

Issue Analysis Form



Date: March 8, 2022
Public Hearing for March 2022 General Obligation Bond Issuance

Item:

Lead Department(s): County Finance


Contact Person(s): Betsy Drewry

Description and Current Status

Multiple capital projects with planned debt issuance were recommended as part of the adopted FY2021 budget. The Garage renovation project approved as an FY2021 project remained in design in FY2022 and an award of contract for construction was awarded on January 25, 2022.

A listing of projects for consideration for inclusion in the March 2022 debt issuance, along with bond issuance costs, rounded to a \$25,000 increment are shown below:

FY2021 Projects - Adopted Budget Scenario 3



Project Description	Category	Adjusted Total Cost to Finance
Prince George High School Generator	School	\$ 179,220
Zoll X Series Monitors / Defibrillators	Public Safety	\$ 157,276
Fleet Garage Bay Expansion***	County	\$ 3,065,000
School Technology Infrastructure	School	\$ 328,000
School Buses	School	\$ 412,000
Police / County Vehicles	County / Public Safety	\$ 400,000
Self Contained Breathing Apparatus*	Public Safety	\$ 1,072,505

TOTALS

\$ 5,614,001

Closing Costs / Cost of Issuance / Contingency [Rounded to \$25,000 Increment]

160,999

Total Borrowing**

\$ 5,775,000

*Will be financed by devoted 1c of RE Tax Revenue - Ordinance §74-6

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

The project total, including estimated bond issuance costs and contingency is **\$5,775,000**.

The Board discussed the possibility of **cash funding \$1,000,000** to keep the borrowing at the original estimate for the Garage renovation of \$2,100,000 instead of the updated budget amount for that project of \$3,065,000.

The borrowing will be **\$5,775,000 or \$4,775,000 depending on whether or not cash funding of \$1,000,000 is approved**. Davenport issued an RFP on behalf of the County for the borrowing with these two options. Ten (10) lending institutions submitted proposals and Atlantic Union and Chase (J. P. Morgan Chase) provided the best rates with slightly differing terms, and prepayment flexibility options. Davenport's summary of responses and recommendations are provided as **Attachment A**. Due to market volatility, J. P. Morgan Chase will not provide "locked in rates" until our board meeting date of March 8. Atlantic Union will be given an opportunity to update (and lower, but not increase) its rates on March 8 also. The updated proposals will be discussed by Davenport representatives and staff on March 8, and the Board will be given an opportunity to provide feedback on the desired level of prepayment flexibility, coupled with the best rate. The award recommendation will be based on updated rates and desired prepayment flexibility. The Board will receive an **updated Davenport proposal summary (Attachment A)** on March 8 (at the meeting).

The issuance of general obligation bonds requires a public hearing. See advertisement prepared by bond counsel (**Attachment B**). See also draft resolution and Exhibits prepared by bond counsel for both lender options. Bond closing would be completed by March 31, 2022.

Board Action Requested following Public Hearing:

Following presentation of lending options and discussion on board desired level of prepayment flexibility, and a public hearing for the issuance of general obligation bonds; approve bond issuance, lender and amount (\$5,775,000 or \$4,775,000); resolution enclosed for consideration and possible approval.

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; Ad dates 2/22/22 and 3/1/22]		
	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Fiscal Impact Statement
Approval of these projects and borrowing will not create the need to increase the County's tax rates. Repayment of debt will begin in FY2023.
County Impact
Approval of the bond issuance will allow for the reimbursement of funding used for completed projects and will provide funding for the Garage Renovation project.
Notes

ATTACHMENT A

Discussion Materials

Prince George County, Virginia



March 8, 2022

Member NYSE|FINRA|SIPC

DAVENPORT 1863
PUBLIC FINANCE
Member NYSE|FINRA|SIPC

Overview | Bank RFP Process



- The County is contemplating funding several General Fund projects (the “County Projects”) as follows:

Projects	Scenario 1 - \$4,775,000 in Total			Scenario 2 - \$5,775,000 in Total		
	5-Year Term	15-Year Term	Total	5-Year Term	15-Year Term	Total
1 Police & County Vehicles	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	\$ -	\$ 400,000
2 School Buses	412,000	-	412,000	412,000	-	412,000
3 Zoll X Series Monitors / Defibrillators	157,276	-	157,276	157,276	-	157,276
4 Fleet Garage Bay Expansion	-	2,065,000	2,065,000	-	3,065,000	3,065,000
5 Self-Contained Breathing Apparatus	-	1,072,505	1,072,505	-	1,072,505	1,072,505
6 School Technology Infrastructure	-	328,000	328,000	-	328,000	328,000
7 Prince George High School Generator	-	179,220	179,220	-	179,220	179,220
4 Costs of Issuance/Contingency	35,724	125,275	160,999	30,724	130,275	160,999
5 Total Estimated Par Amount	\$ 1,005,000	\$ 3,770,000	\$ 4,775,000	\$ 1,000,000	\$ 4,775,000	\$ 5,775,000

- On behalf of the County, Davenport & Company LLC (“Davenport”) distributed a request for proposals (“RFP”) to over 100 local, regional, and national banks for a Tax-Exempt General Obligation Bond (or Bonds) in an aggregate amount up to \$5,775,000.*
- Ahead of the deadline on February 22, the County received ten (10) proposals.
 - The following pages outline the proposals received and provide a comparison of the key terms and estimated debt service for the proposals providing the lowest interest rates.

Summary of Interest Rates



Bank (Alphabetical)	Call Provisions	Interest Rates			
		5-Year	15-Year	Combined	
1 Atlantic Union	Whole or part, any time, no penalty.	N/A	N/A	2.045%	(1)
2 Capital One	No call until 2/1/24 for the 5-year and 2/1/29 for the 15-year, then at par.	2.09%	2.55%	2.44% 2.45%	(2)
3 Chase	Non-Callable (Interest Rate A) or callable in whole or part on/after 2/1/30 at par (Interest Rate B).	N/A	N/A	A: 1.901% B: 1.984%	(3)
4 First National	There is no penalty for prepayment. Further details TBD.	1.74%	2.46%	2.36%	
5 Key	Whole only, after 12 months, no penalty. Partial may be available upon request.	2.089% 2.090%	2.323%	2.267% 2.272%	(4)
6 Pinnacle	5-Year: In whole only after 2/1/25 at par. 15-Year/Comb.: In whole or in part (\$250k min.) after 2/1/30 at par.	2.35%	2.90%	2.90%	
7 Signature	Whole only, on a payment date after 2/1/29 at 103%, at 102% after 2/1/30, at 101% after 2/1/31, at par after 2/1/32.	N/A	N/A	2.778%	
8 TD Bank	Prepayable subject to a Yield Maintenance Fee, or at par by adding 15 bps to interest rate.	N/A	N/A	2.18%	(5)
9 Truist	5-Year: In whole at any time at par. 15-Year: In whole at 101% or non-callable for first half of term, then in whole at par.	1.83%	2.38%	N/A	
10 Webster Bank	In whole only on/after 2/1/27 at par.	1.83%	2.22%	2.17%	

(1) Atlantic Union provided an updated term sheet on 2/24/22.

(2) The Capital One proposal for the Combined option included a 2.44% interest rate for the \$4.8 Million option and a 2.45% interest rate for the \$5.8 Million option.

(3) Updated indicative rates as of 2/24/22. The actual rate will refresh on a daily basis and will be set upon receipt of the signed term sheet.



(4) For the 5-Year and Combined options, Key provided separate interest rates for the \$4.8 Million (top) and \$5.8 Million (bottom) options.

(5) Indicative rate can be locked in if confirmed as recommended provider within 2 days of submission.



ATTACHMENT A
Summary of Proposals



A	B	C
Lender	CHASE 	 Atlantic Union Bank
1 Interest Rate	1.901% ⁽¹⁾ (No Call) 1.984% ⁽¹⁾ (8-Year Call)	2.045%
2 Prepayment Provisions	Non-Callable or callable in whole or part on/after 2/1/30 at par.	Whole or part, any time, no penalty.
3 Project Fund/Escrow	Does not require that the County hold funds in an escrow or with Chase. Amenable to funds being held at VASNAP with no notice/requisition requirements.	Does not require that the County hold funds in an escrow or with Atlantic Union. Amenable to funds being held at VASNAP with no notice/requisition requirements.
4 Proposal Acceptance	2/24/2022 (Proposal may be refreshed upon request)	3/8/2022
5 Closing Deadline	3/31/2022	3/31/2022
6 Bank Fees	\$6,500 for Lender's Counsel	\$4,000 for Lender's Counsel
7 Credit Approval	Fully credit approved.	Initial approval received. Subject to final underwriting and credit approval (7-10 business days).
8 Lender's Counsel	McGuireWoods LLP (Mike Graff)	Spilman Thomas & Battle PLLC (Webster Day)
9 Other Considerations	<ul style="list-style-type: none"> The bank would not require the County to submit its audit if it is available on a public website. 	<ul style="list-style-type: none"> The bank would require the County's Audited Financials within 270 days of FYE and the Adopted Budget for the upcoming FY within 30 days of approval.

(1) Indicative rates as of 2/22/22. The actual rate will refresh on a daily basis and will be set upon receipt of the signed term sheet.

ATTACHMENT A

Estimated Debt Service | \$4.8 Million Borrowing

Assumes \$1.0 Million Cash Funding



Note: Chase's proposals will be subject to changes in the market until the interest rate is locked in following Board approval.

A	B	C	D	E	F	G	H	I	J
Preliminary Results*	Chase Proposal (No Call)			Chase Proposal (8-Year Call)			Atlantic Bank Proposal		
	5-Year	15-Year	Total	5-Year	15-Year	Total	5-Year	15-Year	Total
1 Key Assumptions									
2 Closing Date			3/31/2022			3/31/2022			3/31/2022
3 First Interest			8/1/2022			8/1/2022			8/1/2022
4 First Principal			2/1/2023			2/1/2023			2/1/2023
5 Final Maturity	2/1/2032	2/1/2037	2/1/2037	2/1/2032	2/1/2037	2/1/2037	2/1/2032	2/1/2037	2/1/2037
6 Interest Rate/TIC			1.901%			1.984%			2.045%
7 AIC			2.46%			2.54%			
8 Sources									
9 Par Amount	1,001,000	3,780,000	4,781,000	1,001,000	3,780,000	4,781,000	1,001,000	3,778,000	4,779,000
10 Total Sources	\$1,001,000	\$3,780,000	\$4,781,000	\$1,001,000	\$3,780,000	\$4,781,000	\$1,001,000	\$3,778,000	\$4,779,000
11 Uses									
12 Project Fund	969,276	3,644,725	4,614,001	969,276	3,644,725	4,614,001	969,276	3,644,725	4,614,001
13 Fixed Costs of Issuance*	30,000	130,000	160,000	30,000	130,000	160,000	30,000	130,000	160,000
14 Bank Fees	1,361	5,139	6,500	1,361	5,139	6,500	838	3,162	4,000
15 Additional Proceeds	363	136	499	363	136	499	886	113	999
16 Total Uses	\$1,001,000	\$3,780,000	\$4,781,000	\$1,001,000	\$3,780,000	\$4,781,000	\$1,001,000	\$3,778,000	\$4,779,000
17 Estimated Debt Service*									
18 2023	\$ 211,910	\$ 291,081	\$ 502,991	\$ 210,605	\$ 292,704	\$ 503,309	\$ 212,116	\$ 294,598	\$ 506,714
19 2024	211,303	291,467	502,770	212,011	292,432	504,443	212,483	293,557	506,039
20 2025	210,577	290,208	500,785	211,122	293,028	504,150	211,475	293,037	504,512
21 2026	211,794	290,893	502,687	212,174	292,524	504,698	211,405	294,436	505,841
22 2027	209,916	291,483	501,399	212,127	292,941	505,068	212,254	293,712	505,966
23 2028	-	291,977	291,977	-	293,259	293,259	-	294,906	294,906
24 2029	-	290,377	290,377	-	292,477	292,477	-	293,978	293,978
25 2030	-	291,719	291,719	-	293,616	293,616	-	294,968	294,968
26 2031	-	290,948	290,948	-	293,636	293,636	-	294,835	294,835
27 2032	-	291,100	291,100	-	293,557	293,557	-	293,599	293,599
28 2033	-	291,158	291,158	-	292,379	292,379	-	293,282	293,282
29 2034	-	290,120	290,120	-	292,122	292,122	-	293,863	293,863
30 2035	-	292,006	292,006	-	292,765	292,765	-	294,321	294,321
31 2036	-	290,760	290,760	-	293,289	293,289	-	293,657	293,657
32 2037	-	291,437	291,437	-	292,694	292,694	-	293,890	293,890
33 Total Debt Service	\$1,055,501	\$4,366,734	\$5,422,235	\$1,058,039	\$4,393,423	\$5,451,462	\$1,059,731	\$4,410,638	\$5,470,369
34 Difference vs. Chase (No Call)				\$ 2,538	\$ 26,689	\$ 29,227	\$ 4,231	\$ 43,904	\$ 48,134
35 Difference vs. Chase (8-Year)	\$ (2,538)	\$ (26,689)	\$ (29,227)				\$ 1,692	\$ 17,215	\$ 18,907

*Preliminary, subject to change.

Estimated Debt Service | \$5.8 Million Borrowing



Note: Chase's proposals will be subject to changes in the market until the interest rate is locked in following Board approval.

A	B	C	D	E	F	G	H	I	J
Preliminary Results*	Chase Proposal (No Call)			Chase Proposal (8-Year Call)			Atlantic Bank Proposal		
	5-Year	15-Year	Total	5-Year	15-Year	Total	5-Year	15-Year	Total
1 Key Assumptions									
2 Closing Date			3/31/2022			3/31/2022			3/31/2022
3 First Interest			8/1/2022			8/1/2022			8/1/2022
4 First Principal			2/1/2023			2/1/2023			2/1/2023
5 Final Maturity	2/1/2032	2/1/2037	2/1/2037	2/1/2032	2/1/2037	2/1/2037	2/1/2032	2/1/2037	2/1/2037
6 Interest Rate/TIC			1.901%			1.984%			2.045%
7 AIC			2.35%			2.43%			2.49%
8 Sources									
9 Par Amount	1,001,000	4,780,000	5,781,000	1,001,000	4,780,000	5,781,000	1,000,000	4,779,000	5,779,000
10 Total Sources	\$ 1,001,000	\$ 4,780,000	\$ 5,781,000	\$ 1,001,000	\$ 4,780,000	\$ 5,781,000	\$ 1,000,000	\$ 4,779,000	\$ 5,779,000
11 Uses									
12 Project Fund	969,276	4,644,725	5,614,001	969,276	4,644,725	5,614,001	969,276	4,644,725	5,614,001
13 Fixed Costs of Issuance*	30,000	130,000	160,000	30,000	130,000	160,000	30,000	130,000	160,000
14 Bank Fees	1,126	5,375	6,500	1,126	5,375	6,500	692	3,308	4,000
15 Additional Proceeds	599	(100)	499	599	(100)	499	32	967	999
16 Total Uses	\$ 1,001,000	\$ 4,780,000	\$ 5,781,000	\$ 1,001,000	\$ 4,780,000	\$ 5,781,000	\$ 1,000,000	\$ 4,779,000	\$ 5,779,000
17 Estimated Debt Service*									
18 2023	\$ 211,910	\$ 368,976	\$ 580,886	\$ 210,605	\$ 370,293	\$ 580,898	\$ 211,098	\$ 371,714	\$ 582,812
19 2024	211,303	368,298	579,601	212,011	371,062	583,073	212,483	372,800	585,283
20 2025	210,577	367,918	578,495	211,122	369,467	580,589	211,475	372,054	583,528
21 2026	211,794	368,443	580,237	212,174	370,793	582,967	211,405	371,205	582,610
22 2027	209,916	367,854	577,770	212,127	370,980	583,106	212,254	372,254	584,508
23 2028	-	368,170	368,170	-	370,047	370,047	-	371,160	371,160
24 2029	-	368,372	368,372	-	371,016	371,016	-	372,964	372,964
25 2030	-	367,460	367,460	-	369,846	369,846	-	371,604	371,604
26 2031	-	368,453	368,453	-	370,576	370,576	-	372,141	372,141
27 2032	-	368,313	368,313	-	370,168	370,168	-	371,536	371,536
28 2033	-	368,058	368,058	-	369,641	369,641	-	372,808	372,808
29 2034	-	367,690	367,690	-	369,994	369,994	-	370,916	370,916
30 2035	-	368,208	368,208	-	370,209	370,209	-	372,922	372,922
31 2036	-	368,592	368,592	-	370,285	370,285	-	371,744	371,744
32 2037	-	366,844	366,844	-	371,222	371,222	-	371,444	371,444
33 Total Debt Service	\$ 1,055,501	\$ 5,521,649	\$ 6,577,150	\$ 1,058,039	\$ 5,555,597	\$ 6,613,636	\$ 1,058,714	\$ 5,579,266	\$ 6,637,980
34 Difference vs. Chase (No Call)	\$ -	\$ -	\$ -	\$ 2,538	\$ 33,948	\$ 36,487	\$ 3,214	\$ 57,616	\$ 60,830
35 Difference vs. Chase (8-Year)	\$ (2,538)	\$ (33,948)	\$ (36,487)	\$ -	\$ -	\$ -	\$ 675	\$ 23,668	\$ 24,343

* Preliminary, subject to change.

Bank RFP Process | Recommendation & Next Steps / Timeline



Recommendation

- Based upon our review of the proposals, related analyses, and discussions with County Staff and Bond Counsel, Davenport recommends that the County move forward with either:
 - The Chase Bank proposal that provides for an 8-Year Par Call; or
 - The Atlantic Union Bank proposal that provides for prepayment at any time without penalty.

Next Steps

Date	Task
March 8	County Board Meeting <ul style="list-style-type: none"> ■ County Board holds Public Hearing. ■ County Board considers selecting the winning proposal(s). ■ County Board considers approval of final resolution(s) authorizing the financing.
Balance of March	Working Group coordinates to finalize numbers and documents.
By March 31	Closing.

ATTACHMENT A

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Legal Notices

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 NOT TO EXCEED \$5,775,000

The Board of Supervisors of the County of Prince George, Virginia, will hold a public hearing on Tuesday, March 8, 2022 at 7:30 p.m. in the County Administration Building, Boardroom, Third Floor, 5602 Courts Drive, Prince George, Virginia 23875, to consider adoption of a resolution authorizing the issuance of one or more series of general obligation bonds, notes or other obligations of the County of Prince George, Virginia (the "County") in a maximum principal amount not to exceed \$5,775,000. The bond proceeds are expected to be used to finance various capital projects for County purposes that include: (i) the purchase of police and County vehicles; (ii) the County's vehicle fleet garage bay expansion; (iii) technology and infrastructure improvements for use by the County's public schools; (iv) school buses; (v) Zoll X Series monitors and defibrillators for public safety purposes; (vi) a generator for the County high school; and (vii) self-contained breathing apparatus equipment for use for rescue and recovery purposes.

The County anticipates that more than ten percent of the maximum principal amount of the \$5,775,000 in bond proceeds for the purposes described above will be used to finance the County's vehicle fleet garage bay expansion and the purchase of self-contained breathing apparatus equipment. 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 to the Board at the public hearing. Individuals that physically attend the public hearing must comply with all applicable social distancing requirements. A preliminary draft of the full text of the Resolution will be on file in the office of the County Administrator and available for public inspection during normal business hours and on the County's website at <http://www.princegeorgecountyva.gov>. Any one needing assistance or accommodation under the provisions of the Americans with Disabilities Act or who wish to participate remotely through electronic

Legal Notices

**COUNTY OF PRINCE GEORGE
NOTICE OF PUBLIC HEARING
PROPOSED AMENDMENT TO FY22 BUDGET**

Notice is hereby given pursuant to § 15.2-2507, Code of Virginia (1950, as amended), that the Prince George County Board of Supervisors will conduct a public hearing for the purpose of receiving comments on a proposed amendment to the FY2021-22 Prince George County Annual Fiscal Plan (the "Budget") during its regular meeting of Tuesday, March 8, 2022, beginning at 7:30 p.m., in the Boardroom of the County Administration Building, Third Floor, 5602 Courts Drive, Prince George, Virginia. All interested persons are invited to attend and participate in the public hearing.

The current FY2021-22 budget is \$134,390,462. The proposed budget amendment would add up to \$3,071,460 to the FY2021-22 budget in bond proceeds and/or general fund, fund balance, to fund completion of the following capital improvement projects and related bond issuance costs and contingency:

- Purchase of police and County vehicles;
- The County's fleet garage expansion and renovation;
- Technology infrastructure improvements for use by the County's public schools;
- Purchase of school buses;
- Purchase of Zoll X Series monitors and defibrillators for public safety purposes;
- Purchase of a generator for the County high school;
- Self-contained breathing apparatus equipment for use for rescue and recovery purposes.

A copy of materials related to the proposed budget amendment can be examined in the County Administration Department of the County Administration Building. The building is open from Monday - Friday, 8:30 AM - 5:00 PM. Any person requiring assistance to participate in the public hearing is asked to contact Teresa Knott at 722-8600 prior to the public hearing so that appropriate arrangements can be made.

By Authority of
Jeffrey D. Stoke, Interim
County Administrator
COUNTY OF PRINCE
GEORGE

**NOTICE OF PUBLIC HEARING
ON THE PROPOSED
ISSUANCE OF GENERAL
OBLIGATION BONDS
BY THE CITY OF COLONIAL
HEIGHTS, VIRGINIA**

NOTICE IS HEREBY GIVEN

Legal Notices

A Resolution No. 22-8 authorizing the issuance of the bonds will be considered by the City Council at its meeting on Tuesday, March 8, 2022, following the public hearing on the issuance of the bonds. The public hearing, at which persons may appear and present their views, and which may be continued or adjourned, will be held at a meeting that will begin at 7:00 p.m. on Tuesday, March 8, 2022, before the City Council in the Council Chambers, City Hall, 201 James Avenue, in Colonial Heights, Virginia.

All interested persons are invited to appear at the time and place aforementioned, and any interested person whose participation in this meeting would require the accommodation of a disability should contact the City Manager's Office at (804) 520-9265.

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Public Hearing

March 8, 2022


Issuance of General Obligation Bonds /
Debt – March 2022

CIP – Issuing Bonds

- o Capital Improvement Projects and Purchases were recommended as part of the FY2021 budget with General Obligation Bonds as the funding source - \$5,775,000
- o Board of Supervisors has also discussed using \$1,000,000 of Fund Balance to keep borrowing to initially planned levels (prior to finalization of scope and receipt of bids for the Garage Expansion / Renovation project) - **\$4,775,000** instead of \$5,775,000

Projects & Closing Costs

FY2021 Projects - Adopted Budget Scenario 3



Project Description	Category	Adjusted Total Cost to Finance
Prince George High School Generator	School	\$ 179,220
Zoll X Series Monitors / Defibrulators	Public Safety	\$ 157,276
Fleet Garage Bay Expansion***	County	\$ 3,065,000
School Technology Infrastructure	School	\$ 328,000
School Buses	School	\$ 412,000
Police / County Vehicles	County / Public Safety	\$ 400,000
Self Contained Breathing Apparatus*	Public Safety	\$ 1,072,505

TOTALS

\$ 5,614,001

Closing Costs / Cost of Issuance / Contingency [Rounded to \$25,000 Increment]

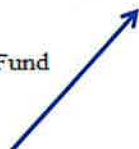
160,999

Total Borrowing**

\$ 5,775,000

*Will be financed by devoted 1¢ of RE Tax Revenue - Ordinance §74-6

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



Actual expected Bond Issue; **OR \$4,775,000** if
\$1,000,000 of Fund Balance is Used

IMPACT

- o The issuance of these bonds DOES **NOT** CREATE need for a tax increase in FY2023
- o March 2022 bond repayment will begin in FY2023 and first annual debt payment will be included in the FY2023 budget [Does NOT require increasing General Fund transfer for Debt Service]

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** \$5,775,000 in General Obligation bonds was advertised
 - o Advertisement prepared by bond attorney
 - o ***Progress Index***
 - o February 22, 2022
 - o March 1, 2022

Discussion on and Selection of Lender

- o Davenport issued an RFP for \$5,775,000 OR \$4,775,000 in GO Bonds on behalf of the County to over 100 lending institutions
- o Proposals were due on February 22 with ten (10) responses
- o The top 2 lenders based on rates and were:
 - o *Atlantic Union*
 - o *Chase*

NEXT

- o Davenport & Company
 - o Review of bank proposals received [Updated / Refreshed Rates as of March 8]
 - o Bank / lender recommendation
 - o Atlantic Union OR
 - o Chase
- o Board Member Questions
- o Board Member input on desired level of prepayment flexibility and questions
- o Board Decision on Issuance Amount
 - o \$5,775,000 OR
 - o \$4,775,000 using \$1M in Fund Balance
- o Public Comment
- o Board consideration and possible approval of resolution authorizing debt issuance and lender

Davenport Presentation

- o Davenport & Company
 - o Review of bank proposals received [Updated / Refreshed Rates as of March 8]
 - o Bank / lender recommendation
 - o Atlantic Union OR
 - o Chase
 - o Board feedback based on rates (and costs) vs. prepayment flexibility
- o **Amount –**
 - o \$5,775,000 OR
 - o \$4,775,000
- o Recommendation based on feedback

Questions and Public Hearing

- o Board Member Questions?
- o Next Public Hearing
- o Following Public Hearing –
Consideration and Approval of
Resolution, with Amount
(\$5,775,000 or \$4,775,000) and
Lender Selection

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 March, 2022.

Present:

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

Vote:

P-1

On motion of _____, seconded by _____, which was approved with a [unanimous] vote [of ___ ayes and ___ nays], the following Resolution was adopted:

**RESOLUTION AUTHORIZING THE ISSUANCE BY THE COUNTY OF PRINCE
GEORGE, VIRGINIA, OF ITS GENERAL OBLIGATION BONDS IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$5,775,000**

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 February 22 and March 1, 2022, regarding the proposed issuance of the Series 2022 Bonds (as defined below) in accordance with the requirements of Section 15.2-2606 of the Act; and

WHEREAS, Davenport & Company LLC, (the “**Financial Advisor**”), as directed by County representatives, prepared a Request for Proposals dated January 27, 2022 (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 such responses were due on February 22, 2022 and have been received by the Financial Advisor and 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; (ii) the County’s vehicle fleet garage bay expansion; (iii) technology infrastructure improvements for usage by the County’s public schools; (iv) school buses; (v) Zoll X Series monitors and defibrillators for public safety purposes; (vi) self-contained breathing apparatus equipment for use for rescue and recovery purposes; (vii) a County high school generator; and (viii) to pay costs of issuance (the “**Projects**”); and

WHEREAS, the County intends to issue its general obligation debt in the form of either a Note or Bond in one or more series, in an aggregate principal amount not to exceed \$5,775,000 General Obligation Bonds, Series 2022, as described below 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, hereby accept the proposal from either Atlantic Union Bank or JP Morgan Chase (the “**Lender**”) to finance the Projects.

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

1. **Authorization of the Series 2022 Bonds.** 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 \$_____ General Obligation Series 2022 A Bond (the “**Series 2022A Bond**”) and its \$_____ General Obligation Series 2022 B Bond (the “**Series 2022B Bond**”, together with the Series 2022A Bond, collectively the “**Series 2022 Bonds**”) for the purpose of financing all or a portion of the Projects, along with the costs of issuing the Series 2022 Bonds. The County previously authorized the solicitation by the Financial Advisor of bids for the Series 2022 Bonds. The Board of Supervisors now hereby authorizes the issuance of the Series 2022 Bonds 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 2022 Bonds shall be issued under the provisions of Article VII, Section 10(a) of the Constitution of Virginia. The Series 2022 Bonds 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 either of the Series 2022 Bonds 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 2022 Bonds as such principal, premium, if any, and interest shall become due.

3. **Use of Series 2022 Bond Proceeds.** The proceeds derived from the issuance of the Series 2022 Bonds, after the payment of the costs of issuance of the Series 2022 Bonds, 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:

<u>Project</u>	<u>Amount</u>
1. Police & County Vehicles	\$400,000
2. School Buses	\$412,000
3. Fleet Garage Bay Expansion	\$3,065,000
4. Self-Contained Breathing Apparatus	\$1,072,505
5. School Technology Infrastructure	\$328,000
6. Prince George High School Generator	\$179,220
7. Zoll X Series Monitors/Defibrillators	\$157,276
8. Costs of Issuance and Contingency	\$160,999
Total Project Costs Initially Identified	<u>\$5,775,000</u>

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 2022 Bonds 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 2022 Bonds, including other bond issues.

4. **Description of Series 2022 Bond.** The Series 2022A Bond shall evidence the County's obligation to repay a loan in the principal amount of the County's \$_____ General Obligation Bond, Series 2022A and its \$_____ General Obligation Bond, Series 2022B, the details of which are set forth in the written proposal of the Lender selected by the County as 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**"). A copy of the Lender Loan Proposal, as submitted by the Lender and the other finalist, in substantially final form, have been provided to the Board of Supervisors, and the details set forth therein submitted by the selected Lender shall be set forth in a Loan Agreement dated as of March __, 2022 between the County and the Lender (the "**Loan Agreement**").

The terms of the Lender Loan Proposal provided by the selected Lender, as presented to the Board by the Financial Advisor, a copy of which shall be attached hereto as Exhibit A, 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 2022A Bond shall have a final maturity date of February 1, 2037. The principal on the Series 2022A Bond shall be payable annually on February 1 of each year beginning on February 1, 2023. Interest on the Series 2022A Bond shall be payable at the rate of __ percent per annum on February 1 and August 1 of each year during which such debt obligation remains outstanding, commencing on August 1, 2022. The Series 2022A Bond may be prepaid in whole or in part in accordance with the prepayment provisions of the Lender Loan Proposal of the selected Lender.

The Series 2022B Bond shall have a final maturity date of February 1, 2027. The principal on the Series 2022B Bond shall be payable annually on February 1 of each year beginning on February 1, 2023. Interest on the Series 2022B Bond shall be payable at the rate of __ percent per annum on February 1 and August 1 of each year during which such debt obligation remains outstanding, commencing on August 1, 2022. The Series 2022B Bond may be prepaid in whole or in part in accordance with the prepayment provisions of the Lender Loan Proposal of the selected Lender.

5. Delegation of Authority to Finalize the Financing Documents for the Series 2022 Bonds. The final terms of the Series 2022 Bonds shall be determined by the Chairperson or the Vice-Chairman of the Board of Supervisors and evidenced conclusively by his or her execution and delivery of the Series 2022 Bonds, together with the Loan Agreement. All other financing documents and closing papers associated with the issuance of the Series 2022 Bonds, including but not limited to any loan related documentation requested by the Lender, Continuing Disclosure Agreement responsibilities, if any, a Federal Tax Compliance and Non-Arbitrage Certificate, certificates and an IRS Form 8038G for each of the Series 2022 Bonds are hereby authorized to be signed by the Chairperson or the Vice-Chairman of the Board of Supervisors, the acting County Administrator, the Director of Finance and other elected or appointed officials of the County as applicable, and no further action of the Board of Supervisors shall be required. The Chairperson of the Board of Supervisors or Vice-Chairman is hereby authorized to execute and deliver the Series 2022 Bonds to the Lender, and the Clerk of the Board of Supervisors is hereby authorized to affix and attest the Seal of the County thereon.

6. Form of Bonds. The Series 2022 Bonds shall be in substantially the form attached to this Resolution as Exhibit B, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution.

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 either of the Series 2022 Bonds are outstanding.

8. **Reimbursement Authorization.** To the extent not previously declared, the County intends that the adoption of this Resolution will be a reaffirmation and declaration of the County's official intent in accordance with U.S. Treasury Regulation Section 1.150-2 to obtain reimbursement from the proceeds of the Series 2022 Bonds for expenditures on the Projects previously incurred and paid, and respect to which Reimbursement Bond Resolutions have previously been adopted. The County intends for funds that have been previously advanced for costs of the Projects, or which may be so advanced, be reimbursed to the County from proceeds of the Series 2022 Bonds, 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 the Series 2022 Bonds.

10. **SNAP Investment Authorization.** The County authorizes the investment of all or any portion of the proceeds of the Series 2022 Bonds pursuant to the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP"). SNAP shall maintain all transferred proceeds from the Series 2022 Bonds in segregated accounts designated only for the specific projects for which such funds were originally borrowed.

11. **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.

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

Adopted: March 8, 2022

[Remainder of this Page Intentionally Left Blank]

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 8, 2022, 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:

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

WITNESS my hand and seal of the County this ____ day of March, 2022.

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

(SEAL)

Exhibit A

Lender Loan Proposals

Atlantic Union Bank Proposal

See Attached*

** Rates may be adjusted downward on March 8, 2022.*



February 24, 2022

Mitch Brigulio, Senior Vice President
Ben Wilson, Associate Vice President
Davenport & Company LLC
One James Center
901 East Cary Street, Suite 1100
Richmond, Virginia 23219

Dear Mitch and Ben,

Please find our Term Sheet outlining the proposed terms and conditions associated with the financing of Prince George County, Virginia enclosed.

Atlantic Union Public Finance, Inc. ("AUPF") is pleased to present this Term Sheet, for discussion purposes only, which outlines the terms and conditions AUPF will consider in making a loan to Prince George County, Virginia ("Borrower"). For the purpose of clarity, AUPF is a wholly-owned subsidiary of Atlantic Union Bank ("Atlantic Union") that will originate and hold the tax-exempt transaction herein contemplated.

This Summary of Terms and Conditions is being provided in response to a request for proposals, and AUPF is not receiving separate direct or indirect compensation for providing such response. This Summary of Terms and Conditions is presented for discussion purposes only and is not a commitment to lend. The actual terms and conditions of any commitment to lend are subject to completion of due diligence satisfactory to AUPF. This Summary of Terms and Conditions is confidential and cannot be disclosed to third parties without the prior written consent of AUPF.

Upon acceptance of our Term Sheet, we are prepared to proceed quickly to final underwriting and approval. All of the parties that would be required to approve this financing have approved issuance of the term sheet and have reviewed the information supplied in the solicitation.

AUPF would be represented in this transaction by Webster Day and Carter Brothers, partners with Spilman Thomas & Battle PLLC. Webster and Brothers are highly experienced in tax exempt financings for local governments, representing many across Virginia as well as representing us when no conflicts arise.

Thank you for including Atlantic Union in the referenced Request for Proposals. Please let me know if you have any questions.

Best regards,

A handwritten signature in black ink, appearing to read 'John C. Lester', is written over a faint, larger version of the same signature.

John C. Lester
Vice President,
Commercial Relationship Manager
T: +1.804.420.1264 | C: +1.804.380.2001
John.Lester@atlanticunionbank.com
1051 E. Cary Street, Suite 1200
Richmond, VA 23219



SUMMARY OF TERMS
Date: February 24, 2022

Atlantic Union Public Finance, Inc. (“AUPF”, or “Lender”) is pleased to present this Term Sheet, for discussion purposes only, which outlines the terms and conditions AUPF will consider in making a loan to the Borrower. For the purpose of clarity, AUPF is a wholly-owned subsidiary of Atlantic Union Bank that will originate and hold the tax-exempt transaction herein contemplated.

Borrower: Prince George County, Virginia.

Loan Structure: Tax-Exempt Bond (the “Loan”) to be fully funded at closing

Purpose: Provide funding for various capital improvements as outlined in the RFP dated January 27, 2022, and related costs of issuance.

Loan Amount: Up to \$5,775,000

Maturity: February 1, 2037

Repayment: The Loan will be paid in annual principal payments as outlined below:

Option 1		Option 2	
Principal Payments	Amount	Principal Payments	Amount
2/01/23	\$420,000	2/01/23	\$478,000
2/01/24	\$411,000	2/01/24	\$468,000
2/01/25	\$421,000	2/01/25	\$478,000
2/01/26	\$429,000	2/01/26	\$490,000
2/01/27	\$440,000	2/01/27	\$501,000
2/01/28	\$237,000	2/01/28	\$300,000
2/01/29	\$243,000	2/01/29	\$308,000
2/01/30	\$248,000	2/01/30	\$315,000
2/01/31	\$255,000	2/01/31	\$324,000
2/01/32	\$262,000	2/01/32	\$331,000
2/01/33	\$268,000	2/01/33	\$339,000
2/01/34	\$275,000	2/01/34	\$348,000
2/01/35	\$281,000	2/01/35	\$356,000
2/01/36	\$288,000	2/01/36	\$365,000
2/01/37	\$297,000	2/01/37	\$374,000
Total	\$4,775,000	Total	\$5,775,000

Interest Rate: A fixed rate of 2.045%, which will be held until March 31, 2022

Interest will be calculated based on a 30/360 basis, and will be payable semi-annually on February 1 and August 1, commencing August 1, 2022.

Security: General Obligation pledge of the full faith and credit of Prince George County, Virginia



- Prepayment:** Loan may be repaid in full or in part at any time without penalty. Partial prepayments may either be applied to the final scheduled principal payments due, or may allow a re-amortization of the remaining balance over the then remaining original term.
- Reporting Requirements:** Borrower will provide annual audited financial statements by December 31st of each year. Borrower will also provide its annual budget, and any revisions to the budget, within 30 days of board approval, as well as annual internally prepared financial statements comparing actual performance to budget, within 120 days of fiscal year end.
- Costs:** Borrower agrees that all fees, costs, reasonable legal fees (in respect to Bank Counsel, Spilman Thomas & Battle, PLLC), and other direct out-of-pocket expenses incurred by the Bank in connection with the origination, handling, or collection of the loans shall be paid by the Borrower. All such fees, expenses and costs shall be due whether or not the facilities are closed, and, if due, shall be payable at the time of closing, or on demand if the facilities do not close. The total fees, costs, legal fees (in respect to Bank Counsel, Spilman Thomas & Battle, PLLC), and other direct out-of-pocket expenses shall not exceed \$4,000.

This Summary of Terms and Conditions is being provided in response to a request for proposals dated January 27, 2022, and AUPF is not receiving separate direct or indirect compensation for providing such response. The transactions described in this Term Sheet include traditional banking services. This Summary of Terms and Conditions does constitute an offer or recommendation to enter into any "swap" or other derivatives transaction. Any such offer or recommendation will only occur after AUPF has received appropriate documentation regarding whether the applicable parties are qualified to enter into such a transaction under applicable law.

This Summary of Terms and Conditions is presented for discussion purposes only and is not a commitment to lend. The actual terms and conditions of any commitment to lend are subject to completion of due diligence satisfactory to AUPF. This Summary of Terms and Conditions is confidential and cannot be disclosed to third parties without the prior written consent of AUPF.

If the above terms and conditions are acceptable to you, AUPF will proceed with completing the underwriting of the loan according to AUPF policies.

ACCEPTED:

Borrower:

Prince George County, Virginia

Name and Title

Date

JP Morgan Chase Proposal

See Attached*

** Rates are floating until March 8, 2022.*



February 22, 2022

Mitch Brigulio, Davenport & Company
mbrigulio@investdavenport.com

Ben Wilson, Davenport & Company
bwilson@investdavenport.com

RE: Private Placement for Prince George County, Virginia \$5,775,000 Tax-Exempt General Obligation Bond, Series 2022

JPMorgan Chase Bank, N.A. (the "Bank") is pleased to submit this proposal for tax-exempt financing to Prince George County, Virginia (the "County"). This proposal is presented in the form of a "Term Sheet", subject to final negotiation and acceptance of all terms, conditions and documentation for the transaction.

FORM OF BOND:

The Bank will require a single term Bond in the full amount of par, with sinking fund payments equivalent to the stated maturity schedule set forth in the Request for Proposals. The Bank shall not require the Bond to be rated by any rating agency. The Bank: (a) is a bank, an entity directly or indirectly controlled by a bank or under common control with a bank, other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934, or a consortium of such entities; and (b) has the present intent to hold the Bond to maturity or earlier redemption or mandatory tender. Presentment of the Bond will be provided at final maturity or earlier redemption.

BANK ELIGIBILITY:

The Bank's bid assumes that the County will designate the obligation as a bank-qualified, tax-exempt obligation under Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

LEGAL OPINION:

Purchase of the Bond will be subject to delivery to the Bank of an opinion of the Bond Counsel, Williams Mullen, to the effect that under existing laws and assuming continuous compliance by the County with certain covenants designed to meet the requirements of the Code, interest on the Bond will be excluded from gross income of the owners for Federal income tax purposes and is also exempt from the Commonwealth of Virginia income taxes. Purchase will also be subject to delivery to the Bank of a satisfactory opinion of Bond Counsel that the Bond and the County's obligations under the bond documents are legal, valid, binding and enforceable against the County. The opinions will be addressed to Bank, or permit the Bank to rely thereon.

PRINCIPAL AMOUNT:

\$5,775,000

USE OF PROCEEDS:

Bond proceeds will be used for a variety of essential purpose capital expenditures including the purchase of police and county vehicles, school busses, Zoll X Series monitors/defibrillators, fleet garage bay expansion, self-contained breathing apparatus, school technology infrastructure, Prince George High School generator and costs of issuance/contingency.

SECURITY:

The Bond shall be a General Obligation pledge of the full faith and credit of the County.

REPAYMENT TERMS:

Not to exceed one hundred eighty (180) months with final maturity of February 1, 2037. Annual payments of principal on February 1, commencing February 1, 2023, plus semi-annual interest payments each February 1 and August 1, commencing August 1, 2022. Interest will accrue on a 30/360 basis.

Option 2C:

02/01/2023	\$478,000	02/01/2031	\$324,000
02/01/2024	\$468,000	02/01/2032	\$331,000
02/01/2025	\$478,000	02/01/2033	\$339,000
02/01/2026	\$490,000	02/01/2034	\$348,000
02/01/2027	\$501,000	02/01/2035	\$356,000
02/01/2028	\$300,000	02/01/2036	\$365,000
02/01/2029	\$308,000	02/01/2036	\$374,000
02/01/2030	\$315,000		

INTEREST RATE:

The rates provided below are provided exclusively for indicative purposes, based upon market conditions as of February 22, 2022. The indicative interest rates will refresh daily after 5:00 P.M. February 22, 2022. The actual rate of interest borne by the Bond will be set by mutual agreement between the Bank and the County upon receipt of Signed Term sheet (see below).

The interest rate will be fixed upon receipt of signed Term Sheet. However, prior to receipt of signed acceptance, the interest rate may increase if the Bank's cost of funds increases. Bank's cost of funds may increase due to a number of factors including, but not limited to, changes in market conditions. Interest will be calculated on a 30/360 basis.

The interest rate on the Bond is determined to approximate a particular percentage yield to Bank and assumes that interest on the Bond will be fully exempt from Federal income taxes and the Bond will remain a bank-qualified obligation through maturity.

Option A: 1.880% Indicative, fixed, tax-exempt, bank-qualified, rate with no optional redemption.

Option B: 1.960% Indicative, fixed, tax-exempt, bank-qualified, rate callable on and after February 1, 2030. Upon at least 45 days prior written notice to the Bank, the Bond is subject to redemption on any interest payment date on and after February 1, 2030 at the option of the County at par plus accrued interest to the date fixed for redemption, and shall be applied to repay the principal amount of the Bond in inverse order of maturities.

FINANCIAL REPORTING:

Unless available electronically on a public website, the County will be required to provide Bank with a copy of its Comprehensive Annual Financial Report within 270 days of fiscal year end. The County shall also provide other financial information of the County as the Bank may from time to time reasonably request.

PAYING AGENT/REGISTRAR:

Bank will not serve as Registrar. No presentation or surrender of the Bond shall be required for payment of principal or interest prior to final maturity or redemption in full of the Bond.

DOCUMENTATION:

Documentation shall be prepared by the County's Bond Counsel, the fees of which shall be paid by the County. Documentation shall be subject to approval by the Bank and its separate Bank counsel, in the Bank's reasonable discretion, including, but not limited to, the review of the form of resolution authorizing the Bond and the form of the Bond.

BANK COUNSEL FEES:

The Bank will engage Michael Graff of McGuire Woods LLP as its counsel with fees not to exceed \$6,500, to be paid by the County at closing.

ADDITIONAL PROVISIONS:

In the event of payment default, the Bank may seek all remedies available to it under law or equity in the Commonwealth of Virginia.

MUNICIPAL ADVISOR DISCLAIMER:

The County acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the County and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the County, (iii) the Bank and its affiliates are relying on the Bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the County on other matters), (v) the Bank and its

affiliates have financial and other interests that differ from those of the County, and (vi) the County has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

WEBSITE DISCLOSURE:

As a best practice to maintain transparency, final bond documentation may be posted by the County on a national public bond market repository provided that the Bank first have an opportunity to request redaction of certain information. County agrees that it shall not file or permit the filing or submission of any posting to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) system that includes unredacted sensitive or confidential information about the Bank or its affiliates, including e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories. The County agrees to provide the Bank with a copy of each posting prior to its submission or posting on EMMA.

EXPIRATION:

This proposal must be accepted on or before 5:00 P.M. February 22, 2022, with funding and closing on or before March 31, 2022. If acceptance and funding have not occurred by the above dates, the Bank may, at its option and in its sole discretion, terminate this proposal, or adjust the interest rate.

MATERIAL CHANGE:

A material change in the aggregate amount to be financed or a material change in the financial condition or prospects of the County may cause Bank to terminate this proposal and/or re-submit terms and interest rates set forth herein.

Submitted by:

Tasnim Segal

Tasnim Segal, Vice President
JPMorgan Chase Bank, N.A.
875 15th St. NW, Floor 5
Washington DC 20005-2221
(571) 264-9200
tasnim.segal@chase.com

cc: McGuire Woods
Mike Graff
mgraff@mcguirewoods.com

ACCEPTED BY: (for) Prince George County, Virginia

Interest Rate Option: _____

By: _____

Name: _____

Title: _____

Date: _____

IRS Circular 230 Disclosure: Bank and its affiliates (collectively, "Chase") do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with Chase of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

Exhibit B

Form of Bonds

General Obligation Bond, Series 2022A

No. R-1

\$ _____

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
COUNTY OF PRINCE GEORGE, VIRGINIA**

GENERAL OBLIGATION BOND, SERIES 2022A

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>ISSUE DATE</u>
%	February 1, 2037	March __, 2022	March __, 2022

REGISTERED HOLDER: _____

PRINCIPAL AMOUNT: \$ _____

The County of Prince George, Virginia, a political subdivision of the Commonwealth of Virginia (the “**County**”), for value received hereby promises to pay to the registered holder (named above), or assigns, on the Maturity Date (specified above), subject to prepayment or prior redemption as hereinafter provided, the Principal Sum (specified above) by wire transfer to the registered holder on the payment dates set forth below by the Prince George County Treasurer, Prince George, Virginia, (the “**Paying Agent**”), and to pay interest on said Principal Sum, from the date of authentication hereof until the payment of said Principal Sum by wire transfer to the registered holder on the payment dates set forth below, at the rate per annum (specified above) payable as follows:

Commencing on August 1, 2022 and on each February 1 and August 1 thereafter to and including the Maturity Date (each an “**Interest Payment Date**”), interest at the rate set forth above. Principal of this Bond shall be payable in annual installments in the amounts and on the dates set forth in Schedule A-1 attached hereto beginning February 1, 2023.

Principal of, premium, if any, and interest on, this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

This Bond is issued under and pursuant to and in compliance with the Constitution and laws of the Commonwealth of Virginia, including Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, the same being the Public Finance Act, the provisions of Article VII, Section 10(a) of the Constitution of Virginia and the resolution duly adopted under said Chapter of the Act, by the Board of Supervisors of the County on March 8, 2022 (the “**Resolution**”).

This Bond shall bear interest from the date on which the Bond is authenticated. Interest on this Bond shall be computed on the basis of 30-day months and 360-day year.

This Bond is transferable only upon the registration books kept at the office of the Registrar by the registered holder hereof, or by his duly authorized attorney, upon surrender of this Bond

(together with a written instrument of transfer, satisfactory in form to the Registrar, duly executed by the registered holder or its duly authorized attorney, which may be the form endorsed hereon) and subject to the limitations and upon payment of the charges, if any, as provided in the Resolution, and thereupon as provided in the Resolution a new Bond or Bonds, in the aggregate principal amount and in the authorized denominations and of the same series, interest rate and maturity as the Bond surrendered, shall be issued in exchange therefor. The County and the Registrar shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

This Bond is subject to optional redemption on any Interest Payment Date, in whole or in part, [upon at least 45 days prior written notice to the Holder hereof on any interest payment date on or after February 1, 2030 at par plus accrued interest to the date fixed for redemption, and shall be applied to repay the principal amount of the Bond in inverse order of maturities][at any time without penalty] upon payment of the outstanding principal amount of the Bond so prepaid or redeemed, plus interest accrued to the redemption date upon not less than __ days written notice to the holder of this Bond prior to the date fixed for redemption as provided in the Loan Agreement (as defined below).

THIS BOND IS A GENERAL OBLIGATION OF THE COUNTY FOR THE PAYMENT OF WHICH THE COUNTY'S FULL FAITH AND CREDIT ARE IRREVOCABLY PLEDGED. THE COUNTY BOARD OF SUPERVISORS IS AUTHORIZED AND REQUIRED TO LEVY AND COLLECT ANNUALLY AT THE SAME TIME AND IN THE SAME MANNER AS OTHER TAXES OF THE COUNTY ARE ASSESSED, LEVIED AND COLLECTED, A TAX UPON ALL TAXABLE PROPERTY WITHIN THE COUNTY, OVER AND ABOVE ALL OTHER TAXES AUTHORIZED OR LIMITED BY LAW AND WITHOUT LIMITATION AS TO RATE OR AMOUNT, SUFFICIENT TO PAY WHEN DUE THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BOND, TO THE EXTENT OTHER FUNDS OF THE COUNTY ARE NOT LAWFULLY AVAILABLE AND APPROPRIATED FOR SUCH PURPOSE.

Reference is hereby made to the Resolution and to all of the provisions thereof and to a Loan Agreement between the County and _____, as the lender and initial holder of this Bond (the "**Lender**"), dated as of March __, 2022 (the "**Loan Agreement**") to which any subsequent holder of this Bond by its acceptance hereof hereby assents. The definitions of capitalized terms not otherwise defined herein; the rights, duties and obligations of the County; the provisions discharging this Bond and for the other terms and provisions of the Resolution, the Lender and any subsequent holder hereof is directed to the Loan Agreement.

This Bond shall not be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Registrar and the date of authentication inserted hereon.

IN WITNESS WHEREOF, the County of Prince George, Virginia, by its Board of Supervisors has caused this Bond to be signed by the Chairperson and attested by the Clerk of said Board, by their manual or facsimile signatures, and its seal to be impressed or imprinted hereon, and this Bond to be dated as set forth above.

[SEAL]

Clerk, Board of Supervisors

Chairperson, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution.

REGISTRAR – PRINCE GEORGE COUNTY TREASURER

By: _____
County Treasurer

DATE OF AUTHENTICATION:

March ____, 2022

[SEAL]

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto

Please insert social security number or other tax identification number of assignee:

[_____]

Name and address of assignee, including zip code: _____

The within – mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney-in-fact, to transfer the same on the registration books thereof maintained in the office of the within-mentioned Registrar with the full power of substitution in the premises.

DATED: _____

NOTE: The signature to this assignment must correspond with the name of the registered holder that is written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Debt Service Schedule A-1

General Obligation Bond, Series 2022B

No. R-1

\$ _____

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
COUNTY OF PRINCE GEORGE, VIRGINIA

GENERAL OBLIGATION BOND, SERIES 2022B

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>ISSUE DATE</u>
__%	February 1, 2027	March __, 2022	March __, 2022

REGISTERED HOLDER: _____

PRINCIPAL AMOUNT: \$ _____

The County of Prince George, Virginia, a political subdivision of the Commonwealth of Virginia (the “**County**”), for value received hereby promises to pay to the registered holder (named above), or assigns, on the Maturity Date (specified above), subject to prepayment or prior redemption as hereinafter provided, the Principal Sum (specified above) by wire transfer to the registered holder on the payment dates set forth below by the Prince George County Treasurer, Prince George, Virginia, (the “**Paying Agent**”), and to pay interest on said Principal Sum, from the date of authentication hereof until the payment of said Principal Sum by wire transfer to the registered holder on the payment dates set forth below, at the rate per annum (specified above) payable as follows:

Commencing on August 1, 2022 and on each February 1 and August 1 thereafter to and including the Maturity Date (each an “**Interest Payment Date**”), interest at the rate set forth above. Principal of this Bond shall be payable in annual installments in the amounts and on the dates set forth in Schedule A-1 attached hereto beginning February 1, 2023.

Principal of, premium, if any, and interest on, this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

This Bond is issued under and pursuant to and in compliance with the Constitution and laws of the Commonwealth of Virginia, including Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, the same being the Public Finance Act, the provisions of Article VII, Section 10(a) of the Constitution of Virginia and the resolution duly adopted under said Chapter of the Act, by the Board of Supervisors of the County on March 8, 2022 (the “**Resolution**”).

This Bond shall bear interest from the date on which the Bond is authenticated. Interest on this Bond shall be computed on the basis of 30-day months and 360-day year.

This Bond is transferable only upon the registration books kept at the office of the Registrar by the registered holder hereof, or by his duly authorized attorney, upon surrender of this Bond (together with a written instrument of transfer, satisfactory in form to the Registrar, duly executed

by the registered holder or its duly authorized attorney, which may be the form endorsed hereon) and subject to the limitations and upon payment of the charges, if any, as provided in the Resolution, and thereupon as provided in the Resolution a new Bond or Bonds, in the aggregate principal amount and in the authorized denominations and of the same series, interest rate and maturity as the Bond surrendered, shall be issued in exchange therefor. The County and the Registrar shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

This Bond is subject to optional redemption on any Interest Payment Date, in whole or in part, [upon at least 45 days prior written notice to the Holder hereof on any interest payment date on or after February 1, 2030 at par plus accrued interest to the date fixed for redemption, and shall be applied to repay the principal amount of the Bond in inverse order of maturities][at any time without penalty] upon payment of the outstanding principal amount of the Bond so prepaid or redeemed, plus interest accrued to the redemption date upon not less than __ days written notice to the holder of this Bond prior to the date fixed for redemption as provided in the Loan Agreement (as defined below).

THIS BOND IS A GENERAL OBLIGATION OF THE COUNTY FOR THE PAYMENT OF WHICH THE COUNTY'S FULL FAITH AND CREDIT ARE IRREVOCABLY PLEDGED. THE COUNTY BOARD OF SUPERVISORS IS AUTHORIZED AND REQUIRED TO LEVY AND COLLECT ANNUALLY AT THE SAME TIME AND IN THE SAME MANNER AS OTHER TAXES OF THE COUNTY ARE ASSESSED, LEVIED AND COLLECTED, A TAX UPON ALL TAXABLE PROPERTY WITHIN THE COUNTY, OVER AND ABOVE ALL OTHER TAXES AUTHORIZED OR LIMITED BY LAW AND WITHOUT LIMITATION AS TO RATE OR AMOUNT, SUFFICIENT TO PAY WHEN DUE THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BOND, TO THE EXTENT OTHER FUNDS OF THE COUNTY ARE NOT LAWFULLY AVAILABLE AND APPROPRIATED FOR SUCH PURPOSE.

Reference is hereby made to the Resolution and to all of the provisions thereof and to a Loan Agreement between the County and _____, as the lender and initial holder of this Bond (the "**Lender**"), dated as of March __, 2022 (the "**Loan Agreement**") to which any subsequent holder of this Bond by its acceptance hereof hereby assents. The definitions of capitalized terms not otherwise defined herein; the rights, duties and obligations of the County; the provisions discharging this Bond and for the other terms and provisions of the Resolution, the Lender and any subsequent holder hereof is directed to the Loan Agreement.

This Bond shall not be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Registrar and the date of authentication inserted hereon.

IN WITNESS WHEREOF, the County of Prince George, Virginia, by its Board of Supervisors has caused this Bond to be signed by the Chairperson and attested by the Clerk of said Board, by their manual or facsimile signatures, and its seal to be impressed or imprinted hereon, and this Bond to be dated as set forth above.

[SEAL]

Clerk, Board of Supervisors

Chairperson, Board of Supervisors

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Resolution.

REGISTRAR – PRINCE GEORGE COUNTY TREASURER

By: _____
County Treasurer

DATE OF AUTHENTICATION:

March __, 2022

[SEAL]

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns and transfers unto

Please insert social security number or other tax identification number of assignee:

[]

Name and address of assignee, including zip code: _____

The within – mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney-in-fact, to transfer the same on the registration books thereof maintained in the office of the within-mentioned Registrar with the full power of substitution in the premises.

DATED: _____

NOTE: The signature to this assignment must correspond with the name of the registered holder that is written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Debt Service Schedule A-1