Local Issuer, the Participating Underwriters, and holders from time to time of the Authority's Bonds, and shall create no rights in any other person or entity.

SECTION 12. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2011

COUNTY OF FLUVANNA

By _____
Name:
Title:

1
2
3
4
5

EXHIBIT A

**NOTICE OF FAILURE TO FILE ANNUAL REPORT
[AUDITED FINANCIAL STATEMENTS]**

**Re: VIRGINIA PUBLIC SCHOOL AUTHORITY
SCHOOL FINANCING BONDS (1997 Resolution)
Refunding Series 2003 D**

CUSIP Numbers: 92817F R57 -92817F V52

Dated: December 11, 2003

Name of Local Issuer: County of Fluvanna

NOTICE IS HEREBY GIVEN that the County of Fluvanna has not provided an Annual Report as required by Section 3(a) of the Continuing Disclosure Agreement, which was entered into in connection with the above-named bonds issued pursuant to that certain Series Resolution adopted on November 13, 2003, by the Board of Commissioners of the Virginia Public School Authority, the proceeds of which were used to refund certain School Bonds of the County of Fluvanna. [The County of Fluvanna anticipates that the Annual Report will be filed by _____.] The County of Fluvanna is a material "obligated person" within the meaning of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, with respect to the above-named bonds of the Authority.

Dated: _____

COUNTY OF FLUVANNA

By _____

CONTENT OF ANNUAL REPORT

Description of the Local Issuer. A description of the Local Issuer including a summary of its form of government, budgetary processes and its management and officers.

Debt. A description of the terms of the Local Issuer's outstanding tax-supported and other debt including a historical summary of outstanding tax-supported debt; a summary of authorized but unissued tax-supported debt; a summary of legal debt margin; a summary of overlapping debt; and a summary of annual debt service on outstanding tax-supported debt as of the end of the preceding fiscal year. The Annual Report should also include (to the extent not shown in the latest audited financial statements) a description of contingent obligations as well as pension plans administered by the Local Issuer and any unfunded pension liabilities.

Financial Data. Financial information respecting the Local Issuer including a description of revenues and expenditures for its major funds and a summary of its tax policy, structure and collections as of the end of the preceding fiscal year.

Capital Improvement Plan. A summary of the Local Issuer's capital improvement plan.

Demographic, Economic and Supplemental Information. A summary of the Local Issuer's demographic and economic characteristics such as population, income, employment, and public school enrollment and infrastructure data as of the end of the preceding fiscal year. The Annual Report should also include a description of material litigation pending against the Local Issuer.

5

USE OF PROCEEDS CERTIFICATE

This certificate is provided by the County of Fluvanna (the "County") to the Virginia Public School Authority (the "Issuer") in connection with the distribution by the Issuer to the County of an allocable share of the net savings realized by the Issuer (the "Distribution") through the issuance of its \$286,670,000 School Financing Bonds (1997 Resolution) Refunding Series 2003 D (the "Bonds").

We understand that the proceeds of the Bonds were used to refund portions of the Issuer's \$293,160,000 School Financing Bonds (1987 Resolution) 1993 Refunding Series B, dated May 1, 1993 (the "VPSA Refunding Bonds").

A portion of the proceeds of the VPSA Refunding Bonds was used to refinance the purchase of certain of the County's Bonds (the "Prior County Bonds").

In connection with issuance of the VPSA Refunding Bonds, the County received a Lump Sum Cash Payment, representing its allocable share of the net savings realized by the Issuer, and the Prior County Bonds. In exchange therefor, the County issued a duly authorized County bond dated December 15, 1993 (the "1993 County Bond" and, together with the Prior County Bonds, the "County Bonds"). Concurrently with the issuance of the 1993 County Bond, the County executed a General Certificate (the "General Certificate") that recognized that the 1993 County Bond was issued to refund the Prior County Bonds, the proceeds of which were used to finance certain capital school projects of the County (the "Prior School Projects"), that the Lump Sum Cash Payment would be used to finance certain capital school projects of the County (the "1993 School Projects" and, together with the Prior School Projects, the "Projects") and that the exclusion from gross income of interest on the VPSA Refunding Bonds was based in part on the use of proceeds of the County Bonds and the Projects financed or refinanced by such proceeds by the County. Consequently, the General Certificate contained certain representations and covenants of the County regarding the use of the proceeds of the County Bonds and the Projects.

The County recognizes that the exclusion from gross income of interest on the Bonds is based in part on the representations contained in the General Certificate and contingent on the continuing compliance by the County with the covenants contained in the General Certificate.

Accordingly, the County certifies that it has reviewed the representations set forth in the General Certificate with respect to the Projects (the "UPC Representations") and the use of the Projects and that it has discussed with the School Board of the County (the "School Board") its use of the Projects. Based on such review and discussions, the County hereby certifies that the UPC Representations continue to be true and correct. Such provisions are hereby incorporated by reference into this certificate and shall be treated as representations made by the County as if set forth herein. Furthermore, the County has discussed the UPC Representations with the School Board and neither the County nor the School Board will take any action that is inconsistent with such UPC Representations.

The County further covenants that:

- (a) it shall use the Distribution to pay for the cost of public school capital purposes within six months of the date hereof, that such public school capital purposes shall be used in a

manner consistent with the UPC Representations (references to school projects shall hereinafter include the public school capital purposes acquired with the Distribution), it reasonably expects that at least eighty-five percent (85%) of the Distribution will be allocated to expenditures for the Project within six months of the date hereof and completion of the Project and the allocation of expenditures thereto will proceed with due diligence;

(b) it shall not sell or otherwise dispose of the Projects prior to the final maturity date of the Bonds of August 1, 2019 except as shall be permitted in the opinion of an attorney or firm of attorneys, acceptable to the Issuer, nationally recognized as experienced with respect to matters pertaining to the exclusion from gross income for federal income tax purposes of interest on obligations of States and political subdivisions;

(c) it shall not knowingly take any action which will, or fail to take any action which failure will, cause the interest on the Bonds to become includable in the gross income of the owners of the Bonds for federal income tax purposes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder in effect on the date of original issuance of the Bonds; and

(d) in furtherance of its obligations under its County Bonds, it shall obtain the same covenants contained in subparagraph (a), (b) and (c) above from the School Board with respect to the Projects.

;

COUNTY OF FLUVANNA

By _____

Name:

Title:

_____, 2011

MOTION: I move that the Board of Supervisors approve Fluvanna County Animal Response Team to apply for a Pet Sheltering Grant with Charlottesville/Albemarle Emergency Management for emergency pet sheltering to develop regional equipment reserves.

AGENDA BOARD OF SUPERVISORS February 16, 2011

SUBJECT: Pet Sheltering Grant

RECOMMENDATION: Approval

TIMING: Immediate – grant must be submitted by 2/14/11

FISCAL IMPLICATIONS: None; there is no local match.

POLICY IMPLICATIONS: Fluvanna County, with Charlottesville/Albemarle, would be required to sign a Regional Partnership Agreement, following VDACS guidelines.

DISCUSSION: The Virginia Department of Agriculture and Consumer Services (VDACS) and the Virginia Department of Emergency Management (VDEM) are making available grants of up to \$60,000 each, to city and county governments for emergency pet sheltering. This grant program has a regional focus. VDACS will not accept applications from individual localities but from only two or more localities that apply together for a regional project.

LEGISLATIVE HISTORY:

Staff: Jacqueline A. Meyers, PhD

Copy:

Attachments:

For County Administrator's Use Only:

Comments:

Jay Scudder, County Administrator

MOTION: I move to supplement the construction budget for the Kents Store Firehouse Project by moving \$94,035.73 from the capital reserve account (or other account that the Board of Supervisors selects) account 302 94153 3175 to the construction contract expense line for the Kents Store Firehouse known as account 302 94145 3176.

AGENDA

BOARD OF SUPERVISORS

February 16, 2011

SUBJECT: Kents Store Firehouse Construction Project Update

ISSUE: An update of the progress of the Kents Store Firehouse will be made along with a request to update the budget for this project.

RECOMMENDATION: Approve the changes to the budget for this project.

TIMING: Routine

FISCAL IMPLICATIONS: The Board of Supervisors approved a change order of the pre-engineered contract with CMS, Inc. on December 16, 2009 in the amount of \$1,087,233.90. In the same meeting the project budget was set as \$1,151,842 which includes the contract with CMS, Inc. along with contingencies, telephone system, and inspection services. During construction several unanticipated expenses were encountered. These include the following:

Item	Amount
Sewer Electrical connection to the Firehouse	\$8160.00
Unsuitable Soil	\$29,902.80
Communication Tower Equipment Relocation	\$6876.45
CVEC Conduit	\$11,900.00
CenturyLink	\$3419.00
Total	\$60,258.25

The difference between the contract amount of \$1,087,233.90 and the budget amount or \$1,151,842 originally set for this project allowed for a contingency amount of \$64,608.10. This was used for items such as the pump station needed to connect to the existing sewer system installed at the ARC building, telephone system for the building, utility pole move along with conduit for telephone company, asbestos testing, construction testing, county fees, bollards for propane tank, added drains for the site, added curbing to help drainage, utility pole relocation for the power company.

The items listed in the table above were beyond those anticipated for this project. Unsuitable soil was encountered in the rear of the parking. This required an extensive repair including an underdrain and stone placement. Additionally, it was not anticipated that the reconnection of the communications tower would require someone to climb the pole to rewire the antennae from the top of the structure to the new building. Also, the utilities required additional moneys: CVEC

said that the money that they quoted did not include the conduit and that we were responsible for installing it; and when Embarq became CenturyLink the cost that they quoted us for their utility pole work went up simply because they became a larger company. Therefore, the money that was not anticipated for this project totaled \$60,258.25.

An added issue that was not anticipated includes a simple miscommunication between Public Works and Finance. This project (Kents Store) was combined with Fork Union at the beginning. When Fork Union was split off and the budget set for that project, some of the budget from Kents Store was moved to it. Therefore, the budget for Kents Store started out as \$1,118,064.52 instead of \$1,151,842.00. This was an initial shortfall of \$33,777.48.

Consequently, the budget adjustment that is being requested is a total of \$60,258.25 plus \$33,777.48 which equals \$94,035.73.

POLICY IMPLICATIONS: None

DISCUSSION: As an update on the schedule for this project the Kents Store Firehouse is nearly completed. The old firehouse has been torn down and the fire company is moved in to the new building. The contract time is scheduled to finish in March. The project will be completed ahead of schedule.

The budget information is presented in the fiscal section above.

A presentation with pictures of the building will be made at the Board of Supervisors' Meeting. This will present the project throughout the construction. The pictures were not printed and attached to this document in order to save paper and ink. They have been included on the web page for citizens to view if they desire.

HISTORY: This item has been presented to the Boards of Supervisors many times with these highlights of Board actions:

- 1) Creation of the Firehouse Building Committee – September 3, 2008
- 2) Directed by Board of Supervisors to pursue a pre-engineered building – December 3, 2008
- 3) Award of the Design Build Contract to CMS, Inc. – October 7, 2009
- 4) Modification of the Contract with CMS, Inc – December 16, 2009

Staff: John Robins, Director of Public Works

For County Administrator's Use Only

Comments:

Jay Scudder, County Administrator

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

February 1, 2011

Mr. William P. Scudder
County Administrator
County of Fluvanna
P. O. Box 540
Palmyra, Virginia 22963

Dear Mr. Scudder:

Attached please find our report containing the Financial Forecast for Fiscal Years 2011 Through 2016 for the County of Fluvanna. The report contains a prospective schedule of capital projects, current operating and capital budgets, forecasted financial operation and fiscal policies.

With respect to the prospective or forecasted information contained in the report we note that:

We have assembled from information provided to us by County and School management, the accompanying forecasted cash flow model. We have not compiled or examined the forecast and express no assurance of any kind to it. Further there will be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The accompanying forecast of financial operations present to the best of management's knowledge and belief, based on historical trends and future requirements, the potential results of operations for the forecast period. The accompanying forecast of financial operations and this report were prepared for the County of Fluvanna for the purpose of providing some insights into the potential intermediate term effects of planned general government operations, capital projects and anticipated new debt service requirements relating to alternate levels of capital project financing, and should not be used for any other purpose. We believe that these materials are sufficient for the County Council to use in its deliberations when considering project scheduling, the capital budget and the near term operations.

RICHMOND OFFICE
401 SOUTHLAKE BOULEVARD
SUITE C-1
RICHMOND, VIRGINIA 23236

TELEPHONE: 804.378.4200
FAX: 804.378.5168
E-MAIL: jake@rfca.com
INTERNET: www.rfca.com

STEVEN J. JACOBS, Managing Director



We will be pleased to discuss this report with you, the Board of Supervisors and the County's management staff in order to clarify any issues raised. We appreciate having had the opportunity to provide this important service to the County.

Very truly yours,

ROBINSON, FARMER, COX ASSOCIATES



Steven J. Jacobs
Director

SJJ:hs

COUNTY OF FLUVANNA, VIRGINIA
FINANCIAL FORECAST
FISCAL YEARS 2011 THROUGH 2016

Executive Summary

This document and the accompanying Technical Supplement contain a financial forecast for the County of Fluvanna for the period FY2011 through FY2016. The forecast addresses all anticipated operations and the proposed capital program for this period. The forecast finds that the contemplated set of operations and capital program cannot be supported without increasing the Real Estate tax rate, using of the County's accumulated fund balance and materially modifying its contemplated capital program.

Capital Program

Projects totaling \$41.9 million are proposed over the next 6 years. Over one-half of the necessary funding during this time period is expected to be derived from issuance of new debt.

Forecast of Operations and Capital Program

County revenues and expenditures were statistically forecast using the FY2011 budget as a base. This forecast was augmented by the inclusion of the impact of expected operating program changes, committed debt service, new capital expenditures, State and Federal funding patterns and other financial commitments. The resulting compilation produced a forecast indicating that significant stress can be anticipated on the County's financial condition without careful and prudent planning.

COUNTY OF FLUVANNA, VIRGINIA

FINANCIAL FORECAST FISCAL YEARS 2011 THROUGH 2016

TABLE OF CONTENTS

I. INTRODUCTION	1
Background	1
Capital Programming Process	2
Objectives	3
II. CAPITAL PROGRAM	4
Table 1: Capital Project Summary	5
III. FORECAST OF FINANCIAL OPERATIONS	6
Methodology and Assumptions	6
Preliminary Forecast	7
Table 2: Preliminary Revenue Summary	7
Table 3: Preliminary Expenditure Summary	8
Financial Forecast -	8
Table 4: Preliminary Cash Flow Forecast: "Base Case"	10
IV. FORECASTED IMPACT - OPERATIONS AND CAPITAL PROGRAM	11
Table 5: Financial Summary: Forecasted Impact <i>no capital projects</i>	11
Table 6: Financial Summary: Forecasted Impact <i>with capital projects</i>	13
V. POLICIES	15

COUNTY OF FLUVANNA, VIRGINIA

FINANCIAL FORECAST

FISCAL YEARS 2011 THROUGH 2016

I. INTRODUCTION

This report is being presented pursuant to our engagement to assist the County in preparation of a financial forecast for intermediate term financial planning purposes. The material contained in the report is descriptive and analytic, it is not intended to be prescriptive. It is intended for use by the Board of Supervisors and County management as they evaluate alternative courses of future action. The document contains:

- A forecast of County financial operations,
- Detail and summary financial information on the County's contemplated capital program,
- An analysis of the impact of the prospective capital program upon the forecasted financial operations, and
- A discussion of cash management and fiscal policies for the County to consider as it re-examines its financial operations. The policies may be used as guidelines and constraints as the County critically evaluates the impacts of modifying forecasted variables and the resulting alternative scenarios.

Background - Financial forecasting in conjunction with capital improvement programming is a process which permits the County Board of Supervisors to review potential public capital facilities that may be needed in the next five years. An opportunity is afforded decision makers to balance potential needs against estimated available resources over a future period substantially longer than that addressed by the County budget. Projects can be considered well in advance of making any commitment, and ample opportunity for change in the scope, size, location, or schedule of the project is presented annually. Capital programming is primarily an implementation tool for the public facilities element of the County's Comprehensive Plan.

The capital program and the adopted Comprehensive Plan are intended to be mutually supportive. The plan identifies those areas suitable for development and the public facilities they will require, while the capital planning process translates these requirements into capital projects designed to support the goals and policies of the Plan. In this way, as improvements are planned and undertaken, support is provided for recommended levels of development and development is guided by the locations of adequate public facility capacities. By encouraging future development in the direction indicated by the Comprehensive Plan, chaotic growth patterns can be avoided and provision can be made for orderly development in the best interest of the citizens of County of Fluvanna.

The annual forecast and capital plan represent a program that the County Board of Supervisors can consider. The Board of Supervisors, of course, may annually defer, advance, delete, or add projects and modify any proposed funding before it adopts the first year of the program as that year's capital budget.

Capital Programming Process - Programming of capital improvements consists of arranging the proposed projects in a time series schedule of anticipated implementation. This schedule is then reviewed in light of three major considerations:

- The County's Comprehensive Plan;
- Considerations of the public health and general welfare of the County's citizens; and
- The County's fiscal capabilities as anticipated by the financial forecast

The County Board of Supervisors reviews the prospective capital plan and financial forecast and makes any final modifications prior to approval.

An annual Capital Improvements Program usually includes the following:

- Fiscal Analysis - Forecasts for the planning period of operating expenditures for existing government programs and computation of estimated funds available for capital projects, based on forecasts of revenue, tax base and expenditure. Policy with respect to grants or borrowing may be examined at this point.
 - Capital Program - Justification of capital projects, costs (for planning, engineering, site acquisition and development, construction, furnishings and equipment, etc.), and estimated annual operating and maintenance costs, if available, and project priorities are established and examined with regard to timing and fiscal constraints.
-

The forecasts contained in this document are for planning purposes only and are not to be regarded as accountants' opinions of the present or future financial position of the County of Fluvanna. The forecasts are based upon past trends and their validity depends upon the outcome of future events. Additionally, modification of these estimates will become necessary as County growth and development progresses, or if there are material changes in market or other economic conditions, or in the event of changes in state or federal funding programs. Annual review and revision is recommended. The financial forecasts in this report are intended for the purpose of providing some insights into the potential intermediate term effects of planned general government and School capital projects and anticipated new debt service requirements relating to alternate levels of capital project financing, and should not be used for any other purpose.

Objectives - The systematic consideration of capital projects in light of forecasted fiscal capacities intends to achieve a number of objectives. The objectives themselves are generally not subject to controversy but the management process necessary to achieve them is often difficult. These objectives may be summarized as follows:

- To encourage orderly and efficient growth through the implementation of the County's Comprehensive Plan;
- To plan for the provision of services at times and locations where and when the need for service exceeds capacity;
- To establish financial planning by: comparing needs with resources; estimating future bond issues and debt service; and identifying tax rate implications, thereby achieving lower costs by avoiding crisis financing and preventing erratic fluctuation in the tax rate or user charges;
- To establish priorities among projects by attempting to insure that scarce effort and money are placed where they will produce greatest benefit, as evaluated by elected officials;
- To extend the time horizon of the project planning carried out by the County and insure coordinated scheduling of public projects and economical use of personnel and equipment;
- To inform and receive input from interested citizens, agencies, and other interest groups by presenting a concise central source of information on all public construction.



II. CAPITAL PROGRAM

Capital improvements may generally be interpreted as projects of a fixed nature and having a long service life. The category would include, but not be limited to, such items as schools, libraries and other public buildings, water and sewer utilities, and parks. In addition, it is desirable to include certain types of large equipment, major replacement or reconstruction projects, the costs of site acquisition, pre-construction engineering and planning and reserves/accumulation for anticipated projects. Projects presented are those proposed by the County departments and agencies. These bodies have also developed the best current estimates of project cost and funding levels and sources.

Programming of capital improvements consists of arranging the projects proposed by the various County departments and agencies in a time series schedule of anticipated implementation. As noted, this schedule is then reviewed in light of three major considerations:

- The County's Comprehensive Plan;
- Considerations of the public health and general welfare of the County's citizens; and
- The County's fiscal capabilities.

The first year of the five year schedule of capital projects should be adopted as the capital budget for the upcoming year. The schedule is reviewed annually and is subject to modification: projects may be added, deleted or rescheduled within the planning period.

Presented on Table 1 is summary financial information concerning the County's schedule of prospective capital projects. The data presented are only financial in nature. No information is presented relative to project: description, justification or need, location, coordination with other agencies or programs and impact on the County's continuing operating budget.¹

- The amounts of and expected funding sources for the projects are presented on this page and detailed in the Technical Supplement.
 - The total capital program during the planning period (FY2011 through FY2016) contemplates capital expenditures totaling \$41.9 million.
-

III. FORECAST OF FINANCIAL OPERATIONS

A five year forecasted cash flow of County financial operations was prepared using the County's FY2011 budget as the base year of the forecast. This forecasted cash flow, as are all efforts to extrapolate, is clearly subject to change and modification. The variability or error in the forecast should also be expected to increase with "distance" from the present time. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected and these differences may be material. This forecast is intended solely for use by the County as it considers capital project scheduling. The forecasts do not have to be formally adopted by the County Board of Supervisors, but are intended to assist the Board in its capital project scheduling decisions.

Methodology and Assumptions - As noted earlier, the County's FY2011 budget was used as the basis for the cash flow forecast. The forecast was prepared by applying prospective annual rates of change to the individual (detailed) sources of County revenue and objects of expenditure².

A year's forecasted value was prepared by application of a forecasted annual rate of change to the preceding year's value for that revenue or expenditure component. Several assumptions are implicit in a forecast such as this and must be born in mind while considering the computed results. The following assumptions are integral to the forecast:

- A direct relationship is assumed to exist between the item of revenue or expenditure and the factor used to prepare its forecast. The annual rate of change in the factor produces a corresponding proportional movement in the subject item.
- Neither addition of new sources of revenue nor discontinuance of current sources of revenue are anticipated. Revenue components are not expected to display variability attributable to sources other than their associated factors.
- Neither addition of new programs, services, or staff nor discontinuance of existing programs, services, or staff are anticipated. Objects of expendi-

²The historic values for the various factors: Consumer Price Index, population, etc. were each projected using 2 to 3 different statistical methods. The resulting projection that had the "best" fit to the historical data was selected to be used as a "predictor." The expected rate of change (percent change from one year to the next) for the factor was applied to the revenue or expenditure component to produce the forecasted value. The forecasted rates of change for the several factors may be found in the Technical Supplement and the revenue and expenditure components they were associated with may also be found in the Technical Supplement.

ture are not expected to display variability attributable to sources other than their associated factors.

- There are no unanticipated non-recurring costs.
- New capital projects and any new debt service are not included at this juncture nor is existing debt service beyond the budget year.

Preliminary Forecast - Based upon the above, a base set of preliminary (unadjusted) revenue and expenditure forecasts were prepared. Respectively presented on Tables 2 and 3 are summaries of the County revenues and expenditures (complete, detailed materials are contained in the Technical Supplement). Reviews of the *preliminary* forecasts indicate that:

- Revenues are anticipated to grow from \$58.3 million (forecasted FY2012) to \$60.7 million (forecasted FY2016).

Table 2

**County of Fluvanna, Virginia
 Financial Forecast
 Fiscal Years FY11 - FY16**

REVENUE SUMMARY

Revenue	Base Year 2011 Budget	Forecast				
		2012 Year 1	2013 Year 2	2014 Year 3	2015 Year 4	2016 Year 5
Total Property Taxes	22,824,393	22,893,986	22,963,248	23,032,706	23,102,247	23,171,761
Total Other Local Taxes	3,215,205	3,265,536	3,315,827	3,366,215	3,416,543	3,466,945
Total Permits/Licenses/Fees	332,294	323,245	314,200	305,151	296,104	287,051
Total Court Fines & Forfeitures	20,914	20,914	20,914	20,914	20,914	20,914
Total Use Of Money & Property	40,500	40,500	40,500	40,500	40,500	40,500
Total Charges For Service	50,123	50,123	50,123	50,123	50,123	50,123
Total Miscellaneous	250,495	250,495	250,495	250,495	250,495	250,495
Total State - Non-Categorical Aid	3,153,239	3,136,616	3,120,006	3,103,392	3,086,781	3,070,164
Total State - Shared Expenses	1,644,086	1,644,086	1,644,086	1,644,086	1,644,086	1,644,086
Total State - Categorical Aid	1,469,565	1,424,240	1,378,931	1,333,673	1,288,366	1,243,136
Total Federal	77,415	77,415	77,415	77,415	77,415	77,415
Total Schools - Local	555,141	555,141	555,141	555,141	555,141	555,141
Total Schools - State	18,029,779	18,586,899	19,142,647	19,699,698	20,255,229	20,812,248
Total Schools - Federal	2,184,126	2,178,884	2,173,655	2,168,438	2,163,234	2,158,042
Total Enterprise & Special Funds	2,268,875	2,303,576	2,338,156	2,372,819	2,407,552	2,442,109
Total Social Services	1,668,032	1,573,280	1,523,496	1,473,732	1,423,976	1,374,262
TOTAL Revenue Summary	57,784,182	58,324,936	58,908,840	59,494,498	60,078,706	60,664,392

- Expenditures are forecasted to grow from \$54.3 million (forecasted FY2012) to \$63 million (forecasted FY2016).

- Expenditures are forecasted to exceed revenues in the last two years of the forecast period (FY2015 & FY2016).

Table 3

County of Fluvanna, Virginia
Financial Forecast
Fiscal Years FY11 - FY16

EXPENDITURE SUMMARY BY FUNCTION

Expenditure	Base Year 2011 Budget	Forecast				
		2012 Year 1	2013 Year 2	2014 Year 3	2015 Year 4	2016 Year 5
Total Gen Gov't Administration	1,978,313	2,052,081	2,132,135	2,217,395	2,308,314	2,405,391
Total Judicial Administration	966,240	1,003,994	1,045,379	1,089,629	1,137,003	1,187,785
Total Public Safety	4,507,049	4,671,799	4,846,062	5,030,613	5,226,303	5,434,055
Total Public Works	1,467,315	1,520,271	1,576,110	1,635,055	1,697,353	1,763,270
Total Health And Welfare	4,759,447	4,889,295	5,022,951	5,160,546	5,302,215	5,448,099
Total Education	34,469,046	35,537,364	36,893,485	38,337,464	39,877,197	41,521,032
Total Parks, Recreation & Library	602,283	625,259	649,675	675,656	703,339	732,869
Total Community Development	962,512	988,563	1,015,626	1,043,725	1,073,048	1,103,584
Total Non-Departmental	550,247	573,538	598,134	624,131	651,634	680,753
Total Debt Service	7,746,574					
Total Capital Projects Fund	200,000					
Total Enterprise Funds	2,409,580	2,413,534	2,478,791	2,545,868	2,614,847	2,685,752
TOTAL Expenditure by Function	60,618,606	54,275,698	56,258,348	58,360,082	60,591,253	62,962,590

- It should be recalled that at this juncture the forecast does not include recognition of existing debt service beyond the current budget year nor does it include any new capital projects, new debt service, new programs or operational changes.*

Financial Forecast - "Base Case" - The preliminary forecast was used as a starting point and certain adjustments were incorporated to reflect known or anticipated changes to operations. Included in these adjustments (details may be found in the Technical Supplement) were:

- Computation of prospective Real Property Tax revenue reflecting both "normal" growth (1% per year) and growth attributable to periodic reassessment and market conditions.

-The real property tax rates used represent an "equalized" tax rate³. Tax rates are adjusted with reassessment to

³ The forecast anticipates a general reassessment effective during the planning period. The prospective real estate tax rates are "in the normal course of events" reduced with increased assessed values and increased with reduced values. If the current tax rate were to be maintained throughout the planning period it would effectively result in a real estate tax increase or decrease.

produce neither an increase nor decrease in tax revenue. Real Estate rates, used in this forecast, are: 54¢ per \$100 of assessed valuation in FY2011 & FY2012 and, upon reassessment (anticipating a 20% reduction in property values), 68¢ per \$100 of assessed valuation in FY2013 and for the balance of the planning period.

Other material adjustments include:

- Incorporating existing debt service (already committed).
- A beginning cash balance of \$18 million. This amount includes funds reserved for future capital projects.
- Recognition of expected changing patterns (decline) in State and Federal funding for education.
- At this juncture the impact of the prospective capital program has not been included.

The adjusted forecast is presented on Table 4. This reflects all forecasted and anticipated County operations over the planning period with the exception of new capital projects (or any new debt). The level of expenditure is forecasted to exceed revenue in all five years of the forecast period. Requirements of existing debt service, ongoing operations, changing State and Federal funding patterns and previous commitments are not supported by anticipated revenues. The County's \$18 million fund balance is forecast to be completely depleted by FY2014.

We again note: The forecasts are for planning purposes only and are not to be regarded as accountants' opinions of the present or future financial position of the County of Fluvanna. The forecasts are based upon past trends and their validity depends upon the outcome of future events. Additionally, modification of these estimates will become necessary: as County growth and development progresses; in the event of material changes in market or other economic conditions; in the event of changes in state or federal funding programs; or in the event of material deviation from historic or forecasted patterns of revenue and expenditure. Annual review and revision is recommended.

IV. FORECASTED IMPACT - OPERATIONS AND CAPITAL PROGRAM

Materials presented earlier in this report are summarized and incorporated on Table 5. These materials have been interpreted in terms of their potential impact upon the County's real estate tax rate. Further, the forecasted cash flow (Table 4) has been subjected to a supplemental level of fiscal constraint and performance: the County's requirement that a minimum cash balance be maintained that equals at least 12% of the County's annual revenues. Given the cash flow position forecast and presented on Table 4, the impact of any new capital projects (Table 1) have not been included in the analysis reflected on Table 5.

Table 5

**County of Fluvanna, Virginia
 Financial Forecast - "Base Case"
 Financial Summary - Forecasted Impact
 Fiscal Years FY11 - FY16
 --- DOES NOT INCLUDE CIP PROJECTS ---**

Item	Base Year 2011 Budget	Forecast				
		2012 Year 1	2013 Year 2	2014 Year 3	2015 Year 4	2016 Year 5
Average Forecasted Assessed Value of RE for FY	3,095,532,350	3,126,487,350	3,157,752,350	2,557,780,350	2,583,358,350	2,609,192,350
Forecasted Net Annual "Cash Flow" From Operations Prior to Inclusion of New Debt Service or Capital Project Expenditures	(2,834,300)	(4,403,800)	(7,409,000)	(9,457,100)	(11,763,300)	(14,136,900)
Average Forecasted Real Estate Tax Requirement Necessary to Fund Any Operating Shortfall (Cents Per \$100 of Assessed Value)	\$0.09	\$0.14	\$0.23	\$0.37	\$0.46	\$0.54
Forecasted Cash Balance At Beginning of Year	18,000,000	15,165,700	10,761,900	6,868,000	6,870,000	6,872,000
Forecasted Net Annual "Cash Flow" From Operations Prior to Inclusion of New Debt Service or Capital Project Expenditures	(2,834,300)	(4,403,800)	(7,409,000)	(9,457,100)	(11,763,300)	(14,136,900)
Forecasted Cash Balance After Operations	15,165,700	10,761,900	3,352,900	(2,589,100)	(4,893,300)	(7,264,900)
Funds Necessary to Meet Operational and Minimum Cash (12% Of Revenue Budget) Requirements			3,515,100	9,459,100	11,765,300	14,136,900
Forecasted Cash Balance At End of Year	15,165,700	10,761,900	6,868,000	6,870,000	6,872,000	6,872,000
Average Real Estate Tax Rate Necessary To Support Operations & Minimum Cash Requirement			\$0.11	\$0.37	\$0.46	\$0.54
Average Annual Change in Real Estate Tax Rate			\$0.11	\$0.26	\$0.09	\$0.08

Note: Forecasted tax rate requirements above should be considered as supplemental (in addition to) the real estate tax rate anticipated by the original budget, as adjusted for reassessment(s).

Average R E Tax Rate Used To Compute Revenues For FY	\$0.54	\$0.54	\$0.68	\$0.68	\$0.68	\$0.68
Plus Change Noted Above			\$0.11	\$0.37	\$0.46	\$0.54
Average Total R E Tax Rate For FY	\$0.54	\$0.54	\$0.79	\$1.05	\$1.14	\$1.22

The data are presented on Table 5 in 2 sections:

- Top section - presented here is: a forecast of County real estate assessed values, the summary forecasted net annual cash flow (Table 4) and
 - Forecasted estimates of the "pennies" on the real estate tax rate that would be necessary to "balance" any forecasted annual operating deficits.

Funding the forecasted annual operating deficits is estimated to range from 14¢ to 54¢ per \$100 of assessed valuation.

- Lower section - Beginning cash balances, the forecasted cash flow results of adjusted annual operations and the 12% cash balance policy are melded into a summary but comprehensive cash flow forecast schedule.
 - The last two lines indicate the pennies on the real estate tax rate necessary to annually support operations and the cash balance policy. In this case annual real estate tax rate increases are forecast to be necessary each year beginning in FY2013. The final real estate tax rate is anticipated to be \$1.22 per \$100 of assessed valuation.
 - The forecast data indicate that significant expenditures are scheduled each year of the planning period to fund ongoing operations. These expenditures exceed the forecast operating revenues and have the effect of “drawing down” the County’s accumulated fund balance to the point where the County’s fund balance policy is “triggered” and a real estate tax rate increase is “forced”. The extent of the forecasted fund balance draw down may be mitigated to some extent by (factors that are controllable by the County):
 - Controlling and reducing County expenditure patterns.
 - Enhanced revenues attributable to County growth and development.
 - Rate and fee increases for services rendered.
 - Tax rate adjustments.
 - The County should closely monitor on-going revenue and expenditure levels for material deviation from forecasted levels.

Clearly, the County must address significant revenue and expenditure issues prior to consideration of any further major program of capital expenditure such as that envisioned by the CIP (Table 1). Nevertheless, presented on Table 6 is an analysis comparable to that used in Table 5.

Introduced on Table 6 is a “middle section” where the real estate tax rate impact attributable to new capital projects (cash outlay and new debt service) is calculated. It is noted that, at this point, this computation is made independently from any other operational forecast in this report. For example, the indication on Table 6 that 10 cents are needed to fund capital expenditure and new debt service in FY2015 should be interpreted to mean: given the forecasted assessed values for that year, a real estate tax

rate of 7 cents would generate the funds necessary to support projects funded from current revenue and 3 cents would support the forecasted new debt service.

Table 6

**County of Fluvanna, Virginia
Financial Forecast - "Base Case"
Financial Summary - Forecasted Impact
Fiscal Years FY11 - FY16
*** INCLUDES CIP PROJECTS *****

Item	Base Year	Forecast				
	2011 Budget	2012 Year 1	2013 Year 2	2014 Year 3	2015 Year 4	2016 Year 5
Average Forecasted Assessed Value of RE for FY	3,095,532,350	3,126,487,350	3,157,752,350	2,557,780,350	2,583,358,350	2,609,192,350
Forecasted Net Annual "Cash Flow" From Operations Prior to Inclusion of New Debt Service or Capital Project Expenditures	(2,834,300)	(4,403,800)	(7,409,000)	(9,457,100)	(11,763,300)	(14,136,900)
Average Forecasted Real Estate Tax Requirement Necessary to Fund Any Operating Shortfall (Cents Per \$100 of Assessed Value)	\$0.09	\$0.14	\$0.23	\$0.37	\$0.46	\$0.54

Forecasted Capital Improvement Program Funding Requirements For:						
New Capital Project Debt Service		46,600	508,300	748,100	823,600	2,322,000
Capital Project Expenditures Funded By Current Revenues		8,480,000	3,722,000	896,000	1,743,000	1,520,000
Total Annual Funding Requirements		8,526,600	4,230,300	1,644,100	2,566,600	3,842,000
Average Forecasted Real Estate Tax Rate Necessary to Fund:						
New Capital Project Debt Service			\$0.02	\$0.03	\$0.03	\$0.09
Capital Project Expenditures Funded By Current Revenues		\$0.27	\$0.12	\$0.04	\$0.07	\$0.06
Average Forecasted Total Annual Real Estate Tax Rate Requirements		\$0.27	\$0.13	\$0.06	\$0.10	\$0.15

Forecasted Cash Balance At Beginning of Year	18,000,000	15,165,700	6,868,000	6,868,000	6,870,000	6,872,000
Forecasted Net Annual "Cash Flow" From Operations Prior to Inclusion of New Debt Service or Capital Project Expenditures	(2,834,300)	(4,403,800)	(7,409,000)	(9,457,100)	(11,763,300)	(14,136,900)
Forecasted Capital Improvement Program Funding Requirements For:						
New Capital Project Debt Service		46,600	508,300	748,100	823,600	2,322,000
Capital Project Expenditures Funded By Current Revenues		8,480,000	3,722,000	896,000	1,743,000	1,520,000
Forecasted Net After Operating Expenses and Provision of Funds For Capital Improvement Program Requirements	(2,834,300)	(12,930,400)	(11,639,300)	(11,101,200)	(14,329,900)	(17,978,900)
Forecasted Cash Balance After Operations	15,165,700	2,235,300	(4,771,300)	(4,233,200)	(7,459,900)	(11,106,900)
Funds Necessary to Meet Operational and Minimum Cash (12% Of Revenue Budget) Requirements						
Forecasted Cash Balance At End of Year	15,165,700	6,868,000	6,868,000	6,870,000	6,872,000	6,872,000
Average Real Estate Tax Rate Necessary To Support Operations & Minimum Cash Requirement		\$0.15	\$0.37	\$0.43	\$0.55	\$0.69
Average Annual Change in Real Estate Tax Rate		\$0.15	\$0.22	\$0.06	\$0.12	\$0.14

Note: Forecasted tax rate requirements above should be considered as supplemental (in addition to) the real estate tax rate anticipated by the original budget, as adjusted for reassessment(s).

Average R E Tax Rate Used To Compute Revenues For FY	\$0.54	\$0.54	\$0.68	\$0.68	\$0.68	\$0.68
Plus Change Noted Above		\$0.15	\$0.37	\$0.43	\$0.55	\$0.69
Average Total R E Tax Rate For FY	\$0.54	\$0.69	\$1.05	\$1.11	\$1.23	\$1.36

The last two lines of the lower section indicate the pennies on the real estate tax rate necessary to annually support operations, new capital and debt and the cash balance policy. In this case annual real estate tax rate increases are forecast to be necessary

each year beginning in FY2012. The final real estate tax rate is anticipated to be \$1.36 per \$100 of assessed valuation.



And we reiterate: during contemplation of the budget and any capital expenditure, it is recommended that revenue, expenditure and fund balance levels be carefully monitored. In particular, application and the amount of fund balance used should be of primary concern. The County's financial condition is being negatively impacted by a "perfect storm" comprised of: significant increases in obligated debt service payments, real estate market conditions, decreases from State and Federal funding sources and increasing fringe benefit costs.

The prudence of Board of Supervisors' timely decision to undertake this financial planning exercise has been borne out. It would appear that the County is at a juncture where careful fiscal deliberation can preserve its current fiscal position and mitigate anticipated trends. With the passage of time, the validity of the assumptions underlying the forecast must be carefully monitored.



V. POLICIES

Fiscal Policies - The overall capital financing policy of the County (encompassing debt, capital outlay and fund balance) represents a planned commitment to meet infrastructure needs and at the same time provides a mechanism to constrain expenditure and future obligations. Further, adoption and adherence to one or a set of policies provides assurance to prospective lenders which could result in a reduction of debt costs. Example policies are:

- Limitations of new capital borrowing to no more than a fixed percent (10% to 20%) of the increase in the assessed valuation of all property subject to local taxation.
- Limitation of debt service plus capital outlay to a fixed percent (10%) of annual revenue,
- Limitation of debt service to a fixed proportion of current capital outlay or total budget,
- Limitation of capital outlay financed with current revenue,
- Amount of debt principal to be retired within five years, and
- Debt market entry frequency.

The "capital generating" capacity of the several policies varies. Adoption of a policy(ies) is a clear statement by the County of: its prudence and judgement in long term financial management; and its capacity to support infrastructure growth.

The Board of Supervisors of the County of Fluvanna is commended for adopting and maintaining such a minimum fund balance policy.
