

# Issue Analysis Form



**Date:** March 12, 2019  
Public Hearing – 2019  
General Obligation Bond  
Issuance

**Item:**

**Lead Department(s):** County Finance

**Contact Person(s):** Betsy Drewry

## Description and Current Status

We are required to hold a public hearing prior to the issuance of General Obligation bonds. Multiple capital projects with planned debt issuance / bond proceeds as the funding source were recommended as part of the adopted FY2019 budget.

Additionally, the Board of Supervisors provided guidance on updating the projects planned for FY2019, specifically, removal of Self-Contained Breathing Apparatus and addition of Jefferson Park Fire Station Relocation. The Police Boat (Local Grant Matching) was removed, as we did not receive the grant.

A listing of projects for consideration for inclusion in the Spring 2019 debt issuance are shown below:

#	Project Description	Original CIP	Updated CIP	Date Approved
1	Utility Design [Food Lion \$260,000 & Rt 156 \$240,000]	\$ 500,000	\$ 500,000	7/10/2018
2	Police Vehicles	\$ 400,000	\$ 400,000	8/14/2018
3	Assessor's Software (Vision)	\$ 495,125	\$ 247,629	8/14/2018
4	Door Entrance Upgrades (Handicap Access & Swipe Entry)	\$ 125,000	\$ 63,898	1/22/2019
5	Fire & Crew Building Entrance Security	\$ 75,000	\$ 75,000	
6	Scott Park Multi-Purpose Building (Restroom & Concession Stand)	\$ 450,000	\$ 450,000	
7	Route 156 Water Main Extension	\$ 2,400,000	\$ 2,400,000	
8	Food Lion Water System Upgrades	\$ 1,840,000	\$ 1,840,000	
9	Police Boat (Local Match for Grant)	\$ 65,000	\$ -	REMOVED
10	Self Contained Breathing Apparatus - Fire/EMS	\$ 1,482,000	\$ -	REMOVED
11	Jefferson Park Relocation / Construction	\$ -	\$ 3,200,000	
12	Closing Costs & Contingency	\$ -	\$ 273,473	
	<b>TOTAL</b>	<b>\$ 7,832,125</b>	<b>\$ 9,450,000</b>	<b>TOTALS</b>
	<b>Already appropriated</b>		<b>\$ 1,211,527</b>	
	<b>Added Appropriation Required</b>		<b>\$ 8,238,473</b>	

To date, projects valued at \$1,211,527 have been approved with appropriation and reimbursement resolutions completed. They are shaded in yellow on the table above and include design work for the Food Lion water system upgrades & Route 156 water main extension utility projects (\$500,000); Police Vehicles (\$400,000); Assessor's

Software replacement (\$247,629); and Door Entrance security upgrades (\$63,898).

Five additional FY2019 projects and projected closing costs\* are planned for inclusion in the FY2019 borrowing and only project estimates are available at this time. They are shaded in blue on the table above and include Fire & Crew Building Entrance Security Upgrades (\$75,000); Scott Park Multi-Purpose Building (\$450,000); Route 156 Water Main Extension (\$2,400,000); Food Lion Water Systems Upgrades (\$1,840,000) and Jefferson Park Fire Station Relocation/Construction (\$3,200,000). Closing Costs and contingency are estimated at \$273,473.

Appropriated Projects to Date:	\$ 1,211,527
Other Projects & Closing Costs*:	<u>8,238,473</u>
Total Anticipated GO Bond Issue	\$ 9,450,000

\*Closing Costs may be less than estimate provided. The board authorized advertisement of a public hearing for bond issuance of "up to" \$9,450,000 in General Obligation Bonds on February 12, 2019.

Attached is a copy of the advertisement prepared by Bond Counsel Bond Counsel (Doug Sbertoli, Williams Mullen) and advertised twice in ***The Progress Index*** (once on February 26, 2019 and once March 5, 2019 - **Attachment A**).

Davenport & Company, the County's Financial, advisor issued a Request for Proposals (RFP) on February 4, 2019 to solicit proposals to obtain funding for County General Obligation bonds of **up to** \$9,450,000, and sent the proposal to 107 potential lenders.

Additionally, Davenport assisted in preparing an application to the Virginia Resources Authority (VRA) as the potential lender. VRA's estimated borrowing rate will be compared to bank/lender responses to determine best avenue for borrowing.

Responses were received from 10 different banks. Davenport's summary report, including VRA information, and recommendation are provided as **Attachment B**. Davenport will discuss Zions Bank and VRA as options. Davenport and staff recommend **Zions Bank** as the lender/bank at a 15 year blended rate of 2.88%, for a total borrowing of \$9,450,000.

Bond counsel, Doug Sbertoli, Williams Mullen, has prepared the bond issuance resolution for board consideration and approval. The resolution provides the option of lender as Zions Bank or VRA depending on Board decision. Board approved option will be incorporated into the final resolution for signature.

Mr. Ted Cole, Davenport & Company and Mr. Doug Sbertoli, Williams Mullen, will be in attendance at the March 12, 2019 to present recommendation to the board and to answer any questions.

Suggested Public Hearing Structure:

- Introduction of Public Hearing Topic – Betsy Drewry, Finance Director
- Discussion of bank RFP and Recommended bank – Ted Cole, Davenport & Company
- Public Comment
- Approval of Resolution Authorizing Issuance of General Obligation Bonds not to exceed \$9,450,000.

Requested Board Actions (following presentations and public comment)

Approve resolution Authorizing Issuance of General Obligation Bonds not to exceed \$9,450,000. Resolution includes approval of bank.

Does this require IDA action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this require BZA action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does This require Planning Commission Action?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does this require Board of Supervisors action?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does this require a public hearing?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If so, before what date? [2 publications one per week With last at least 6 days prior To public hearing]	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Fiscal Impact Statement**

Approval of these projects and borrowing up to \$9,450,000 ***will not*** create the need to increase the County's tax rates. Related debt service expenditures are included in the proposed FY2020 budget.

**County Impact**

Issuance of debt will allow for bidding and completion of outlined capital projects.

**Notes**

**NOTICE OF  
PUBLIC HEARING OF THE  
BOARD OF SUPERVISORS  
OF THE  
COUNTY OF PRINCE  
GEORGE, VIRGINIA TO  
CONSIDER  
ADOPTION OF A  
RESOLUTION  
AUTHORIZING THE  
ISSUANCE OF GENERAL  
OBLIGATION  
BONDS IN THE  
MAXIMUM PRINCIPAL  
AMOUNT OF UP TO  
\$9,450,000**

The Board of Supervisors of the County of Prince George, Virginia, will hold a public hearing on Tuesday, March 12, 2019 at 7:30 p.m. in the County Administration Building, Boardroom, Third Floor, 6602 Courts Drive, Prince George, Virginia 23875, to consider adoption of a resolution authorizing the issuance of general obligation bonds, notes or other obligations of the County in a maximum principal amount not to exceed \$9,450,000. The bond proceeds are expected to be used to finance various capital projects for County purposes that include: (i) the purchase of police vehicles and other law enforcement related assets; (ii) utility improvements - upgrades to the Food Lion Water System; (iii) utility improvements - water main extension along Route 156; (iv) improvements to entrances and security systems of public County owned buildings, including the County Administration Building, Police Department, Emergency Communications Center, volunteer fire stations and emergency crew building; (v) the replacement of software for use by the Real Estate Assessor; (vi) construction of a new fire station to replace Jefferson Park Fire Station; (vii) construction of a multi-purpose building at Scott Park; and (viii) to pay costs of issuance. The County anticipates that more than ten percent of the maximum principal amount of the \$9,450,000 in bond proceeds for the purposes described above will be used to finance each of the two utility improvement projects and to construct the new fire station. The proposed resolution will provide that the bonds, notes or other obligations are to be general obligations, the payment of which will be secured by the County's pledge of its full faith and credit and taxing power. All interested persons may appear and present their views at the public hearing. A preliminary draft of the full text of the resolution is on file in the office of the County Administrator and is also available for public inspection during normal business hours and on the County's web-site at <http://www.princegeorgecountyva.gov>. Anyone needing assistance or accommodation under the provisions of the Americans with Disabilities Act should call the County Administrator's Office at (804) 722-8600 at least five (5) days in advance of the public hearing.

**BOARD OF SUPERVISORS  
OF THE COUNTY OF  
PRINCE GEORGE, VIRGINIA**

**DAVENPORT & COMPANY****Davenport Public Finance**

One James Center  
901 E Cary Street, Ste.1100  
Richmond, VA 23219

To Prince George County, Virginia  
From Davenport & Company LLC  
Date March 5, 2019  
Subject Summary of 2019 CIP Financing Options

**Background**

On February 4, 2019, Davenport distributed a Request for Proposals (“RFP”) to financing institutions. The RFP requested proposals in an amount up to \$9,450,000 for the anticipated CIP projects and the related costs of issuance. The RFP contemplated the following summary of CIP needs:

Description		Estimated Cost
1	<b>5 Year Projects</b>	
2	Police Vehicles	\$ 400,000
3	<b>Subtotal 5 Year Projects</b>	<b>\$ 400,000</b>
4	<b>15 Year Projects</b>	
5	Water Main Extension (Rt. 156)	2,640,000
6	Water System Upgrades (Food Lion)	2,100,000
7	Renovation of County-Owned Buildings (Admin/CC/CWC/Police)	63,898
8	Fire & Crew Building Security System	75,000
9	Real Estate Assessment Software Replacement	247,496
10	Scott Park Multi-Purpose Building	450,000
11	Fire Station Relocation (Jefferson Park)	3,200,000
12	Contingency	123,606
13	<b>Subtotal 15 Year</b>	<b>\$ 8,900,000</b>
14	<b>Total Estimated Project Costs</b>	<b>\$ 9,300,000</b>
15	Estimated Costs of Issuance	150,000
16	<b>Total Estimated Project Budget</b>	<b>\$ 9,450,000</b>

In addition to the Bank RFP process, the County submitted an application to participate in the 2019 Virginia Resources Authority (“VRA”) Spring Pool.

**Bank RFP Results**

Bank Proposals were due on February 28, 2019. Through the Bank RFP process, the County received proposals from the following ten (10) lending institutions for the 2019 Bond (in alphabetical order):

- Branch Banking & Trust Company
- Capital One Public Funding
- First Internet Public Finance Corp.
- Fulton Bank
- Hancock Whitney Bank
- Key Government Finance, Inc.
- Pinnacle Public Finance, Inc.
- Raymond James Capital Funding, Inc.
- Sterling National Bank
- Zions Bank



## DAVENPORT & COMPANY

### Summary of 2019 CIP Financing Options

March 5, 2019

### Proposed Interest Rates

A summary of the interest rates received for each of the scenarios/options is shown below. Zions Bank provided the lowest interest rates that are fixed for the life of the financing for all scenarios/options.

Key Assumptions	Scenario 1: Level Debt Service by Component			Scenario 2 Level Debt Service in the Aggregate
	A	B	C	
Par Amount	\$425,000	\$9,025,000	\$9,450,000	\$9,450,000
Weighted Avg. Maturity (In Years)	2.9	8.5	8.3	8.5
Term	5 Years (Series A)	15 Years (Series B)	15 Years (Single Series)	15 Years (Single Series)
Maturity	2/1/2024	2/1/2034	2/1/2034	2/1/2034
<b>Bank<sup>(1)</sup></b>				
1 Zions Bank	2.54%	2.89%	2.88%	2.89%
2 Raymond James <sup>(2)</sup>	N/A	3.05%	3.00%	3.05%
3 Pinnacle Public Finance	2.90%	3.115%	3.105%	3.115%
4 Sterling National Bank	N/A	3.13%	3.13%	3.13%
5 Capital One	2.75%	3.17%	3.16%	3.17%
6 BB&T	2.67% / 2.78%	3.19% / 3.30%	3.19% / 3.30%	3.19% / 3.30%
7 Hancock Whitney Bank	3.22%	3.22%	3.22%	3.22%
8 Key Bank	3.21%	3.247%	3.236%	3.247%
9 Fulton Bank <sup>(3)</sup>	3.13% / 3.32%	3.37% / 3.56%	3.37% / 3.56%	3.37% / 3.56%
10 First Internet Bank	3.40%	3.49%	3.49%	3.49%

<sup>(1)</sup> BQ and NBQ rates are reflected above for BB&T and Fulton Bank. The other banks provided Tax-Exempt rates that were indifferent to BQ and NBQ.

<sup>(2)</sup> Raymond James' proposal includes bank fees equal to 0.25% of the par amount in addition to Lender's Counsel Fees.

<sup>(3)</sup> Fulton Bank's 15 Year options above reset based upon a % of the ICE SWAP Benchmark after 10 years. All of Fulton Bank's rates shown above are not set until 5 days prior to Closing and are indicative as of 2/28/19.

### Zions Bank Proposal

In addition to providing the lowest interest rates for each of the scenarios/options under consideration, the Zions Bank proposal included the most flexible key terms and conditions as follows:

- Interest rates held-firm through Closing on or before April 29, 2019.
- Flexibility to prepay the loan in whole or in part at any time without penalty.
- No bank or lender's counsel fees.
- Funds would be available at Closing in early / mid-April.

As a result of Zions Bank's proposal providing the lowest interest rates in all scenarios / options and flexible financing provisions, the remainder of this analysis will focus on the Zions Bank proposal; specifically, Scenario 1, Option C. (Please find comparative details of the various scenarios/options as it relates to Zions Bank in Appendix Exhibit A).

### VRA Financing Option

VRA is in the process of reviewing the County's application for the Spring Pool. The VRA Financing Option would be subject to the following:

- Interest rates would not be set until Pricing on or about May 8, 2019 (approximately 60 days).
- Prepayment would typically not be permitted in the first 10 years; thereafter, prepayment would be permitted in whole or in part without penalty.
- The County would be responsible for their proportionate share of VRA's issuance cost.
- Funds would be available at Closing on or about May 22, 2019.

## DAVENPORT & COMPANY

### Summary of 2019 CIP Financing Options

March 5, 2019

### Debt Service Comparison – VRA Financing vs. Zions Bank

A comparison of the tax-exempt interest rates as well as the estimated average annual and total debt service under the Zions Bank and VRA Spring Pool financing options are shown in the summary chart below. The preliminary VRA results are estimated based on current market interest rates as of March 1, 2019 and are subject to change. (Please find further details as it relates to this comparison in Appendix Exhibit B).

	A	B	C
		VRA	Zions Bank Scenario 1C
1 <b>Borrowing Details<sup>(1)</sup></b>			
2 <b>Summary of Key Assumptions</b>		<b>Total</b>	<b>Total</b>
3 Closing / Funding Date		5/22/2019	4/5/2019
4 Tax-Exempt Interest Rate / TIC		2.660%	2.880%
5			
6 <b>Sources of Funds<sup>(1)</sup></b>			
7 Par Amount		\$ 8,220,000	\$ 9,450,000
8 Original Issue Premium/(Discount)		1,367,067	-
9 <b>Total Sources</b>		<b>\$ 9,587,067</b>	<b>\$ 9,450,000</b>
10			
11 <b>Uses of Funds<sup>(1)</sup></b>			
12 Project Amount		\$ 9,300,000	\$ 9,300,000
13 Local Costs of Issuance <sup>(2)</sup>		150,000	150,000
14 VRA Costs of Issuance <sup>(2)</sup>		137,067	-
15 <b>Total Uses</b>		<b>\$ 9,587,067</b>	<b>\$ 9,450,000</b>
16			
17 <b>Average Annual Debt Service<sup>(3)</sup></b>		<b>\$ 767,187</b>	<b>\$ 776,573</b>
18 <b>Difference vs. VRA</b>			<b>\$ 9,386</b>
19 <b>Total Debt Service<sup>(3)</sup></b>		<b>\$ 11,507,803</b>	<b>\$ 11,648,592</b>
20 <b>Difference vs. VRA</b>			<b>\$ 140,789</b>
21 <b>Breakeven Interest Rate Movement vs. Bank</b>		<b>0.19%</b>	

<sup>(1)</sup> Estimates are preliminary and subject to change and include preliminary estimated costs of issuance.

<sup>(2)</sup> Captures Costs of Issuance and Additional Proceeds.

<sup>(3)</sup> Includes VRA annual administrative fee of 0.125% of the outstanding balance.

### Recommendation

Based upon our review of the proposals, related analyses, and discussions with County Staff and Bond Counsel, Davenport recommends that the County pursue the direct bank loan financing option provided by Zions Bank. The Zions Bank proposal provides interest rates that are held-firm through the anticipated closing date and provides maximum flexibility to prepay or refinance the loan in whole or in part at any time after closing without penalty. Though the preliminary VRA current market average interest rate and debt service payments are estimated to be slightly better than the Zions Bank proposal, current market interest rates would only have to increase by 0.19% in the next 60 days to breakeven to the results of the Zions Bank proposal. The VRA option also provides less prepayment flexibility since it cannot be prepaid for the first ten years (10) of the loan.

### Next Steps

Date	Task
March 12	County Board Meeting <ul style="list-style-type: none"> <li>Hold Public Hearing for Debt Issuance.</li> <li>Davenport presents analysis comparing Direct Bank Loan RFP Results to VRA.</li> <li>County Board considers selecting preferred financing approach.</li> <li>County Board considers adopting resolution(s) and form of financing documents.</li> </ul>
Balance of March	Working Group coordinates on numbers, documents, etc.
Early to Mid-April	Close on Direct Bank Loan, if selected.

## **DAVENPORT & COMPANY**

### **Summary of 2019 CIP Financing Options**

March 5, 2019

## **Appendix**



# DAVENPORT & COMPANY

## Summary of 2019 CIP Financing Options

March 5, 2019

### Exhibit A: Zions Bank - Debt Service Comparison

The table below reflects the estimated debt service for each scenario/option based on the proposal provided by Zions Bank. Zions Bank's proposal for Scenario 1, Option C provides the lowest all-in debt service cost to the County.

A			B			C			D			E			F			G			H			I			J		
Borrowing Details			Scenario 1 A & B			Scenario 1 C			Scenario 1 C			Scenario 1 C			Scenario 1 C			Scenario 1 C			Scenario 1 C			Scenario 1 C			Scenario 1 C		
1	Summary of Key Assumptions		5 Year	15 Year	Aggregate	5 Year	15 Year	Aggregate	5 Year	15 Year	Aggregate	5 Year	15 Year	Aggregate	5 Year	15 Year	Aggregate	5 Year	15 Year	Aggregate	5 Year	15 Year	Aggregate	5 Year	15 Year	Aggregate			
2	Closing / Funding Date				4/5/2019			4/5/2019			4/5/2019			4/5/2019			4/5/2019			4/5/2019			4/5/2019			4/5/2019			
3	1st Interest Payment Date				2/1/2020			2/1/2020			2/1/2020			2/1/2020			2/1/2020			2/1/2020			2/1/2020			2/1/2020			
4	1st Principal Payment Date				2/1/2020			2/1/2020			2/1/2020			2/1/2020			2/1/2020			2/1/2020			2/1/2020			2/1/2020			
5	Final Maturity				2/1/2034			2/1/2034			2/1/2034			2/1/2034			2/1/2034			2/1/2034			2/1/2034			2/1/2034			
6	Weighted Average Maturity (WAM)				8.3			8.3			8.3			8.3			8.3			8.3			8.3			8.3			
7	Bank Interest Rate / TIC				2.890%			2.890%			2.890%			2.890%			2.890%			2.890%			2.890%			2.890%			
8					2.883%			2.883%			2.883%			2.883%			2.883%			2.883%			2.883%			2.883%			
9	Sources of Funds																												
10	Par Amount		\$	407,000	\$	9,043,000	\$	9,450,000																					
11	Original Issue Premium/(Discount)			-			-																						
12	Total Sources		\$	407,000	\$	9,043,000	\$	9,450,000																					
13																													
14	Uses of Funds																												
15	Project Amount		\$	400,000	\$	8,900,000	\$	9,300,000																					
16	Local Costs of Issuance			6,460		143,540		150,000																					
17	VRA Costs of Issuance			-		-		-																					
18	Underwriter's Discount			-		-		-																					
19	Additional Proceeds			540		(540)		-																					
20	Total Uses		\$	407,000	\$	9,043,000	\$	9,450,000																					
21																													
22	Estimated Debt Service (1)																												
23	2020		\$	87,500	\$	747,582	\$	835,382																					
24	2021			87,331		747,939		835,270																					
25	2022			87,325		747,431		834,756																					
26	2023			87,267		747,519		834,786																					
27	2024			87,159		748,173		835,332																					
28	2025			-		747,365		747,365																					
29	2026			-		748,123		748,123																					
30	2027			-		747,390		747,390																					
31	2028			-		748,194		748,194																					
32	2029			-		747,479		747,479																					
33	2030			-		747,272		747,272																					
34	2031			-		747,544		747,544																					
35	2032			-		748,268		748,268																					
36	2033			-		747,414		747,414																					
37	2034			-		748,010		748,010																					
38	Total Debt Service		\$	430,582	\$	11,216,001	\$	11,852,583																					
39	Difference vs. Scenario 1 C		\$	(4,075)	\$	8,066	\$	3,991																					

(1) Estimates are preliminary and subject to change.

## DAVENPORT &amp; COMPANY

## Summary of 2019 CIP Financing Options

March 5, 2019

## Exhibit B: VRA Financing vs. Zions Bank Comparison Details

The table below reflects a comparison of the tax-exempt interest rates as well as the total debt service under the VRA Financing Option and the Zions Bank Proposal for Scenario 1, Option C. The VRA results are estimated based on Current Market interest rates as of March 1, 2019 and are subject to change.

A		B		C		D		E		F		G		H		I		J		K	
Borrowing Details <sup>(1)</sup>		VRA		15 Year		Aggregate		5 Year		15 Year		Aggregate		Difference vs. VRA		5 Year		15 Year		Aggregate	
Summary of Key Assumptions																					
Closing / Funding Date						5/22/2019						4/5/2019									
1st Interest Payment Date						11/1/2019						2/1/2020									
1st Principal Payment Date						11/1/2019						2/1/2020									
Final Maturity						11/1/2033						2/1/2034									
Weighted Average Maturity (WAM)		2.5		8.4		8.1						8.3		8.1							
Tax-Exempt Interest Rate / TIC		2.024%		2.670%		2.660%						2.880%		2.880%		3.000%		4.000%			
Sources of Funds <sup>(1)</sup>																					
Par Amount		\$ 385,000		\$ 7,835,000		\$ 8,220,000		\$ 407,000		\$ 9,043,000		\$ 9,450,000		\$ 12,483		\$ 400,000		\$ 8,837,496		\$ 9,237,496	
Original Issue Premium/(Discount)		31,034		1,336,033		1,367,067		-		-		-		7,126		-		-		-	
Total Sources		\$ 416,034		\$ 9,171,033		\$ 9,587,067		\$ 407,000		\$ 9,043,000		\$ 9,450,000		10,968		\$ 400,000		\$ 8,837,496		\$ 9,237,496	
														9,474							
Uses of Funds <sup>(1)</sup>														11,800							
Project Amount		\$ 400,000		\$ 8,900,000		\$ 9,300,000		\$ 400,000		\$ 9,003,000		\$ 9,300,000		8,682		\$ 400,000		\$ 8,837,496		\$ 9,237,496	
Local Costs of Issuance		7,026		142,974		150,000		6,460		143,540		150,000		7,683		-		-		-	
VRA Costs of Issuance		4,267		86,833		91,100		-		-		-		7,505		-		-		-	
Underwriter's Discount		1,925		39,175		41,100		-		-		-		10,147		-		-		-	
Additional Proceeds		2,816		2,051		4,867		540		(540)		-		7,261		-		-		-	
Total Uses		\$ 416,034		\$ 9,171,033		\$ 9,587,067		\$ 407,000		\$ 9,043,000		\$ 9,450,000		8,861		\$ 400,000		\$ 8,837,496		\$ 9,237,496	
														11,452							
Estimated Debt Service <sup>(1)</sup>														9,060							
2020		\$ 86,787		\$ 735,507		\$ 822,293		\$ 87,638		\$ 747,138		\$ 834,776		\$ 12,483		\$ 87,342		\$ 794,854		\$ 882,196	
2021		89,222		739,216		828,438		88,475		747,088		835,563		7,126		87,342		794,854		882,196	
2022		85,378		739,484		824,863		88,200		747,630		835,830		10,968		87,342		794,854		882,196	
2023		86,406		738,728		825,134		87,867		746,741		834,608		9,474		87,342		794,854		882,196	
2024		87,178		736,947		824,125		88,477		747,448		835,925		11,800		87,342		794,854		882,196	
2025		-		739,013		739,013		-		747,694		747,694		8,682		-		794,854		794,854	
2026		-		739,797		739,797		-		747,480		747,480		7,683		-		794,854		794,854	
2027		-		739,300		739,300		-		746,805		746,805		7,505		-		794,854		794,854	
2028		-		737,522		737,522		-		747,669		747,669		10,147		-		794,854		794,854	
2029		-		739,334		739,334		-		747,014		747,014		7,680		-		794,854		794,854	
2030		-		739,609		739,609		-		746,870		746,870		7,261		-		794,854		794,854	
2031		-		738,347		738,347		-		747,208		747,208		8,861		-		794,854		794,854	
2032		-		735,547		735,547		-		746,998		746,998		11,452		-		794,854		794,854	
2033		-		738,181		738,181		-		747,242		747,242		9,060		-		794,854		794,854	
2034		-		736,300		736,300		-		746,909		746,909		10,609		-		794,854		794,854	
Total Debt Service		\$ 434,971		\$ 11,072,832		\$ 11,507,803		\$ 440,687		\$ 11,207,935		\$ 11,646,592		\$ 140,789		\$ 436,709		\$ 11,922,812		\$ 12,359,521	
Break-even Interest Rate Movement vs. Bank						0.19%															

<sup>(1)</sup> Estimates are preliminary and subject to change.<sup>(2)</sup> Includes VRA annual administrative fee of 0.125% of the outstanding balance.

# DAVENPORT & COMPANY

## Summary of 2019 CIP Financing Options

March 5, 2019

### Exhibit C: Debt Affordability – Planning Model

The table below reflects the joint efforts of County Staff and Davenport through preliminary Planning. As illustrated below, the funding of the FY 2019 CIP Projects was expected to have minimal to no impact on the County's Debt Affordability (Cash Flows) in comparison to current budget levels.



A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
	County Obligations Debt Service	School Obligations Debt Service	Police Vehicle Obligations Debt Service	Fire Apparatus Obligations Debt Service	Economic Development Obligations Debt Service	CIP Debt Service	CIP Operating Impact	Total	General Fund Budgeted Debt Service	From the Fire Apparatus Replacement Fund (2 Dedicated Priorities)	Economic Development Means Tax (Crosspointe)	2010A&B VML/VACO RZED and BAB Federal Subsidy 1-3	Total Revenues Available	Surplus/ (Deficit)	Revenue From Prior Tax Impact	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance
FY																			
2019	3,955,756	2,660,797	169,430	424,989	384,528	794,854	-	7,595,500	6,799,027	424,989	384,528	21,357	7,629,901	34,401	-	-	34,401	-	34,401
2020	3,151,168	2,635,862	226,202	337,462	385,916	794,854	-	7,551,484	6,799,027	337,462	385,916	18,802	7,541,208	(20,276)	-	(20,276)	(80,500)	0.31%	14,124
2021	3,151,309	2,619,796	343,941	337,462	385,118	794,854	-	7,296,018	6,799,027	-	385,118	16,248	7,201,394	(94,624)	-	(94,624)	(1,279,544)	-	-
2022	3,150,104	1,321,187	347,820	-	385,118	794,854	-	5,995,125	6,799,027	-	385,118	13,178	7,197,363	1,198,238	81,305	-	1,279,544	-	-
2023	3,141,096	1,311,390	346,934	-	385,059	794,854	-	5,982,334	6,799,027	-	385,059	9,979	7,197,066	1,214,732	82,930	-	1,279,544	-	-
2024	2,690,571	1,267,308	432,980	-	385,728	794,854	-	5,601,441	6,799,027	-	385,728	6,781	7,191,536	1,500,095	83,769	-	1,279,544	-	-
2025	2,279,393	1,223,895	431,737	-	384,281	794,854	-	5,116,159	6,799,027	-	384,281	3,454	7,184,875	2,072,603	84,606	-	1,279,544	-	-
2026	2,001,057	1,214,517	430,000	-	383,648	794,854	-	4,826,076	6,799,027	-	383,648	-	7,182,890	2,356,559	85,453	-	1,279,544	-	-
2027	2,000,105	711,939	430,000	-	383,653	794,854	-	4,320,751	6,799,027	-	383,653	-	7,182,890	2,862,129	85,453	-	1,279,544	-	-
2028	2,000,979	711,978	430,000	-	386,918	794,854	-	4,324,730	6,799,027	-	386,918	-	7,185,946	2,861,216	86,307	-	1,279,544	-	-
2029	2,001,625	711,744	430,000	-	384,729	794,854	-	4,322,952	6,799,027	-	384,729	-	7,183,766	2,860,804	87,170	-	1,279,544	-	-
2030	1,818,995	711,238	430,000	-	387,400	794,854	-	4,142,487	6,799,027	-	387,400	-	7,186,427	3,043,940	85,042	-	1,279,544	-	-
2031	1,817,466	710,458	430,000	-	388,316	794,854	-	4,141,594	6,799,027	-	388,316	-	7,187,843	3,046,249	85,922	-	1,279,544	-	-
2032	1,625,131	587,900	430,000	-	383,816	794,854	-	3,437,885	6,799,027	-	383,816	-	6,799,027	3,361,142	89,811	-	1,279,544	-	-
2033	781,953	591,600	430,000	-	-	794,854	-	2,458,407	6,799,027	-	-	-	6,799,027	4,200,620	90,710	-	1,279,544	-	-
2034	-	-	430,000	-	-	794,854	-	1,224,854	6,799,027	-	-	-	6,799,027	5,574,173	91,617	-	1,279,544	-	-
Total	35,586,777	10,021,609	6,190,044	762,452	5,019,153	89,799	-	78,491,767	762,452	5,019,153	89,799	-	1,122,770	(34,401)	-	-	-	0.31%	-

Assumed FY 2018 Value of a Penny<sup>(3)</sup>: \$250,000

Assumed Growth Rate: 1.0%

- 2010A's were issued through VML/VACO as Taxable Recovery Zone Economic Development Bonds and are eligible to receive a federal subsidy equal to 45% of the taxable interest paid. Due to Federal Sequestration the RZED subsidy rate is assumed to be reduced by 6.2% (10/1/18-9/30/19), for an effective subsidy of 42.21%.
- County Staff has conservatively budgeted no offsetting subsidy revenues in the Budget.
- 2010B's were issued through VML/VACO as Taxable Build America Bonds and are eligible to receive a federal subsidy equal to 35% of the taxable interest paid. Due to Federal Sequestration the BAB subsidy rate is assumed to be reduced by 6.2% (10/1/18-9/30/19), for an effective subsidy of 32.83%. County Staff has conservatively budgeted no offsetting subsidy revenues in the Budget.
- Estimate provided by Staff.





# DAVENPORT & COMPANY

## Summary of 2019 CIP Financing Options

March 5, 2019

### Exhibit E: Debt Affordability – Zions Bank

The table below demonstrates the potential impact based on preliminary results for the Zions Bank Proposal for Scenario 1, Option C. The Zions Bank Proposal would not produce an impact to the County's Debt Affordability (Cash Flows) in comparison to current budget levels.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
				5 Year Police Vehicles			15 Year Other CIP Projects													
	County Obligations Debt Service	School Obligations Debt Service	Police Vehicle Obligations	Fire Apparatus Obligations	Economic Development (Crosspointe) Obligations	CIP Operating Impact			Total	General Fund Budgeted Debt Service	From the Fire Apparatus Replacement Fund (2 Dedicated Fees)	Economic Development Meals Tax (Crosspointe)	VMI/VACO RZED and BAB Federal Subsidy (1/2)	Total Revenues Available	Surplus/ (Deficit)	Revenue From Prior Tax Impact	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance
2019	3,955,756	2,660,797	169,430	424,989	384,528	-	-	7,595,500	6,799,027	424,989	337,462	385,916	21,357	7,620,901	34,401	-	-	34,401	-	34,401
2020	3,151,188	2,635,802	256,498	337,462	385,916	-	747,138	7,514,954	6,799,027	337,462	337,462	385,916	18,802	7,541,208	27,143	-	-	27,143	-	61,344
2021	3,151,309	2,619,796	348,075	337,462	386,118	-	747,050	7,249,385	6,799,027	337,462	337,462	386,118	16,248	7,201,394	(47,992)	-	(47,992)	-	-	13,553
2022	3,150,104	1,321,187	348,075	337,462	385,158	-	747,630	5,922,759	6,799,027	337,462	337,462	385,158	13,178	7,197,363	1,244,604	-	-	1,244,604	-	1,258,156
2023	3,141,096	1,311,390	347,460	337,462	385,059	-	746,741	5,934,746	6,799,027	337,462	337,462	385,059	9,979	7,197,066	1,262,320	-	-	1,262,320	-	2,520,476
2024	2,690,571	1,297,308	434,115	337,462	385,728	-	747,448	5,585,170	6,799,027	337,462	337,462	385,728	6,783	7,191,536	1,636,366	-	-	1,636,366	-	4,156,842
2025	2,279,393	1,223,895	431,737	337,462	386,281	-	747,604	5,069,000	6,799,027	337,462	337,462	386,281	3,454	7,188,762	2,119,763	-	-	2,119,763	-	6,276,605
2026	2,001,057	1,214,517	430,000	337,462	385,648	-	747,480	4,778,702	6,799,027	337,462	337,462	385,648	-	7,184,675	2,405,973	-	-	2,405,973	-	8,682,578
2027	2,000,105	711,939	430,000	337,462	383,853	-	746,905	4,272,702	6,799,027	337,462	337,462	383,853	-	7,182,890	2,910,178	-	-	2,910,178	-	11,592,756
2028	2,000,979	711,978	430,000	337,462	386,918	-	747,669	4,277,544	6,799,027	337,462	337,462	386,918	-	7,185,946	2,908,401	-	-	2,908,401	-	14,501,157
2029	2,001,625	711,744	430,000	337,462	384,729	-	747,014	4,275,112	6,799,027	337,462	337,462	384,729	-	7,183,766	2,908,644	-	-	2,908,644	-	17,409,801
2030	1,818,995	711,238	430,000	337,462	387,400	-	746,870	4,094,503	6,799,027	337,462	337,462	387,400	-	7,186,427	3,091,924	-	-	3,091,924	-	20,501,725
2031	1,817,466	710,458	430,000	337,462	388,816	-	747,208	4,093,948	6,799,027	337,462	337,462	388,816	-	7,187,843	3,093,895	-	-	3,093,895	-	23,595,621
2032	1,825,131	587,900	430,000	337,462	339,029	-	746,998	3,390,029	6,799,027	337,462	337,462	339,029	-	6,799,027	3,408,998	-	-	3,408,998	-	27,004,619
2033	781,953	591,600	430,000	337,462	2,550,794	-	747,242	2,550,794	6,799,027	337,462	337,462	2,550,794	-	6,799,027	4,248,233	-	-	4,248,233	-	31,252,851
2034	-	-	430,000	337,462	1,176,909	-	746,909	1,176,909	6,799,027	337,462	337,462	1,176,909	-	6,799,027	5,622,118	-	-	5,622,118	-	36,874,970
Total	35,566,727	19,021,609	6,202,892	762,452	5,019,153	-	11,207,935	77,780,368	6,799,027	762,452	762,452	5,019,153	89,799	77,780,368	Total	-	-	(47,992)	0.00%	-

Assumed FY 2018 Value of a Penny<sup>(3)</sup>: \$250,000

Assumed Growth Rate: 1.0%

- 2010A's were issued through VML/VACO as Taxable Recovery Zone Economic Development Bonds and are eligible to receive a federal subsidy equal to 45% of the taxable interest paid. Due to Federal Sequestration the RZED subsidy rate is assumed to be reduced by 6.2% (10/1/18-9/30/19), for an effective subsidy of 42.21%.
- County Staff has conservatively budgeted no offsetting subsidy revenues in the Budget.
- 2010B's were issued through VML/VACO as Taxable Build America Bonds and are eligible to receive a federal subsidy equal to 35% of the taxable interest paid. Due to Federal Sequestration the BAB subsidy rate is assumed to be reduced by 6.2% (10/1/18-9/30/19), for an effective subsidy of 32.83%. County Staff has conservatively budgeted no offsetting subsidy revenues in the Budget.
- Estimate provided by Staff.

**DAVENPORT & COMPANY****Summary of 2019 CIP Financing Options**

March 5, 2019

**Municipal Advisor Disclosure**

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author's and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

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The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

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# Public Hearing

March 12, 2019

Issuance of General Obligation Bonds /  
Debt - Spring 2019

,

# CIP – Issuing Bonds

- o Multiple Capital Improvement Projects were recommended as part of the FY2019 budget with General Obligation Bonds as the funding source
- o Board of Supervisors provided guidance for updating projects to be included in the Spring 2019 borrowing

# Public Hearing Advertised

- o The County is required to hold a public hearing prior to issuing General Obligation Bonds
- o A public hearing for issuance of **up to** \$9,450,000 in General Obligation bonds advertised
- o Advertisement prepared by bond attorney
  - o *Progress Index*
  - o February 26, 2019
  - o March 5, 2019



# Projects & Closing Costs

#	Project Description	Original CIP	Updated CIP	Date Approved
1	Utility Design [Food Lion \$260,000 & Rt 156 \$240,000]	\$ 500,000	\$ 500,000	7/10/2018
2	Police Vehicles	\$ 400,000	\$ 400,000	8/14/2018
3	Assessor's Software (Vision)	\$ 495,125	\$ 247,629	8/14/2018
4	Door Entrance Upgrades (Handicap Access & Swipe Entry)	\$ 125,000	\$ 63,898	1/22/2019
5	Fire & Crew Building Entrance Security	\$ 75,000	\$ 75,000	
6	Scott Park Multi-Purpose Building (Restroom & Concession Stand)	\$ 450,000	\$ 450,000	
7	Route 156 Water Main Extension	\$ 2,400,000	\$ 2,400,000	
8	Food Lion Water System Upgrades	\$ 1,840,000	\$ 1,840,000	
9	Police Boat (Local Match for Grant)	\$ 65,000	\$ -	REMOVED
10	Self Contained Breathing Apparatus - Fire/EMS	\$ 1,482,000	\$ -	REMOVED
11	Jefferson Park Relocation / Construction	\$ -	\$ 3,200,000	
12	Closing Costs & Contingency	\$ -	\$ 273,473	
	<b>TOTAL</b>	\$ 7,832,125	\$ 9,450,000	<b>TOTALS</b>
	Already appropriated		\$ 1,211,527	
	Added Appropriation Required		\$ 8,238,473	

Actual expected Bond Issue  
- \$9,450,000

# IMPACT

- o The issuance of these bonds **DOES NOT** CREATE need for a tax increase
- o FY2020 bond payment amount is included in proposed FY2020 budget



# NEXT

- o Davenport & Company
  - o Review of bank proposals received
  - o VRA 2019 Spring Pool Terms
  - o Bank/Lender recommendation OR recommendation to participate in VRA 2019 Spring Pool
- o Board Member questions
- o Public Comment
- o Board Consideration and Possible Approval of Resolution authorizing debt issuance and lender / participation in VRA 2019 Spring Pool



Board of Supervisors  
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 12th day of March, 2019.

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Present:

Donald R. Hunter, Chairman  
Floyd M. Brown, Jr., Vice-Chairman  
Alan R. Carmichael  
Marlene J. Waymack  
T.J. Webb

Vote:

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P-3

On motion of \_\_\_\_\_, seconded by \_\_\_\_\_, which carried unanimously, the following Resolution was adopted:

**RESOLUTION AUTHORIZING THE ISSUANCE OF  
THE \$9,450,000 GENERAL OBLIGATION BOND  
(PUBLIC FACILITIES IMPROVEMENTS PROJECTS)  
SERIES 2019  
OF THE  
COUNTY OF PRINCE GEORGE, VIRGINIA**

**WHEREAS**, the County of Prince George, Virginia (**the “County”**) is a political subdivision of the Commonwealth of Virginia, and pursuant to the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended) (**the “Act”**) the Board of Supervisors of the County (**the “Board of Supervisors”**) is authorized to contract debts on behalf of the County and to issue, as evidence thereof, notes, bonds or other obligations; and

**WHEREAS**, following the approval of the affirmative vote of the qualified voters of the County in an election on the question, the County elected on September 19, 1985 to be treated as a city for the purpose of issuing its bonds or notes under the Act, and to therefore be able to secure certain indebtedness on a general obligation basis whereby the full faith and credit of the County is pledged to secure payment of bonds or notes without a referendum; and

**WHEREAS**, pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Act, the County is empowered to acquire, construct, reconstruct, improve, extend, enlarge, equip, maintain, repair and operate any project which is a public improvement or undertaking for which the County is authorized by law to appropriate money, and the County is

authorized to contract debts and to issue, as evidence thereof, bonds, notes or other instruments of indebtedness payable from pledges of the full faith and credit of the County; and

**WHEREAS**, the County held a public hearing, duly noticed, on March 12, 2019, regarding the proposed issuance of the Series 2019 Bond (as defined below) in accordance with the requirements of Section 15.2-2606 of the Act; and

**WHEREAS**, Davenport & Company LLC, the County's financial advisor (**the "Financial Advisor"**), as directed by County representatives, evaluated the considerations and benefits associated with the participation of the County in the Virginia Resources Authority ("VRA") 2019 Spring Pool Financing Program (the "VRA 2019 Spring Pool Program"); and

**WHEREAS**, the Financial Advisor, as directed by County representatives, prepared a Request for Proposals dated February 4, 2019 (**the "RFP"**) to obtain financing offers from banks and other lenders for the funding of various capital improvement Projects to be undertaken by the County; and

**WHEREAS**, the proposed capital improvement projects of the County to be financed, include, but are not limited to (i) the purchase of police vehicles and other law enforcement related assets; (ii) utility improvements – upgrades to the Food Lion Water System; (iii) utility improvements - water main extension along Route 156; (iv) improvements to entrances and security systems of public County owned buildings, including the County Administration Building, Police Department, Emergency Communications Center, volunteer fire stations and emergency crew building; (v) the replacement of software for use by the Real Estate Assessor; (vi) construction of a new fire station to replace Jefferson Park Fire Station; (vii) construction of a multi-purpose building at Scott Park; and (viii) to pay costs of issuance (**the "Projects"**); and

**WHEREAS**, the County shall issue its general obligation debt in one or more series, which shall be described as its \$9,450,000 General Obligation Bond, (Public Facilities Improvements Projects) Series 2019 (**the "Series 2019 Bond"**) and;

**WHEREAS**, the Board of Supervisors, based upon an evaluation of the responses to the RFP and the recommendations of County officials and the Financial Advisor, [have accepted a proposal from \_\_\_\_\_ (the "Lender") to finance the Projects]: [have elected to participate in, and finance the projects through, the VRA 2019 Spring Pool Program];

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PRINCE GEORGE, VIRGINIA:**

**1. Authorization of the Series 2019 Bond.** The Board of Supervisors hereby finds and determines that it is advisable and in the best interests of the County to incur debt and issue its Series 2019 Bond for the purpose of financing all or a portion of the Projects, along with the costs of issuing the Series 2019 Bond. The County previously authorized the solicitation by the Financial Advisor of bids for the Series 2019 Bond and the submission of a financing application to the VRA for participation in the VRA 2019 Spring Pool Program. The Board of Supervisors

now hereby authorizes the issuance of the Series 2019 Bond and the placement of the loan in accordance with the terms approved by the Board of Supervisors herein.

2. **General Obligation of the County.** The Series 2019 Bond shall be issued under the provisions of Article VII, Section 10(a) of the Constitution of Virginia. The Series 2019 Bond shall be a general obligation of the County, the principal of and interest on which are payable from ad valorem taxes to be levied without limitation as to rate or amount on all property in the County subject to taxation and a pledge of the full faith and credit of the County; and in each year while any amount payable with respect to the Series 2019 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, together with all other funds lawfully appropriated and available therefor, to provide for the payment of the principal of and premium, if any, and the interest on the Series 2019 Bond as such principal, premium, if any, and interest shall become due.

4. **Use of Series 2019 Bond Proceeds.** The proceeds derived from the issuance of the Series 2019 Bond, after the payment of the costs of issuance of the Series 2019 Bond, are expected to be applied to the payment of (or for the reimbursement to the County of costs previously paid) all or a portion of the costs of the Projects identified below, in substantially the following estimated amounts:

<b><u>Project</u></b>	<b><u>Amount</u></b>
1. Scott Park Multi-Purpose Building	\$450,000
2. Police Vehicles	\$400,000
3. Food Lion Water System Upgrade	\$2,100,000
4. Route 156 Main Extension	\$2,640,000
5. Real Estate Assessment Software	\$247,629
6. Public Building Security Improvements	\$138,898
7. Jefferson Park Fire Station Relocation	\$3,200,000
8. Costs of Issuance and Contingency	\$273,473
<b>Total Project Costs Initially Identified</b>	<b><u>\$9,450,000</u></b>

If the actual costs for any of the Projects identified above exceeds the anticipated costs, such excess may be paid from the proceeds of the Series 2019 Bond originally allocated to any of the other components of the Projects, or any other lawful source of funds that will not impact the tax-exempt status of the Series 2019 Bond, including other bond issues.

5. **Description of Series 2019 Bond.** The Series 2019 Bond shall evidence the County's obligation to repay a loan in an aggregate principal amount not to exceed \$9,450,000, the details of which are set forth in the [written proposal of the Lender selected by the County described to the Board of Supervisors by the Financial Advisor in connection with the discussions of responses to the RFP received by the County (the "Lender Loan Proposal")]

[term sheet issued by VRA setting forth the details pursuant to which the County would participate in the VRA 2019 Spring Pool Program (the "VRA Term Sheet")]. A copy of the [Lender Loan Proposal][VRA Term Sheet], in substantially final form [as the same may be amended], has been provided to the Board of Supervisors.

The terms of the [VRA Commitment Letter] [Lender Loan Proposal] as presented to the Board by the Financial Advisor are hereby approved, and Bond Counsel is hereby directed to incorporate such details in this Resolution that are appropriate to reflect the financing structure selected by the Board. The Series 2019 Bond shall have a final maturity date of [October 1, 2033] [February 1, 2034] and the principal on the Series 2019 Bond shall be payable annually on [October 1] [February 1] of each year beginning on [October 1, 2019] [February 1, 2020]. Interest on the Series 2019 Bond shall be payable [at the rate of \_\_\_\_percent per annum][at an interest rate not to exceed \_\_ percent per annum] on [February 1] [April 1] and [August 1] [October 1] each year during which such debt obligation remains outstanding, commencing on\_\_\_\_\_, 20\_\_.

**6. Delegation of Authority to Finalize the Series 2019 Bond Financing Documents.** The final terms of the Series 2019 Bond shall be determined by the Chairman or the Vice-Chairman of the Board of Supervisors and evidenced conclusively by his execution and delivery of the Series 2019 Bond, together with all other financing documents and closing papers associated with the issuance of the Series 2019 Bond, including but not limited to [any loan or corresponding agreement with the Lender][the Financing Agreement with VRA], and no further action of the Board of Supervisors shall be required. The Chairman of the Board of Supervisors or Vice-Chairman is hereby authorized to execute and deliver the Series 2019 Bond to the Lender, and the Clerk of the Board of Supervisors is hereby authorized to affix and attest the Seal of the County thereon.

**7. Tax Covenants.** The County covenants and agrees to comply with the provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable Treasury Regulations promulgated thereunder at all times during which the Series 2019 Bond is outstanding.

**8. Reimbursement Authorization.** To the extent not previously declared, the County intends that the adoption of this Resolution will be a declaration of the County's official intent in accordance with U.S. Treasury Regulation Section 1.150-2 to obtain reimbursement from the Series 2019 Bond proceeds or any subsequent debt obligations of the County for expenditures on the Projects made on or after 60 days prior to the date hereof. The County intends that funds that have been advanced for costs of the Projects, or which may be so advanced, may be reimbursed from proceeds of the Series 2019 Bond, or any subsequent debt obligations.

**9. Other Actions.** All other actions of officers of the County taken heretofore or hereafter conforming with the purposes and intent of this Resolution are approved, ratified and confirmed. The Board of Supervisors hereby approves and directs Williams Mullen, Bond Counsel to the County, the Financial Advisor and County staff to prepare and review the

financing documents and take such actions as are necessary or appropriate in connection with the issuance of such Series 2019 Bond.

**10. Filing of Resolution.** The Clerk or any Deputy Clerk of the Board of Supervisors or other agent or employee of the County, is hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County of Prince George, Virginia.

**11. Effective Date.** This Resolution and the provisions contained herein shall become effective immediately upon adoption.

Adopted: March \_\_\_, 2019

## CERTIFICATE

The undersigned Clerk of the Board of Supervisors of the County of Prince George, Virginia hereby certifies that the foregoing is a true, correct and complete copy of a resolution duly adopted by a majority of the members of the Board of Supervisors of the County of Prince George, Virginia present and voting during the meeting duly called and held on March 12, 2019, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

Member Name	Present	Absent	Voting		
			Yes	No	Abstaining
Donald R. Hunter					
Floyd M. Brown, Jr.					
Alan R. Carmichael					
Marlene J. Waymack					
T. J. Webb					

WITNESS my hand and seal of the County this \_\_\_\_ day of March, 2019.

\_\_\_\_\_  
Clerk, Board of Supervisors of the  
County of Prince George, Virginia

(SEAL)

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