

VIRGINIA: At an adjourned meeting of the Board of Supervisors of the County of Patrick, held at the Patrick County Administration Building thereof on Thursday, July 22, 2004 at 3:30 p.m.

PRESENT: Crystal P. Harris, Chairperson; H. Danny Foley, Sr., Vice Chairman; Darrell Cockerham, Roger L. Martin, and David G. Young, Board Members; Regena H. Handy, County Administrator; Michael Burnette, Assistant County Administrator; Eric Helms Monday, County Attorney; and Mary Beth Roberson, Assistant to the County Administrator.

The Chairperson called the meeting to order.

Regena H. Handy, County Administrator, gave the invocation.

The Board recited the Pledge of Allegiance to the Flag, followed by a Moment of Silence in honor of U. S. military personnel serving abroad.

On motion by Darrell Cockerham, seconded by David G. Young and carried, the agenda for the meeting was approved.

Voting Aye: Harris, Foley, Cockerham, Martin, and Young

Voting Nay: None

On motion by David G. Young, seconded by Darrell Cockerham and carried, the Board convened into Executive Session to discuss Legal Matters [Section 2.2-3711 (A)(7), 1950 Code of Virginia as amended.

Voting Aye: Harris, Foley, Cockerham, Martin, and Young

Voting Nay: None

Let it be hereby noted for the record that the Stuart Town Council after properly opening its meeting and convening into Executive Session, this day joined the Board in Executive Session.

On motion by David G. Young, seconded by Darrell Cockerham and carried, the Board reconvened into regular session, based upon the following:

WHEREAS, the Patrick County Board of Supervisors has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with provisions of the Virginia Freedom of Information Act, and

WHEREAS, Section 2.1-344.1 of the Code of Virginia requires a certification by the Board that such executive meeting was conducted in conformity with Virginia law,

NOW, THEREFORE, BE IT RESOLVED that the Patrick County Board of Supervisors does hereby certify that, to the best of each member's knowledge, only

such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Board,

BE IT FURTHER RESOLVED that the Patrick County Board of Supervisors does hereby certify that, to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies.

Voting Aye: Harris, Foley, Cockerham, Martin, and Young

Voting Nay: None

The Stuart Town Council properly reconvened into regular session as outlined in its minutes of this same day.

The Chairperson and the Stuart Town Mayor announced that the County and the Town have reached a tentative agreement concerning the Town's Proposed Annexation. The Chairperson stated that both parties feel that this is a good example of the spirit of cooperation between localities and that it will create a positive future for our community. She advised that the particulars of this agreement are available to the public and that it is not binding until a special, joint meeting is held and public comment is received, which is scheduled for August 4, 2004 at 9:00am. The Chairperson said that this is the best for the Town and County without each locality going approximately \$700,000 in debt. The Town Mayor stated that this was a good opportunity for the Town and County to work together. He noted that both sides had to give some, but that they came up with a good agreement. The Chairperson advised that the two bodies agreed upon a Memorandum of Understanding, as follows:

Memorandum of Understanding

This Memorandum of Understanding is entered into this 22nd day of July 2004 between the County of Patrick, Virginia ("the County"), a political subdivision of the Commonwealth of Virginia, and the Town of Stuart, Virginia ("the Town"), a political subdivision of the Commonwealth of Virginia, by and through their Board of Supervisors and Town Council, respectively.

Whereas, the Town desires to extend its boundaries by the process of annexation as established by the Code of Virginia; and

Whereas, the parties recognize the costs and risks of litigation arising from the County's opposition to the annexation, which would result in the vast expenditure of taxpayer funds by both parties; and

Whereas, the parties recognize that the future economic vitality of the Community rests upon cooperation between localities; and

Whereas, the parties desire to establish a framework for the stable and permanent allocation of water and sewer services to their respective citizens; and

Whereas, the parties desire to foster an amicable spirit of cooperation for the betterment of the common good;

Now therefore witnesseth, that the parties agree as follows:

1. The County shall not oppose the Town's annexation of the areas proposed, as introduced to the County at January, 2004 regular meeting of the Board of Supervisors.

2. The Town shall refrain from instituting any further annexation proceeding for a period of twenty (20) years from the date of this Memorandum.

3. The Town shall impose the lodging tax currently established by County Ordinance. In the future event a meals tax is passed by public referendum, the Town shall impose such meals tax and will reduce the Town's Business, Professional and Occupational Licensing ("BPOL") tax by fifty percent (50%) in the first year thereafter and by up to one hundred percent (100%) in the second year thereafter. The County shall remit to the Town twenty-five percent (25%) of the amount from any such meals tax collected within the boundaries of the Town.

4. The parties agree that the County or its designee may, in its discretion, purchase all water and sewer service outside the post-annexation boundaries of the Town at a rate established at the same terms prescribed by Paragraph Three (3) of the Patrick Springs Support Agreement. Excepted from this provision are the water and sewer lines currently in existence running from the present Town boundary to the water tank located

in the Rich Creek Corporate Park; any entity desiring to connect to these lines shall be permitted to do so, contingent upon the availability of the required capacity. The parties agree that the water and sewer lines currently existing to the east of the water tank shall be owned, operated and maintained by the County.

5. The parties agree that the cost of future capacity expansion of the Town's water and sewer plants shall be allocated among the parties by the relative percentages of volume consumed at the time of such expansion by County residents and post-annexation Town residents.

6. The parties agree that any future extension of water and sewer lines beyond the boundaries of the post-annexation Town shall be made as deemed necessary by the County, contingent upon the availability of the required capacity; such expansion shall be funded exclusively by the County and the resulting water and sewer lines shall be County property and maintained by the County. The parties may enter into a maintenance agreement for these lines at their discretion.

7. The Town shall immediately provide water and sewer service to the property commonly known as the FulFlex site, contingent upon the Town's ability to provide the required capacity.

8. The parties shall undertake all legal proceedings, ordinances, or other process, which may be necessary to put the terms of this Memorandum into effect.

9. The terms of this Memorandum shall not become binding upon the parties until adopted by their respective governing bodies convened in public session and only after entertaining comment from the public.

10. The extent permitted by law, the terms agreed upon shall be perpetual.

This Memo of Understanding was signed by:

Patrick County Board of Supervisors:

H. Danny Foley, Sr., Vice Chairman
Darrell Cockerham
David G. Young

Stuart Town Council:

James McHone, Mayor
Glenn W. Gunter
James Staples
Dale Firebaugh
Jason Turner
K. Ray Weiland

Ordered that the Board be adjourned until Wednesday, August 4,
2004 at 9:00 a.m.

, Chairperson