

MOTION: BODDYE

September 22, 2020

SECOND: BAILEY

Regular Meeting

Res. No. 20-645

RE: AUTHORIZE THE ISSUANCE OF ONE OR MORE GENERAL OBLIGATION SCHOOL BONDS OF THE COUNTY IN AN AGGREGATE AMOUNT NOT TO EXCEED \$119,450,000 TO FINANCE CERTAIN CAPITAL PROJECTS FOR SCHOOL PURPOSES AND TO APPROVE THE SALE OF SUCH BONDS TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY

ACTION: APPROVED

WHEREAS, the Prince William Board of County Supervisors (the "Board") of Prince William County, Virginia (the "County"), has determined that it is necessary and expedient to contract a debt and issue one or more of its general obligation school bonds at one or more times in an aggregate principal amount not to exceed \$119,450,000 (the "Bonds") for the purpose of financing certain capital projects for school purposes; and

WHEREAS, the County held a public hearing, duly noticed, on the date hereof, on the issuance of the Bonds in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (the "Virginia Code"); and

WHEREAS, the School Board of the County has, by resolution, requested the Board to authorize the issuance of the Bonds and consented to the issuance of the Bonds; and

WHEREAS, the Virginia Public School Authority ("VPSA") has offered to purchase the Bond(s) from the proceeds of its Special Obligation School Financing Bonds, Prince William County Series 2020 [2021] [-] (the "VPSA Bonds"), in accordance with the terms of one or more Bond Sale Agreements to be dated the date of sale of the related VPSA Bonds, between VPSA and the County (each a "Bond Sale Agreement"), the form of which has been presented to the Board at this meeting;

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

1. **Authorization of Bond(s) and Use of Proceeds.** The Board hereby determines that it is advisable to contract a debt and issue and sell the Bonds, in an aggregate principal amount not to exceed \$119,450,000 for the purpose of financing certain capital projects for school purposes, including but not limited to those purposes described in Exhibit B (the "School Projects"). The Board hereby authorizes the issuance and sale of the Bonds in the form and upon the terms established pursuant to this Resolution. The Bonds may be issued, sold and delivered at one or more times on any date no later than June 30, 2021.

2. **Details of the Bonds.** The Bonds, shall be dated the date designated by VPSA; shall be designated "General Obligation School Bond, Series 2020[-]"; shall bear interest from the dated date thereof payable on the dates (each an "Interest Payment Date"), at the rates established in accordance with Section 3 of this Resolution, and shall mature on the dates in the

years (each a "Principal Payment Date") and in the amounts (the "Principal Installments") all determined pursuant to the provisions of Section 3 of this Resolution.

3. **Sale of the Bonds.** It is determined to be in the best interest of the County to accept the offer of VPSA to purchase from the County, and to sell to VPSA, Bonds, in an aggregate principal amount not to exceed \$119,450,000 at a price, determined by VPSA to be fair and accepted by the Chair of the Board of County Supervisors ("Board Chair"), the County Executive or the Director of Finance, any one of whom is hereby authorized to act, that will produce Bond proceeds of up to \$115,975,000 (the "New Money Proceeds Requested") to finance the School Projects.

The Board Chair, the County Executive or the Director of Finance, any one of whom may act, are hereby authorized and directed to determine the final aggregate principal amount of the Bonds and whether such bond(s) shall be sold at a premium or discount, subject to the limitations of Section 1, in order to produce the New Money Proceeds Requested, plus costs of issuance and enter into one or more Bond Sale Agreements with VPSA in substantially the form submitted to the Board at this meeting, which form is hereby approved; provided, however, that the Bonds shall be sold to VPSA at a price of not less than 97% of the aggregate principal amount of the Bonds; shall mature no later than December 31, 2041, shall have a true interest cost not to exceed 5.0%; and shall be subject to optional prepayment or redemption at a price not greater than 102% of the aggregate principal amount thereof, or may have "make-whole" optional redemption, each on the dates and upon the terms determined in accordance with Section 6 hereof.

Subject to the preceding terms, the Board further authorizes the County Executive or the Director of Finance, either of whom may act (each, a "Delegate"), to set certain terms of the Bonds, and to conform if necessary to the terms of any VPSA Bonds, including (a) the caption for and the dated date of the Bonds, (b) the interest rates and Interest Payment Dates of the Bonds, (c) the Principal Installments of the Bonds, and the Principal Payment Dates thereof and (d) the redemption provisions of the Bonds, all in such manner as a Delegate shall determine to be in the best interest of the County.

Following the pricing of any VPSA Bonds, a Delegate shall evidence approval of the final terms and purchase price of the Bonds, by executing and delivering to VPSA a Bond Sale Agreement, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Delegate. The actions of the Delegate in determining the final terms and the purchase price of the Bonds, shall be conclusive, and no further action shall be necessary on the part of the Board.

4. **Form of the Bonds.** The Bonds shall be initially in substantially the form attached hereto as Exhibit A, with such variations, modifications or deletions as a Delegate shall determine to be in the best interest of the County.

5. **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Bonds:

(a) For as long as VPSA is the registered owner of a Bond, all payments of principal, premium, if any, and interest on such Bond shall be made in immediately available funds to VPSA at or before 11:00 a.m. on the applicable Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next succeeding such Interest Payment Date, Principal Payment Date or date fixed for prepayment or redemption;

(b) All overdue payments of principal and, to the extent permitted by law, interest on a Bond shall bear interest at the applicable interest rate or rates on such Bond.

(c) U.S. Bank National Association, Richmond, Virginia, is designated as Bond Registrar and Paying Agent for the Bonds.

6. **Prepayment or Redemption.** Subject to the provisions of Section 3 hereof, the Principal Installments of the Bonds shall be subject to prepayment or optional redemption prior to maturity as a whole or in part and at such times and prices as shall be determined by a Delegate and set forth in the related Bond Sale Agreement; provided, however, that the Bonds shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Bonds, which consent shall not be unreasonably withheld. Notice of any such prepayment or redemption shall be given by the Bond Registrar to the registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

7. **Execution of the Bonds.** The Board Chair or Vice Chair and the Clerk or any Deputy Clerk of the Board are hereby authorized and directed to execute and deliver the Bonds, and to affix the seal of the County thereon.

8. **Pledge of Full Faith and Credit.** For the prompt payment of the principal of and premium, if any, and the interest on the Bonds, as the same shall become due, the full faith and credit of the County are hereby irrevocably pledged, and in each year while any of the Bonds shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the County subject to local taxation sufficient in amount to provide for the payment of the principal of and premium, if any, and the interest on the Bonds, as such principal, premium, if any, and interest shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the County to the extent other funds of the County are not lawfully available and appropriated for such purpose.

9. **Tax Compliance Agreement.** The Board Chair, the County Executive and the Director of Finance, any of whom may act, and such officer or officers of the County as any of

them may designate, are hereby authorized and directed to execute a Use of Proceeds Certificate and Tax Compliance Agreement (the "Tax Compliance Agreement") each setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable regulations relating to the exclusion from gross income of interest on the Bonds and on the VPSA Bonds. The Board covenants on behalf of the County that (i) the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in such Tax Compliance Agreement and that the County shall comply with the other covenants and representations contained therein and (ii) the County shall comply with the provisions of the Code so that interest on the Bonds and the VPSA Bonds will remain excludable from gross income for federal income tax purposes.

10. **Reimbursement Declaration.** The County has made and expects to make out of temporary funds certain expenditures in connection with the School Projects for which the County reasonably expects to be reimbursed as permitted by Treasury Regulation Section 1.150-2 issued pursuant to the Code, from the proceeds of the Bonds issued in an aggregate principal amount presently estimated not to exceed \$45,895,000. The County will make a reimbursement allocation, which is a written allocation by the County that evidences the County's use of proceeds of the Bonds to reimburse such expenditures, no later than 18 months after the later of the date on which the expenditure is paid or the School Projects are placed in service or abandoned, but in no event more than three years after the date on which the expenditure is paid.

11. **State Non-Arbitrage Program.** The Board hereby determines that it is in the best interests of the County to authorize and direct the Director of Finance to participate in the State Non-Arbitrage Program ("SNAP") in connection with the Bonds. A Delegate is authorized to create an account with SNAP for the receipt of the proceeds of the Bonds.

12. **Tax Certificate and Elections.** The Board Chair, the County Executive and the Director of Finance, any one of whom may act and such officer or officers of the County as any of them may designate, are authorized and directed to execute appropriate certificates setting forth the expected use and investment of the proceeds of the Bonds and any elections such officers deem desirable regarding rebate of earnings to the United States, for purposes of complying with the Code. Such certificate and elections shall be in such form as may be requested by bond counsel for the County.

13. **Continuing Disclosure Agreement.** The Board approves the form of the Continuing Disclosure Agreement in substantially the form presented to this meeting with such completions, omissions, insertions and changes as may be approved by the Board Chair, the County Executive or the Director of Finance, any of whom may act, as the same shall be evidenced conclusively by the execution thereof, which is hereby authorized. On behalf of the County, the Board covenants and agrees, for the benefit of the holders of the VPSA Bonds, pursuant to the terms of the Continuing Disclosure Agreement in accordance with and as required by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("Rule 15c2-12") to provide or cause to be provided to The Electronic Municipal Market Access

System ("EMMA") administered by the Municipal Securities Rulemaking Board annual financial information and operating data for the County, including audited financial statements of the County, for each fiscal year, beginning with the fiscal year ended on June 30, 2020, in a timely manner, and to EMMA notices of certain events with respect the Bonds, if material, including (a) notices of certain events set forth in Rule 15c2-12 with respect to such Bonds; and (b) notice of any failure to provide such required information.

14. **County Information.** The Board authorizes and directs its staff to work with VPSA to cause the distribution and use of a Preliminary Official Statement for the VPSA Bonds and delivery of a final Official Statement (collectively with the Preliminary Official Statement, the "Official Statements") to the winning bidder or underwriter of the VPSA Bonds. The County Information to be provided as an Appendix or Appendices to the Official Statements is hereby approved in the form submitted to this meeting, with such completions, omissions, insertions and changes as may be approved by the County Executive or the County's Director of Finance in order to provide the most updated and accurate County Information as of the date of the Official Statements.

15. **Filing of Resolution.** The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County.

16. **Further Actions.** The members of the Board and all officers, employees and agents of the County are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance and sale of the Bonds and any such action previously taken is hereby ratified and confirmed.

17. **Effective Date.** This Resolution shall take effect immediately.

ATTACHMENTS: Exhibit A – Form of Bond
Exhibit B – School Project Descriptions
Bond Sale Agreement
Continuing Disclosure Agreement
County Information

Votes:

Ayes: Angry, Bailey, Boddye, Candland, Franklin, Lawson, Vega, Wheeler

Nays: None

Absent from Vote: None

Absent from Meeting: None

ATTEST: _____

Clerk to the Board