

Issue Analysis Form



Date: September 8, 2020
Discussion and Approval of
Debt Refunding /
Item: "Refinancing" Option
County Administration &
Lead Department(s): Finance
Percy C. Ashcraft & Betsy
Contact Person(s): Drewry

Description and Current Status

On September 1, Ted Cole, Senior Vice-President, Davenport & Company, LLC (the County's contracted financial advisor), provided the Board an overview of potential savings if we refund (refinance) several of the County's existing debt obligations to take advantage of lowered borrowing rates.

Davenport provided an analysis that compared possible savings and costs refunding County debt through two options:

- **Option 1** - Refunding through Virginia Resources Authority (VRA) fall 2020 borrowing pool
- **Option 2** – Issuance of County Debt in public bond market

See **Attachment A** for the analysis provided to the Board on September 1.

On September 1, Mr. Cole, Board members and staff discussed possible risks and costs for both options.

The analysis (**Attachment A**) shows *estimated* savings under the options as follows:

VRA Fall Pool Savings - \$2,935,470*

County Public Issuance - \$3,501,062*

Difference = \$565,592*

*Preliminary and subject to change with change in bond market rates

Staff seeks approval from the Board on the preferred option to refund debt. VRA refunding or issuance of County bonds in the public market.

If a VRA refunding is the best option (option 1), staff will work with Davenport and Williams Mullen (bond counsel) to prepare the needed documents and resolutions to bring to the Board of Supervisors for **consideration and possible approval on September 22, 2020**. The draft resolution will provide the board with protection from participation with the fall 2020 VRA financing pool unless certain savings thresholds are met at closing (i.e. the ability to withdraw our application). **If issuance of County Debt**

in the public bond market (option 2) is the best option, board actions and approvals would likely take place September through November, 2020.

Comparative timelines are provided on page 5 of Attachment A.

Board Action Requested:

Approve refunding method by resolution. Draft resolution is provided for consideration and possible approval. The preferred option would need to be selected.

Government Path

- | | | |
|--|---|--|
| 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 type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If so, before what date? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Fiscal Impact Statement

If qualified existing debt obligations are refunded (refinanced), substantial savings could be realized based on lowered borrowing rates.

County Impact

The County can enjoy reduced debt service payments if existing debt is refunded / "refinanced" at lower interest rates.

Notes

Refunding Analysis

Prince George County, Virginia



September 1, 2020



ATTACHMENT A

Debt Outstanding | Summary

A	B	C	D	E	F	G	H	I	J	K	L	M
Dated/ Closing Date	Description	Credit	Final Maturity	Rem. Term (In Years) ⁽¹⁾	Tax Status	Coupon	Pot. Refl. Candidate	Type	Purpose	Original Par Amount	Outstanding as of 6/30/2020	Call Provisions
Tax-Supported Debt												
1	VPSA Bonds, Series 2000B	GO	7/15/2020	0.0	Tax-Exempt	5.10%		VPSA	Clements, Walton & Beazley	\$15,284,499	\$1,051,700	VPSA Discretion
2	VPSA Bonds, Series 2005D	GO	7/15/2025	5.0	Tax-Exempt	4.6%-5.1% (Subsidy)		VPSA	Schools	\$7,760,053	\$2,754,711	VPSA Discretion
3	VML/VACO RZED Bond, Series 2010A	GO	2/15/2025	4.6	Taxable (Subsidy)	5.962%	✓	VML/ VACO	Animal Shelter	\$1,650,000	\$635,000	Whole or part, any time, no penalty
4	GO Refunding Note, Series 2012B	GO	2/1/2024	3.6	Tax-Exempt	2.25%	✓	Bank (Carter)	Refund 2003B and 2009A (General County Purposes)	\$9,009,000	\$2,911,000	Whole or part, any time, no penalty
5	GO Public Facilities Note, Series 2014A	GO	2/1/2024	3.6	Tax-Exempt	2.15%	✓	Bank (PNC)	PG High Tennis Courts, Disputanta Fire Station, & Temple Field Lights	\$943,000	\$408,000	Whole or part, any time, no penalty
6	GO Public Facilities Note, Series 2014B	GO	2/1/2029	8.6	Tax-Exempt	2.40% ⁽²⁾	✓	Bank (PNC)	New Carson Volunteer Fire Station	\$2,257,000	\$1,465,000	Whole or part, any time, no penalty
7	GO Bond, Series 2014C	GO	8/1/2024	4.1	Tax-Exempt	2.01%	✓	Bank (US Bank)	Courthouse HVAC upgrades	\$1,218,000	\$641,000	Whole or part, any time, 3% penalty
8	GO and Refunding Bond, Series 2015A	GO	8/1/2020	0.1	Tax-Exempt	1.50%	✓	Bank (Carter)	Refund 2006C and finance vehicles for police use & school buses	\$1,418,000	\$292,000	Whole or part, any time, no penalty
9	GO Bond, Series 2015B	GO	8/1/2030	10.1	Tax-Exempt	2.43%	✓	Bank (Pinnacle)	School roof reno., courthouse reno., fire & rescue prop. acq.	\$3,951,000	\$3,035,000	Whole, any time, no penalty, Part min. \$250K
10	GO Refunding Bond, Series 2016A	GO	2/1/2031	10.6	Tax-Exempt	2.32%	✓	Bank (ANBT)	Refund a portion of 2008A Bonds	\$4,457,000	\$3,712,000	Whole or part, any time, no penalty
11	GO Refunding Bond, Series 2016B	GO	4/1/2033	12.8	Tax-Exempt	2.00%	✓	VPSA	Refund a portion of 2008A Bonds (Literary Loan)	\$7,500,000	\$6,715,000	Whole or part, any time, no penalty
12	GO Note, Series 2017A	GO	2/1/2032	11.6	Tax-Exempt	2.30%	✓	Bank (Carter)	Public safety radio system, police vehicles, parks & rec. Rt. 10 Fire Station	\$9,000,000	\$8,752,000	Whole or part, any time, no penalty
13	GO Bond, Series 2018	GO	2/1/2033	12.6	Tax-Exempt	3.16%	✓	Bank (Raymond James)	Police vehicles, public safety radio, improvements to County buildings, water & sewer improvements, fuel canopy & dispenser, electoral equipment, COCC software upgrade	\$9,300,000	\$8,232,000	Whole or part, after 2/1/28, no penalty. Prepayable prior to 2/1/28 with written consent of lender
14	GO Bond, Series 2019	GO	2/1/2034	13.6	Tax-Exempt	2.88%	✓	Bank (Zions)	Police vehicles, utility improvements, security systems, assessor software, new fire station, parks & rec	\$9,450,000	\$8,840,000	Whole or part, any time, no penalty
15	Tax-Exempt GO Bond, Fall Series 2019	GO	8/1/2034	14.1	Tax-Exempt	2.11%	✓	Bank (Zions)	Police vehicles, fire apparatus, wellness center	\$4,142,000	\$4,142,000	Whole or part, any time, no penalty
16	Taxable GO Bond, Fall Series 2019	GO	8/1/2026	6.1	Taxable	2.65%	✓	Bank (Zions)	Broadband	\$1,017,000	\$1,017,000	Whole or part, any time, no penalty
Utility-Supported Debt										Total Tax-Supported Debt Outstanding	\$54,603,411	
17	GO and Refunding Bond, Series 2015A	GO	8/1/2021	1.1	Tax-Exempt	1.50%	✓	Bank (Carter)	Wastewater	\$856,000	\$294,000	Whole or part, any time, no penalty
18	GO Bond, Series 2015B	GO	8/1/2030	10.1	Tax-Exempt	2.43%	✓	Bank (Pinnacle)	Wastewater	\$1,590,000	\$1,221,000	Whole, any time, no penalty, Part min. \$250K
19	Tax-Exempt GO Bond, Fall Series 2019	GO	8/1/2034	14.1	Tax-Exempt	2.11%	✓	Bank (Zions)	Stormwater	\$2,136,000	\$2,136,000	Whole or part, any time, no penalty
Total Utility-Supported Debt Outstanding										\$3,651,000		

(1) Measured from 7/1/2020.

(2) A put option is schedule to take place on 2/1/2024. This analysis assumes the interest rate remains the same.



ATTACHMENT A

Preliminary Refunding Analysis | VRA Fall Pool

Current Market as of 8/27/2020 – All Refundable Debt

Key Assumptions	2010A Bond		2012B Bond		2014A Bond		2014B Bond		2015A Bond		2015B Bond		2016A Bond		2016B Bond		2017A Bond		2019 Spring Bond		2019 Fall Tax-Exempt Bond		2019 Fall Taxable Bond		Aggregate
	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	
2 Bonds Refunded	\$ 635,000	5.962%	\$ 2,911,000	2.250%	\$ 408,000	2.150%	\$ 1,465,000	2.400%	\$ 148,000	1.500%	\$ 3,914,000	2.430%	\$ 3,712,000	2.320%	\$ 6,715,000	2.000%	\$ 8,752,000	2.300%	\$ 8,840,000	2.880%	\$ 5,364,000	2.110%	\$ 883,000	2.650%	\$ 44,265,000
3 Par Refunded																									
4 Coupon																									
5 Next Call																									
6 Call Price																									
7 Maturities Refunded																									
8																									
9																									
10 Refunding Bonds																									
11 Final Maturity																									
12 True Interest Cost																									
13 All-In TIC																									
14 Tax Status																									
15 Equity Contribution ⁽²⁾																									
16 Assumed Call Date																									
17																									
18 Savings																									
19 Gross Savings																									
20 Net PV Savings																									
21 Net PV Savings %																									
22																									
23 Cash Flow Savings																									
24 2021																									
25 2022																									
26 2023																									
27 2024																									
28 2025																									
29 2026																									
30 2027																									
31 2028																									
32 2029																									
33 2030																									
34 2031																									
35 2032																									
36 2033																									
37 2034																									
38 2035																									
39 Total																									

(1) A put option is schedule to take place on 2/1/2024. This analysis assumes the interest rate remains the same.
 (2) Equity Contributions are assumed to be made from existing budgeted debt service for FY 2021.

- Notes:
- Savings net of estimated VRA and Local Costs of Issuance of \$421,875 and Underwriter's Discount of \$171,875. Preliminary and subject to change.
 - Interest rates as of 8/27/2020 are preliminary and subject to change.
 - Assumes a closing date of 11/18/2020.

ATTACHMENT A Preliminary Refunding Analysis | County Public Issuance Current Market as of 8/27/2020 – All Refundable Debt



A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Key Assumptions	2010A Bond	2012B Bond	2014A Bond	2014B Bond	2014C Bond	2015A Bond	2015B Bond	2016A Bond	2016B Bond	2017A Bond	2019 Spring Bond	2019 Fall Tax- Exempt Bond	2019 Fall Taxable Bond	Aggregate
1														
2 Bonds Refunded														
3 Par Refunded	\$ 635,000	\$ 2,911,000	\$ 408,000	\$ 1,465,000	\$ 518,000	\$ 148,000	\$ 3,914,000	\$ 3,712,000	\$ 6,715,000	\$ 8,752,000	\$ 8,840,000	\$ 5,364,000	\$ 883,000	\$ 44,265,000
4 Coupon	5.962%	2.250%	2.150%	2.400% ⁽¹⁾	2.010%	1.500%	2.430%	2.320%	2.000%	2.300%	2.880%	2.110%	2.650%	1.50% - 5.962%
5 MIn Call	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time	Any Time
6 Call Price	100%	100%	100%	100%	103%	100%	100%	100%	100%	100%	100%	100%	100%	Varies
7 Maturities Refunded	2/15/2021 to 2/15/2025	2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2024	2/1/2021 to 2/1/2029	8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2024	8/1/2021 to 8/1/2024	2/1/2021 to 2/1/2030	4/1/2021 to 4/1/2033	2/1/2021 to 2/1/2032	2/1/2021 to 2/1/2034	8/1/2021 to 8/1/2034	8/1/2021 to 8/1/2026	2/1/2021 to 8/1/2034
8														
9														
10 Refunding Bonds														
11 Final Maturity	11/1/2024	11/1/2023	11/1/2023	11/1/2028	11/1/2024	11/1/2024	11/1/2030	11/1/2030	11/1/2030	11/1/2031	11/1/2033	11/1/2034	11/1/2026	11/1/2034
12 True Interest Cost	0.42%	0.48%	0.45%	0.53%	0.42%	0.68%	0.66%	0.66%	0.89%	0.77%	1.00%	0.90%	0.43%	0.82%
13 MIn TIC	0.76%	1.00%	0.90%	0.71%	0.76%	1.64%	0.80%	0.80%	1.01%	0.90%	1.12%	1.09%	0.67%	0.97%
14 Tax Status	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt	Tax-Exempt
15 Equity Contribution ⁽²⁾	\$ 114,000	\$ 805,000	\$ 96,000	\$ 127,000	\$ -	\$ -	\$ -	\$ 250,000	\$ 455,000	\$ 535,000	\$ 490,000	\$ -	\$ -	\$ 2,872,000
16 Assumed Call Date	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	11/1/2030	11/1/2030	11/1/2030	11/1/2030	N/A	N/A
17														
18 Savings														
19 Gross Savings	\$ 32,452	\$ 60,025	\$ 11,194	\$ 111,396	\$ (1,834)	\$ (1,688)	\$ 337,073	\$ 314,296	\$ 472,591	\$ 756,059	\$ 1,123,441	\$ 232,497	\$ 53,559	\$ 3,501,062
20 Net PV Savings	\$ 37,045	\$ 58,313	\$ 9,503	\$ 107,420	\$ (4,121)	\$ (689)	\$ 336,326	\$ 301,775	\$ 430,605	\$ 715,643	\$ 1,047,302	\$ 231,774	\$ 55,262	\$ 3,326,160
21 Net PV Savings %	5.83%	2.00%	2.33%	7.33%	-0.80%	-0.47%	8.59%	8.13%	6.41%	8.18%	11.85%	4.32%	6.26%	7.51%
22														
23 Cash Flow Savings														
24 2021	\$ 6,234	\$ 14,697	\$ 821	\$ 13,111	\$ (5,774)	\$ (2,173)	\$ (24,550)	\$ 29,331	\$ 34,391	\$ 64,457	\$ 83,119	\$ (43,293)	\$ (5,845)	\$ 164,528
25 2022	\$ 6,815	\$ 16,403	\$ 519	\$ 14,233	\$ 3,646	\$ 485	\$ 37,858	\$ 29,908	\$ 36,775	\$ 63,155	\$ 79,059	\$ 22,318	\$ 11,656	\$ 322,829
26 2023	\$ 8,150	\$ 14,438	\$ 5,097	\$ 10,609	\$ (1,157)	\$ -	\$ 35,131	\$ 29,184	\$ 34,625	\$ 63,442	\$ 77,962	\$ 24,584	\$ 7,867	\$ 309,930
27 2024	\$ 4,735	\$ 14,488	\$ 4,758	\$ 12,264	\$ 365	\$ -	\$ 34,935	\$ 28,853	\$ 38,025	\$ 63,611	\$ 82,500	\$ 24,541	\$ 9,346	\$ 318,419
28 2025	\$ 6,518	\$ -	\$ -	\$ 14,073	\$ 1,087	\$ -	\$ 38,145	\$ 27,031	\$ 37,075	\$ 60,810	\$ 79,548	\$ 21,431	\$ 10,970	\$ 296,687
29 2026	\$ -	\$ -	\$ -	\$ 10,161	\$ -	\$ -	\$ 33,887	\$ 29,648	\$ 36,925	\$ 64,016	\$ 77,709	\$ (11,111)	\$ 7,862	\$ 249,097
30 2027	\$ -	\$ -	\$ -	\$ 12,552	\$ -	\$ -	\$ 38,160	\$ 26,728	\$ 37,575	\$ 63,229	\$ 82,534	\$ 11,647	\$ 11,704	\$ 284,127
31 2028	\$ -	\$ -	\$ -	\$ 10,222	\$ -	\$ -	\$ 35,952	\$ 29,418	\$ 39,025	\$ 64,574	\$ 78,119	\$ 24,913	\$ -	\$ 282,224
32 2029	\$ -	\$ -	\$ -	\$ 14,471	\$ -	\$ -	\$ 33,489	\$ 27,604	\$ 36,400	\$ 63,153	\$ 79,589	\$ 21,150	\$ -	\$ 275,556
33 2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,646	\$ 26,525	\$ 34,825	\$ 62,068	\$ 82,820	\$ 23,688	\$ -	\$ 267,572
34 2031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,422	\$ 30,066	\$ 34,300	\$ 63,342	\$ 78,033	\$ 21,517	\$ -	\$ 263,680
35 2032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,550	\$ 60,202	\$ 79,548	\$ 22,236	\$ -	\$ 198,537
36 2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,100	\$ -	\$ 82,592	\$ 24,606	\$ -	\$ 143,298
37 2034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,309	\$ 22,953	\$ -	\$ 103,262
38 2035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,315	\$ -	\$ -	\$ 21,315
39 Total	\$ 32,452	\$ 60,025	\$ 11,194	\$ 111,396	\$ (1,834)	\$ (1,688)	\$ 337,073	\$ 314,296	\$ 472,591	\$ 756,059	\$ 1,123,441	\$ 232,497	\$ 53,559	\$ 3,501,062

(1) A put option is schedule to take place on 2/1/2024. This analysis assumes the interest rate remains the same.
(2) Equity Contributions are assumed to be made from existing budgeted debt service for FY 2021.

- Notes:
- Savings net of estimated Costs of Issuance of \$325,000 and Underwriter's Discount of \$176,550. Preliminary and subject to change.
 - Interest rates as of 8/27/2020 are preliminary and subject to change.
 - Assumes a closing date of 11/18/2020.



Preliminary Refunding Analysis | Comparison

Current Market as of 8/27/2020

	Estimated Savings ⁽¹⁾	VRA Fall Pool	County Public Issuance
1	Gross Savings	\$ 2,935,470	\$ 3,501,062
2	Net PV Savings	2,786,238	3,326,160
3	Net PV Savings %	6.29%	7.51%
4			
5	Cash Flow Savings		
6	2021	\$ 109,839	\$ 164,528
7	2022	275,161	322,829
8	2023	268,174	309,930
9	2024	272,398	318,419
10	2025	255,959	296,687
11	2026	197,878	249,097
12	2027	217,418	284,127
13	2028	239,898	282,224
14	2029	241,884	275,556
15	2030	227,485	267,572
16	2031	227,240	263,680
17	2032	177,240	198,537
18	2033	113,501	143,298
19	2034	91,887	103,262
20	2035	19,509	21,315
21	Total	\$ 2,935,470	\$ 3,501,062
22			
23	Estimated Costs		
24	Local Costs of Issuance	\$ 200,000 ⁽²⁾	\$ 325,000 ⁽³⁾
25	VRA Fixed Costs of Issuance	50,000	-
26	VRA Capital Reserve Fund Equity Contrib.	171,875	-
27	Underwriter's Discount	171,875	176,550
28	VRA Annual Admin Fee	249,409 ⁽⁴⁾	-
29	Total Estimated Costs	\$ 843,159	\$ 501,550

■ Items for additional consideration, among others:

- Required staff time;
- Market risk; and
- Transaction cost exposure.

- (1) Preliminary, subject to change until pricing occurs for the respective transaction. Savings are net of the Costs shown on lines 23-29.
- (2) Includes fees and expenses for Financial Advisor, Bond Counsel, and associated costs.
- (3) Includes fees and expenses for Financial Advisor, Bond Counsel, Rating Agencies, Printing, CUSIPs, and associated costs.
- (4) 12.5 bps paid over the life of the borrowing.

Preliminary Timelines | VRA & County Public Issuance



Virginia Resources Authority

Timing	Action
9/1 6pm	County Board Meeting <ul style="list-style-type: none"> Brief Board on Refunding Opportunity.
Early/Mid- September	VRA conducts its credit work and provides a credit commitment.
9/22 7pm	County Board Meeting <ul style="list-style-type: none"> County Board considers adopting authorizing resolution(s) for Refunding Savings parameters.
9/25	VRA Key Date Deadline for all local approvals.
10/28	VRA Key Date Bond Sale
11/18	VRA Key Date Closing

County Public Issuance

Timing	Action
Balance of September	<ul style="list-style-type: none"> Bond Counsel coordinates with Working Group to draft Preliminary Official Statement. Davenport coordinates with County Staff to reach out to Rating Agencies and prepare credit presentation.
Early October	Rating Agency Calls
By Mid- October	County Board holds Public Hearing and considers adopting approving resolution(s) and form of bond documents.
Late October	Bond Sale
Early/Mid- November	Working Group coordinates to finalize documents.
By Late November	Closing



Municipal Advisor Disclosure

The enclosed information relates to an existing or potential municipal advisor engagement.

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.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transactions.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

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. Version 1.13.14 | FH | BW | RT | MB | TC

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 8th day of September, 2020:

Present:

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

Vote:

A-11

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

RESOLUTION; APPROVAL OF DEBT REFUNDING OPTION (VIRGINIA RESOURCES AUTHORITY POOL BOND PROGRAM OR PRINCE GEORGE COUNTY DIRECT PUBLIC BOND ISSUANCE)

WHEREAS, lowered borrowing rates have created a potential opportunity for the County of Prince George, Virginia Board of Supervisors (the "Board") to reduce annual debt service payments if certain outstanding debt obligations are refunded; and

WHEREAS, on September 1, 2020 Davenport & Company, LLC the County's contracted financial advisor ("Davenport"), presented the Board with a list of bond financing candidates for refunding and two possible methods to refund existing debt:

- 1) Refunding through the Virginia Resources Authority (VRA) Fall 2020 borrowing pool; or
- 2) Refunding through the direct issuance of Prince George County bonds in the public market.

WHEREAS, after evaluating and discussing risk and potential savings from each method, the Board elects to refund all or a portion of the bond financing refunding candidates identified by Davenport __ {INSERT PREFERRED OPTION} _____ {through the VRA Fall 2020 borrowing pool OR through the direct issuance by Prince George County of refunding bonds in the public market}.

NOW, THEREFORE, BE IT RESOLVED that the Board on this 8th day of September, 2020, hereby elects to refund existing debt through __ {INSERT PREFERRED OPTION} _____ {through the VRA Fall 2020 borrowing pool OR through the direct issuance by Prince George County of refunding bonds in the public

market} and authorizes staff to work with Davenport and Williams Mullen, Bond Counsel, to move forward with necessary tasks to refund eligible debt from the candidates identified by Davenport under this option. Final approval of any refunding bond issue will occur through future Board action, and any resolutions associated with the refunding bonds will include guaranteed savings parameters that make such refunding beneficial.

A Copy Teste:

Percy C. Ashcraft
County Administrator