

Issue Analysis Form



Date: October 8, 2019
 Authority to Advertise a
 Public Hearing for Fall 2019
 General Obligation Bond
 Issuance

Item:

Lead Department(s): County Finance

Contact Person(s): Betsy Drewry

Description and Current Status

Multiple capital projects with planned debt issuance were recommended as part of the adopted FY2020 budget. Additionally, the County Administrator and Board of Supervisors have discussed some additional projects for FY2020, specifically, the addition of funding for a transfer to the Industrial Development Authority for a Broadband expansion grant and improvements to the Central Wellness Center to meet code requirements.

A listing of projects for consideration for inclusion in the fall 2019 debt issuance are shown below:

| Project / Purchase | Amount | Repayment Term in Years | Revenue Source for Debt |
|---|---------------------|-------------------------|--------------------------------|
| Law Enforcement Vehicles | \$ 400,000 | 5 | General Fund |
| Fire Apparatus | \$ 2,250,000 | 5 | Devoted \$0.02 RE Tax Annually |
| Stormwater Projects | \$ 2,100,000 | 5 | Stormwater Fees |
| Broadband Support [grant through IDA] | \$ 1,000,000 | 15 | General Fund |
| Central Wellness Center Code Upgrades Phase I [\$1.4M less \$430 on hand from Series 2018 borrowing]; Updated 9/30/2019 to \$1.85 M less \$430,000 from Series 2018 | \$ 1,420,000 | 15 | General Fund |
| Estimated Bond Issuance Costs | \$ 125,000 | | |
| Grand Total | \$ 7,295,000 | Bond Issuance PH | |

The project total, including estimated bond issuance costs is **\$7,295,000**.

The issuance of general obligation bonds requires a public hearing. See draft advertisement prepared by bond counsel (**Attachment A**). Public Hearing date requested is November 13, 2019.

Board Action Requested following Public Hearing:

Authorize advertisement of a public hearing for the issuance of general obligation bonds; resolution enclosed for review and consideration

Does this require IDA action? Yes No

Does this require BZA action? Yes No

Does This require Planning Commission Action? Yes No

Does this require Board of Supervisors action? Yes No

Does this require a public hearing? Yes No

If so, before what date? [2 publications one per week
With last at least 6 days prior
To public hearing] Yes No

Fiscal Impact Statement

Approval of these projects and borrowing will not create the need to increase the County's tax rates if the County makes a one-time contribution for debt service of \$239,708* in FY2021. Repayment of debt will begin in FY2021.

*Recommended source: SNAP interest proceeds; Economic Development Fund Balance or a combination thereof

County Impact

Approval of this advertisement, public hearing and subsequent bond issuance, if approved, will allow staff to move forward in the bidding and completion of the recommended CIP projects.

Notes

NOTICE OF PUBLIC HEARING OF THE BOARD OF SUPERVISORS OF THE COUNTY OF PRINCE GEORGE, VIRGINIA TO CONSIDER ADOPTION OF A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$7,295,000

The Board of Supervisors (the "Board") of the County of Prince George, Virginia (the "County"), will hold a public hearing on Tuesday, **November 13, 2019** at 7:30 p.m. in the County Administration Building, Boardroom, Third Floor, 6602 Courts Drive, Prince George, Virginia 23875, to consider adoption of a resolution authorizing the issuance of tax-exempt and taxable general obligation bonds, notes or other obligations of the County in a maximum principal amount not to exceed \$7,295,000. The bond proceeds are expected to be used to finance various capital projects for County purposes that include: (i) the purchase of law enforcement vehicles and other police related assets; (ii) the purchase of fire apparatus assets as defined in Section 74-4 of the County Code; (iii) stormwater improvement projects; (iv) improvements to the Central Wellness Center building and facilities; (v) the enhancement of broadband access to County schools, businesses and residents; and (vi) to pay costs of issuance.

The County anticipates that more than ten percent of the maximum principal amount of the \$7,295,000 in bond proceeds to be expended for the purposes described above will be used to finance each of the following projects: (i) the purchase of fire apparatus assets, (ii) stormwater improvements, (iii) improvements to the Central Wellness Center, and (iv) the enhancement of broadband access in the County. The proposed resolution will provide that the bonds, notes or other obligations are to be general obligations, the payment of which will be secured by the County's pledge of its full faith and credit and taxing power.

All interested persons may appear and present their views to the Board at the public hearing. A preliminary draft of the full text of the resolution is on file in the office of the County Administrator and is also available for public inspection during normal business hours and on the County's web-site at <http://www.princegeorgecountyva.gov>. Anyone needing assistance or accommodation under the provisions of the Americans with Disabilities Act should call the County Administrator's Office at (804) 722-8600 at least five (5) days in advance of the public hearing.

**BOARD OF SUPERVISORS OF THE
COUNTY OF PRINCE GEORGE,
VIRGINIA**

Authority to Advertise Public Hearing

October 8, 2019

Issuance of General Obligation Bonds /
Debt [Taxable and Non-Taxable] - Fall
2019

CIP – Issuing Bonds

- o Limited Capital Improvement Projects and Purchases were recommended as part of the FY2020 budget with General Obligation Bonds as the funding source
- o County Administration and the Board of Supervisors discussed some additional projects for inclusion in the fall 2019 borrowing

Projects & Closing Costs

| Project / Purchase | Amount | Repayment Term in Years | Revenue Source for Debt |
|---|--------------|-------------------------|--------------------------------|
| Law Enforcement Vehicles | \$ 400,000 | 5 | General Fund |
| Fire Apparatus | \$ 2,250,000 | 5 | Devoted \$0.02 RE Tax Annually |
| Stormwater Projects | \$ 2,100,000 | 5 | Stormwater Fees |
| Broadband Support [grant through IDA] | \$ 1,000,000 | 15 | General Fund |
| Central Wellness Center Code Upgrades Phase I [\$1.4M less \$130 on hand from Series 2018 borrowing]; Updated 9/30/2019 to \$1.85 M less \$130,000 from Series 2018 | \$ 1,420,000 | 15 | General Fund |
| Estimated Bond Issuance Costs | \$ 125,000 | | |
| Grand Total | \$ 7,295,000 | | |
| Requesting Reimbursement Resolution Approval 10/8/2019 | \$ (400,000) | | |
| Remaining Appropriation | \$ 6,895,000 | | |

Bond Issuance PH
Budget Appropriation PH

Actual expected Bond Issue

IMPACT

- o The issuance of these bonds **DOES NOT** CREATE need for a tax increase in FY2021 with a one-time contribution for debt of \$239,708 in FY2021*
- o Fall 2019 bond repayment will begin in FY2021 and first annual debt payment will be included in the FY2021 budget

*Recommended Source: SNAP Interest proceeds; Economic Development Fund Balance or a combination thereof

Public Hearing Advertised

- o The County is required to hold a public hearing prior to issuing General Obligation Bonds
- o A public hearing for issuance of up to \$7,295,000 in General Obligation bonds will need to be advertised
 - o Advertisement prepared by bond attorney
 - o *Progress Index – Advertised Twice with last ad at least 6 days prior to public hearing*
- o Hold Public Hearing on November 13, 2019

Action Requested
November 8, 2019 – Grant
authority to advertise a Public
Hearing to be held on
November 13, 2019 – to issue
up to \$7,295,000 in General
Obligation Bonds

NEXT - IF AUTHORITY TO ADVERTISE APPROVED

ON NOVEMBER 13:

- o Davenport & Company
 - o Review of bank proposals received
 - o Bank recommendation
- o Board Member questions
- o Public Comment
- o Board Consideration and Possible approval of resolution approving issuance of GO bonds and bank

Questions?

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 8th day of October, 2019:

Present:

Vote:

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

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

RESOLUTION: AUTHORITY TO ADVERTISE A PUBLIC HEARING REGARDING THE PROPOSED AUTHORIZATION OF THE ISSUANCE OF GENERAL OBLIGATION BONDS IN THE MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$7,295,000.

NOW, THEREFORE BE IT RESOLVED: That the Board of Supervisors of the County of Prince George this 8th day of October, 2019, does hereby authorize the advertisement of a public hearing notice regarding the proposed authorization of the issuance of General Obligation Bonds in the maximum principal amount not to exceed \$7,295,000.

A Copy Teste:

Percy C. Ashcraft
County Administrator