

Discussion of Winter / Spring 2022 Borrowing

January 25, 2022


CIP – FY2021

- o Borrowing has **not** been completed for FY2021 Capital Improvement Projects (last fiscal year)
- o Awaiting actual numbers for Garage Expansion / Renovation prior to borrowing
- o New Elementary School was on the FY2021 CIP listing - borrowing completed through VPSA in Spring of 2021

Borrowing

CIP – FY2021 – Without New School

FY2021 Projects - Adopted Budget Scenario 3



Project Description	Category	Adjusted Total Cost to Finance	FY Timing	Approved by Board	Debt (Borrowing)
Prince George High School Generator	School	\$ 179,220	2021	2/23/2021	Winter / Spring 2022
Zoll X Series Monitors / Defibrulators	Public Safety	\$ 157,276	2021	8/11/2020	Winter / Spring 2022
Fleet Garage Bay Expansion	County	\$ 3,065,000	2021	To Be Approved	Winter / Spring 2022
School Technology Infrastructure	School	\$ 328,000	2021	07/14/2020	Winter / Spring 2022
School Buses	School	\$ 412,000	2021	2/23/2021	Winter / Spring 2022
Police / County Vehicles	County / Public Safety	\$ 400,000	2021	8/11/2020	Winter / Spring 2022
Self Contained Breathing Apparatus*	Public Safety	\$ 1,072,505	2021	8/11/2020	Winter / Spring 2022
TOTALS		\$ 5,614,001			
*Will be financed by devoted 1¢ of RE Tax Revenue - Ordinance 574-6		150,000		Add Closing Costs / Cost of Issuance	
Total Borrowing***		\$ 5,764,001			

***Unless Board wishes to cash fund a portion of Garage Project (use of Fund Balance)

Better Cost of Issuance estimate in progress

Garage Expansion Project

- o Bids were received 1/18/2022 and the **Garage Expansion** project budget was updated to **\$3,065,000** and includes
 - o Construction \$2,509,000 (will be discussed and possibly awarded during Order of Business)
 - o Land & Site Analysis \$12,102
 - o Site Development \$7,500
 - o IT / FFE / Lift Equipment \$110,000
 - o A&E and Testing Services \$228,639 (\$154,539 approved and appropriated to date with reimbursement resolutions)
 - o Other Fees & Soft Costs (Electrical / Permits) \$52,000
 - o Contingency (5%) \$145,759



\$392,000 less than estimate provided on 12/14/2021

Awards for Consideration Tonight - \$2,567,100

- o Construction - \$2,509,000
- o Construction Management Services A/E - \$58,100 NTE
- o **No appropriation** for these awards tonight; reimbursement resolution included
- o Future Appropriation will be for 2 awards above and other FFE, Services and Equipment not already appropriated (requires public hearing; over 1% of adopted FY2022 budget) + Cost of Issuance (Closing Costs)
- o Appropriation will be requested when debt issuance approved following a public hearing (tentatively March 8)
 - o Estimated appropriation



Garage	\$ 3,065,000
Appropriated to Date	154,539
Remaining Garage Appropriation	\$ 2,910,461
Cost of Issuance (Estimated)	150,000
Estimated Appropriation 3/8/22	\$ 3,060,461

Appropriations have been approved for All other FY2021 CIP Projects, except Garage

FY2022 Budget \$134,390,462; 1% = \$1,343,904.62

Borrowing & Appropriation Summary

- o Borrowing Estimated at up to \$5,764,001 – **unless part of Garage Project is cash funded** (Cost of Issuance estimate will be fine-tuned) – Slide 4*
 - o \$1,000,000 financed for 15 years at 4% has annual debt payment of \$89,941
- o Future Appropriation estimated at \$3,060,461 (Cost of Issuance estimate will be fine-tuned) Slide 6*
 - o Appropriations totaling \$2,703,540 already approved for the projects below (\$2,549,001), plus \$154,539 of services for Garage Expansion (reimbursement resolutions in place)

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*Public Hearings Required – Authority to Advertise will be requested on 2/8/22

Borrowing & Appropriation Process & Timeline

- o By January 27 - Davenport Issues RFP for Borrowing
- o February 8 - BOS Meeting Agenda (2 Items)
 - o **Authority to Advertise Public Hearings**
 - o Borrowing Estimated at up to \$5,764,001 (Cost of Issuance estimate will be fine-tuned) - Slide 4 [Ad 1 on February 22; Ad 2 on March 1]
 - o Appropriation estimated at \$3,060,461 (Cost of Issuance estimate will be fine-tuned) - Slide 6 [1 Ad required; February 22]
- o February 22 - Lender Borrowing Proposals due to Davenport
- o February 23-25 Davenport and Staff develop recommendation for lender for February 28 packet deadline (March 8 meeting)
- o March 8 Hold Public Hearings & Approvals
 - o Borrowing
 - o Budget Amendment related to Debt Issuance

IMPACT

- o The issuance of this debt DOES NOT CREATE need for a tax increase in FY2023
- o Debt repayment for this borrowing will begin in FY2023 (8/1/22 Interest; 2/1/23 Principal and Interest)

Questions?

Prince George County, Virginia

General Obligation Bond, Series 2022 (Direct Bank Loan)

Financing Calendar
 As of: January 19, 2022
 RFP Due Date: February 22, 2022
 Closing: By March 31, 2022

Jan-22							Feb-22							Mar-22							Apr-22							
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	
						1			1	2	3	4	5			1	2	3	4	5							1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12	3	4	5	6	7	8	9	
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19	10	11	12	13	14	15	16	
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26	17	18	19	20	21	22	23	
23	24	25	26	27	28	29	27	28						27	28	29	30	31			24	25	26	27	28	29	30	
30	31																											

Green - County Board Meetings - Second and Fourth Tuesdays

Holidays are denoted in red.

Working Group ("WG")

Role	Entity	Defined
Issuer	Prince George County, VA	County
Bond Counsel	Williams Mullen	BC
Financial Advisor	Davenport & Company LLC	FA
Lender	TBD	Lender
Lender's Counsel	TBD	LC

Date	Task	Responsibility
January 25 6:00pm - Work Session 7:00pm - Regular Meeting 7:30pm - Public Hearing	County Board Meeting <ul style="list-style-type: none"> County Board considers awarding bid related to the Fleet Garage Bay Expansion project. Staff discusses timeline for issuing debt with County Board. 	County
By January 27	Davenport distributes RFP to local, regional, and national banking institutions.	FA
February 8 6:00pm - Work Session 7:00pm - Regular Meeting 7:30pm - Public Hearing	County Board Meeting (<i>Agenda Deadline 1/31</i>) <ul style="list-style-type: none"> County Board considers authorizing holding a Public Hearing to be held on 3/8. 	County
February 22	<ul style="list-style-type: none"> Bank Proposals due (1:00pm). First Notice of Public Hearing published. <ul style="list-style-type: none"> Progress Index, Daily Paper, Submittal Deadline TBD. Notices of Public Hearing are required once per week for two successive weeks. 	FA BC

Prince George County, Virginia

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						1			1	2	3	4	5			1	2	3	4	5							1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12	3	4	5	6	7	8	9	
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19	10	11	12	13	14	15	16	
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26	17	18	19	20	21	22	23	
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Date	Task	Responsibility
February 22 – February 28	<ul style="list-style-type: none"> Davenport reaches out to proposers to clarify proposals. Working Group discusses results to develop recommendation for the County Board. Davenport prepares a summary memorandum. Bond Counsel prepares final resolution to be considered by the County Board and associated draft financing documents in substantially final form. 	WG
March 1	Second Notice of Public Hearing published. <ul style="list-style-type: none"> Progress Index, Daily Paper, Submittal Deadline TBD. Notices of Public Hearing are required once per week for two successive weeks. 	BC
March 8 6:00pm – Work Session 7:00pm – Regular Meeting 7:30pm – Public Hearing	County Board Business Meeting (<i>Agenda Deadline 2/28</i>) <ul style="list-style-type: none"> County Board holds Public Hearing. Count Board considers selecting the winning proposal. County Board considers approval of final resolution authorizing the financing. 	WG
Balance of March	Working Group coordinates to finalize numbers and documents.	WG
By March 31	Closing.	WG