March 26, 2008

The Regular Meeting of the Rockingham County Board of Supervisors was held on Wednesday, March 26, 2008, at 6:00 p.m. at the Rockingham County Administration Center, Harrisonburg, Virginia. The following members were present:

PABLO CUEVAS, Election District #1
FREDERICK E. EBERLY, Election District #2
DEE E. FLOYD, Election District #3
WILLIAM B. KYGER, JR., Election District #4
MICHAEL A. BREEDEN, Election District #5

Also present:

JOSEPH S. PAXTON, County Administrator
THOMAS H. MILLER, JR., County Attorney
STEPHEN G. KING, Deputy County Administrator
JAMES L. ALLMENDINGER, Director of Finance
WARREN G. HEIDT, Director of Public Works
WILLIAM L. VAUGHN, Director of Community Development
DIANA C. STULTZ, Zoning Administrator
GRETCHEN M. SALLAH, Deputy Clerk
DONALD F. KOMARA, Residency Administrator
Virginia Department of Transportation

ooooOoooooo

CALL TO ORDER
PLEDGE OF ALLEGIANCE
INVOCATION.

Chairman Floyd called the meeting to order at 6:05 p.m.

County Attorney Miller led the Pledge of Allegiance. Supervisor Eberly gave the Invocation.

ooooOoooooo

APPROVAL OF MINUTES.

On motion by Supervisor Kyger, seconded by Supervisor Eberly and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; FLOYD - AYE; the Board approved the minutes of the regular meeting of March 12, 2008.

ooooOoooooo

RECOGNITION OF STUDENTS.

Supervisor Kyger acknowledged several students in the audience from Turner Ashby and Spotswood high schools, who, in turn, introduced themselves to the Board.

ooooOooooo

RESOLUTION – T. CARTER MELTON, JR., PRESIDENT AND CHIEF EXECUTIVE OFFICER OF ROCKINGHAM MEMORIAL HOSPITAL.

Chairman Floyd recognized T. Carter Melton, Jr., President and Chief Executive Officer of Rockingham Memorial Hospital, with a framed resolution in his honor.

On motion by Supervisor Kyger, seconded by Supervisor Eberly and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE; EBERLY – AYE; FLOYD - AYE; KYGER - AYE; the Board approved the following resolution:

R E S O L U T I O N

WHEREAS, T. Carter Melton Jr. has devoted 34 years to the leadership and management of Rockingham Memorial Hospital; and

WHEREAS, during that time RMH has had a tremendous impact on the scope of health care provided to the Harrisonburg-Rockingham County community through new and upgraded services, such as the Cancer Center, Corporate Health, Heart Health, Hospice Unit, and the Women's Health Center; and

WHEREAS, Mr. Melton has been a driving force in maintaining good health in our community through his encouragement for the establishment of the RMH Wellness Center and other wellness programs; and

WHEREAS, during his leadership, RMH has maintained its strong financial position and has continued to provide independent health care for this region as a private, local not-for-profit hospital; and

WHEREAS, Mr. Melton has been an exemplary leader in extending the services provided by RMH to the community; and

WHEREAS, Mr. Melton has been an effective and influential spokesman in advocating for local medical needs before federal, state and local governments; and

WHEREAS, the Harrisonburg and Rockingham County community is a better place to live, work and raise our families because of the contributions made by T. Carter Melton Jr.; and

WHEREAS, in March 2008, Mr. Melton will retire from public service;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Rockingham, Virginia, that said Board does hereby recognize and congratulate T. Carter Melton Jr. as he celebrates his retirement as RMH President and CEO; and

BE IT FURTHER RESOLVED that the Board of Supervisors expresses its sincere gratitude to Mr. Melton for his many years of service to the community and wishes him well in the coming years.

ooooOooooo

TRANSPORTATION DEPARTMENT.

The Board heard Mr. Komara's report on the activities of the Transportation Department.

Supervisor Kyger discussed the pending status of the Safe Routes to School grant, the need for road improvements to assist buggy drivers, the need for additional buggy lanes, and memorial signs.

Jeremy Mason, of VDOT, reported they have requested grant money to conduct engineering studies for additional buggy lanes.

Supervisor Breeden discussed the additional lanes needed for the new schools in the East Rockingham area and the commitment by a local developer to meet its obligations for road improvements.

Chairman Floyd thanked Mr. Komara for installing the No Thru Trucks signs on Route 276.

ooooOoooooo

RESOLUTION - AUTHORIZING THE ISSUANCE OF $12,400,000 GENERAL OBLIGATION BONDS BY VIRGINIA PUBLIC SCHOOL AUTHORITY.

Supervisor Kyger made the following statement:

1. TRANSACTION INVOLVED: Consideration and adoption of a budget, related matters such as tax rates, and other issues concerning schools.

2. NATURE OF PERSONAL INTEREST IN THE TRANSACTION: I am an employee of the Rockingham County School Board. Therefore, I am affected by this Board's decisions concerning school funding and similar issues.

3. As a teacher, I am a member of an occupation the members of which are affected by the transaction specified in paragraph 1.

4. I am able to participate in the transactions fairly, objectively, and in the public interest.

On motion by Supervisor Breeden, seconded by Supervisor Cuevas and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE; EBERLY – AYE; FLOYD - AYE; KYGER - AYE; the Board authorized the issuance of $12,400,000 general obligation bonds by Virginia Public School Authority.

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $12,400,000 GENERAL OBLIGATION SCHOOL BOND OF THE COUNTY OF ROCKINGHAM, VIRGINIA, SERIES 2008, TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY AND PROVIDING FOR THE FORM AND DETAILS THEREOF

WHEREAS, the Board of Supervisors (the "Board") of the County of Rockingham, Virginia (the "County"), has determined that it is necessary and expedient to enter into a borrowing and to issue its general obligation school bond for the purpose of paying capital costs to finance the construction, reconstruction, expansion, and equipping of public school facilities in the County in order to meet the needs of present and future enrollments; and

WHEREAS, the School Board of the County, by resolution duly adopted on February 13, 2007, requested and consented to the Board's authorization of the issuance of up to $90,000,000 general obligation school bonds of the County in order to pay all or a portion of the costs of capital projects for school purposes in the County, all as required by law; and

WHEREAS, the Board, by resolution duly adopted on February 15, 2007, called for the holding of a public hearing, including the publication of appropriate notices

therefore, in order to consider the authorization of up to $90,000,000 general obligation school bonds of the County; and

WHEREAS, the County held a public hearing, duly noticed, on March 14, 2007, on the issuance of up to $90,000,000 general obligation school bonds to the Virginia Public School Authority (VPSA) in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (the "Virginia Code"); and

WHEREAS, the Board duly adopted an Initial Resolution on March 14, 2007, authorizing up to $90,000,000 general obligation school bonds of the County to be sold to the Virginia Public School Authority, in one or more series, and providing, among other things, for the Board to approve authorizing resolutions, from time to time, setting forth the form and details thereof, all as may be then deemed advisable; and

WHEREAS, the County has issued its $10,610,000 Rockingham County, Virginia General Obligation School Bond, Series 2007, to the VPSA on May 10, 2007, and, further, its $6,364,713
Rockingham County, Virginia General Obligation School Bond, Series 2007, to the VPSA on November 8, 2007, leaving the principal amount of $73,025,287 general obligation school bond capacity being authorized but not issued by the County under such Initial Resolution as of the date hereof; and

WHEREAS, further, the School Board of the County, by resolution duly adopted on February 12, 2008, approved the submission of a loan application to Virginia Public School Authority ("VPSA") in connection with the 2008 VPSA Spring Pooled Sale in order to provide up to $12,400,000 long-term financing for a portion of the costs to acquire, construct and equip capital projects for school purposes in the County, including a new River Bend Elementary School (all capital projects for school purposes being collectively referenced hereinafter as the "Project"); and

WHEREAS, on February 13, 2008, the Board approved the submission of such loan application to VPSA in order to provide a portion of the funds needed for the Project, and now desires to authorize the issuance of an up to $12,400,000 general obligation school bond of the County (the "Bond") to be sold to the VPSA in connection with the 2008 VPSA Spring Pooled Sale; and

WHEREAS, the Bond Sale Agreement (as defined below) shall indicate that $12,400,000 is the maximum amount of proceeds requested (the "Proceeds Requested") from the VPSA in connection with the sale of the Bond; and

WHEREAS, the VPSA's objective is to pay the County a purchase price for the Bond which, in VPSA's judgment, reflects the market value thereof (the "VPSA Purchase Price Objective"), taking consideration of such factors as the amortization schedule the County has requested for the Bond relative to the amortization schedules requested by other localities, the purchase price to be received by VPSA for its bonds and other market conditions relating to the sale thereof; and

WHEREAS, such factors may result in the Bond having a purchase price other than par and consequently (i) the County may have to issue a principal amount of Bond that is less than the Proceeds Requested, or (ii) if the maximum authorized principal amount of the bond set forth in section 1 below does not exceed the amount of the discount the purchase price to be paid to the County, given the VPSA Purchase Price Objective and market conditions, will be less than the Proceeds Requested.

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

1. **Authorization of Bond and Use of Proceeds**. The Board hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bond in an aggregate principal amount not to exceed $12,400,000 (the "Bond") for the purpose of financing all or any portion of the Project. The Board hereby authorizes the issuance and sale of the Bond in the form and upon the terms established pursuant to this Resolution.

2. **Sale of the Bond**. It is determined to be in the best interest of the County to accept the offer of VPSA to purchase from the County, and to sell to VPSA, the Bond at a price, determined by VPSA to be fair and accepted by the Chairman of the Board and the County Administrator, or either of them that is substantially equal to the Proceeds Requested, except that the Bond may be sold for a purchase price not lower than 95% of the Proceeds Requested if issuing the Bond in the maximum principal amount authorized by Section 1 of this Resolution is insufficient, given the VPSA Purchase Price Objective and market conditions, to generate an amount of proceeds substantially equal to the Proceeds Requested. The Chairman of the Board, the County Administrator, or either of them and such other officer or officers of the County as either may designate are hereby authorized and directed to enter into a Bond Sale Agreement dated as of April 1, 2008, with the VPSA providing for the sale of the Bond to the VPSA. The agreement shall be in substantially the form submitted by the County in connection with its prior school bond sales to the VPSA, which form is hereby approved (the "Bond Sale Agreement").

3. **Details of the Bond**. The Bond shall be dated the date of issuance and delivery of the Bond; shall be designated "General Obligation School Bond, Series 2008"; shall bear interest from the date of delivery thereof payable semi-annually on each January 15 and July 15 beginning January 15, 2009 (each an "Interest Payment Date"), at the rates established in accordance with Section 4 of this Resolution; and shall mature on July 15 in the years (each a "Principal Payment Date") and in the amounts set forth on Schedule I attached hereto (the "Principal Installments"), subject to the provisions of Section 4 of this Resolution.

4. **Interest Rates and Principal Installments**. The Chairman or the County Administrator, either or both of whom may act, is/are hereby authorized and directed to accept the interest rates on the Bond established by VPSA, provided that each interest rate shall be ten one-hundredths of one percent (0.10%) over the interest rate to be paid by VPSA for the corresponding principal payment date of the bonds to be issued by VPSA (the "VPSA Bonds"), a portion of the proceeds of which will be used to purchase the Bond, and provided further that the true interest cost of the Bond does not exceed five and fifty one-hundredths percent (5.25%) per annum. The Interest Payment Dates and the Principal Installments are subject to change at the request of VPSA. The Chairman or the County Administrator, either of both of whom may act, is/are hereby authorized and directed to accept changes in the Interest Payment Dates and the Principal Installments at the request of VPSA, provided that the aggregate principal amount of the Bond shall not exceed the amount authorized by this Resolution. The execution and delivery of the Bond as described in Section 8 hereof shall conclusively evidence such interest rates established by VPSA and Interest Payment Dates and the Principal Installments requested by VPSA as having been so accepted as authorized by this Resolution.

5. **Form of the Bond**. The Bond shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as **Exhibit A**.

6. **Payment; Paying Agent and Bond Registrar**. The following provisions shall apply to the Bond:

(a) For as long as VPSA is the registered owner of the Bond, all payments of principal, premium, if any, and interest on the Bond shall be made in immediately available funds to VPSA at, or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia,

then at or before 11:00 a.m. on the business day next succeeding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption.

(b) All overdue payments of principal and, to the extent permitted by law, interest shall bear interest at the applicable interest rate or rates on the Bond.

(c) U.S. Bank National Association, having business offices in Richmond, Virginia, is designated as Bond Registrar and Paying Agent for the Bond.

7. **Prepayment or Redemption**. The Principal Installments of the Bond held by VPSA coming due on or before July 15, 2018, and the definitive Bond for which the Bond held by VPSA may be exchanged that mature on or before July 15, 2018, are not subject to prepayment or redemption prior to their stated maturities. The Principal Installments of the Bond held by VPSA coming due after July 15, 2018, and the definitive bonds for which the Bond held by VPSA may be exchanged that mature after July 15, 2018, are subject to prepayment or redemption at the option of the County prior to their stated maturities in whole or in part, on any date on or after July 15, 2018, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be prepaid or the principal amount of the Bond to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

Dates	**Prices**
July 15, 2018 through July 14, 2019	101%
July 15, 2019 through July 14, 2020	100½
July 15, 2020 and thereafter	100

Provided, *however*, that the Bond shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of VPSA or the registered owner of the Bond. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

8. **Execution of the Bond**. The Chairman or Vice Chairman and the Clerk or any Deputy Clerk of the Board are authorized and directed to execute and deliver the Bond and to affix the seal of the County thereto.

9. **Pledge of Full Faith and Credit**. For the prompt payment of the principal of, premium, if any, and the interest on the Bond as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any of the Bond shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of and premium, if any, and the interest on the Bond as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

10. **Use of Proceeds Certificate and Certificate as to Non-Arbitrage**. The Chairman of the Board, the County Administrator and such other officer or officers of the County as either may designate are hereby authorized and directed to execute a Certificate as to Non-Arbitrage and a Use of Proceeds Certificate each setting forth the expected use and investment of the proceeds of the Bond and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bond and on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bond will be invested and expended as set forth in such Certificate as to Arbitrage and such Use of Proceeds Certificate and that the County shall comply with the other covenants and representations contained therein and (ii) the County shall comply with the provisions of

the Code so that interest on the Bond and on the VPSA Bonds will remain excludable from gross income for Federal income tax purposes.

11. **State Non-Arbitrage Program; Proceeds Agreement**. The Board hereby determines that it is in the best interests of the County to authorize and direct the County Treasurer and the Director of Finance, either of whom may act, to participate in the State Non-Arbitrage Program in connection with the Bond. The Chairman of the Board, the County Administrator and such officer or officers of the County as either may designate are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Bond by and among the County, the other participants in the sale of the VPSA Bonds, VPSA, the investment manager and the depository, substantially in the form submitted to the Board at this meeting, which form is hereby approved.

12. **Continuing Disclosure Agreement**. The Chairman of the Board, the County Administrator and such other officer or officers of the County as either may designate are hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in Appendix F to the Bond Sale Agreement, setting forth the reports and notices to be filed by the County and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12, under the Securities Exchange Act of 1934, as amended, and directed to make all filings required by Section 3 of the Bond Sale Agreement should the County be determined by the VPSA to be a MOP (as defined in the Continuing Disclosure Agreement).

13. **Filing of Resolution**. The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County.

14. **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 issuance and sale of the Bond and any such action previously taken is hereby ratified and confirmed.

15. **Effective Date**. This Resolution shall take effect immediately.

* * *

Attachment

Exhibit A: Specimen Bond

EXHIBIT A

(FORM OF TEMPORARY BOND)

NO. TR-1
$_____

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

COUNTY OF ROCKINGHAM

General Obligation School Bond

Series 2008

The **COUNTY OF ROCKINGHAM**, **VIRGINIA** (the "County"), for value received, hereby acknowledges itself indebted and promises to pay to the **VIRGINIA PUBLIC SCHOOL AUTHORITY** the principal amount of _____ DOLLARS ($_____), in annual installments in the amounts set forth on Schedule I attached hereto payable on July 15, 2009 and annually on July 15 thereafter to and including July 15, 20__ (each a "Principal Payment Date"), together with interest from the date of this Bond on the unpaid installments, payable semi-annually on January 15 and July 15 of each year, commencing on January 15, 2009 (each an "Interest Payment Date"; together with any Principal Payment Date, a "Payment Date"), at the rates per annum set forth on Schedule I attached hereto, subject to prepayment or redemption as hereinafter provided. Both principal of and interest on this Bond are payable in lawful money of the United States of America.

For as long as the Virginia Public School Authority is the registered owner of this Bond, U.S. Bank National Association, as bond registrar (the "Bond Registrar"), shall make all payments of principal, premium, if any, and interest on this Bond, without the presentation or surrender hereof, to the Virginia Public School Authority, in immediately available funds at or before 11:00 a.m. on the applicable Payment Date or date fixed for prepayment or redemption. If a Payment Date or date fixed for prepayment or redemption is not a business day for banks in the Commonwealth of Virginia or for the Commonwealth of Virginia, then the payment of principal, premium, if any, or interest on this Bond shall be made in immediately available funds at or before 11:00 a.m. on the business day next succeeding the scheduled Payment Date or date fixed for prepayment or redemption. Upon receipt by the registered owner of this Bond of said payments of principal, premium, if any, and interest, written acknowledgment of the receipt thereof shall be given promptly to the Bond Registrar, and the County shall be fully discharged of its obligation on this Bond to the extent of the payment so made. Upon final payment, this Bond shall be surrendered to the Bond Registrar for cancellation.

The full faith and credit of the County are irrevocably pledged for the payment of the principal of and the premium, if any, and interest on this Bond. The resolution adopted by the Board of Supervisors authorizing the issuance of the Bond provides, and Section 15.2-2624, Code of Virginia 1950, as amended, requires, that there shall be levied

and collected an annual tax upon all taxable property in the County subject to local taxation sufficient to provide for the payment of the principal, premium, if any, and interest on this Bond as the same shall become due which tax shall be without limitation as to rate or amount and shall be in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

This Bond is duly authorized and issued in compliance with and pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, Code of Virginia 1950, as amended, and resolutions duly adopted by the Board of County Supervisors of the County and the School Board of the County to provide funds for capital projects for school purposes.

This Bond may be exchanged without cost, on twenty (20) days written notice from the Virginia Public School Authority, at the office of the Bond Registrar on one or more occasions for one or more temporary bonds or definitive bonds in marketable form and, in any case, in fully registered form, in denominations of $5,000 and whole multiples thereof, and having an equal aggregate principal amount, having principal installments or maturities and bearing interest at rates corresponding to the maturities of and the interest rates on the installments of principal of this Bond then unpaid. This Bond is registered in the name of the Virginia Public School Authority on the books of the County kept by the Bond Registrar, and the transfer of this Bond may be effected by the registered owner of this Bond only upon due execution of an assignment by such registered owner. Upon receipt of such assignment and the surrender of this Bond, the Bond Registrar shall exchange this Bond for definitive Bond as hereinabove provided, such definitive Bond to be registered on such registration books in the name of the assignee or assignees named in such assignment.

The principal installments of this Bond coming due on or before July 15, 2018 and the definitive Bond for which this Bond may be exchanged that mature on or before July 15, 2018, are not subject to prepayment or redemption prior to their stated maturities. The principal installments of this Bond coming due after July 15, 2018, and the definitive Bond for which this Bond may be exchanged that mature after July 15, 2018, are subject to prepayment or redemption at the option of the County prior to their stated maturities in

whole or in part, on any date on or after July 15, 2018, upon payment of the prepayment or redemption prices (expressed as percentages of principal installments to be prepaid or the principal amount of the Bond to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

Dates	**Prices**
July 15, 2018 through July 14, 2019	101%
July 15, 2019 through July 14, 2020	100½
July 15, 2020 and thereafter	100

Provided, *however*, that the Bond shall not be subject to prepayment or redemption prior to their stated maturities as described above without the prior written consent of the registered owner of the Bond. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in due time, form and manner as so required, and this Bond, together with all other indebtedness of the County, is within every debt and other limit prescribed by the Constitution and laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Rockingham, Virginia, has caused this Bond to be issued in the name of the County of Rockingham, Virginia, to be signed by its Chairman or Vice-Chairman, its seal to be affixed hereto and attested by the signature of its Clerk or any of its Deputy Clerks, and this Bond to be dated May 15, 2008.

COUNTY OF ROCKINGHAM, VIRGINIA

ooooo Ooooo

COUNTY ADMINISTRATOR'S STAFF REPORT.

Administrator Paxton did not have a written staff report, but discussed several issues with the Board which required action.

On motion by Supervisor Kyger, seconded by Supervisor Eberly and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE;

EBERLY - AYE; KYGER - AYE; FLOYD - AYE; the Board endorsed the Arts Council of the Valley application for state funds in the amount of $5,000.

Administrator Paxton also highlighted several items for the upcoming FY08-FY09 budget including a real estate tax rate increase from .58 to .60 per $100 assessed value, a proposed 4% meals tax with revenue to be used for the construction and operation of schools, a 3% salary increase for employees, three additional positions in the Fire & Rescue Department, and an increase in water and sewer rates and connection fees.

On motion by Supervisor Cuevas, seconded by Supervisor Breeden and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; FLOYD - AYE; the Board authorized the advertisement of the FY08-FY09 budget and proposed tax rates for 2008 as recommended by the Finance Committee for the April 9, 2008 meeting beginning at 6 p.m.

On motion by Supervisor Eberly, seconded by Supervisor Breeden and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; FLOYD - AYE; the Board requested staff draft a resolution petitioning the Circuit Court to certify for referendum, during the November 2008 general election, a 4% meals tax. The Board noted that the funds received will be used to defray the additional costs of school construction and operation.

ooooоOoooоo

COUNTY ATTORNEY'S STAFF REPORT.

Mr. Miller did not have a written staff report.

ooooоOoooоo

DEPUTY COUNTY ADMINISTRATOR'S STAFF REPORT.

The Board received and reviewed Mr. King's staff report dated March 20, 2008. Mr. King gave the Board an update on the construction of the Administration Center addition, the Building and Grounds Committee decision not to purchase surplus outdoor lighting from James Madison University, and new electronic methods for distributing Board and Planning Commission agendas and information packets.

ooooоOoooоo

FINANCE DIRECTOR'S STAFF REPORT.

Mr. Allmendinger did not have a written report.

ooooоOoooоo

PUBLIC WORKS DIRECTOR'S STAFF REPORT.

The Board received and reviewed Mr. Heidt's staff report dated March 26, 2008, which stated the following:

- Phase V of landfill expansion – Geophysical testing of the site was completed during the week of March 10, 2008. The gas collection system upgrade/expansion was placed into service on March 18, 2008. Initial gas flow of the expanded system is approximately 1000 SCFM;

- Three Springs Water System – Geotechnical work on the Rockingham Memorial Hospital tank site began March 17, 2008.

ooooOoooooo

COMMUNITY DEVELOPMENT DIRECTOR'S STAFF REPORT.

The Board received and reviewed Mr. Vaughn's staff report dated March 26, 2008.

ooooOoooooo

COMMITTEE REPORTS.

SHENANDOAH VALLEY PARTNERSHIP (SVP)

The SVP will hold an Economic Development Forum on March 28, 2008 at the Augusta County Government Center.

ooooOoooooo

REZONING.

On motion by Supervisor Eberly, seconded by Supervisor Cuevas, the Board removed the following rezoning request from the table for discussion:

> RZ07-01, Raymond E. Carr, Sr., Trust 2, 3235 Pleasant Valley Road, Mt. Crawford, to rezone 111.861 acres from A2 (General Agricultural) to RR1 (Residential or Recreational) on tax parcel 89 (3) 1. The site is located on the north side of Valley Overlook Drive (private), approximately one mile north of Union Springs Road (Route 933) in Election District #2. The Comprehensive Plan designates this area as Agricultural Reserve. RR1 allows 1 dwelling unit per 2.5 acres.

Upon Supervisor Eberly's questioning, Ms. Stultz explained that if the Board approved the request, Mr. Carr would be able to divide the lot once every three years; therefore, by 2019, up to 15 lots would be permitted.

Supervisor Eberly asked what the County's obligation would be if the septic systems failed, to which Mr. Miller reported that the County is under no legal obligation to assist those homeowners; however the homeowners could petition the Circuit Court for the creation of a sanitary district to administer services in the community.

Administrator Paxton reported the Board had supported three such sanitary districts when the districts did not have the finances to continue in order to aid the homeowners affected. He said while it was not a legal requirement, the County had a moral obligation to help those citizens. In one example, the Lilly Gardens subdivision, more than 60 homes were affected and the Board contributed $250,000, said Administrator Paxton.

On motion by Supervisor Eberly, seconded by Supervisor Kyger and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; FLOYD - AYE; the Board returned to the table, RZ07-01, Raymond E. Carr, Sr., Trust 2, 3235 Pleasant Valley Road, Mt. Crawford, to rezone 111.861 acres from A2 (General Agricultural) to RR1 (Residential or Recreational) on tax parcel 89 (3) 1. The site is located on the north side of Valley Overlook Drive (private), approximately one mile north of Union Springs Road (Route 933) in Election District #2.

ooooOoooooo

CLOSED MEETING.

On motion by Supervisor Eberly, seconded by Supervisor Breeden and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE; EBERLY - AYE; FLOYD - AYE; KYGER - AYE; the Board recessed the meeting from 7:10 p.m. to 7:45 p.m., for a closed meeting pursuant to Section 2.2-3711(A)(3) for discussion of acquisition of real property where discussion in an open meeting would adversely affect the negotiating strategy; and Section 2.2-3711(A)(7) for consultation with legal counsel and staff members pertaining to actual or probable litigation.

MOTION: SUPERVISOR KYGER RESOLUTION NO: X08-05
SECOND: SUPERVISOR BREEDEN MEETING DATE: MAR. 26, 2008

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Rockingham County Board of Supervisors has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board of Supervisors that such Closed Meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Rockingham County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies; and (ii) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Board of Supervisors.

VOTE:
AYES: BREEDEN, CUEVAS, EBERLY, FLOYD, KYGER
NAYS: NONE
ABSENT: NONE

ooooo Ooooo

ADJOURNMENT.

On motion by Supervisor Cuevas, seconded by Supervisor Eberly and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CUEVAS - AYE; EBERLY - AYE; FLOYD - AYE; KYGER - AYE; the Board adjourned the meeting at 7:46 p.m.

_____,
Chairman