

AT A WORK SESSION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE 10TH DAY OF AUGUST, 2004, AT 5:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Bruce C. Goodson, Chairman, Roberts District
Michael J. Brown, Vice Chairman, Powhatan District
John J. McGlennon, Jamestown District
M. Anderson Bradshaw, Stonehouse District
Jay T. Harrison, Sr., Berkeley District

Sanford B. Wanner, County Administrator
Leo P. Rogers, Acting County Attorney

B. BOARD DISCUSSION

1. Capital Project Funding Options

Mr. John E. McDonald, Manager of Financial and Management Services, introduced Courtney Rogers of Davenport and Company, the County's financial advisor, and Steve Johnson of Trautman Saunders, bond counsel.

Mr. Rogers provided an overview of the funding options available to the County, proposed projects, and timing of the projects with regard to potential security type and issues to resolve.

Mr. Brown inquired if the County has the same flexibility with revenue bonds and appropriation bonds as those offered by the Economic Development Authority (EDA).

Mr. Rogers stated that the County has the same flexibility.

Mr. Johnson commented on a referendum versus a non-referendum bond and the structure of the bonds under each type so that any lease transaction avoids the incurrence of debt.

The Board and Mr. Rogers discussed the trading differential between where the County currently stands and where the Virginia Public School Authority loan would place them.

Mr. Johnson commented that should a bond referendum fail, the County could approach the Virginia Public School Authority for a market rate loan under special criteria for the loan, and the effect the loans would have on the County's General Obligation Rating.

Mr. Johnson and Mr. Rogers provided an overview of the projects that need funding for 2005, such as the Heritage Humane Society, Student Services Building, Purchase of Development Rights Program, Thomas Nelson Community College site improvements, sports stadium, and performing arts center.

Mr. Brown inquired if any 501 (c)(3), such as the Heritage Humane Society, has borrowed through a direct loan from the EDA and had the County incur the moral obligation legality.

Mr. Johnson stated that there has not been, they tend to stand on their own.

Mr. McGlennon stated that the moral obligation of the County can only be issued with the approval of the Board of Supervisors and would be subject to further review.

A brief discussion was held regarding a previous loan associated with Mainland Farm and discussed the options should the Heritage Humane Society dissolve.

Discussion followed on a ground lease between the City of Williamsburg and the Heritage Humane Society (HHS) and the benefit should the City donate the land to the HHS.

Mr. Goodson inquired how long a county could go between referendums.

Discussion was held on timing between referendums and timing requirements by Code for when the County could seek funding for a failed referendum.

Mr. Johnson recommended caution should a referendum fail and about putting information out under the County's name to prevent damage to its bond rating.

Mr. Rogers, Acting County Attorney, stated that a memo will be sent to the Board members with information on what the Board as a body can and cannot do under State Law for referendums.

Mr. McGlennon inquired if the General Obligations Bonds would be the best financing mechanism available should the voters decide that a high school is needed.

Mr. Johnson and Mr. Rogers confirmed the assessment.

Mr. McGlennon inquired if the Performing Arts Center is an enhanced high school auditorium that is initially financed through a high school bond referendum, then the only real option the County has is to engage in a management arrangement with the 501(c)(3) organizations that would handle the operation of the auditorium.

Mr. Johnson stated that assessment is correct and the tax attorneys will have to determine if the restrictions are acceptable and ensure the Schools have first dibs on the facilities.

Mr. Rogers, Acting County Attorney, stated the structure of the agreement is important and the County has engaged in one with Mainland Farm.

The Board thanked Mr. Rogers and Mr. Johnson for the presentation.

C. RECESS

At 6:32 p.m. the Board took a break until 7 p.m.

Sanford B. Wanner
Clerk to the Board