

**RICHMOND COUNTY BOARD OF SUPERVISORS**

**June 8, 2017**

**MINUTES**

At a regular meeting of the Board of Supervisors for Richmond County, Virginia, held on the 8<sup>th</sup> day of June, 2017, thereof in the Public Meeting Room of the County Office Building.

Present:

F. Lee Sanders, Chairman  
Richard E. Thomas, Vice-Chairman  
Robert B. Pemberton, Member  
William C. Herbert, II, Member  
J. David Parr, Member

Also Present:

R. Morgan Quicke, County Administrator  
Hope D. Mothershead, Administrative Assistant  
Kristie S. Brann, Treasurer  
Jennifer Delano, Commissioner of the Revenue  
Greg Baker, Chief of Emergency Services  
Barry Sanders, Director of Code Administration  
Mitch Paulette, Captain of Emergency Services  
Stephan Smith, Sheriff  
Carter White, VDOT  
Stephen McKeever, VDOT  
Dr. Sarah Schmidt, Assistant Superintendent  
John Brown, School Board  
Chris Jett, Information Technology  
Bill Johns  
Approximately 8 others

**CALL TO ORDER**

Chairman Sanders called the meeting to order at 9:00 a.m., gave the invocation, and led in the Pledge of Allegiance.

**VDOT – SECONDARY SIX-YEAR PLAN – PUBLIC HEARING – 9:00 A.M.**

**PUBLIC HEARING NOTICE**

The Virginia Department of Transportation and the Board of Supervisors of Richmond County, in accordance with Section 33.2-331 of the Code of Virginia, will conduct a joint public hearing in Richmond County Courthouse, 101 Court Circle, Warsaw, Virginia at 9:00 a.m. on the 8<sup>th</sup> of June. The purpose of this public hearing is to receive public comment on the proposed Secondary Six-Year Plan for Fiscal Years 2018 through 2023 in Richmond County and on the Secondary System Construction Budget for Fiscal Year 2018. Copies of the proposed Plan and Budget may be reviewed

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at the Northern Neck Residency Office of the Virginia Department of Transportation, located at 734 Barnfield Road, Warsaw, Virginia, or at the Richmond County Administration office located at 101 Court Circle, Warsaw, Virginia.

All projects in the Secondary Six-Year Plan that are eligible for federal funds will be included in the Statewide Transportation Improvement Program (STIP), which documents how Virginia will obligate federal transportation funds.

Persons requiring special assistance to attend and participate in this hearing should contact the Virginia Department of Transportation at (804) 333-3696. Persons wishing to speak at this public hearing should contact the Richmond County Board of Supervisors at (804) 333-3415.

Mr. McKeever provided the Board with Richmond County's FY2018-2023 Secondary Six Year Plan (SSYP). Mr. McKeever reminded the Board that the plan is for new construction, not maintenance work. He briefly explained the proposed plan to the Board.

Mr. McKeever explained that Rt. 677, Moore's Mill Road, is a completely funded paving project and he expects construction to begin in November 2018. Mr. McKeever noted that there is approximately \$200,000.00 that needs to be allocated to a project. Mr. Thomas suggested paving of Heaggans Road and/or Ivondale Road. Chairman Sanders suggested Burnt House Road for paving. The consensus of the Board was to add the roads in the following order of precedence: Burnt House Road, Heaggans Road, Ivondale Road

Chairman Sanders opened the public comment period. Chairman Sanders closed the public comment period.

Mr. Quicke read a proposed resolution for approval.

*"On a motion made by Richard E. Thomas, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to adopt the following resolution:"*

**A Resolution Adopted by the Richmond County Board of Supervisors**  
**VIRGINIA DEPARTMENT OF TRANSPORTATION SECONDARY**  
**SIX YEAR PLAN (SSYP) FY 2018-2023**

**WHEREAS**, Section 33.2-331 of the Code of Virginia, as amended, provides the opportunity for each county to work with the Virginia Department of Transportation in developing a Secondary Six-Year Road Plan; and

**WHEREAS**, the Richmond County Board of Supervisors previously agreed to assist in the preparation of the Plan, in accordance with the Virginia Department of Transportation's policies and procedures, and participated in a public hearing on the proposed Plan (2018 through 2023) as well as the Construction Priority List (2018) on June 8, 2017, after being duly advertised so that all citizens of the County had the opportunity to participate in said hearing and to make comments and recommendations concerning the proposed Plan and Priority List; and

**WHEREAS**, Steve McKeever, Residency Administrator, Virginia Department of Transportation, appeared before the Board of Supervisors and recommended approval of the Six-Year Plan and budget for Secondary

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Roads (2018-2023) and the Construction Priority List (2018) for Richmond County, with the addition of Heaggans Road (Route 696), Burnt House Road (Route 694) and Ivondale Road (Route 610) as rural rustic projects to the plan.

**NOW, THEREFORE BE IT RESOLVED**, that since said Plan and budget appear to be in the best interest of the Secondary Road System in Richmond County and of the citizens residing on the Secondary System, said Secondary Six-Year Plan (2018-2023) and Construction Priority List (2018) are hereby approved as presented and amended at the public hearing by the Richmond County Board of Supervisors.

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Attest: \_\_\_\_\_  
Morgan Quicke  
County Administrator

### **SPECIAL RECOGNITIONS**

Special recognition was given to the following individuals for their service on Richmond County Boards.

- Mrs. Sue France – Department of Social Services Board
- Mr. William L. Johns – Richmond County Industrial Development Authority
- Mr. Dayle Collins – Richmond County Public Library Board
- Mr. John Brown – Rappahannock Community College Board

Mr. John Brown expressed his appreciation for the opportunity to serve on the Rappahannock Community College Board.

### **RICHMOND COUNTY PUBLIC SCHOOLS**

Dr. Schmidt advised the Board that the school is busy wrapping up the year and completing SOL testing. She noted the successes of the tennis team and soccer team from Rappahannock High School and invited everyone to the graduation ceremony on June 17, 2017 at 9:00 a.m.

### **VDOT**

Mr. McKeever advised that all issues brought to his attention last month by the Board had been taken care of. Mr. Parr noted an area on Rt. 360 near Mulberry Road and Rich Neck Road that he thought needed to be studied by VDOT for safety purposes.

### **SHERIFF**

Sheriff Smith presented the following report for the month of May 2017: 663 calls for service; served 570 civil papers; 48 arrests with 82 warrants served; and served 114 traffic summons. Sheriff Smith reported that the jail population for the week in Richmond County was 23.

Sheriff Smith also noted that the department assisted Totuskey Church with a 5K run, attended a recognition of veterans and first responder held at Welcome Grove Baptist Church and participated in a tribute to first responders at Riverside Hospital. The sheriff's department is currently preparing for the 4<sup>th</sup> of July Celebration to be held on July 1, 2017.

Mr. Herbert inquired about body cameras in Richmond County. Sheriff Smith noted that the body cameras for the deputies are in place and proving to be beneficial.

### **ANIMAL CONTROL**

On behalf of Animal Control, Sheriff Smith presented the following Animal Control report for the month of May 2017: 15 calls for service and 1 dog transferred to the Westmoreland Shelter.

### **TREASURER**

Kristie Brann, Treasurer, presented the Trial Balance Report for the month of May, 2017. The uncollected 2016 real estate tax amount is \$290,237.84 and collections are going well.

### **COMMISSIONER OF REVENUE**

Jennifer Delano, Commissioner of the Revenue, offered an approximate new construction value of \$5,138,984.00.

### **PLANNING/ZONING/LAND USE**

Barry Sanders addressed the Board and reviewed the monthly report. The May report consisted of 25 new projects. Mr. Sanders added that the Planning Commission would be meeting in July for further discussion on fracking. The Board of Zoning Appeals met on May 23, 2017 with two cases denied and one continued to the meeting date of July 25, 2017. Mr. Sanders noted that he, Richard English and Hope Mothershead recently completed a 10-week Planning Commissioner Program.

### **EMERGENCY SERVICES**

Greg Baker presented the following EMS report for the month of May: 103 calls in Richmond County; 3 calls for mutual aid into Richmond County; 3 calls for mutual aid to bordering counties and 2 fly outs. There was \$23,115.00 collected for the month of May from EMS recovery billing. Mr. Baker introduced the Board to a new campaign for evacuation facilitated by VDEM called "Know Your Zone". It is a standardized color-coded map that indicates specific zones for mandatory evacuations granted by the Governor.

### **PUBLIC COMMENT**

Ms. Cassandra Rich of 580 Rich Neck Road, Haynesville, VA, addressed the Board with concern about two items; (1) Junk yard owned by Keith Franklin – Ms. Rich thinks that the lot owned by Keith Franklin is too small for all of the junk. She is concerned about possible gas leakage from the vehicles and the possibility of destruction from high winds. Ms. Rich asked the Board members to visit the property. (2) Gun purchase at local flea market – Ms. Rich noted that it is her understanding that guns can be purchased at the local flea market without any type of background check. Ms. Rich asked for the Board members to investigate further.

**BAY AGING / ANNUAL OVERVIEW**

Ms. Vesley, CEO of Bay Transit and Bay Aging, thanked the Board for allowing the time to give an update. Over the year, Bay Aging has provided 17,430 meals and kept 132 seniors living healthier and safely at home. Other services provided are transitional care, senior employment training, emergency home repairs, etc. Jennifer Beck informed the Board about a case wherein Bay Aging assisted with care transition from the hospital to home. Because of the help provided from Bay Aging, the individual is able to remain at home alone. Ken Pollock thanked the Board for 16 years of support with Bay Transit. Mr. Pollock noted that over 7,000 rides were provided to Richmond County residents this past year for work transportation, health services or retail/shopping.

**REVENUE ANTICIPATION NOTE**

Dan Siegel from Sands Anderson addressed the Board and advised that Union Bank and Trust and First Citizens Bank placed bids for the RAN this year at rates of 1.14% and 1.31%, respectively. It is the recommendation of Sands Anderson to proceed with the bid from Union Bank and Trust.

*“On a motion made by William C. Herbert, II, the Board voted by roll call: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to adopt the following resolution authorizing the issuance of up to 3,000,000 - FY 18 Revenue Anticipation Note.”*

**COUNTY OF RICHMOND, VIRGINIA**

**A RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO  
\$3,000,000 PRINCIPAL AMOUNT OF A REVENUE ANTICIPATION NOTE  
OF THE COUNTY OF RICHMOND, VIRGINIA, AND PROVIDING  
FOR THE FORM, DETAILS AND PAYMENT THEREOF**

**Adopted June 8, 2017**

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Be it Resolved by the Board of County Supervisors of the County of Richmond, Virginia:

**Section 1 - Definitions** Unless the context shall clearly indicate some other meaning, the following words and terms shall for all purposes of the Resolution and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto for all purposes of any opinion or instrument or other documents therein or herein mentioned, have the following meanings:

“**Act**” shall mean the Public Finance Act, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended.

“**Board**” shall mean the County Board of Supervisors.

“**Bond Counsel**” shall mean Sands Anderson PC or another attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the County.

“**Business Day**” shall mean any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banks generally are open for business in the Commonwealth of Virginia.

“**Chairman**” or “**Chair**” shall mean the Chairman or Vice Chairman of the Board.

“**Clerk**” shall mean the Clerk of the Board.

“**Closing Date**” shall mean the date on which the Note is issued and delivered to the Noteholder.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, and applicable regulations, procedures and rulings thereunder.

“**Commonwealth**” shall mean the Commonwealth of Virginia.

“**County**” shall mean the County of Richmond, Virginia.

“**Interest Account**” shall mean the Interest Account in the Note Fund established by Section 6.

“**Interest Payment Date**” shall mean January 1, 2018 and June 30, 2018, the Maturity Date.

“**Maturity Date**” shall mean June 30, 2018.

“**Note Fund**” shall mean the Note Fund established by Section 6.

“**Note or Notes**” shall mean the revenue anticipation note of the County, Series 2017, in the aggregate principal amount of up to \$3,000,000 authorized to be issued hereunder.

“**Note Period**” shall mean the period beginning on the Closing Date and ending on the 30<sup>th</sup> day of June, 2018.

“**Noteholder**” or “**Holder**” shall mean Union Bank & Trust, as registered owner of the Note.

“**Outstanding**” when used in reference to the Note shall mean, as of a particular date, the Note authenticated and delivered under this Resolution except:

- (i) any Note cancelled by the County at or before such date;
- (ii) any Note for the payment of which cash equal to the principal amount thereof, with interest to the date of maturity, shall have been deposited with the Paying Agent prior to maturity;
- (iii) any Note for the redemption or purchase of which cash or noncallable direct obligations of the United States of America, equal to the redemption or purchase price thereof to the redemption or purchase date, shall have been deposited with the Paying Agent, for which notice of redemption or purchase shall have been given in accordance with the Resolution;
- (iv) any Note in lieu of, or in substitution for, which another Note shall have been authenticated and delivered pursuant to this Resolution; and
- (v) any Note deemed paid under the provisions of Section 9, except that any such Note shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of actually being paid.

“**Paying Agent**” shall mean the County Treasurer acting as Paying Agent hereunder as designated and authorized under Section 3 or its successors or assigns serving as such hereunder.

“**Principal Account**” shall mean the Principal Account in the Note Fund established by Section 6.

“**Proceeds Fund**” shall mean the Proceeds Fund established by Section 4.

“**Registrar**” shall mean the Paying Agent, or its successors or assigns serving as such hereunder.

## **Section 2 - Findings and Determinations**

The Board hereby finds and determines that (i) the County is in need of funds to meet appropriations made for the current fiscal year which begins on July 1, 2017 in anticipation of the collection of tax and other revenues during the same fiscal year, to be paid for by such revenues (ii) the obtaining of such funds will be for the welfare of citizens of the County for purposes which will serve the County and its citizens, (iii) the most effective and efficient manner in which to provide such funds to the County is by a revenue anticipation note issued by the County to be sold to the Noteholder and (iv) the issuance of the Note is in the best interests of the County and its citizens.

## **Section 3 - Authorization, Form and Details of the Note**

There is hereby authorized to be issued a revenue anticipation note of the County in the aggregate principal amount of up to \$3,000,000. The Note authorized herein shall be designated “Revenue Anticipation Note, Series 2017,” shall be issuable as a fully registered note, without coupons, in denominations of \$5,000

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or any whole multiple thereof, shall be dated the Closing Date, shall be numbered R-1 upwards, shall bear interest payable on each Interest Payment Date and on the Maturity Date at a rate per annum not to exceed 1.14% and the Note shall mature on the Maturity Date. The Note may be prepaid, without penalty, in whole or in part, at any time, upon 15 days notice to the Noteholder.

The Note is hereby authorized to be issued under the Act. The Note shall bear interest from the date on which it is authenticated. Interest on the Note shall be computed on an accrual basis of actual days elapsed over a 30-day month/360-day year.

Principal of, premium, if any, and interest on, the Note shall be payable in lawful money of the United States of America. Interest on the Note shall be payable on an Interest Payment Date by check or draft from the County to the Holder of the Note at its address as it appears on the registration books kept by the Registrar as of the 15th day of the month immediately preceding an Interest Payment Date and on the Maturity Date. Principal of the Note shall be payable at the principal office of the Paying Agent upon presentation and surrender of the Note on the Maturity Date. Upon written request in form satisfactory to the County and the Registrar, signature guaranteed, by the registered Holder of at least \$500,000 aggregate principal amount of Note and upon receipt of such Note by the County, principal and/or interest shall be payable by wire transfer in immediately available funds.

The Note shall be printed, lithographed or typewritten and shall be substantially in the form hereinbelow set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution, including such variations, insertions and omissions as shall be necessary to issue the Note under a system of book-entry for recording the ownership and transfer of ownership of rights to receive payments of principal of and interest on the Note and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

If any principal of, or interest on, the Note is not paid when due (whether at maturity, by acceleration or call for redemption, or otherwise), then, to the extent permitted by law, the overdue installments of principal shall bear interest until paid at the same rate as set forth in such Note.

The Note shall be signed by the facsimile or manual signature of the Chairman. The facsimile of the County seal shall be printed thereon or manually impressed thereon and attested by the facsimile or manual signature of the Clerk. In case any officer whose signature or facsimile of whose signature shall appear on any Note shall cease to be such officer before delivery of the Note, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he remained in office until such delivery.

The Note shall bear a certificate of authentication, in the form set forth below, duly executed by the Registrar. The Registrar shall authenticate each Note with the signature of an authorized officer of the Registrar, but it shall not be necessary for the same officer to authenticate all of the Notes. Only such authenticated Note shall be entitled to any right or benefit under this Resolution, and such certificate on any Note issued hereunder shall be conclusive evidence that the Note has been duly issued and is secured by the provisions hereof.

The Paying Agent shall act as Registrar and shall maintain Registration Books for the registration and the registration of transfer of the Note. The County Treasurer is hereby designated and authorized to act as Paying Agent and Registrar hereunder. The transfer of any Note may be registered only on the books kept for the registration and registration of transfer of the Note upon surrender thereof to the Registrar together with an assignment duly executed by the registered holder in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such transfer, the County shall execute and the Registrar shall authenticate and deliver, in exchange of such Note, a new registered

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Note registered in the name of the transferee of the same series, maturity and interest rate as the Note so exchanged in any denomination or denominations authorized by this Resolution.

The Registrar shall not be required to make any such registration or registration of transfer during the fifteen (15) days immediately preceding the Maturity Date or a redemption date. Prior to due presentment for registration of transfer for any Note, the Registrar shall treat the registered holder as the person exclusively entitled to payment of principal of, premium, if any, and interest on, such Note and the exercise of all other rights and powers of the Holder.

If any Note has been mutilated, lost or destroyed, the County shall execute and the Registrar shall authenticate and deliver a new Note of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Note or in lieu of and in substitution for such lost or destroyed Note; provided, however, that the County and the Registrar shall execute, authenticate and deliver such Note only if the Holder has paid the reasonable expenses and charges of the County and the Registrar in connection therewith and, in the case of a lost or destroyed Note, has furnished to the County and the Registrar (a) evidence satisfactory to them that such Note was lost or destroyed and the Holder was the Owner thereof and (b) indemnity satisfactory to them. If any Note has matured, instead of issuing a new Note, the Registrar may pay the same without surrender thereof upon receipt of the aforesaid evidence and indemnity.

Any Note which has been paid (whether at maturity, by acceleration or otherwise) or delivered to the Paying Agent for cancellation shall not be reissued and the Registrar shall, unless otherwise directed by the County, cremate, shred or otherwise dispose of such Note. The Registrar shall deliver to the County a certificate of any such cremation, shredding or other disposition of any Note.

CUSIP identification numbers may be printed on the Note, but such numbers shall not be deemed to be a part of the Note or a part of the contract evidenced thereby and no liability shall hereafter attach to the County or any of the officers or agents thereof because or on account of said CUSIP numbers.

The Note, the Certificate of Authentication and the provision for the assignment to be inserted in the Note shall be substantially in the following forms, to-wit:

**“FORM OF NOTE”**

No. N-1

**UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA, RICHMOND COUNTY**

**REVENUE ANTICIPATION NOTE, SERIES 2017**

Dated: **July 1, 2017**  
Maturity Date: **June 30, 2018**

Registered Holder: **UNION BANK & TRUST**

Principal Sum: **UP TO THREE MILLION AND 00/100 DOLLARS  
(\$3,000,000)**

Interest Rate: **1.14%**

**KNOW ALL MEN BY THESE PRESENTS**, that the County of Richmond, Virginia (**hereinafter sometimes referred to as the “County”**), a county of the Commonwealth of Virginia, for value received hereby promises to pay to the registered holder (named above), or assigns, on the Maturity Date (specified

above), subject to prior redemption as hereinafter provided the Principal Sum advanced hereunder (specified above) upon presentation and surrender of this Note at the principal corporate office of the Richmond County Treasurer, Warsaw, Virginia, (the “Paying Agent”), and to pay interest on said Principal Sum, from the date of authentication hereof on the Interest Payment Dates (January 1, 2018) and on the Maturity Date, at the rate per annum (specified above).

Both principal of, premium, if any, and interest on, this Note 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.

No registration, transfer or exchange of this Note shall be permitted within fifteen (15) days of the Maturity Date or the date of redemption of this Note.

This Note is an authorized series in the aggregate principal amount of up to \$3,000,000 of like date and tenor herewith, except for number and denomination and 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, and the resolution duly adopted under said Chapter by the Board of Supervisors of the County on June 8, 2017 (the “Resolution”).

This Note shall bear interest from the date on which this Note is authenticated. Interest on this Note shall be computed on an accrual basis of actual days elapsed over a 30-day month/360-day year. This Note may be prepaid, without penalty, in whole or in part, at any time upon 15 days notice to the Noteholder.

This Note 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 Note (together with a written instrument of transfer, satisfactory in form to the Registrar, duly executed by the registered holder or his 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 Note or Notes, in the aggregate principal amount and in the authorized denominations and of the same series, interest rate and maturity as the Note surrendered, shall be issued in exchange therefor. The County and the Registrar shall deem and treat the person in whose name this Note 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 NOTE AND THE ISSUE OF WHICH THIS IS ONE 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 NOTE, 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 to which any holder of this Note by his acceptance hereof hereby assents, for definitions of terms; the description of and nature and extent of the security for the Note; the conditions upon which the Resolution may be amended or supplemented without the consent of the holder of any Note and upon which it may be amended only with the consent of the holder of the Note affected thereby; the rights and remedies of the holder hereof with respect

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hereto; the rights, duties and obligations of the County; the provisions discharging the Resolution as to this Note and for the other terms and provisions of the Resolution.

This Note 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.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Note and the series of which it is a part, do exist, have happened and have been performed in regular and due time, form and manner as required by law; that the series of which this Note is a part does not exceed any constitutional, statutory or charter limitation of indebtedness; and that provision has been made for the payment of the principal of, and interest on, this Note and the series of which it is a part, as provided in the Resolution.

**IN WITNESS WHEREOF**, the County of Richmond, Virginia, by its Board of Supervisors has caused this Note to be signed by the Chairman 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 Note to be dated as set forth above.

**(SEAL)**

\_\_\_\_\_  
Clerk of the Board of Supervisors  
of the County of Richmond, Virginia

\_\_\_\_\_  
Chairman of the Board of Supervisors  
of the County of Richmond, Virginia

**CERTIFICATE OF AUTHENTICATION**

This Note is the Note described in the within-mentioned Resolution.

**REGISTRAR - RICHMOND COUNTY TREASURER**

By: \_\_\_\_\_  
Richmond County Treasurer

**DATE OF AUTHENTICATION:**

July 1, 2017

**[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 Note 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 Note 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.

**Section 4 - Creation of Proceeds Fund**

There is hereby established a trust fund to be designated the "Proceeds Fund - Richmond County Revenue Anticipation Note, Series 2017."

**Section 5 - Payments into Proceeds Fund**

All funds received from the proceeds of the sale of the Note less costs of issuance shall be deposited into the Proceeds Fund to be used in the manner provided in Section 2.

**Section 6 - Creation of Note Fund**

There is hereby established a trust fund to be designated the "Note Fund - Richmond County Revenue Anticipation Note, Series 2017" in which Note Fund there is hereby established an Interest Account and a Principal Account. As and when received, monies shall be deposited into the Note Fund, and payments from the Note Fund shall be made as follows:

(a) to the Interest Account in the Note Fund subject to credit, if any, for proceeds of the Note deposited therein on, on each Interest Payment Date and the 30<sup>th</sup> day of June, 2018, an amount equal to the amount of interest that will become due on the Note on the Interest Payment Date and the Maturity Date; and

(b) to the Principal Account in the Note Fund on the 30<sup>th</sup> day of June, 2018, an amount equal to the principal that is required to be deposited into the Principal Account in order to pay the principal due on the Note on the Maturity Date.

**Section 7 - Accounts Within Funds**

Any fund or account created by this Resolution may contain such accounts or subaccounts as may be necessary for the orderly administration thereof.

**Section 8 - Investment of Funds**

(a) The County shall separately invest and reinvest any monies held in the funds established by this Resolution in investments which would mature in amounts and at times so that the principal of, premium, if any, and interest on, the Note can be paid when due.

(b) Permissible investments include investments in securities that are legal investments under Chapter 45 of Title 2.2 of the Code of Virginia of 1950, as amended (Section 2.2-4500 *et seq.*) and which are otherwise in compliance with Section 15.2-2625 of the Act.

**Section 9 - Defeasance**

The obligations of the County under this Resolution and covenants of the County provided for herein shall be fully discharged and satisfied as to any Note and such Note shall no longer be deemed to be Outstanding thereunder when such Note shall have been purchased by the County and cancelled or destroyed, when the payment of principal of such Note, plus interest on such principal to the due date thereof either (a) shall have been made or (b) shall have been provided for by irrevocably depositing with the Paying Agent for such Note, money sufficient to make such payment, or direct and general obligations of, or obligations the principal of, and interest on, which are guaranteed by, the United States of America, maturing in such amounts and at such times as will insure the availability of sufficient monies to make such payment.

**Section 10 - General Obligation**

The Board, in accordance with Section 15.2-2624 of the Act, is hereafter 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 Note, to the extent other funds of the County are not lawfully available and appropriated for such purpose.

**Section 11 - Event of Default**

Each of the following shall constitute an event of default hereunder:

- (a) The failure to pay the principal of, and premium, if any, on, the Note when due;
- (b) Failure to pay interest on the Note when due;
- (c) Failure of the County to perform any other covenant or agreement contained in this Resolution, which failure shall have continued for 60 days after the notice thereof from the Holders of not less than twenty percent (20%) of the Note Outstanding; provided, however, that if any such failure shall be such that it cannot be cured or corrected within a 60-day period but is, in fact, susceptible of cure or correction, it shall not constitute an Event of Default if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected;
- (d) The instituting of any proceeding with the consent of the County for the purpose of effecting composition between the County and its creditors or for the purpose of adjusting the claims of creditors pursuant to any federal or state statute; or
- (e) If the County for any reason shall be rendered incapable of fulfilling its obligations under this Resolution.

Upon the occurrence of an Event of Default, the Holders of not less than twenty-five percent (25%) in principal amount of the Note then Outstanding may declare the principal of all of the Outstanding Note and all accrued and unpaid interest thereon to be due and payable immediately. This provision is subject to the condition that if, at any time after such declaration and before any such further action has been taken, all arrears of interest on, and principal of, the Note shall have been paid and all other Events of Default, if any, which shall have occurred have been remedied, then the Holders of such majority in principal amount of the Outstanding Note may waive such default and annul such declaration.

If an Event of Default shall have occurred and be continuing, then the Holders of not less than twenty-five percent (25%) in principal amount of the Note then Outstanding may call a meeting of the Holders of the Note for the purpose of selecting a Noteholders' committee (**the "Noteholders Committee"**).

At such meeting the Holders of not less than a majority in principal amount of the Outstanding Note must be present in person or by proxy in order to constitute a quorum for the transaction of business. A quorum being present at such meeting, the Noteholders present may, by a majority of the votes cast, elect one or more persons who may or may not be Noteholders to the Noteholders' Committee. The Noteholders' Committee is empowered to exercise, as trustee for the Noteholders, all the rights and powers conferred on any Noteholder in the Resolution.

In case an Event of Default shall occur, subject to the provisions referred to in the preceding paragraph, the Holder of any Outstanding Note shall have the right for the benefit of all Holders of the Note, to protect the rights vested in such Holders by the Resolution by such appropriate judicial proceeding as such Holders shall determine either by suit in equity or by action at law.

**Section 12 - Enforcement by Noteholder**

Any Holder of a Note may by mandamus or other appropriate proceeding at law or in equity in any court of competent jurisdiction, enforce and compel performance of this Resolution and every provision and covenant thereof, including without limiting the generality of the foregoing, the enforcement of the performance of all obligations and duties and requirements to be done or performed by the County by the Resolution by the applicable laws of the Commonwealth.

**Section 13 - Modification of Note Resolution**

The County may without the consent of any Noteholder make any modification or amendment of this Resolution required to cure any ambiguity or error herein contained or to make any amendments hereto or to grant to the Noteholders additional rights.

The Holders of not less than sixty-six and two-thirds percent (66-2/3%) in principal amount of the Outstanding Note shall have the power to authorize any modifications to this Resolution proposed by the County other than as permitted above; provided that without the consent of the Holder of each Note affected thereby, no modifications shall be made which will (a) extend the time of payment of principal of, or interest on, any Note or reduce the principal amount thereof or the rate of interest thereon; (b) give to any Note any preference over any other Note secured equally and ratably therewith; (c) deprive any Noteholder of the security afforded by this Resolution, or (d) reduce the percentage in principal amount of the Note required to authorize any modification to the Resolution.

**Section 14 - Application of Proceeds; Sale of Note**

Proceeds derived from the sale of the Note together with other monies available therefor shall be used to pay the costs of issuance and other expenses of the County relating to the issuance of the Note and thereafter any remaining funds to be deposited in the Proceeds Fund shall be used for the purposes specified in Section 2 of this Resolution, and otherwise used in accordance with the provisions of this Resolution.

**Section 15 - No Arbitrage Covenant and Covenant as to the Code**

The County hereby covenants that it will not use or invest, or permit the use or investment of any proceeds of the Note, in a manner that would cause the Note to be subjected to treatment under Section 148 of the Code and the regulations adopted thereunder as an "arbitrage bond," and to that end the County shall comply with applicable regulations adopted under said Section 148 of the Code.

The County covenants to comply with the Code provisions requiring that any issuance of "governmental bonds," as defined therein, be subject to certain requirements as to rebate and timing and type

of payments to be paid for from the proceeds of such Note, as well as other additional requirements. In order to assure compliance with such Code provisions, the County has entered into a Compliance Certificate, to comply with such requirements and covenants therein that it will not breach the terms thereof. The Board intends for the Note to be treated as complying with the provisions of Section 148(f)(4)(D) of the Code and Section 1.148-8 of the U.S. Treasury Regulations thereunder, which provides an exception from the “rebate requirement,” since this Note issue (1) is issued by the County which is a governmental unit with general taxing powers, (2) no Note which is a part of this issue is a private activity bond, (3) 95% or more of the net proceeds of this issue are to be used for local governmental activities of the County, and (4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the County during the calendar year 2017 (and bonds issued by any subordinate entity of the County) is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much as are attributable to the financing of the construction of public school facilities within the meaning of Section 148(f)(D)(vii) of the Code.

The Board of Supervisors, on behalf of the County, hereby designates the Note as a “qualified tax-exempt obligation” 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.

#### **Section 16 - General Covenants**

The County agrees to make all payments of principal and interest on the Note in a timely manner.

#### **Section 17 - Further Actions Authorized**

The Chairman and Clerk of the Board and the County Treasurer and all other officers and employees of the County are hereby authorized and directed to take any and all such further action as shall be deemed necessary or desirable in order to effectuate delivery of, and payment for, the Note, including, but not limited to modifications in the dates of payment of interest and maturity, the final interest rate, redemption terms and related issues.

#### **Section 18 - Invalidity of Sections**

If any section, paragraph, clause or provision of this Resolution shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Resolution.

#### **Section 19 - Headings of Sections, Table of Contents**

The headings of the sections of this Resolution and the Table of Contents appended hereto or to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Resolution.

#### **Section 20 - Effectiveness and Filing of Resolution**

This resolution shall become effective upon its passage. A certified copy of this Resolution shall be filed by the Clerk with the Clerk of the Circuit Court of the County of Richmond, Virginia in accordance with Section 15.2-2607 of the Act.

The Members of the Board voted at its regular meeting on June 8<sup>th</sup>, 2017 during an open meeting as follows:

Ayes

F. Lee Sanders, Chairman  
Richard E. Thomas, Sr., Vice Chairman  
Robert B. Pemberton  
John David Parr  
William C. Herbert, II

Nays

None

Absent:

None

Abstentions

None

A Copy Teste:

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Clerk, Board of Supervisors of the County of  
Richmond, Virginia

**FINANCING OVERVIEW – CAPITAL PROJECTS**

Ted Cole from Davenport & Company addressed the Board to present two options for financing for the EMS facility and Animal Shelter:

Option 1: Union Bank and Trust – Up to 20 year amortization, interest only payments first three years, first 10 years locked in at 2.24%, years 11-20 to be readjusted to market rates. Note pre-payable in full or in part at anytime with no yearly fixed costs.

Option 2: Virginia Resources Authority (VRA) – Up to 25 year amortization, interest only payments first three years, rates anticipated to be set between 3.75% and 4.10%, fixed for term of loan, note not pre-payable within the first 10 years, yearly program costs of 0.0125% of outstanding principal, debt reserve required in escrow equal to highest debt payment through life of loan, between \$240,000 and \$310,000.

Discussion Materials prepared by Davenport & Company are attached (see Exhibit I).

Mr. Quicke noted that the intention is to choose the best option for Richmond County to meet our goals in 2017, with the outlined capital projects, as efficiently as possible, all while making sure we are planning for the future, by allowing ourselves future debt reserves, to ensure future capital projects are well positioned without having to go back to the tax payer.

Mr. Siegel added that if Option 1 is chosen, the financing would have to be done through the IDA. The loan will be secured by the real estate. The IDA acts as a Lease agent which allows the financing to be tax exempt pursuant to Virginia law. This type of financing is commonly used for local counties.

*“On a motion made by William C. Herbert, II, the Board voted by roll call: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B.*

*Pemberton – aye: to adopt the following resolution, accepting the above stated Union Bank and Trust proposal.”*

**RESOLUTION OF THE BOARD OF SUPERVISORS OF  
THE COUNTY OF RICHMOND, VIRGINIA**

**WHEREAS**, the Board of Supervisors (the **“Board of Supervisors”**) of the County of Richmond, Virginia (the **“County”**) directed Davenport & Company LLC (the **“Financial Advisor”**) to prepare a Request for Proposals (the **“RFP”**) to obtain financing proposals to finance a portion of the costs of the design, acquisition, installation and equipping of a public safety facility and an animal shelter for the County (together, the **“Project”**) to be located in the County;

**WHEREAS**, the Financial Advisor reviewed responses to the RFP for the financing of the Project and along with the County’s Bond Counsel, Sands Anderson PC, Richmond, Virginia (**“Bond Counsel”**) and the County Administrator recommends to the Board of Supervisors acceptance of the proposal (the **“Proposal”**) from Union Bank & Trust (the **“Lender”**) for such financing with a fixed interest rate of not to exceed 2.24%, subject to a rate reset after 10 years, with an amortization of not more than 20 years from the date of issuance and subject to such other terms as set forth therein;

**WHEREAS**, the Board of Supervisors now requests the Industrial Development Authority of Richmond County, Virginia (the **“Authority”**) to issue, offer and sell its public facilities lease revenue bond in an amount not to exceed \$2,200,000 (the **“Bond”**) to (a) provide for the financing of a portion of the cost of the Project, including cost of issuing the Bond, (b) lease the property on which the Project is to be constructed (the **“Leased Property”**) from the County for an approximately twenty five year term under a ground lease, and in turn, lease the Leased Property to the County for a term not to exceed the term of the Bond under a lease agreement with the Authority and, (c) secure the Bond by an assignment of its rights under such lease agreement (except the right to receive indemnification, to receive notices and to give consents and to receive its administrative expenses) under an assignment agreement, which is to be acknowledged and consented to by the Lender and the County, all in accordance with a bond purchase agreement;

**WHEREAS**, there have been presented to this meeting drafts of the following documents (collectively, the **“Documents”**) in connection with the transactions described above, copies of which shall be filed with the records of the Board of Supervisors:

- a. a Ground Lease, dated as of July 1, 2017, between the County and the Authority conveying to the Authority a leasehold interest in the Leased Property described therein (the **“Ground Lease”**);
- b. a Lease Agreement, dated as of July 1, 2017, between the Authority and the County (the **“Lease Agreement”**) conveying to the County a leasehold interest in such Leased Property;
- c. a Bond Purchase Agreement, dated as of July 1, 2017 among the Authority, the County and the Lender, pursuant to which the Bond is to be issued (the **“Bond Purchase Agreement”**);
- d. an Assignment Agreement, dated as of July 1, 2017 between the Authority and the Lender, assigning to the Lender certain of the Authority’s rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County (the **“Assignment Agreement”**);

- e. a Specimen Bond.

**NOW THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the County of Richmond, Virginia:

1. All costs and expenses in connection with the undertaking of the cost of the Project, and the issuance of the Bond, including the Authority's expenses, the fees and expenses of the County, and the fees and expenses of Bond Counsel, the County Attorney, the Financial Advisor and the Lender, and other fees and expenses related thereto, for the sale of the Bond, shall be paid from the proceeds therefrom or other funds of the County. If for any reason the Bond is not issued, it is understood that all such expenses shall be paid by the County and that the Authority shall have no responsibility therefor.
2. The Board of Supervisors hereby instructs the Financial Advisor and Bond Counsel to take all such action as necessary or appropriate to conclude the purchase of the Bond by the Lender.
3. The following plan for financing a portion of the cost of the Project is approved. The Authority shall use the proceeds from the issuance of the Bond to provide for the financing on behalf of the County of a portion of the cost of the Project and to lease the Leased Property from the County for a lease term of approximately twenty five years and to lease the Leased Property to the County for a lease term not less than the term of the Bond at a rent sufficient to pay when due the interest and principal on the Bond. The obligation of the Authority to pay principal and interest on the Bond will be limited to rent payments received from the County under the Lease Agreement. The obligation of the County to pay rent under the Lease Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted this resolution as its moral obligation to the repayment of the Bond. The Bond will be secured by an Assignment Agreement to the Lender as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Lender may terminate the Lease Agreement or otherwise exclude the County from possession of the Leased Property. The issuance of the Bond on the terms set forth in a Bond Purchase Agreement is hereby approved.
4. The Board of Supervisors hereby approves the Documents and the form of the Bond in the principal amount of up to \$2,200,000, with a fixed interest rate not to exceed 2.24%, subject to a rate reset after 10 years, for an amortization of approximately 20 years from its date of issuance, subject to other terms as set forth therein with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his or her approval of the same. The County Administrator or Chairman or Vice Chairman is hereby authorized to determine the final terms of the Bond, including, but not limited to the principal amount, maturity and amortization, payment dates, prepayment and rate reset provision, whose determination shall be conclusive, as evidenced by his or her execution of such Bond.
5. The Chairman or Vice Chairman of the Board of Supervisors, or either of them, and the County Administrator and Clerk of the Board of Supervisors are each hereby authorized and directed to execute the Documents and such other instruments and documents as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Lender, to issue the Bond, to finance the Project and to lease the Leased Property.
6. The County represents and covenants that it shall not take or omit to take any action the taking or

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omission of which will cause the Bond to be an “arbitrage bond” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”) or otherwise cause the interest on the Bond to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bond.

7. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.
8. All other acts of the officers of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the plan of financing, the issuance and sale of the Bond and the undertaking of the financing of the Project, are hereby approved and ratified.
9. The County by acceptance of this financing agrees to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Authority, the issuance of the Bond or the lease of the Leased Property.
10. Nothing in this Resolution, the Bond or any documents executed or delivered in relation thereto shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bond or the Documents except from payments made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.
11. The County hereby designates, and allocates to the Authority in relation to the issuance of the Bond, such designation as a “qualified tax-exempt obligation” for the purpose of Section 265(b)(3) of the Code. The County does not reasonably anticipate (nor do any of its subordinate entities reasonably anticipate) issuing more than \$10,000,000 in qualified tax exempt obligations during calendar year 2017 for the benefit of the County and the County (and any of its subordinate entities) will not designate more than \$10,000,000 of qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code during such calendar year.
12. The Board of Supervisors on behalf of the County hereby designates to the Bond the “small issuer exception” to the rebate requirements of Section 148(f)(2) and (3) of the Code pursuant to Section 148(f)(D)(vii) of the Code, as the Authority is a subordinate entity of the County under Section 148(f)(4)(D) of the Code and the County is a governmental unit with general taxing powers, no bond which is a part of the Bond will be a private activity bond, 95% or more of the net proceeds of the Bond are to be used for local governmental activities of the County, and the aggregate face amount of all tax-exempt bonds, excluding private activity bonds to be issued by the County and the Authority during the calendar year 2017 is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much of the aggregate face amount of the Bond as is attributable to financing the construction of public school facilities within the meaning of Section 148(f)(D)(vii). The Board of Supervisors on behalf of the County hereby allocates to the Authority a portion of its small issuer size limitation in the amount of the Bond for the calendar year 2017 to the Bond for purposes of Section 148(f)(4)(D) of the Code.
13. The Board of Supervisors hereby consents to Sands Anderson PC, serving as Bond Counsel, Authority Counsel, and as County Attorney and recommends such firm be appointed by the

Authority as such.

14. This resolution shall take effect immediately.

ADOPTED THIS 8<sup>th</sup> DAY OF JUNE, 2017.

**CERTIFICATION OF ADOPTION OF RESOLUTION**

The undersigned Clerk of the Board of Supervisors of the County of Richmond, Virginia hereby certifies that the Resolution set forth above was adopted during an open meeting on June 8, 2017, by the Board of Supervisors with the following votes:

Aye: F. Lee Sanders, Chairman  
Richard E. Thomas, Sr., Vice Chairman  
Robert B. Pemberton  
John David Parr  
William C. Herbert, II

Absent: None

Nay: None

Abstentions: None

Signed this \_\_\_ day of  
June, 2017.

By: \_\_\_\_\_  
\_\_\_\_\_

Clerk, Board of Supervisors

Mr. Quicke noted that there is a scheduled IDA meeting on June 29, 2017 at 7:00 p.m. for discussion of the financing terms, etc.

**OLD BUSINESS**

**ANIMAL SHELTER DISCUSSION**

Mr. Quicke advised the Board of the choices of the Animal Shelter – metal building vs. stick built building. A stick built building was originally proposed and there was interest in discussing a possible metal building. Pursuant to the architects, the cost of the metal building will not be a cost saver with possible increased cost. Mr. Pemberton suggested that the wood frame stick built building be used with vinyl siding. Chairman Sanders noted that the stick built option would allow for local contractors to bid on the job.

*“On a motion made by William C. Herbert, II, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to proceed with the original plans for a stick built animal shelter building.”*

**YOUTH FOOTBALL REQUEST**

Mr. Quicke provided further details, including team setup, etc., to the Board on the formation of the new Youth Football Richmond County Raiders team. Chairman Sanders suggested that

funds be set aside for the organization upon teams being formed and the school approving practice/play areas.

*“On a motion made by Robert B. Pemberton, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to donate \$1,000.00 from the discretionary fund to Richmond County Raiders contingent on the teams being formed.”*

### BOARD APPOINTMENTS

Mr. Quicke advised the Board of Appointments that are necessary.

Wetlands Board – District 1 (Currently Mr. David Gallagher – Eligible for Re-appointment)

*“On a motion made by Richard E. Thomas, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to re-appoint David Gallagher to the Wetlands Board for a term ending June 30, 2022.”*

Department of Social Services Board – District 5 (Currently Mrs. Sue France – Resignation)

*“On a motion made by Chairman Lee Sanders, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to appoint Bea Sanders to the Department of Social Services Board for the remaining term of Sue France, ending December 31, 2017.”*

Rappahannock Community College (Currently Mr. John Brown – Not Eligible for Re-appointment)

Mr. Quicke noted that there are two exceptional individuals (Rich Gouldin and Maxine Ball) who have expressed interest in being a part of the Rappahannock Community College Board.

*“On a motion made by J. David Parr, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to appoint Maxine Ball to the Rappahannock Community College Board for a term ending June 30, 2021.”*

### NEW BUSINESS

#### ANNUAL LEAVE ACCRUAL (EMS) / BEREAVEMENT LEAVE – PERSONNEL POLICY

Mr. Quicke noted that it was brought to his attention, with the adoption of the new Personnel Policy that employees of Emergency Services do not receive the appropriate amount of annual leave each year, as compared to that of a regular 40 hour a week employee who works 2,080 hours each year.

As it currently stands vacation for all County Employees is accrued as follows:

Years 0-1	40 hours per year (3.33 per month)
Years 1-10	80 hours per year (6.66 per month)
Years 10+	120 hours per year (9.99 per month)

The Emergency Services personnel work close to 2,500 hours each year as prescribed by FLSA laws for 24-hour personnel. Currently they accrue the same annual leave hours as above, however this amount of hours does not allow these individuals the full one week, two week or three weeks of vacation each year as it does for employees that work 2,080 hours.

In order for an Emergency Services employee to take off a week, they would need to take two full 24 hour shifts, for a total of 48 hours.

Recommended changes to the personnel policy to reflect these changes for Emergency Service Personnel, who work 24 hour shifts, would be:

Years 0-1	48 hours per year (4 hours per month)
Years 1-10	96 hours per year (8 hours per month)
Years 10+	144 hours per year (12 hours per month)

***“On a motion made by William C. Herbert, II, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to approve the above referenced change in the annual leave accrual for EMS employees.”***

Mr. Quicke also added that the topic of Bereavement Leave has come up recently and its lack of inclusion in our new policy as written. Our previous Personnel Policy provided for Bereavement Leave as follows:

- An eligible full-time employee who has a member of his immediate family taken by death shall receive up to three days (24 hours) off with pay as bereavement leave to arrange and/or attend funeral activated.
  - Immediate Family shall be defined as spouse, mother, father, mother-in-law, father-in-law, children, sister, brother, daughter-in-law, son-in-law, sister-in-law brother-in-law, grandparents and grandchildren.
  - If additional time is necessary, it shall be taken as vacation or unpaid leave if vacation has been exhausted, with advance authorization by the appropriate Department Head. Time for attendance at a funeral of others shall be taken as vacation leave or made up within the same pay period.
  - The employee must notify his/her immediate supervisor upon making determination to take time off from work.

***“On a motion made by Robert B. Pemberton, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to approve the above referenced addition of Bereavement Leave to the Personnel Policy.”***

**2019 GENERAL REASSESSMENT DISCUSSION**

Mr. Quicke noted that in 2011, the Board of Supervisors agreed to go to a reassessment cycle of every 4 years, which means the next reassessment would need to be done to go into effect January 1, 2019. The last reassessment was done effective January 1, 2015.

The Code of Virginia requires all localities to reassess no less than once every six years. The key indicator in reassessment is to understand where the local market is, by using a ratio derived from the sale of property. That sale is studied for several different factors in order to qualify for a “good sale” and then a percentage is put on that sale based off of the purchase price and the assessed value of the property.

The goal is to have an assessment ratio as near to 100% as possible. In the years after a reassessment, you may begin to see that number move either down from 100% or up from 100% depending on the local economy. If the ratio is above 100%, it means properties are selling for less than the assessed value and if the ratio is below 100%, it means that properties are selling for more than the assessed value.

Our 2015 number was 100.5% and our estimated 2016 number is 99.6%. Both of these numbers are well within acceptable numbers for property values. Anything +/-5% needs to be addressed. Our 2017 numbers will not be in until this time next year, so our 2015 and 2016 numbers are our most useful resource at this time.

The purpose of putting this item on the agenda for this month is to discuss our next reassessment and if the County wishes to remain on the four year cycle, or wishes to hold it back a 5<sup>th</sup> year as a potential money saver. The County budgets \$30,000 each year for reassessment, with the goal of proposals coming in around \$120,000. By moving this back a year, the County could stand to save \$30,000 that could be put elsewhere, since our \$120,000 would already be accumulated.

If the Board wishes to move forward with the January 1, 2019 date, an RFP will need to be released July/August with proposals due September/October for award in the fall and for work to begin by the selected vendor no later than January 1, 2018.

**END FY17 SUPPLEMENTAL APPROPRIATIONS MEETING**

Mr. Quicke asked the Board members to check their calendars for a possible supplemental appropriations meeting on June 29<sup>th</sup> at 6:00 p.m.

**ONGOING PROJECTS**

**LITTLE FLORIDA – ZONING CASE**

Mr. Quicke advised that the Little Florida Zoning Case would be heard by the Supreme Court on June 9, 2017 and there would be a waiting period for a determination from the Court Justices.

**MONTHLY APPROPRIATIONS – RICHMOND COUNTY DEPARTMENT OF SOCIAL SERVICES**

*“On a motion made by Richard E. Thomas, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to appropriate \$85,000.00 to the Richmond County Department of Social Services for the month of July, 2017.”*

**MONTHLY APPROPRIATIONS – RICHMOND COUNTY PUBLIC SCHOOLS**

*“On a motion made by Robert B. Pemberton, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; Robert B. Pemberton – aye; William C. Herbert, II – aye; J. David Parr - aye: to appropriate \$1,339,971.00 to the Richmond County School Board for the month of July, 2017.”*

**APPROVAL OF MINUTES – MAY 11, 2017**

*“On a motion made by William C. Herbert, II, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to approve the minutes from the May 11, 2017 meeting.”*

**OTHER BUSINESS**

All the board members wished the best to the high school teams competing in state championships.

**RECESS**

Chairman Sanders recessed the meeting until 6:00 p.m. on June 29, 2017 for End FY17 Supplemental Appropriations.

**RECONVENED MEETING – JUNE 29, 2017 AT 6:00 P.M. – FY17 SUPPLEMENTAL APPROPRIATIONS**

Chairman Sanders reconvened the meeting at 6:00 p.m. on June 29, 2017 for discussion on the end of FY17 supplemental appropriations.

Present:

F. Lee Sanders, Chairman  
Richard E. Thomas, Vice-Chairman  
Robert B. Pemberton, Member  
J. David Parr, Member  
William C. Herbert, II, Member

Also Present:

R. Morgan Quicke, County Administrator  
Hope Mothershead  
Denise Dunaway

Chairman Sanders called the meeting back to order.

Mr. Quicke presented the Board with supplemental appropriations to the FY17 budget as follows:

**General Government Administration**

Board of Supervisors –

FY17 Original Budget -	\$110,052
FY17 Projected Final Budget-	\$112,000
Difference-	\$1,948

Reason(s):

- TV project in the Public Meeting room was an unbudgeted cost of about \$3,000.

County Administrator -

FY17 Original Budget -	\$210,834
FY17 Projected Final Budget-	\$300,000
Difference-	\$89,166

Reason(s):

- Projected County Attorney Expenses of \$125,000, versus an original budget of \$35,000. County Attorney expenses associated with General County Business will be close to or under the budgeted \$35,000, however expenses related to the Supreme Court Case will be about \$90,000, of which about \$55,000 has been or will be returned by insurance.

Electoral Board-

FY17 Original Budget -	\$17,711
FY17 Projected Final Budget-	\$30,000
Difference-	\$12,289

Reason(s):

- Primary reasons for the Electoral Board being over budget:
  - Travel - +\$1,600
  - Salary – Electoral Board - +\$2,000, due to payment made in FY17, which should have been made in FY16.
  - Salary – Election Officials +\$2,000, due to extra primary this year

- o Professional Services - +\$7,700, due to bulk order of ballot stock in the fall and due to the extra primary held this year.

### **Judicial Administration**

#### Commonwealth's Attorney

FY17 Original Budget -	\$277,128
FY17 Projected Final Budget-	\$285,000
Difference-	\$7,872

#### Reason(s):

- With the creation of the FY17 Budget, the salary for the Victim Witness Coordinator was only budgeted at \$35,000; however the grant award was for a salary of \$40,000. This position is 100% grant funded.

### **Public Safety**

#### Sheriff

FY17 Original Budget -	\$1,456,323
FY17 Projected Final Budget-	\$1,500,000
Difference-	\$43,678

#### Reason(s):

- The budget for the Sheriff's Office in FY17 budgeted only \$25,000 for Police Cars and total expenditures were \$96,000. Included in last year's Revenue Anticipation Note (RAN), we borrowed \$3,055,000 for the purchase of two additional vehicles, with the idea of paying ourselves back through the annual RAN cycle since we were not awarded a USDA Police Car Grant for FY17.
- Additionally, one of our vehicles was totaled in an accident and was replaced. Insurance proceeds covered about 75% of that new purchase.

#### Volunteer Fire Department

FY17 Original Budget -	\$157,000
FY17 Projected Final Budget-	\$161,200
Difference-	\$4,200

#### Reason(s):

- Fire Programs Contribution in FY17 of \$24,538 rather than the budgeted \$19,500. This is a pass through from the Virginia Department of Fire Programs.

Ambulance/Rescue

FY17 Original Budget -	\$676,255
FY17 Projected Final Budget-	\$740,000
Difference-	\$63,745

Reason(s):

- Part Time EMS Salary, Night Time On-Call Program – With the shift changes made last year, in order to provide coverage to the County with two trucks from 7P-7A, an on-call program was started to make sure we had coverage. Original Budget \$58,113, total expenditures \$122,400.
- Grant Funded Auto Load Stretcher - \$40,000 of unbudgeted expenditures, however this stretcher was 100% grant funded so the revenue appropriately matches the expenditure.

**Public Works**

Solid Waste Management

FY17 Original Budget -	\$600,600
FY17 Projected Final Budget-	\$640,000
Difference-	\$39,400

Reason(s):

- A budget we will continue to chase as the economy improves. This budget also includes about \$15,000 worth of expenditures for Household Hazardous Waste Day and our newly established annual tire amnesty day.

General Properties

FY17 Original Budget -	\$313,424
FY17 Projected Final Budget-	\$350,000
Difference-	\$36,576

Reason(s):

- Repairs and Maintenance costs for the year exceeded original budget by about \$40,000. This was due to several large repairs and new installs that were needed, such as the replacement HVAC for the Circuit Court at a cost of \$14,156, the gutter replacement of the County Office Building for \$2,430 and re-pointing of bricks on the Circuit Courthouse of \$7,000.

## Health and Welfare

### Child Services Act (CSA)

FY17 Original Budget -	\$337,500
FY17 Projected Final Budget-	\$410,000
Difference-	\$72,500

Reason(s):

- Expenses associated with our At-Risk Youth, managed by the FAPT and CPMT, along with the Department of Social Services. This is a cost that we have seen increases in for the last several years, a trend also being seen at the State level. This is a budget that we will need to continue to watch over the next few years, work to increase funding levels to it and continue to manage and monitor it from the FAPT and CPMT levels.

## Parks, Recreation and Culture

### Richmond County Museum

FY17 Original Budget -	\$18,129
FY17 Projected Final Budget-	\$19,500
Difference-	\$1,371

Mr. Quicke noted that he believed the FY17 budget did exactly what was intended. With conservative revenue estimates and expenditure estimates, Mr. Quicke anticipates the FY17 Budget returning an estimated \$400,000 – \$500,000 surplus. Furthermore, Mr. Quicke advised that there are positive gains in the three areas of local revenue – real estate taxes, personal property taxes and local sales tax. Real Estate collections were approximately 2% over budget, while Personal Property and Local Sales were 15% and 13% up. Overall, Mr. Quicke noted that there are a lot of positive activities going in Richmond County and he looks forward to working with the Board, Employees and Community to continue this positive momentum.

***“On a motion made by Robert B. Pemberton, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to approve the final budget for FY17 of \$27,499,333.00.”***

### NORTHERN NECK REGIONAL JAIL – REVISED BUDGET

Mr. Quicke noted that due to some changes to the Northern Neck Regional Jail budget, it was necessary for the Board to adopt the revisions. The changes are due to Gloucester joining the jail, which included additional hires, increase in water and sewer, etc.

***“On a motion made by Richard E. Thomas, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye:***

Richmond County Board of Supervisors Minutes:  
June 8, 2017 / June 29, 2017

*to approve the revised budget of the Northern Neck Regional Jail for FY18 in the amount of \$7,780,997.00.”*

**ANIMAL SHELTER – WESTMORELAND COUNTY CONTRACT**

Mr. Quicke offered to the Board members the proposed contract from Westmoreland County for housing of dogs from Richmond County. The contract would begin on July 1, 2017 and would run for a period of one year with a monthly cost of \$3,653.16.

*“On a motion made by William C. Herbert, II, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: to approve the proposed agreement for housing of dogs at the Westmoreland County Animal Shelter.”*

**CLOSED SESSION**

*“On a motion made by Robert B. Pemberton, the Board voted: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: as permitted by Virginia Code Section 2.2-3711(A)(3), matter involving disposition of public property.”*

**CERTIFICATION MOTION AFTER RECONVENING IN PUBLIC SESSION:**

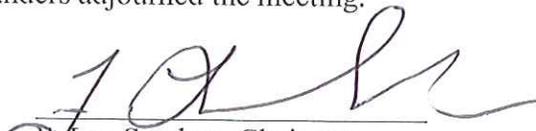
*“On a motion made by Robert B. Pemberton, the Board voted by roll call: F. Lee Sanders – aye; Richard E. Thomas – aye; William C. Herbert, II – aye; J. David Parr – aye; Robert B. Pemberton – aye: that the Board certifies that, in the closed session just concluded, nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed session and (2) lawfully permitted to be so discussed under the provisions of the Virginia Freedom of Information Act cited in that motion.”*

**ACTION FROM CLOSED SESSION**

There was no action taken by the Board of Supervisors resulting from the closed session.

**ADJOURNMENT**

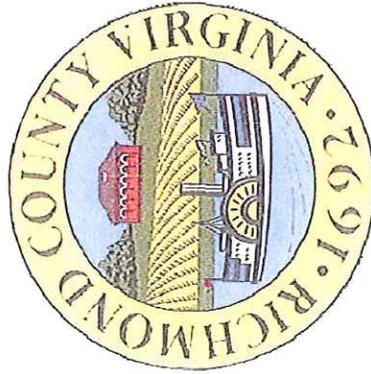
After no further business, Chairman Sanders adjourned the meeting.

  
F. Lee Sanders, Chairman  
Richmond County Board of Supervisors

# Discussion Materials

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Richmond County, Virginia



June 8, 2017

Exhibit I

**DAVENPORT & COMPANY**  
Member NYSE | FINRA | SIPC

# Overview of Bank RFP Results



- On May 1, 2017, on behalf of the County, Davenport distributed two RFP's to National, Regional, and Local financing institutions in order to assess current market interest rates for viable financing options.
- RFP Proposals were due by 11a.m., Richmond, Virginia Time on May 23, 2017.
- These RFPs requested proposals on:

## 2017 RAN

- Obtain financing for the County's short-term General Obligation Revenue Anticipation Note, Series 2017 (the "2017 RAN") in an amount up to \$3,000,000.
- The 2017 RAN will be repaid from general taxes and other revenues collected by the County and will be deemed Tax-Exempt and Bank-Qualified.
- The County received proposals from two banks:
  - Union Bank & Trust
  - First Citizens Bank

## 2017 Bond

- Obtain financing for the County's Industrial Development Authority ("IDA") Lease Revenue Bond (the "2017 Bond") in an approximate amount of \$2,000,000 to fund a new Public Safety Facility and a new Animal Shelter.
  - The 2017 Bond will not carry the general obligation pledge of the County or any other political subdivision of the Commonwealth of Virginia and will be deemed Tax-Exempt and Bank-Qualified.
  - The County received a proposal from one bank:
    - Union Bank & Trust
- 
- In addition to the Bank RFP process, the County submitted an application to participate in the Virginia Resources Authority ("VRA") Summer Pool.
  - Discussions with VRA are ongoing.

# Summary of Proposals: RAN



A	B	C
Bank	Union Bank & Trust	First Citizens Bank
1 Par Amount up to	\$3,000,000	\$3,000,000
2 Maturity	6/30/2018	6/30/2018
3 Tax-Exempt Interest Rate	1.140%	1.310%
4 Period Fixed	6/30/2018	6/30/2018
5 Security	General Obligation	General Obligation
6 Prepayment Terms	Prepayment in whole or part at any time without penalty.	Prepayment in whole at any time (with 30 days' notice) or in part (on a payment date) without penalty.
7 Acceptance/Rate Expiration	6/15; 7/7	Flexible; 7/7
8 Bank Fees	\$0	\$0
9 Bank Counsel	n/a	n/a
10 Bank Counsel Fees	n/a	n/a
11 Estimated Interest Through Maturity	\$33,535	\$38,536

**Difference of \$5,001**



# Comparative Analysis: Bank vs. VRA



## 10 Year Amortizations Analyzed

\* Preliminary, subject to change.

	A	B	C	D	E	F	G	H	I	J	K	L	M
	Scenario 1				Scenario 2			Scenario 3			Scenario 4		
	Union Bank & Trust 15 Years				VRA 15 Years			Union Bank & Trust 20 Years			VRA 20 Years		
	7/7/2017				8/16/2017			7/7/2017			8/16/2017		
1. Borrowing Details													
2. Summary of Key Assumptions													
3. Closing / Funding Date													
4. 1st Interest (Local) Payment Date													
5. 1st Principal (Local) Payment Date													
6. Final (Local) Maturity													
7. Total Term (in Years)													
8. Program Admin/Registration Fee													
9. Interest Rate / Alternative													
10. Sources of Funds													
11. Par Amount													
12. Original Issue Premium/(Discount)													
13. Total Sources													
14. Uses of Funds													
15. Project Amount													
16. Local Fixed Costs of Issuance <sup>1)</sup>													
17. Program Fixed Costs of Issuance <sup>2)</sup>													
18. Underwriter's Discount <sup>3)</sup>													
19. Debt Service Reserve Fund													
20. Total Uses													
21. Estimated Debt Service (L4)													
22.													
Fiscal Year													
23. 2015													
24. 2016													
25. 2017													
26. 2018													
27. 2019													
28. 2020													
29. 2021													
30. 2022													
31. 2023													
32. 2024													
33. 2025													
34. 2026													
35. 2027													
36. 2028													
37. 2029													
38. 2030													
39. 2031													
40. 2032													
41. 2033													
42. 2034													
43. 2035													
44. 2036													
45. 2037													
46. 2038													
47. Debt Service 1st 10 Years													
48. 1st 10 Years vs. Scenario 1													
49. Total Debt Service													
50. Total Debt Service vs. Scenario 1													
51. Break-even Interest Rate vs. VRA at Rate Reset													

(1) Estimates are preliminary, based on Current Market as of 5/23/2017, and are subject to change until the Pricing Date which is scheduled on or about August 2, 2017.  
 (2) Estimated debt service is structured to take advantage of the decline in existing debt service over the next few years as contemplated in the planning/affordability model.  
 (3) Interest and total debt service assume the interest rate of 2.24% is held constant; subject to rate reset after 10 Years.  
 (4) Includes VRA's Annual Admin Fee. Interest earnings on the Debt Service Reserve Fund (DSRF) have been assumed at 1.25%, are available annually to offset debt service. Final payment offset by DSRF.



# Debt Affordability Analysis

## Scenario 1: Union Bank & Trust / 2.24% fixed 10 Years / 15 Year Amortization

- Union Bank & Trust Proposal provides the following:
  - Interest Rate 2.24%, fixed for 10 Years (through FY 2028); break-even interest rate of 8.726% assumed thereafter (FY 2029 & beyond).
  - 2.24% Interest Rate held-firm through closing 7/7/2017.
  - Prepayable in whole or part at any time without penalty.
  - No Debt Service Reserve Fund.

FY	Debt Service Requirements										Revenue Available for DS				Net Cash Flow Difference			
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P		
	Existing Debt Service	Public Safety Facility & Animal Shelter Debt Service	Future Public Safety Debt Service	CIP Operating Impact	Total	General Fund Budgeted Service <sup>(1)</sup>	Credits for Series 2012 QSCBs	Other Available Revenues (TBD)	Total Revenues Available	Surplus/ (Deficit)	Funding Required Above Debt Plan	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance			
2017	1,473,182				1,473,182	1,255,634	217,548		1,473,182	-	-	-	-	-	-	-		
2018	1,463,594	23,396			1,486,990	1,262,452	217,548		1,500,000	13,010	-	-	13,010	-	13,010	13,010		
2019	1,469,899	44,800			1,514,699	1,262,452	217,548		1,500,000	(14,699)	1,689	(13,010)	-	-	-	-		
2020	1,466,997	44,800			1,511,797	1,262,452	217,548		1,500,000	(11,797)	11,797	-	-	-	-	-		
2021	1,343,244	140,800			1,484,044	1,262,452	217,548		1,500,000	15,956	-	-	15,956	-	15,956	15,956		
2022	1,332,645	151,650			1,484,295	1,262,452	217,548		1,500,000	15,705	-	-	15,705	-	15,705	31,661		
2023	1,351,871	152,208			1,484,079	1,262,452	217,548		1,500,000	15,921	-	-	15,921	-	15,921	47,582		
2024	1,334,040	149,699			1,483,739	1,262,452	217,548		1,500,000	16,261	-	-	16,261	-	16,261	63,843		
2025	1,324,752	159,190			1,483,942	1,262,452	217,548		1,500,000	16,058	-	-	16,058	-	16,058	79,900		
2026	1,324,850	159,413			1,484,263	1,262,452	217,548		1,500,000	15,738	-	-	15,738	-	15,738	95,638		
2027	1,324,155	160,568			1,484,723	1,262,452	217,548		1,500,000	15,277	-	-	15,277	-	15,277	110,916		
2028	1,269,946	214,634			1,484,579	1,262,452	217,548		1,500,000	15,421	-	-	15,421	-	15,421	126,336		
2029	1,269,051	255,521			1,524,572	1,262,452	217,548		1,500,000	(24,572)	-	(24,572)	-	-	101,755	101,755		
2030	1,270,446	255,521			1,525,967	1,262,452	217,548		1,500,000	(25,967)	-	(25,967)	-	-	75,798	75,798		
2031	1,271,231	255,521			1,526,752	1,262,452	217,548		1,500,000	(26,752)	-	(26,752)	-	-	49,047	49,047		
2032	1,271,406	255,521			1,526,927	1,262,452	217,548		1,500,000	(26,927)	-	(26,927)	-	-	22,120	22,120		
2033	1,270,971	255,521			1,526,492	1,262,452	217,548		1,500,000	(26,492)	4,371	(22,120)	-	-	-	-		
2034	1,269,956				1,269,956	1,262,452	217,548		1,500,000	230,074	-	-	230,074	-	230,074	230,074		
2035	1,156,362				1,156,362	1,262,452	108,774		1,391,226	234,864	-	-	234,864	-	464,939	464,939		
2036	-				-	1,262,452	-		1,282,452	1,282,452	-	-	1,282,452	-	1,747,391	1,747,391		
2037	-				-	1,262,452	-		1,282,452	1,282,452	-	-	1,282,452	-	3,029,843	3,029,843		
2038	-				-	1,262,452	-		1,282,452	1,282,452	-	-	1,282,452	-	4,312,296	4,312,296		
2039	-				-	1,262,452	-		1,282,452	1,282,452	-	-	1,282,452	-	5,594,748	5,594,748		
2040	-				-	1,262,452	-		1,282,452	1,282,452	-	-	1,282,452	-	6,877,200	6,877,200		
Total	25,238,564	2,678,762			27,917,327	-	-	-	17,857	(139,346)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		

Note: 2012 VPSA QSCB debt service is shown per sinking fund requirements, gross of earnings and with gross interest expense. At issuance, interest expense should be fully subsidized by the Federal Government. However, due to sequestration, a reduction in subsidy was implemented. Currently, the sequester reduction is 6.9%; subject to County confirmation of actual subsidy receipts.

- FY 2017 Value of a Penny<sup>2)</sup>: \$75,000
- Assumed Growth Rate: 1.00%

1) The County's recommended FY 2018 Budget provides for an increase in Debt Service from existing revenues sources targeting approximately \$1,500,000 for annual debt service, inclusive of the 2012 QSCB subsidy. Provided by Staff.

2) Interest Rate is held through closing on or about 7/7/2017 as proposed by Union Bank & Trust on 5/23/2017; results above are preliminary estimates and are subject to change.

# Debt Affordability Analysis



## Scenario 2 - VRA / Current Market All-In-TIC at 3.745% fixed / 15 Year Amortization

- Current Market VRA Summer Pool estimated as of 5/23/2017 provides the following:
  - All-in TIC of 3.745%, fixed for life of borrowing.
  - Subject to interest rate market movement through the Pricing/Sale Date on or about 8/2/2017.
  - Not prepayable in the first 10 Years; at par thereafter.
  - Requires Debt Service Reserve Fund.

FY	Debt Service Requirements				Revenue Available for DS				Net Cash Flow Difference						
	Existing Debt Service	Public Safety Facility & Animal Shelter Debt Service	Future Public Safety Radio Debt Service	CIP Operating Impact	Total	General Fund Budgeted Service <sup>(1)</sup>	Credits for Series 2012 QSCBs	Other Available Revenues (TBD)	Total Revenues Available	Surplus/ (Deficit)	Funding Required Above Debt Plan	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance
2017	1,473,182				1,473,182	1,255,634	217,548		1,473,182	-					
2018	1,463,594	66,629			1,530,223	1,252,452	217,548		1,500,000	(30,223)	30,223				
2019	1,469,899	94,064			1,563,963	1,282,452	217,548		1,500,000	(63,963)	63,963				
2020	1,466,997	94,064			1,561,062	1,282,452	217,548		1,500,000	(61,062)	61,062				
2021	1,343,244	167,143			1,510,387	1,282,452	217,548		1,500,000	(10,387)	10,387				
2022	1,332,645	173,043			1,505,688	1,282,452	217,548		1,500,000	(5,688)	5,688				
2023	1,331,871	173,558			1,505,429	1,282,452	217,548		1,500,000	(5,429)	5,429				
2024	1,334,040	173,818			1,507,858	1,282,452	217,548		1,500,000	(7,858)	7,858				
2025	1,324,752	183,564			1,508,316	1,282,452	217,548		1,500,000	(8,316)	8,316				
2026	1,324,850	182,799			1,507,648	1,282,452	217,548		1,500,000	(7,648)	7,648				
2027	1,324,155	181,777			1,505,931	1,282,452	217,548		1,500,000	(5,931)	5,931				
2028	1,269,946	238,961			1,508,907	1,282,452	217,548		1,500,000	(8,907)	8,907				
2029	1,269,051	239,224			1,508,274	1,282,452	217,548		1,500,000	(8,274)	8,274				
2030	1,270,446	239,274			1,509,719	1,282,452	217,548		1,500,000	(9,719)	9,719				
2031	1,271,231	234,264			1,505,495	1,282,452	217,548		1,500,000	(5,495)	5,495				
2032	1,271,405	238,768			1,510,173	1,282,452	217,548		1,500,000	(10,173)	10,173				
2033	1,270,971	(2,187)			1,268,784	1,282,452	217,548		1,500,000	231,216		231,216			231,216
2034	1,269,926				1,269,926	1,282,452	217,548		1,500,000	230,074		230,074			461,291
2035	1,156,362				1,156,362	1,282,452	108,774		1,391,226	234,864		234,864			696,155
2036						1,282,452			1,282,452				1,282,452		1,978,607
2037						1,282,452			1,282,452				1,282,452		3,261,059
2038						1,282,452			1,282,452				1,282,452		4,543,512
2039						1,282,452			1,282,452				1,282,452		5,825,964
2040						1,282,452			1,282,452				1,282,452		7,108,416
Total	25,238,564	2,678,762			27,917,327						249,073			0.00¢	

Note: 2012 VPSA QSCB debt service is shown per sinking fund requirements, gross of earnings and with gross interest expense. At issuance, interest expense should be fully subsidized by the Federal Government. However, due to sequestration, a reduction in subsidy was implemented. Currently, the sequester reduction is 6.9%; subject to County confirmation of actual subsidy receipts.

- FY 2017 Value of a Penny<sup>2</sup>: \$75,000
- Assumed Growth Rate: 1.00%

1) The County's recommended FY 2018 Budget provides for an increase in Debt Service from existing revenues sources targeting approximately \$1,500,000 for annual debt service, inclusive of the 2012 QSCB subsidy. Provided by Staff.

2) Current Market estimates are preliminarily as of 5/23/2017 and are subject to change.

DAVENPORT & COMPANY

# Debt Affordability Analysis



## Scenario 1: Union Bank & Trust / 2.24% fixed 10 Years / 20 Year Amortization

- Union Bank & Trust Proposal provides the following:
  - Interest Rate 2.24%, fixed for 10 Years (through FY 2028); break-even interest rate of 7.418% assumed thereafter (FY 2029 & beyond).
  - 2.24% Interest Rate held-firm through closing 7/7/2017.
  - Prepayable in whole or part at any time without penalty.
  - No Debt Service Reserve Fund.

FY	Debt Service Requirements			Revenue Available for DS										Net Cash Flow/Difference			Capital Reserve Fund Balance
	Existing Debt Service	Future Public Safety Debt Service	CIP Operating Impact	Total	General Fund Budgeted Debt Service <sup>(1)</sup>	Credits for Series 2012 OSBs	Other Available Revenues (TBD)	Total Revenues Available	Surplus/ (Deficit)	Funding Required Above Debt Plan	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent				
2017	1,473,182	-	-	1,473,182	1,255,634	217,548	-	1,473,182	-	-	-	-	-	-	-	-	
2018	1,463,594	23,396	-	1,486,990	1,252,452	217,548	-	1,500,000	13,010	-	-	-	-	-	-	13,010	
2019	1,469,899	44,800	-	1,514,699	1,282,452	217,548	-	1,500,000	(14,699)	1,699	(13,010)	-	-	-	-	-	
2020	1,466,997	44,800	-	1,511,797	1,282,452	217,548	-	1,500,000	(11,797)	11,797	-	-	-	-	-	-	
2021	1,343,244	73,800	-	1,417,044	1,282,452	217,548	-	1,500,000	82,956	-	-	-	-	-	-	82,956	
2022	1,332,645	84,150	-	1,416,795	1,282,452	217,548	-	1,500,000	83,205	-	-	-	-	-	-	83,205	
2023	1,331,871	85,254	-	1,417,125	1,282,452	217,548	-	1,500,000	82,874	-	-	-	-	-	-	82,874	
2024	1,334,040	82,314	-	1,416,354	1,282,452	217,548	-	1,500,000	83,646	-	-	-	-	-	-	83,646	
2025	1,324,752	92,416	-	1,417,170	1,282,452	217,548	-	1,500,000	82,630	-	-	-	-	-	-	82,630	
2026	1,324,850	92,275	-	1,417,125	1,282,452	217,548	-	1,500,000	82,875	-	-	-	-	-	-	82,875	
2027	1,324,155	93,110	-	1,417,265	1,282,452	217,548	-	1,500,000	82,735	-	-	-	-	-	-	82,735	
2028	1,269,946	140,901	-	1,410,847	1,282,452	217,548	-	1,500,000	83,154	-	-	-	-	-	-	83,154	
2029	1,269,051	229,763	-	1,498,814	1,282,452	217,548	-	1,500,000	1,187	-	-	-	-	-	-	1,187	
2030	1,270,446	229,763	-	1,500,209	1,282,452	217,548	-	1,500,000	(208)	-	(208)	-	-	-	-	(208)	
2031	1,271,231	229,763	-	1,500,993	1,282,452	217,548	-	1,500,000	(993)	-	(993)	-	-	-	-	(993)	
2032	1,271,406	229,763	-	1,501,168	1,282,452	217,548	-	1,500,000	(1,168)	-	(1,168)	-	-	-	-	(1,168)	
2033	1,270,971	229,763	-	1,500,733	1,282,452	217,548	-	1,500,000	(733)	-	(733)	-	-	-	-	(733)	
2034	1,269,926	229,763	-	1,499,689	1,282,452	217,548	-	1,500,000	312	-	312	-	-	-	-	312	
2035	1,156,362	229,763	-	1,386,124	1,282,452	108,774	-	1,391,226	5,102	-	5,102	-	-	-	-	5,102	
2036	-	229,763	-	229,763	1,282,452	-	-	1,282,452	1,052,690	-	1,052,690	-	-	-	-	1,052,690	
2037	-	229,763	-	229,763	1,282,452	-	-	1,282,452	1,052,690	-	1,052,690	-	-	-	-	1,052,690	
2038	-	229,763	-	229,763	1,282,452	-	-	1,282,452	1,052,690	-	1,052,690	-	-	-	-	1,052,690	
2039	-	-	-	-	1,282,452	-	-	1,282,452	1,282,452	-	1,282,452	-	-	-	-	1,282,452	
2040	-	-	-	-	1,282,452	-	-	1,282,452	1,282,452	-	1,282,452	-	-	-	-	1,282,452	
<b>Total</b>	<b>25,238,564</b>	<b>3,150,843</b>	<b>-</b>	<b>28,389,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Total</b>	<b>13,486</b>	<b>(16,112)</b>	<b>Total Tax Effect</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>6,390,748</b>	

Note: 2012 VPSA QSCB debt service is shown per sinking fund requirements, gross of earnings and with gross interest expense. At issuance, interest expense should be fully subsidized by the Federal Government. However, due to sequestration, a reduction in subsidy was implemented. Currently, the sequester reduction is 6.9%; subject to County confirmation of actual subsidy receipts.

- FY 2017 Value of a Penny<sup>2</sup>: \$75,000
- Assumed Growth Rate: 1.00%

1) The County's recommended FY 2018 Budget provides for an increase in Debt Service from existing revenues sources targeting approximately \$1,500,000 for annual debt service, inclusive of the 2012 QSCB subsidy. Provided by Staff.

2) **DAVENPORT & COMPANY** <sup>(4)</sup> Interest Rate is held through closing on or about 7/7/2017 as proposed by Union Bank & Trust on 5/23/2017; results above are preliminary estimates and are subject to change.

# Debt Affordability Analysis



## Scenario 1 - VRA / Current Market All-in TIC at 4.061% fixed / 20 Year Amortization

- Current Market VRA Summer Pool estimated as of 5/23/2017 provides the following:
  - All-in TIC of 4.061%, fixed for life of borrowing.
  - Subject to interest rate market movement through the Pricing/Sale Date on or about 8/2/2017.
  - Not prepayable in the first 10 Years; at par thereafter.
  - Requires Debt Service Reserve Fund.

FY	Debt/Service Requirements										Revenue Available for DS										Net Cash Flow Difference				
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
	Existing Debt Service	Public Safety Facility & Animal Shelter Debt Service	Future Public Safety Radio Debt Service	CIP Operating Impact	Total	General Fund Budgeted Debt Service <sup>(1)</sup>	Credits for Series 2012 QSCBs	Other Available Revenues (TBD)	Total Revenues Available	Surplus/ (Deficit)	Funding Required Above Debt Plan	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Estimated Incremental Tax Equivalent	Capital Reserve Fund Balance										
2017	1,473,182				1,473,182	1,255,634	217,548		1,473,182	(29,930)															
2018	1,463,594	66,336			1,529,930	1,282,452	217,548		1,500,000	(33,549)	29,930														
2019	1,469,899	93,650			1,563,549	1,282,452	217,548		1,500,000	(60,648)	63,549														
2020	1,466,997	93,650			1,560,648	1,282,452	217,548		1,500,000																
2021	1,343,244	108,266			1,451,510	1,282,452	217,548		1,500,000	48,490		48,490			48,490										
2022	1,332,645	122,113			1,454,758	1,282,452	217,548		1,500,000	45,242		45,242			93,732										
2023	1,331,871	120,375			1,452,247	1,282,452	217,548		1,500,000	47,554		47,554			141,286										
2024	1,334,040	119,038			1,453,078	1,282,452	217,548		1,500,000	46,922		46,922			188,208										
2025	1,324,752	127,244			1,451,996	1,282,452	217,548		1,500,000	48,004		48,004			236,212										
2026	1,324,850	130,066			1,454,916	1,282,452	217,548		1,500,000	45,065		45,065			281,297										
2027	1,324,155	127,760			1,451,914	1,282,452	217,548		1,500,000	48,086		48,086			329,383										
2028	1,269,946	183,916			1,453,861	1,282,452	217,548		1,500,000	46,139		46,139			375,521										
2029	1,269,051	183,406			1,452,457	1,282,452	217,548		1,500,000	47,543		47,543			423,064										
2030	1,270,446	182,816			1,453,261	1,282,452	217,548		1,500,000	46,739		46,739			469,803										
2031	1,271,231	182,144			1,453,375	1,282,452	217,548		1,500,000	46,626		46,626			516,428										
2032	1,271,406	181,241			1,452,646	1,282,452	217,548		1,500,000	47,354		47,354			563,782										
2033	1,270,971	180,106			1,451,077	1,282,452	217,548		1,500,000	48,923		48,923			612,705										
2034	1,269,926	183,838			1,453,763	1,282,452	217,548		1,500,000	46,237		46,237			658,942										
2035	1,156,362	187,356			1,343,718	1,282,452	108,774		1,391,226	47,508		47,508			706,450										
2036		293,122			293,122	1,282,452			1,282,452	989,330		989,330			1,695,780										
2037		295,900			295,900	1,282,452			1,282,452	986,552		986,552			2,682,332										
2038		(1,700)			(1,700)	1,282,452			1,282,452	1,284,152		1,284,152			3,966,484										
2039						1,282,452			1,282,452	1,282,452		1,282,452			5,248,936										
2040						1,282,452			1,282,452	1,282,452		1,282,452			6,531,389										
Total	25,238,564	3,160,843			28,399,407					Total	154,126		Total Tax Effect	0.00¢											

Note: 2012 VPSA QSCB debt service is shown per sinking fund requirements, gross of earnings and with gross interest expense. At issuance, interest expense should be fully subsidized by the Federal Government. However, due to sequestration, a reduction in subsidy was implemented. Currently, the sequester reduction is 6.9%; subject to County confirmation of actual subsidy receipts.

- FY 2017 Value of a Penny<sup>2</sup>: \$75,000
- Assumed Growth Rate: 1.00%

1) The County's recommended FY 2018 Budget provides for an increase in Debt Service from existing revenues sources targeting approximately \$1,500,000 for annual debt service, inclusive of the 2012 QSCB subsidy.  
 2) Provided by Staff.

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(1) Current Market estimates are preliminarily as of 5/23/2017 and are subject to change.

# Next Steps / Timeline



Date	Task
June 8	County Board Meeting. <ul style="list-style-type: none"><li>▪ Davenport presents analysis comparing Direct Bank Loan RFP Results to VRA.</li><li>▪ County Board determines preferred financing approach.</li><li>▪ County Board considers adopting final resolutions and form of financing documents.</li></ul>
TBD	IDA Board Meeting. <ul style="list-style-type: none"><li>▪ IDA Board considers adopting final resolutions and form of financing documents, if selected.</li></ul>
June 12	County provides final requested proceeds amount, project budget, and estimated draw schedule to VRA, if selected.
June 23	All local approvals received and filed, per VRA, if selected.
By July 7	Close on Direct Bank Loan(s).
August 2	VRA Bonds Sale.
August 16	VRA Bonds Closing.

# Municipal Advisor Disclosure



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

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June 3, 2014

Richmond, Virginia, VA

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