

## RESUME – APPROVAL OF FINANCING OPTIONS – SPRING 2017 DEBT ISSUE

MARCH 14, 2017

Staff is requesting approval of the financing option for spring 2017 debt issuance for recommended FY2017 Capital Improvement Plan Projects.

At the January 12, 2017 Board of Supervisors pre-budget work session, staff reviewed CIP projects submitted by the CIP Committee and recommended for completion by the County Administrator in FY2017. Staff received board consensus to move forward in planning and examining financing options on recommended CIP Projects as presented. A project listing is shown as *Exhibit B*.

Davenport & Company, on behalf of the County, issued an RFP to solicit bids for Series 2017 tax exempt bonds and also completed an application to the Virginia Resources Authority (VRA) as a financing option.

Davenport sought responses for financing options as three (3) different amounts and under three (3) terms as shown below.

Option #	Amount	Term 1	Term 2	Term 3
Option 1	\$5,000,000	10 Years	15 Years	20 Years
Option 2	\$10,000,000	10 Years	15 Years	20 Years
Option 3	\$19,000,000	10 Years	15 Years	20 Years

A summary of the bank responses and Davenport's recommendations are provided for board review. Subsequent to RFP issuance, it was determined by bond counsel that the Broadband initiative would require a taxable loan. Davenport sought taxable rates from the lowest bidder and incorporated that financing in with the tax-exempt borrowing to minimize interest impact.

**The overall recommendation is to finance with Carter Bank & Trust for 15 years for a maximum of \$10,000,000\*; \$1,000,000 in taxable debt issuance for the Broadband initiative and up to \$9,000,000 in tax exempt debt issuance for other recommended capital projects.**

\*A \$10,000,000 maximum borrowing is recommended due to projected affordability of required interest payments in the FY2018 budget, and due to the ability to spread borrowing for the Public Safety Radio project over two years due to its projected timeline. \$5,000,000 and \$10,000,000 options for planned projects are shown as *Exhibit C*.

Final VRA rates are currently not known, however based on a preliminary estimate of VRA rates, Davenport estimates that total debt payments with VRA would be more than with Carter Bank & Trust. Additionally, Carter Bank & Trust allows more prepayment flexibility (VRA would not accept any prepayment until on or after November 1, 2027).

**Public hearings on 1) the issuance of the debt and 2) related budget amendment(s) for appropriation of debt proceeds and capital expenditures are being conducted on March 14, 2017.**

**CONTINUED**

## **RESUME – APPROVAL OF FINANCING OPTIONS – SPRING 2017 DEBT ISSUE**

### ***CONTINUED***

***Requested Action*** – Approve the attached resolution to allow the County Administrator to accept the proposal submitted by Carter Bank & Trust for up to \$10,000,000 in total financing.

### ***Future Action***

March 28, 2017 – approve resolution authorizing the issuance of debt [*See Exhibit A* for substantial form of resolution that will be presented]

March 28, 2017 – approve resolution(s) amending the FY2017 budget for appropriation of debt proceeds and capital spending.

### **EXHIBITS:**

EXHIBIT A – Draft Resolution for Debt Issuance (action March 28, 2017)

EXHIBIT B – Updated Project listing

EXHIBIT C – Updated Project listing with \$5,000,000 and \$10,000,000 options

To Prince George County, Virginia  
From Davenport & Company LLC  
Date March 14, 2017  
Subject General Obligation Bonds, Series 2017 Summary of Financing Options

**Background**

Davenport & Company LLC ("Davenport"), on behalf of Prince George County, VA (the "County"), distributed a Request for Proposals ("RFP") to solicit bids for a Tax Exempt General Obligation Bond, Series 2017 (the "2017 Bond") to finance various public improvement projects for the County and to pay the associated costs of issuance. As part of the RFP process, proposals were requested for the following financing amounts:

- Option 1: \$5,000,000
- Option 2: \$10,000,000
- Option 3: \$19,000,000

For each of the options above, proposers were asked to provide interest rates for a 10, 15, and 20-year final maturity.

The RFP was distributed to National, Regional, and Local Lending Institutions and included a series of key terms and conditions for the requested financing. After the initial distribution, Davenport contacted each of the potential proposers to assess their interest in the financing and address any questions they had.

In addition to distributing the RFP, an application was submitted to the Virginia Resources Authority ("VRA") to participate in a financing under the spring issuance of the Virginia Pooled Financing Program (the "Spring Pool").

**Bank RFP Results**

Through the Bank RFP process, the County received proposals from the following lending institutions for the 2017 Bond:

- Branch Banking and Trust Company;
- Capital Bank;
- Capital One Public Funding, LLC;
- Carter Bank & Trust;
- Key Government Finance, Inc.;
- Pinnacle Public Finance, Inc.;
- Raymond James Capital Funding, Inc.;
- Sterling National Bank;
- U.S. Bancorp Government Leasing and Finance, Inc.; and
- Zions Bank.

A detailed summary and analysis of the proposals received is included in this memorandum.

# DAVENPORT & COMPANY

## General Obligation Bonds, Series 2017 Summary of Financing Options

March 14, 2017

### Proposed Interest Rates

A summary of the interest rates received for each of the borrowing amounts and amortization options requested are shown below. The lowest interest rate proposal for each option is highlighted within each table.

Carter Bank & Trust provide the lowest interest rate that is fixed for the life of the financing for both the \$5,000,000 and \$10,000,000 borrowing amounts under all of the amortization options requested. Carter Bank & Trust did not submit a bid for the \$19,000,000 financing options; however, based upon subsequent conversations with County staff, we understand that the \$19,000,000 borrowing amount is no longer under consideration. Therefore, the remainder of this memorandum will focus on the Carter Bank & Trust Proposal.

### 10 Year Amortization Options (2/1/2027 Final Maturity)

	\$ 5,000,000	\$ 10,000,000	\$ 19,000,000
<b>10 Years</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>Bank</b>	<b>BQ</b>	<b>BQ</b>	<b>NBQ</b>
1 Carter Bank	2.010%	2.010%	no bid
2 BB&T	2.250%	2.250%	2.690%
3 Key Government Finance (float)	2.330%	2.330%	2.330%
4 US Bank	2.334%	2.334%	2.334%
5 Capital Bank	2.380%	2.380%	2.540%
6 Key Government Finance (lock)	2.430%	2.430%	2.430%
7 Pinnacle	2.475%	2.475%	2.475%
8 Raymond James	no bid	2.540%	2.540%
9 Zions Bank	2.640%	2.640%	2.640%
10 Capital One	2.990%	2.990%	2.990%
11 Sterling	3.060%	3.030%	3.020%

### 15 Year Amortization Options (2/1/2032 Final Maturity)

	\$ 5,000,000	\$ 10,000,000	\$ 19,000,000
<b>15 Years</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
<b>Bank</b>	<b>BQ</b>	<b>BQ</b>	<b>NBQ</b>
1 Carter Bank	2.300%	2.300%	no bid
2 Capital Bank (10 Yr. reset)	2.380%	2.380%	2.540%
3 BB&T	2.540%	2.540%	3.000%
4 US Bank	2.594%	2.594%	2.594%
5 Raymond James	no bid	2.670%	2.670%
6 Key Government Finance (float)	2.750%	2.750%	2.750%
7 Pinnacle	2.800%	2.800%	2.800%
8 Key Government Finance (lock)	2.860%	2.860%	2.860%
9 Zions Bank	3.130%	3.130%	3.130%
10 Sterling	3.300%	3.280%	3.260%
11 Capital One	3.340%	3.340%	3.340%

## DAVENPORT & COMPANY

### General Obligation Bonds, Series 2017 Summary of Financing Options

March 14, 2017

#### 20 Year Amortization Options (2/1/2037 Final Maturity)

	\$ 5,000,000	\$ 10,000,000	\$ 19,000,000
<u>20 Years</u>	Option 1	Option 2	Option 3
Bank	BQ	BQ	NBQ
1 Capital Bank (10 Yr. reset)	2.380%	2.380%	2.540%
2 Carter Bank	3.050%	3.050%	no bid
3 Pinnacle	3.055%	3.055%	3.055%
4 Sterling	3.410%	3.390%	3.370%
5 Capital One	3.740%	3.740%	3.740%
6 BB&T	no bid	no bid	no bid
7 Key Government Finance (float)	no bid	no bid	no bid
8 Key Government Finance (lock)	no bid	no bid	no bid
9 Raymond James	no bid	no bid	no bid
10 US Bank	no bid	no bid	no bid
11 Zions Bank	no bid	no bid	no bid

Please Note: The data above has been sorted lowest to highest under Option 2 (\$10 Million).

#### Carter Bank & Trust Proposal

In addition to providing the lowest interest rates for each of the options under considerations, the Carter Bank & Trust proposal included the following key terms and conditions:

- Interest rates held-firm through Closing by April 14, 2017.
- Flexibility to prepay the loan in whole or in part at any time without penalty.
- No bank or lender's counsel fees.

#### VRA Financing Option

VRA is in the process of reviewing the County's application for the Spring Pool. If approved by the VRA credit committee, the County will have the option to participate in the VRA Spring Pool. Interest rates for the Spring Pool will not be set until VRA prices their bond issue on or about May 10, 2017. Until that time, the County would be subject to interest rate movements. In order to participate in the Spring Pool, the County would be responsible for their proportionate share of VRA's issuance costs; these costs could be included in the borrowing and funded from loan proceeds. Additionally, a financing under the Spring Pool would not be subject to prepayment until on or after November 1, 2027; after that time the financing would be prepayable in whole or in part at any time without penalty.

## **DAVENPORT & COMPANY**

### **General Obligation Bonds, Series 2017 Summary of Financing Options**

March 14, 2017

#### **Taxable Financing Component**

Based on discussions with County Staff and Bond Counsel, it has been determined that the Broadband project component of the financing (\$1,000,000) will need to be funded through a taxable loan due to the intended private use of the project.

Davenport subsequently requested that Carter Bank & Trust provide a taxable interest rate proposal for the \$1,000,000 Broadband component of the financing. In order to mitigate the costs associated with the taxable interest rates, the taxable loan is anticipated to be fully amortized over a 2 to 5 Year term (depending on the scenario) prior to any repayment of the tax-exempt loan.

The taxable interest rate proposals provided by Carter Bank & Trust are outlined below. These rates are subject to the same terms and conditions as the Tax Exempt rates discussed previously in the memorandum and are held firm through a closing by April 14, 2017:

- 1-year Maturity: 1.50%
- 2-year Maturity: 1.75%
- 3-year Maturity: 2.25%
- 4-year Maturity: 2.50%
- 5-year Maturity: 2.75%

#### **Summary Comparison – Carter Bank & Trust vs. VRA Financing**

A comparison of the tax-exempt, taxable, and blended interest rates as well as the estimated average annual and total debt service under the Carter Bank & Trust and VRA Spring Pool financing options are shown in the summary chart on the following page. The VRA interest rates and estimated debt service shown are based on current market interest rates as of February 24, 2017, and are preliminary and subject to change.

The preliminary results shown for both Carter Bank & Trust and VRA factor in the County's estimated costs of issuance. The preliminary VRA results also include the estimated VRA costs of issuance and the annual VRA administrative fees.

As shown in the summary table, the combined taxable and tax-exempt interest rates provided by Carter Bank & Trust provide the lowest cost financing for all of the borrowing amount and amortization options requested. A summary of the estimated annual debt service for each of the Carter Bank & Trust options is included as an appendix to this memorandum.



## **DAVENPORT & COMPANY**

### **General Obligation Bonds, Series 2017 Summary of Financing Options**

March 14, 2017

#### **Recommendation**

Based upon our review of the proposals, related analyses, and discussions with County Staff and Bond Counsel, Davenport recommends that the County pursue one of the direct bank loan financing options provided by Carter Bank & Trust. The Carter Bank & Trust proposal provides the lowest total debt services costs, interest rates that are locked through the anticipated closing date, and maximum prepayment flexibility.

#### **Next Steps**

March 14 <sup>th</sup>	County Board Meeting <ul style="list-style-type: none"><li>– County Board considers holding a Public Hearing, adopting a resolution selecting the preferred financing approach, and offering guidance on the preferred borrowing amount and amortization.</li></ul>
March 28 <sup>th</sup>	County Board Meeting <ul style="list-style-type: none"><li>– County Board considers adopting final resolutions and form of financing documents, if necessary.</li></ul>
Balance of March	Working Group will draft, distribute, and review closing documents and finalize the numbers.
By April 14 <sup>th</sup>	Close on Direct Bank Loan.



# DAVENPORT & COMPANY

## General Obligation Bonds, Series 2017 Summary of Financing Options

March 14, 2017

### Appendix

#### Estimated Debt Service Schedules Based on the Carter Bank & Trust Proposal

Estimated debt service schedules are reflected below for each of the options and amortizations provided by Carter Bank & Trust.

Carter Bank			B			C			D			E			F			G		
			2/1/2027			2/1/2032			2/1/2037			2/1/2027			2/1/2032			2/1/2037		
1	Final Maturity		10	15	20							10	15	20						
2	Total Term (in Years)																			
3	Aggregate Blended Interest Rate / TIC		1.988%	2.314%	3.027%							1.993%	2.284%	3.028%						
4	Tax Exempt Interest Rate / TIC		2.010%	2.300%	3.050%							2.010%	2.300%	3.050%						
5	Taxable Interest Rate / TIC		1.750%	2.500%	2.750%							1.500%	1.750%	2.250%						
6																				
7	Fiscal Year																			
8	2018		\$78,592	\$93,925	\$120,015							\$157,264	\$180,224	\$238,425						
9	2019		612,900	422,000	350,500							1,224,900	843,500	700,000						
10	2020		612,888	422,375	349,973							1,225,317	842,668	699,933						
11	2021		612,616	422,550	350,308							1,225,313	843,296	700,663						
12	2022		611,903	422,525	349,478							1,224,886	842,530	700,272						
13	2023		611,989	421,836	350,510							1,225,037	843,442	700,065						
14	2024		612,853	422,108	350,170							1,225,746	842,986	700,462						
15	2025		612,477	422,196	350,155							1,224,993	843,185	700,432						
16	2026		611,879	422,100	349,927							1,224,798	843,016	699,975						
17	2027		612,060	421,820	349,485							1,225,140	842,479	700,091						
18	2028		0	422,356	349,829							0	842,574	700,750						
19	2029		0	421,685	349,930							0	843,278	699,920						
20	2030		0	421,830	349,786							0	842,568	700,633						
21	2031		0	421,768	350,399							0	842,467	699,828						
22	2032		0	422,499	349,737							0	842,952	700,534						
23	2033		0	0	349,831							0	0	700,692						
24	2034		0	0	349,650							0	0	700,300						
25	2035		0	0	350,195							0	0	700,360						
26	2036		0	0	350,435							0	0	699,840						
27	2037		0	0	350,370							0	0	700,740						
28	Total Debt Service		\$5,590,155	\$6,003,573	\$6,770,679							\$11,183,395	\$11,981,164	\$13,543,911						

<sup>(1)</sup> Estimates are preliminary and subject to change.

**Municipal Advisor Disclosure**

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

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

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

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**Exhibit A**

**RESOLUTION AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION BONDS, SERIES 2017 OF THE  
COUNTY OF PRINCE GEORGE, VIRGINIA**

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

**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 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 without a referendum;

**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 obligations payable from pledges of the full faith and credit of the County;

**WHEREAS**, the County held a public hearing, duly noticed, on March 14, 2017, on the issuance of the Bonds (as defined below) in accordance with the requirements of Section 15.2-2606 of the Act;

**WHEREAS**, Davenport & Company LLC, the County's financial advisor (**the “Financial Advisor”**), as directed by County staff, has prepared a Request for Proposals (**the “RFP”**) to obtain financing proposals from banks for the financing of various capital improvements to be undertaken by the County, including, but not limited to (i) the purchase of police vehicles; (ii) a new public safety radio system; (iii) improvements to the Route 10 fire station; (iv) the enhancement of broadband access to County schools, businesses and residents; (v) various school window replacements; (vi) athletic court surface paving projects; (vii) Scott Park Field and related facility improvements; (viii) the addition of a canoe ramp at the Appomattox River Park and Recreation facility; (ix) baseball field improvements at the JEJ Moore Middle School complex; (x) roof refurbishment for the criminal justice building; and (xi) asbestos removal and pipe replacement at the Central Wellness Center facility (**the “Projects”**); and

**WHEREAS**, the County expects to issue its general obligation bonds in a principal amount not to exceed \$18,000,000 (**the “Bonds”**) to finance the Projects and the Board of Supervisors, based upon an evaluation of the responses to the RFP and the recommendations of County staff and the Financial Advisor, will accept a proposal for the issuance and sale of the Bonds;

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

1. **Authorization of the Bonds.** The Board of Supervisors hereby finds and determines that it is advisable and in the best interests of the County to contract a debt and issue and sell its Bonds for the purpose of financing all or a portion of the Projects and costs of issuing the Bonds. The County previously authorized the solicitation of bids for the issuance and sale of the Bonds. The Board of Supervisors now hereby authorizes the issuance and sale of the Bonds in accordance with the terms hereby approved by the Board of Supervisors.

2. **Details of the Bonds.** Pursuant to the Act of 1991, for the purpose of providing the funds to finance all or a portion of the costs of the Projects, the County shall issue \_\_\_\_\_ Million \_\_\_\_\_ Hundred Thousand Dollars (\$\_\_\_\_\_) in aggregate principal amount of Bonds of the County in the form of one or more series of Bonds to be designated "General Obligation Public Facilities Bonds,, as further identified by the year and manner in which such obligations are issued. The Bonds shall be issued as the Chairman of the Board and the County Administrator, in consultation with the County Director of Finance, shall hereafter determine.

3. **General Obligation Bonds.** The Bonds shall be issued under the provisions of Article VII, Section 10(a) of the Constitution of Virginia. The Bonds shall be general obligations 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 of the 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 Bonds as such principal, premium, if any, and interest shall become due.

4. **Use of Bond Proceeds.** \_\_\_\_\_ Million \_\_\_\_\_ Hundred Thousand Dollars (\$\_\_\_\_\_) of the proceeds of the sale of the Bonds, after the payment of the expenses of issuance of the Bonds, shall 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, in substantially the following estimated amounts:

Project

Amount

Project

Amount

TOTAL \$

If the actual costs for any of the components of the Projects exceed the anticipated costs, such excess may be paid from the proceeds of the Bonds originally allocated to any of the other components or to any other capital improvement project approved by the Board of Supervisors.

5. **Sale of Bonds.** The Bonds shall be sold to \_\_\_\_\_ (the “Purchaser”), as recommended by the Chairman of the Board and the County Administrator, in consultation with the County Director of Finance, in accordance with a formal written proposal of the Purchaser dated February \_\_\_\_, 2017, as the same may be subsequently amended (the “Bank Loan Proposal”), the terms of which are hereby approved, at the annual interest rates and the final maturity dates as set forth in the Bank Loan Proposal. The Bonds shall have final maturities of \_\_\_\_\_, and \_\_\_\_\_, respectively, with principal and interest payable [annually] on \_\_\_\_\_ of each year beginning on \_\_\_\_\_, in the amounts set forth on Schedule A attached to this Resolution. The final terms of the Bonds shall be determined by the Chairman of the Board and evidenced conclusively by his execution and delivery of the Bonds to the purchaser thereof, and no further action of the Board shall be required. The Chairman of the Board is hereby authorized to execute and deliver the Bonds to the purchaser thereof, and the Clerk of the Board is hereby authorized to affix and attest the Seal of the County thereon.

6. **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 (the “Code”) and the applicable Treasury Regulations promulgated thereunder at all times during which the Bonds are outstanding.

7. **Reimbursement Authorization.** The County intends that the adoption of this Resolution will be a declaration of the County’s official intent in accordance with U.S. Treasury Regulation Section 1.150-2 to obtain reimbursement from future bond proceeds for expenditures on the Projects made on or after 60 days prior to the date hereof. The County intends that funds that have been advanced for costs of the Projects, or which may be so advanced, may be reimbursed from proceeds of the Bonds, or any subsequent debt obligations.

[8. **Bank Qualification Designation.** The Board of Supervisors, on behalf of the County, hereby designates the Bonds as “qualified tax-exempt obligations,, as defined in Section 265(b)(3)(B) of the Code and certifies by this Resolution that it does not reasonably anticipate the issuance by it or its subordinate entities of more than \$10 million in “qualified tax-exempt obligations,, during the calendar year 2017 and will not designate, or permit the designation by any of its subordinate entities of, any of its bonds (or those of its subordinate entities) during the

calendar year 2017 which would cause the \$10 million limitation of Section 265(b)(3)(D) of the Code to be violated.]

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 confirms and directs Williams Mullen PC, Bond Counsel to the County, the Financial Advisor and County staff to prepare documents and take such action as necessary or appropriate in relation to such Bonds.

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

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

Adopted: March \_\_\_\_, 2017

## 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 14, 2017, and that such resolution has not been repealed, revoked, rescinded or amended, but is in full force and effect on the date hereof. A summary of the members present or absent at such meeting, and the recorded vote with respect to the foregoing resolution, is set forth below:

Member Name	Present	Absent	Voting		
			Yes	No	Abstaining
William A. Robertson, Jr.					
Donald Hunter					
Alan R. Carmichael					
Jerry J. Skalsky					
T. J. Webb					
Percy C. Ashcraft					

WITNESS my hand and seal of the County this \_\_\_\_ day of March, 2017.

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

(SEAL)

32968720\_1

FOR CONSIDERATION MARCH 28, 2017

**Schedule A**

**Payment Schedule**



**County of Prince George  
Capital Projects for Financing - Spring 2017 Debt Issue**

**APPROVED/APPROPRIATED PROJECTS**

#	Item Description	Approved Amount	Board Meeting Date	Status
1	Public Safety Radio Consultant	\$ 174,435.00	8/9/2016	Board Approved
2	Police Vehicles	\$ 400,000.00	8/9/2016	Board Approved
3	Parks & Recreation CIP (Paving)	\$ 38,221.00	9/13/2016	Board Approved
4	Parks & Recreation - Scott Park Field Improvements	\$ 190,007.00	11/22/2016	Board Approved
5	Central Wellness Center Asbestos Removal	\$ 87,250.00	1/24/2017	Board Approved
6	Central Wellness Center Pipe Repair	\$ 140,000.00	1/24/2017	Board Approved

**TOTAL APPROVED PROJECTS**

**\$ 1,029,913.00**

**APPROPRIATIONS &  
REIMBURSEMENT  
RESOLUTIONS APPROVED**

**ADDITIONAL PROJECTS FOR FINANCING**

#	Item Description	AS UPDATED		Status
7	Public Safety Radio Project (Phase III Consulting too)***	\$ 14,005,790.00		Moved forward on Financing Option with Board Consensus
8	Route 10 Fire Station - A/E & Construction	\$ 500,000.00		Moved forward on Financing Option with Board Consensus
9	Broad Band	\$ 1,000,000.00		Moved forward on Financing Option with Board Consensus
10	RCJA Roof Refurbish	\$ 56,000.00		Moved forward on Financing Option with Board Consensus
11	Harrison Elementary Windows	\$ 217,500.00		Moved forward on Financing Option with Board Consensus
12	South Elementary Windows - \$135,000			Moved forward on Financing Option with Board Consensus
13	Parks & Recreation - Scott Park Irrigation	\$ 94,669.00		Moved forward on Financing Option with Board Consensus
14	Parks & Recreation - Scott Park Electrical	\$ 53,573.00		Moved forward on Financing Option with Board Consensus
15	Parks & Recreation - Scott Park Fencing	\$ 39,000.00		Moved forward on Financing Option with Board Consensus
16	Parks & Recreation Canoe Launch	\$ 39,488.00		Moved forward on Financing Option with Board Consensus
17	Parks & Recreation Moore Middle Athletic Complex	\$ 106,840.00		Moved forward on Financing Option with Board Consensus
18	Estimated Debt Issuance Costs	\$ 300,000.00		Moved forward on Financing Option with Board Consensus

**TOTAL ADDITIONAL PROJECTS FOR CONSIDERATION - FOR**

**BUDGET AMENDMENT**

**\$ 16,412,860.00**

**GRAND TOTAL DEBT ISSUANCE - MAX**

**\$ 17,442,773.00**

\*\*\*CONSIDERATION IS BEING GIVEN TO SPLITTING DEBT ISSUANCE BETWEEN FISCAL YEARS 2017 AND 2018 FOR THE PUBLIC SAFETY RADIO PROJECT BASED ON THE AMOUNT OF INTEREST EXPENSE THE FY2018 BUDGET CAN ACCOMMODATE AND THE AMOUNT NEEDED FOR PROJECT WORK THROUGH SPRING 2018 [ACTUAL PROJECT START DATE REVISED FROM 12/2017 TO 03/2018].

County of Prince George  
Capital Projects for Financing - Spring 2017 Debt Issue

APPROVED/APPROPRIATED PROJECTS

#	Item Description	Approved Amount
1	Public Safety Radio Consultant	\$ 174,435.00
2	Police Vehicles	\$ 400,000.00
3	Parks & Recreation CIP (Paving)	\$ 38,221.00
4	Parks & Recreation - Scott Park Field Improvements	\$ 190,007.00
5	Central Wellness Center Asbestos Removal	\$ 87,250.00
6	Central Wellness Center Pipe Repair	\$ 140,000.00
<b>TOTAL APPROVED PROJECTS</b>		<b>\$ 1,029,913.00</b>

\$5 MILLION OPTION\*

FY2017 Borrowing	FY2018 Borrowing
\$ 174,435.00	\$ -
\$ 400,000.00	\$ -
\$ 38,221.00	\$ -
\$ 190,007.00	\$ -
\$ 87,250.00	\$ -
\$ 140,000.00	\$ -
<b>\$ 1,029,913.00</b>	<b>\$ -</b>

\$10 MILLION OPTION

FY2017 Borrowing	FY2018 Borrowing
\$ 174,435.00	\$ -
\$ 400,000.00	\$ -
\$ 38,221.00	\$ -
\$ 190,007.00	\$ -
\$ 87,250.00	\$ -
\$ 140,000.00	\$ -
<b>\$ 1,029,913.00</b>	<b>\$ -</b>

ADDITIONAL PROJECTS FOR FINANCING

#	Item Description	AS UPDATED
7	Public Safety Radio Project (Phase III Consulting too)***	\$ 14,005,790.00
8	Route 10 Fire Station - A/E & Construction	\$ 500,000.00
9	Broad Band	\$ 1,000,000.00
10	RCJA Roof Refurbish	\$ 56,000.00
11	Harrison Elementary Windows	\$ 217,500.00
12	South Elementary Windows - \$135,000 [REMOVED]	\$ -
13	Parks & Recreation - Scott Park Irrigation	\$ 94,669.00
14	Parks & Recreation - Scott Park Electrical	\$ 53,573.00
15	Parks & Recreation - Scott Park Fencing	\$ 39,000.00
16	Parks & Recreation Canoe Launch	\$ 39,488.00
17	Parks & Recreation Moore Middle Athletic Complex	\$ 106,840.00
18	Estimated Debt Issuance Costs	\$ 300,000.00

TOTAL ADDITIONAL PROJECTS FOR CONSIDERATION - FOR

BUDGET AMENDMENT

<b>\$ 16,412,860.00</b>
<b>\$ 17,442,773.00</b>

GRAND TOTAL DEBT ISSUANCE

FY2017 Borrowing	FY2018 Borrowing
\$ 1,563,017.00	\$ 12,442,773.00
\$ 500,000.00	\$ -
\$ 1,000,000.00	\$ -
\$ 56,000.00	\$ -
\$ 217,500.00	\$ -
\$ -	\$ -
\$ 94,669.00	\$ -
\$ 53,573.00	\$ -
\$ 39,000.00	\$ -
\$ 39,488.00	\$ -
\$ 106,840.00	\$ -
\$ 300,000.00	\$ -

<b>\$ 3,970,087.00</b>	<b>\$ 12,442,773.00</b>
<b>\$ 5,000,000.00</b>	<b>\$ 12,442,773.00</b>

FY2017 Borrowing	FY2018 Borrowing
\$ 6,563,017.00	\$ 7,442,773.00
\$ 500,000.00	\$ -
\$ 1,000,000.00	\$ -
\$ 56,000.00	\$ -
\$ 217,500.00	\$ -
\$ -	\$ -
\$ 94,669.00	\$ -
\$ 53,573.00	\$ -
\$ 39,000.00	\$ -
\$ 39,488.00	\$ -
\$ 106,840.00	\$ -
\$ 300,000.00	\$ -

<b>\$ 8,970,087.00</b>	<b>\$ 7,442,773.00</b>
<b>\$ 10,000,000.00</b>	<b>\$ 7,442,773.00</b>

\*\*\*CONSIDERATION IS BEING GIVEN TO SPLITTING DEBT ISSUANCE BETWEEN FISCAL YEARS 2017 AND 2018 FOR THE PUBLIC SAFETY RADIO PROJECT BASED ON THE AMOUNT OF INTEREST EXPENSE THE FY2018 BUDGET CAN ACCOMMODATE AND THE AMOUNT NEEDED FOR PROJECT WORK THROUGH SPRING 2018 [ACTUAL PROJECT START DATE EST TO BE 12/2017]. ACTUAL PROJECT ESTIMATE WILL BE DETERMINED WHEN PROJECT BIDS ARE RECEIVED IN EARLY CALENDAR YEAR 2018.

**RESOLUTION RELATED TO THE PROPOSED ISSUANCE  
AND SALE OF BONDS BY THE  
COUNTY OF PRINCE GEORGE, VIRGINIA**

**WHEREAS**, the Board of Supervisors (**the "Board"**) of the County of Prince George, Virginia (**the "County"**), is evaluating certain opportunities available to finance various capital expenditures for projects that have been deemed to be in the best interests of the residents of the County (**the "Projects"**);

**WHEREAS**, Davenport & Company LLC (**"Davenport"**), acting on behalf of the Board as the County's Financial Advisor, has solicited bids from financial institutions to finance the Projects in accordance with a Request for Proposals dated February 3, 2017 (**the "RFP"**), a copy of which has been made available to the Board;

**WHEREAS**, the County submitted an application to the Virginia Resources Authority (**the "VRA"**) to determine its eligibility and interest in participating in the VRA Spring Pool Bond Issuance Program (**the "VRA Program"**) with other localities to finance the County's Projects;

**WHEREAS**, Davenport has made a presentation to the Board at a duly noticed public hearing on March 14, 2017 as to the results of the RFP process and considerations related to the County's potential participation in the VRA Program; and

**WHEREAS**, the Board hereby finds and determines that it is in the best interest of the County to facilitate its capital expenditure planning budgetary needs and take advantage of the current interest rate environment to finance the Projects with proceeds available from the issuance of the County's General Obligation Bonds (**the "Bonds"**) pursuant to the financing option recommendations provided to the Board by Davenport:

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

1. The Board hereby authorizes the County Administrator to accept on behalf of the County the proposal submitted by **Carter Bank & Trust (the "Bank")** dated February 23, 2017 to finance the Projects, a copy or summary of which has been made available to the Board, together with such subsequent amendments, modifications, supplements and extensions thereto as may be acceptable to Davenport and the County Administrator or the Chairman of the Board (**the "Proposal"**).
2. An additional Resolution, substantially in the form attached hereto as Exhibit A, shall be presented for approval and adoption by the Board on March 28, 2017 with such changes and additions that are necessary and appropriate to reflect the terms and provisions of the Bonds and to identify the purchaser or purchasers thereof.
3. All prior acts of the County Administrator or the Chairman of the Board and other officers, agents or representatives of the County that are in conformity with the purposes and intent of this Resolution are hereby approved and ratified.
4. This resolution shall take effect immediately.

Adopted: March 14, 2017

## 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 14, 2017, 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
William A. Robertson, Jr.					
Donald Hunter					
Alan R. Carmichael					
Jerry J. Skalsky					
T. J. Webb					

WITNESS my hand and seal of the County this \_\_\_\_ day of March, 2017.

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

(SEAL)

32978454\_