

A complete audio file of this meeting will be posted under the agenda portion of the County website once available.

VIRGINIA: A VIRTUAL MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD REMOTELY ON THURSDAY, SEPTEMBER 24, 2020 AT 7:00 P.M. USING THE 'GOTOMEETING' PLATFORM:
<https://global.gotomeeting.com/join/447043917>

PRESENT: SUPERVISOR ROBERT ELLIOTT, JR.
SUPERVISOR MICHAEL DREWRY
SUPERVISOR JUDY LYTTLE
SUPERVISOR WILLIAM (TIM) CALHOUN

ABSENT: SUPERVISOR KENNETH HOLMES

ALSO

PRESENT: MS. DANIELLE POWELL, COUNTY ATTORNEY
MS. MELISSA ROLLINS, COUNTY ADMINISTRATOR
MS. LAUREN CHAPMAN, COUNTY ADMINISTRATION
MS. CAROL SWINDELL, FINANCE
MR. DELON BROWN, NETWORK ADMINISTRATOR
MR. DAVID HARRISON, ECONOMIC DEV & PLANNING
SHERIFF CARLOS TURNER, SHERIFFS DEPARTMENT
MR. RAY PHELPS, EMERGENCY SERVICES
MS. LINDA GHOLSTON, WORKFORCE DEVELOPMENT
MS. SHARNA WHITE, REGISTRAR
MR. NATE GNOMES, MAINTENANCE
MS. VALERIE PIERCE, SOCIAL SERVICES

CALL TO ORDER / INVOCATION / MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE/ AGENDA ADOPTION

Meeting called to order at 7:00 P.M.

The meeting was called to order by Chairperson Elliott who then led those present in a moment of silence followed by this evening's invocation. The invocation was given by Pastor David Cashman from Surry County Community Baptist Church. Following the invocation, Chairperson Elliott asked Supervisor Calhoun to lead those present in the pledge of allegiance. The working agenda was adopted by roll call vote.

SUPERVISOR ROBERT ELLIOTT, JR.	AYE
SUPERVISOR MICHAEL DREWRY	AYE
SUPERVISOR JUDY S. LYTTLE	AYE
SUPERVISOR KENNETH R. HOLMES	ABSENT
SUPERVISOR WILLIAM CALHOUN	AYE

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NEW BUSINESS

1. Resolution 2020-18; VRA Fall Pool 2020 Bond Financing Update

A continued discussion on the 2020 application to the Virginia Resources Authority for the Fall Pool Bond issue. Representatives from Davenport led the discussion. Bond Counsel and staff will be available to answer any questions. This presentation follows the September 5, 2020 presentation to the Board.

Required Action: Authorize the attached Resolution 2020-18 for submission of the 2020 application to the Virginia Resources Authority for issuance of Bonds for capital projects.

Supervisor Calhoun made a motion to approve Resolution 2020-18: VRA Fall Pool 2020 Bond Financing Update in the revised format. Supervisor Drewry seconded the motion. The motion was approved unanimously during roll call vote. (Approved)

SUPERVISOR ROBERT ELLIOTT, JR.	AYE
SUPERVISOR MICHAEL DREWRY	AYE
SUPERVISOR JUDY S. LYTTLE	AYE
SUPERVISOR KENNETH R. HOLMES	ABSENT
SUPERVISOR WILLIAM CALHOUN	AYE

(The resolution and presentation given is included as an integral component of these minutes)

2. Emergency Ordinance for the Designation of a Central Absentee Precinct (CAP) in Surry County

Ms. Sharna' White, Surry County Registrar, provided a thorough explanation regarding the need for a Central Absentee Precinct (CAP).

Required Action: Adoption of the Emergency Ordinance for the Designation of a Central Absentee Precinct (CAP) in Surry County. The ordinance will need to be re-adopted in 60 days and a Public Hearing must be held.

Supervisor Lyttle made a motion to adopt the Emergency Ordinance for the Designation of a Central Absentee Precinct (CAP) in Surry County as presented. Supervisor Drewry seconded the motion. The motion was approved unanimously during roll call vote. (Approved)

SUPERVISOR ROBERT ELLIOTT, JR.	AYE
SUPERVISOR MICHAEL DREWRY	AYE
SUPERVISOR JUDY S. LYTTLE	AYE
SUPERVISOR KENNETH R. HOLMES	ABSENT
SUPERVISOR WILLIAM CALHOUN	AYE

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PRESENTATIONS & STAFF REPORTS

1. Roof Update – Government Center and Circuit Court – TREMCO

(The presentation given is included as an integral component of these minutes)

CITIZEN COMMENTS

Supervisor Elliott advised all public comments received are being forwarded and reviewed by all Board of Supervisors and the County Administrator. Comments received prior to future Board Meetings will be included and posted in the Agenda Packet for the public to view.

BOARD COMMENTS

Board Members commended staff for their efforts to keep County business running efficiently during the COVID 19 pandemic.

APPOINTMENTS

Supervisor Lyttle recommends re-appointing Supervisor Drewry to the Crater Workforce Development Board. Supervisor Lyttle also recommends appointing Mr. Andy White to the Crater Workforce Development Board to represent Surry County. Supervisory Drewry advised he is unable to continue serving on the Crater Workforce Development Board at this time.

Supervisor Lyttle made a motion to appoint Mr. Andy White to the Crater Workforce Development Board to represent Surry County. Supervisor Drewry seconded the motion. The motion was approved unanimously during roll call vote. (Approved)

**SUPERVISOR ROBERT ELLIOTT, JR.
SUPERVISOR MICHAEL DREWRY
SUPERVISOR JUDY S. LYTTLE
SUPERVISOR KENNETH R. HOLMES
SUPERVISOR WILLIAM CALHOUN**

**AYE
AYE
AYE
ABSENT
AYE**

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ADJOURNMENT

There being no further business before the Board, Supervisor Elliott entertained a motion to adjourn. Supervisor Calhoun made a motion that the Board continues their meeting to Thursday, October 01, 2020 at 7:00 P.M. The motion was seconded by Supervisor Drewry and unanimously approved.

SUPERVISOR ROBERT ELLIOTT, JR.	AYE
SUPERVISOR MICHAEL DREWRY	AYE
SUPERVISOR JUDY S. LYTTLE	AYE
SUPERVISOR KENNETH R. HOLMES	AYE
SUPERVISOR WILLIAM CALHOUN	AYE

Meeting adjourned at 8:50 P.M.

Fall 2020 VRA Financing Update

Surry County, Virginia



September 24, 2020

Overview



- On August 6, Davenport presented the Surry County Board of Supervisors with a Financial Review including recommendations for sustainably funding the County’s adopted Capital Improvement projects.
- The Capital Planning Strategy contemplated taking advantage of the historically low interest rate environment to:
 1. **Refinance**: Refinance existing County debt to reduce the interest rate and free cash-flow for capital funding without extending the final maturity;
 2. **New Money**: Finance new capital projects per the County’s adopted Capital Improvements Program for fiscal year 2021 and 2022 (“CIP”).
- The Refinancing and New Money can be completed via the Virginia Resources Authority (“VRA”) pooled financing program during the month of October.
 - The County has successfully used this same VRA program in 2014 and 2018.
 - Participating in the Fall 2020 VRA program requires that the Board of Supervisors approve resolutions authorizing the financing no later than September 25, 2020.



Interest Rate Trends | Tax-Exempt



As shown in the charts above, long term interest rates have continued to decline and remain at historical lows.

Interest Rate Environment | Taxable



As shown in the charts above, long term interest rates have continued to decline and remain at historical lows.

Refinancing Opportunity – The Refinancing Candidate



- Davenport identified an opportunity to refinance existing County debt for interest rate and cash-flow savings.
- Given the currently favorable interest rate environment, the County may be able to refinance the 2014C VRA Bonds in order to reduce the interest rate on the loan and achieve cash flow savings.

Refinancing Candidate	Principal Outstanding as of 6/30/2019	Average Interest Rate	Call Date	Call Price	Final Maturity Date
2014C VRA Bonds	\$11,990,000	4.68%	11/1/2024	100%	11/1/2034

Refinancing Opportunity – The Refinancing Candidate



- The County may want to consider strategically refinancing the 2014C Bonds in order to:
 - Maintain the final maturity of the existing loan (i.e. no extension of final maturity of the debt);
 - Reduce the interest rate on the loan (based on current market conditions* refinancing the 2014 Bonds would reduce the average interest rate on the bonds from 4.63% to the 2% range); and
 - Strategically target cash-flow savings in fiscal years FY2021 to FY2029 such that those savings help reduce the tax equivalent impact of funding the capital program by roughly 1 penny.

- Refinancing the 2014C Bonds can occur during the Fall of 2020 through the VRA Pool program.

Next Steps



- September 24
(This Evening)
 - September 25
 - October 28
 - November 18
- **Special Called Meeting of the Board of Supervisors:**
Board of Supervisors meeting to approve documents authorizing financing.
 - Deadline for local approvals for Fall VRA pool.
 - Tentative VRA Bond sale date (interest rates locked in).
 - Tentative VRA closing date (funds available).

Next Steps (cont.)



- Late 2020

- Early calendar year 2021

- Spring, 2021

- County Staff provides Davenport with FY2020 year end results and updated FY2021 budget projections. Davenport to update multi-year financial planning with this input.

- County Staff and Davenport to develop updated Comprehensive Financial Policy Guidelines for Board consideration/approval during the FY2022 budget process.

- Board of Supervisors adopts FY2022 Budget with updated multi-year planning and Financial Policy Guidelines as a “road map.”



Appendix



Fall 2020 VRA – Capital Funding Key Assumptions

- Capital Funding assumptions for \$10.0 million of FY2021 / FY2022 CIP projects:
 - FY2021 Mobile Communications System – \$5.3 million – 15 year repayment
 - FY2021 New Financial System – \$1.0 million – 15 year repayment
 - FY2021 Miscellaneous CIP – \$2.0 million – 10 / 15 year repayment
 - FY2022 Miscellaneous CIP – \$1.7 million – 10 / 15 year repayment

- Each financing listed above assumes a 2.75% planning interest rate.

- In addition to the project amounts listed above, each borrowing includes financing for 6 months of capitalized interest through FY2021 plus financing for issuance costs.

- Value of 1 penny on the Real Estate Tax Rate = \$285,000. No future growth is assumed for planning purposes.

Real Estate Tax Equivalent Impact



- A one-time impact equivalent to **3 cents on the Real Estate Tax Rate** is projected to allow the County to:
 - Finance approximately \$10 million of capital needs through the Fall 2020 VRA Pooled financing; and
 - Provide for annual cash funding of capital (see next page).

	A	B	C	D	E	F	G = sum A : F	H	I = H - G	J	K	L = H + K
Fiscal Year	Existing Debt Service ⁽¹⁾	Mobile Communications System	New Financial System	Miscellaneous FY 2021	Miscellaneous FY 2022	Impact of Refunding ⁽²⁾	Total Existing and Proposed Debt Service	Debt Service Budget ⁽³⁾	Additional Revenue Required	Incremental Equivalent Real Estate Tax Impact ⁽⁴⁾	Additional Revenue Produced by Tax Increase ⁽⁵⁾	Total Available Revenues
2021	2,100,389	0	0	0	0	(135,714)	1,964,676	2,100,389	--	-	0	2,100,389
2022	2,098,822	456,538	86,372	201,490	174,913	(273,008)	2,745,127	2,100,389	644,738	3.0¢	855,000	2,955,389
2023	2,095,929	456,538	86,372	201,490	174,913	(272,258)	2,742,985	2,100,389	642,595	-	855,000	2,955,389
2024	2,099,426	456,538	86,372	201,490	174,913	(275,520)	2,743,219	2,100,389	642,830	-	855,000	2,955,389
2025	2,084,446	456,538	86,372	201,490	174,913	(272,407)	2,731,353	2,100,389	630,963	-	855,000	2,955,389
2026	2,095,601	456,538	86,372	201,490	174,913	(273,282)	2,741,632	2,100,389	641,242	-	855,000	2,955,389
2027	2,094,408	456,538	86,372	201,490	174,913	(273,272)	2,740,450	2,100,389	640,061	-	855,000	2,955,389
2028	2,091,218	456,538	86,372	201,490	174,913	(267,668)	2,742,863	2,100,389	642,474	-	855,000	2,955,389
2029	1,527,887	456,538	86,372	201,490	174,913	(77,361)	2,369,839	2,100,389	269,450	-	855,000	2,955,389
2030	814,828	456,538	86,372	201,490	174,913	399,028	2,133,170	2,100,389	32,780	-	855,000	2,955,389
2031	812,569	456,538	86,372	201,490	174,913	403,607	2,135,489	2,100,389	35,099	-	855,000	2,955,389
2032	816,797	456,538	86,372	95,009	86,372	399,873	1,940,961	2,100,389	--	-	855,000	2,955,389
2033	815,284	456,538	86,372	95,009	86,372	400,902	1,940,478	2,100,389	--	-	855,000	2,955,389
2034	817,706	456,538	86,372	95,009	86,372	396,721	1,938,719	2,100,389	--	-	855,000	2,955,389
2035	819,647	456,538	86,372	95,009	86,372	396,050	1,939,989	2,100,389	--	-	855,000	2,955,389
2036	450,431	456,538	86,372	95,009	86,372	0	1,174,723	2,100,389	--	-	855,000	2,955,389
2037	449,034	0	0	0	0	0	449,034	2,100,389	--	-	855,000	2,955,389
2038	451,916	0	0	0	0	0	451,916	2,100,389	--	-	855,000	2,955,389
2039	449,075	0	0	0	0	0	449,075	2,100,389	--	-	855,000	2,955,389
2040	0	0	0	0	0	0	0	2,100,389	--	-	855,000	2,955,389

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(1) Existing tax supported debt service.

(2) Refunding impact based on estimated interest rates as of July 17, 2020.

(3) Debt Service Budget based on existing FY 2021 tax-supported debt service.

(4) Value of one penny on the real estate tax rate assumed to be \$285,000.

(5) Additional Revenue equal to cumulative penny increase(s) multiplied by \$285,000.

Funding for Debt Service and Cash Funded Capital



- Debt service and cash funded capital are fully funded. Any additional revenues are assumed to be dedicated to growing the County's reserve.

	A	B	C	D = A + B + C	
Fiscal Year	Total Available Revenues for Debt Service	Total Existing and Proposed Debt Service	Cash Funded Capital	Surplus/(Deficit) after Cash Funded Capital (Used for Revenue Stabilization Fund)	
2021	\$2,100,389	(\$1,964,676)	(\$236,500)	(\$100,786)	*
2022	2,955,389	(2,745,127)	(200,000)	10,262	
2023	2,955,389	(2,742,985)	(200,000)	12,405	
2024	2,955,389	(2,743,219)	(200,000)	12,170	
2025	2,955,389	(2,731,353)	(200,000)	24,037	
2026	2,955,389	(2,741,632)	(210,000)	3,758	
2027	2,955,389	(2,740,450)	(210,000)	4,939	
2028	2,955,389	(2,742,863)	(210,000)	2,526	
2029	2,955,389	(2,369,839)	(275,000)	310,550	
2030	2,955,389	(2,133,170)	(283,250)	538,970	

*2021 assumes cash funded capital is paid via dollars in the capital fund.

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Resolution 2020-18

AT A VIRTUAL MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD
REMOTELY ON THURSDAY, SEPTEMBER 24, 2020 AT 7:00 P.M.

Present:

The Honorable Robert Elliott Jr., Chair
The Honorable Michael Drewry, Vice Chair
The Honorable Judy Lyttle
The Honorable Kenneth R. Holmes
The Honorable Tim Calhoun

Vote:

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF SURRY, VIRGINIA AUTHORIZING A LEASE REFINANCING AND
LEASE FINANCING WITH THE VIRGINIA RESOURCES AUTHORITY
FOR VARIOUS PUBLIC IMPROVEMENTS**

WHEREAS, the Board of Supervisors of the County of Surry, Virginia (the “County”) desires to (i) refinance for payment restructuring purposes certain projects financed through a lease financing arrangement with the Virginia Resources Authority (“VRA”) in November 2014 (the “2014 Projects”), (ii) finance through an additional lease financing with VRA certain capital projects and project improvements contained in the County’s capital improvement program for fiscal years 2021 and 2020, including but not limited to technology improvements, improvements to the public high school electrical system, improvements to County buildings and facilities, including roof repair, medical unit and fire system replacement and upgrades, and the acquisition of school buses and other vehicles for County use (collectively, the “2020 Projects”), and (iii) fund through such lease financing arrangement interest payments related to the 2020 Projects for up to six months and certain associated issuance costs;

WHEREAS, the County Board of Supervisors (the “Board”) has determined to apply to VRA to provide up to \$22,300,000 in proceeds to refinance the 2014 Projects and to finance the 2020 Projects under a lease-lease back arrangement with VRA through VRA’s Pooled Financing Program;

WHEREAS, Section 15.2-1800 of the Code of Virginia of 1950, as amended, permits the County to lease real property, whether improved or unimproved, and any interest therein as lessor or lessee and construct improvements thereon, and the proposed financing entails a lease-lease back arrangement with VRA for the 2020 Projects and for the refinancing of the 2014 Projects;

WHEREAS, in addition to the 2014 lease financing (the “2014 VRA Lease Financing”), the County also entered into a lease financing arrangement with VRA in December 2018 (the “2018 VRA Lease Financing,” and together with the 2014 VRA Lease Financing, the “Prior VRA

Lease Financings),) to provide additional funding for certain of the 2014 Projects, which lease financing was evidenced by amending and restating the documents for the 2014 VRA Lease Financing to combine the terms of such lease financings in one set of documents;

WHEREAS, in connection with the Prior VRA Lease Financings, the County entered into the following amended and restated basic documents with VRA: (a) a Prime Lease pursuant to which the projects were leased by the County to VRA; (b) a Local Lease Acquisition Agreement and Financing Lease pursuant to which VRA leased the projects back to the County to cause the acquisition and construction of the public improvements; and (c) a Leasehold Deed of Trust and Security Agreement creating a lien on certain of the projects pursuant to which VRA secured its interest in the Prior VRA Lease Financings;

WHEREAS, the County desires to entire into a new financing lease or an amendment to the Prior VRA Lease Financings, as VRA may determine, for the refinancing of the 2014 VRA Lease Financing (the “2014 Refinancing”) and the financing of the 2020 Projects, under which the County will undertake to complete the 2014 Refinancing and undertake the acquisition, construction and equipping of the 2020 Projects (collectively, the “New Financing Lease”);

WHEREAS, VRA has indicated its willingness to enter into a New Financing Lease to effect the 2014 Refinancing and to provide funding for the 2020 Projects with the proceeds of one or more of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2020 (the “VRA Bonds”), in accordance with the terms of the New Financing Lease to be dated on or about September 25, 2020, or such other date specified by VRA, between VRA and the County;

WHEREAS, VRA has advised a condition of the New Financing Lease will be the cross collateralization of the New Financing Lease with some or all of the property securing the Prior VRA Lease Financings;

WHEREAS, the County will make rental payments (the “Rental Payments”) corresponding in amount and timing to the debt service on the portion of the Related Series of VRA Bonds (as defined in the New Lease Financing) issued for the 2014 Refinancing and for the 2020 Projects, which Rental Payments the County intends to pay from the County’s General Fund, subject to annual appropriation by the Board;

WHEREAS, the County has made certain expenditures related to the 2020 Projects and desires to reimburse all or a portion of such expenditures from proceeds of the VRA Bonds to be provided to the County;

WHEREAS, the New Financing Lease shall indicate that the County requested an amount sufficient to (i) provide for the financing of the 2020 Projects plus capitalized interest for up to six months, (ii) refinance and defeasance the principal components of the 2014 Refinancing or portions thereof designated to be refinanced, and (iii) pay local costs of issuance or such other amount as may be requested in writing by the County Administrator, with Board approval, and approved by VRA prior to the sale of the VRA Bonds (the “Proceeds Requested”);

WHEREAS, VRA has advised the County that its objective is to provide the County an amount which, in VRA’s judgment, reflects its market value of the Rental Payments under the

New Financing Lease (the “VRA Purchase Price Objective”), taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters’ discount and other costs incurred by VRA, collectively the “VRA Costs”), and other market conditions relating to the sale of the VRA Bonds;

WHEREAS, VRA has advised the County that the sale of the VRA Bonds is tentatively scheduled for October 28, 2020, but, subject to market conditions, may occur prior to or after such date, and, in the event the Proceeds Requested are not provided under the New Financing Lease on the scheduled sale date of the VRA Bonds, such Proceeds Requested may be provided under substantially the same terms and conditions on such other date;

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

1. Essentiality of Projects. The Board determines that the 2020 Projects and 2014 Projects to be refinanced are essential to the operation, growth and development of the County and the County anticipates that the 2020 Projects and 2014 Projects will continue to be essential to the County during the term of the New Financing Lease.

2. Approval of Terms of Lease Financing. The plan of lease-lease back financing among the County and VRA for the 2020 Projects and 2014 Refinancing as described generally in the recitals to this Resolution is approved, including funding of up to six months of interest on the 2020 Projects and related issuance costs, subject to the conditions set forth in this paragraph 2 and VRA’s Purchase Price Objective and market conditions described in the Recitals hereof. The final pricing and other terms of the New Financing Lease shall be satisfactory to the County Administrator in consultation with the County’s financial advisor; provided, however, that (a) the principal component of Rental Payments shall not exceed \$22,300,000, (b) the financing term of the New Financing Lease concerning the 2020 Projects shall not exceed 20 years from the closing date thereof with VRA, (c) the lease payment term of the 2014 Refinancing shall not extend beyond the original term of the lease payments being refinanced, and (d) the interest component of Rental Payments shall bear interest at a true interest cost not to exceed 5% per annum, excluding any administrative fees or other VRA Costs. The principal component of Rental Payments shall be subject to prepayment as set forth in the New Financing Lease.

Subject to the preceding terms and limitations, the Board further authorizes the County Administrator in consultation with the County’s financial advisor to (a) determine the total of principal component of Rental Payments (b) establish the Rental Payment schedule, including the dates and amounts thereof, in such manner as the County Administrator, in consultation the financial advisor, may determine and (c) take all necessary and appropriate actions to accomplish and complete the 2014 Refinancing and undertake the 2020 Projects as contemplated by the New Financing Lease, as the County Administrator shall determine to be in the best interest of the County. The County Administrator and other officers herein authorized are authorized to proceed with the matters herein authorized without further approval of the Board, subject to the approval parameters and conditions set forth in this paragraph.

As will be set forth in the New Financing Lease, the County agrees to pay such “Supplemental Interest” and other charges as provided therein, including such amounts as may be

necessary to maintain or replenish a VRA Reserve, as defined in the New Financing Lease, related to VRA Bonds. Payments under the New Financing Lease shall be payable in lawful money of the United States of America.

3. Subject to Appropriation. The payment obligations of the County under the New Financing Lease shall be limited obligations payable solely from funds to be appropriated by the Board for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County. The County's payment obligation shall not extend beyond any fiscal year for which the Board has lawfully appropriated funds for such purpose. Nothing herein or in the New Financing Lease shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

4. Execution and Recordation of Documents. The New Financing Lease consisting of a Local Lease Acquisition Agreement and Amended and Restated Financing Lease, an Amended and Restated Prime Lease and an Amended and Restated Deed of Trust and Security Agreement (collectively, the "Financing Documents") are approved in substantially the forms on file with the County Administrator, with such modifications and changes not inconsistent with the approvals herein granted as may be approved by the Chairman, Vice Chairman or the County Administrator, any of whom may act, whose execution and delivery thereof shall evidence conclusively the final terms thereof. Such officers or their designees are authorized to affix and attest the seal of the County to such Financing Documents and to deliver them to the other parties thereto and are further authorized to cause the Financing Documents to be recorded in the Clerk's Office of the Circuit Court of the County or other appropriate place.

5. Annual Budget. While recognizing that it is not empowered to make any binding commitment to make Rental Payments and any other payments required under the Financing Documents beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Financing Documents. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Financing Documents an amount sufficient to pay the Rental Payments and all other payments coming due under the Financing Documents during such fiscal year. If at any time during any fiscal year of the County throughout the term of the Financing Documents, the amount appropriated in the County's annual budget in any such fiscal year is insufficient to pay when due the Rental Payments and any other payments required under the Financing Documents, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

6. Disclosure Documents. The County authorizes and consents to the inclusion of information with respect to the County to be contained in VRA's Preliminary Official Statement and VRA's Official Statement in final form, both to be prepared in connection with the sale of the VRA Bonds. If appropriate, such disclosure documents shall be distributed in such manner and at such times as VRA shall determine. The County Administrator is authorized and directed to take

whatever actions are necessary or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

7. **Tax Matters.** The County Administrator is authorized and directed to execute and deliver on the County's behalf a Nonarbitrage Certificate and Tax Compliance Agreement and/or similar agreements or certificates (the Tax Documents"). The Tax Documents shall set forth the expected use of and investment of all or any portion of the proceeds of the VRA Bonds provided to the County for the 2020 Projects, and, if requested, the actual and/or expected use of the proceeds of the prior VRA bonds provided to the County for the 2014 Projects, and include such covenants as may be necessary to qualify the interest on all or any portion of the VRA Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the "Tax Code"), and to maintain such exemption. The County Administrator is further authorized to make on behalf of the County such elections under the Tax Code with respect to the Tax Documents as such officer may deem to be in the best interests of the County after consultation with the County's Bond Counsel.

8. **SNAP Investment Authorization.** The Board has heretofore received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Board has determined to authorize the County to utilize SNAP in connection with the investment of the VRA Bond proceeds if the County Administrator, in consultation with the County's financial advisor, determines that the utilization of SNAP is in the best interest of the County. The Board acknowledges the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the Contract. The County Administrator may also provide for investment of the VRA Bond proceeds in such other manner as VRA may require or request.

9. **Reimbursement.** The Board declares its intent and reasonable expectation to reimburse the County for all or a portion of the expenditures paid by the County from general funds of the County related to the 2020 Projects with proceeds of the VRA Bonds. This Resolution constitutes a declaration of "official intent" under Treasury Regulations Section 1.150-2, promulgated under the federal Tax Code.

10. **VRA Fees and Expenses.** The County agrees to pay all amounts required by the Financing Documents, including supplemental interest, late charges and other amounts necessary to maintain or replenish any VRA Reserve (as defined in the Financing Documents) for the VRA Bonds, all as required by VRA.

11. **Other Actions.** All other actions of officers of the County heretofore or hereafter taken in conformity with the purposes and intent of this Resolution and in furtherance of the undertaking of the 2020 Projects and the 2014 Refinancing are ratified, approved and confirmed. The officers of the County are authorized and directed to execute and deliver all agreements, certificates, financing statements and other instruments, and to take all actions considered necessary or desirable in connection with the execution and delivery of the Financing Documents and the undertaking of the 2020 Projects and the 2014 Refinancing. 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.

12. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

13. Effective Date. This resolution shall take effect immediately.

DRAFT

CERTIFICATE OF CLERK

The undersigned Clerk of the Board of Supervisors of the County of Surry, Virginia, hereby certifies that the foregoing constitutes a true, correct and complete copy of a resolution duly adopted at a special meeting duly called and held on September 24, 2020 during which a quorum was present and acting throughout by the recorded affirmative vote of a majority of all of the members elected to the Board, the ayes and nays being recorded in the minutes of the Meeting as shown below:

<u>MEMBER</u>	<u>PRESENT/ABSENT</u>	<u>VOTE</u>
Timothy Calhoun		
Michael H. Drewry		
Robert Elliott		
Kenneth R. Holmes		
Judy S. Lyttle		

The attached resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the County of Surry, Virginia, this _____ day _____, 2020.

Melissa D. Rollins, Clerk of the Board of Supervisors of the County of Surry, Virginia

[SEAL]

**EMERGENCY ORDINANCE FOR THE DESIGNATION OF A
CENTRAL ABSENTEE PRECINCT (CAP) IN SURRY COUNTY**

This Emergency Ordinance is adopted by the Surry County Board of Supervisors pursuant to its authority in Virginia Code§ 1 5.2- 1 427(F).

WHEREAS, it appears that Surry County has never designated an area as a Central Absentee Precinct ("CAP") for the County; and

WHEREAS, dueto the many changes in the 2020 election rules and regulations, which provide for, inter alia, early voting to begin on September 18, 2020; and

WHEREAS, the Surry County Voter Registrar has informed the Board that in order for absentee ballots to be counted, a CAP must be designated for the upcoming General Election and for all future local, state and federal elections, and that her office located at 45 School St, Surry, VA 23883 is an appropriate location for the designated CAP; and

WHEREAS, there is insufficient time to advertise a proper Ordinance designating a CAP since voting may begin as early as September 18, 2020, and the Board intends to adopt an Ordinance ratifying and confirming the terms of this Emergency Ordinance within sixty (60) days of the adoption of this Emergency Ordinance, as required by Virginia Code§ 1 5.2-1427(FJ).

NOW, THEREFORE, be it ORDAINED that the Surry County Registrar's Office located at 45 School St, Surry, VA 23883, is designated as a Central Absentee Precinct ("CAP") for the General Election to be held in November, 2020, and for all subsequent local, state and federal elections unless changed by further Ordinance of the Surry County Board of Supervisors.

Adopted this 24th day of September 2020.

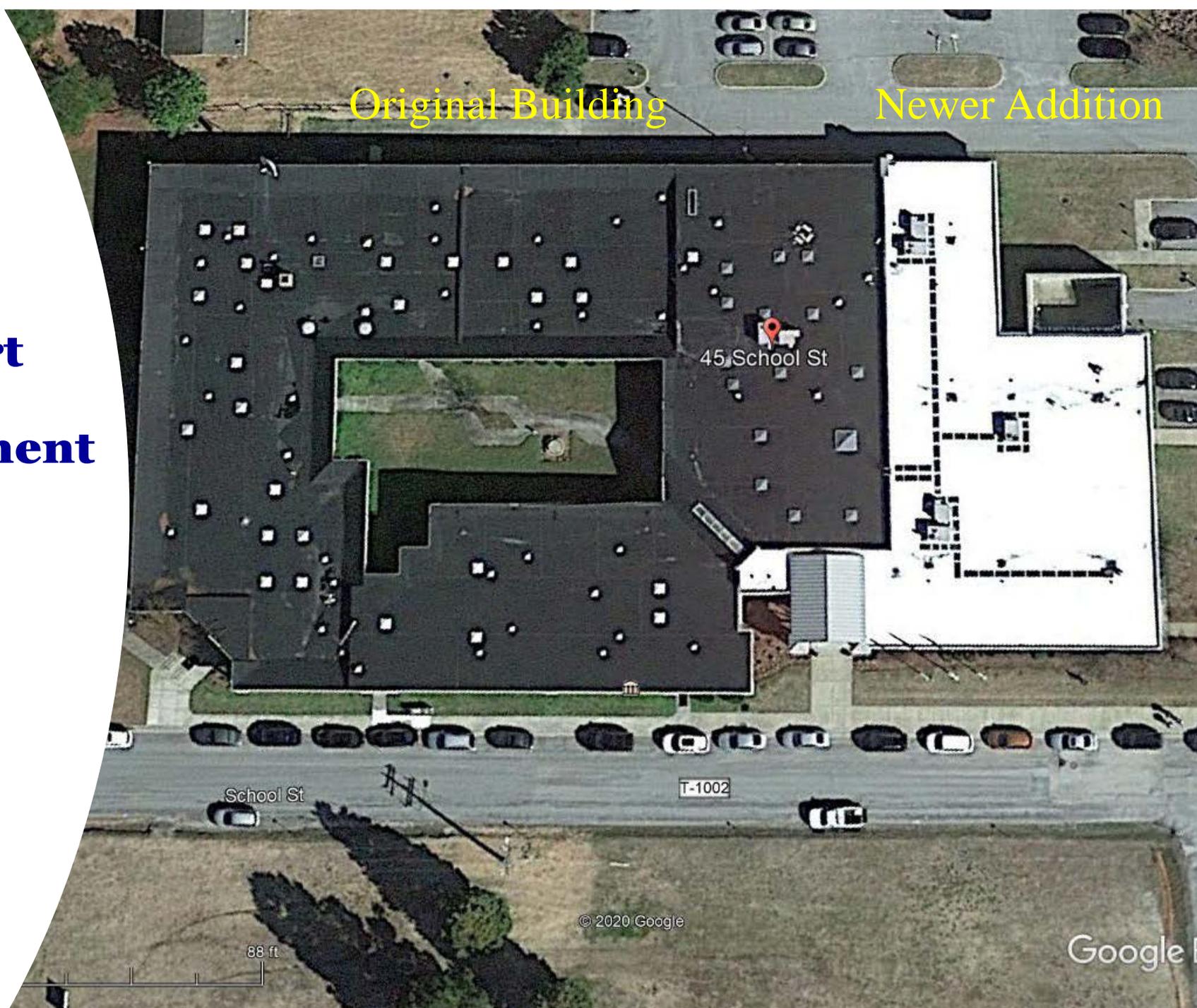
Melissa Rollins, Clerk
County Administrator

Robert Elliott
Chairman

Roof Inspection Report

Surry County Government Center

9-18-20

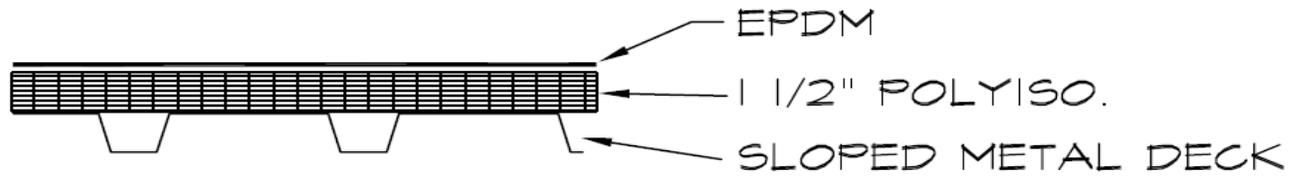




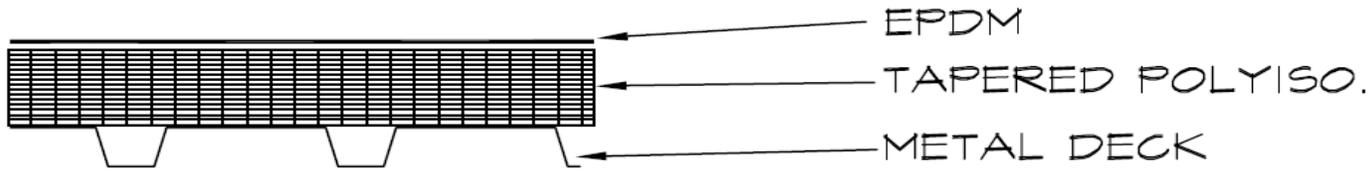
Overview of 30 + year old Epdm rubber roof membrane on original building areas



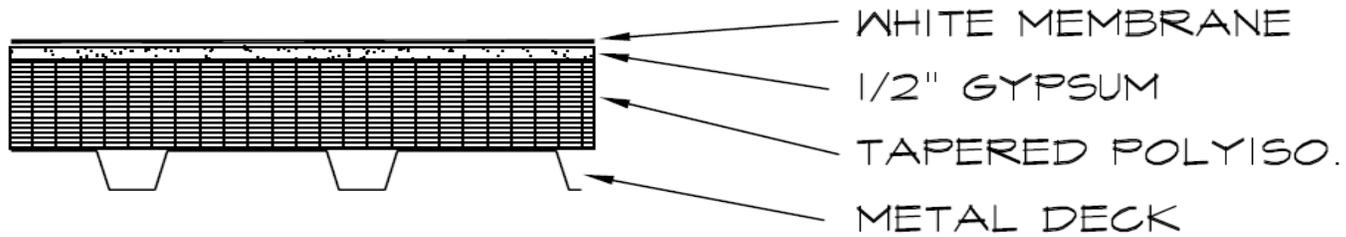
Core samples were taken to determine existing roof construction. All cores were patched watertight.



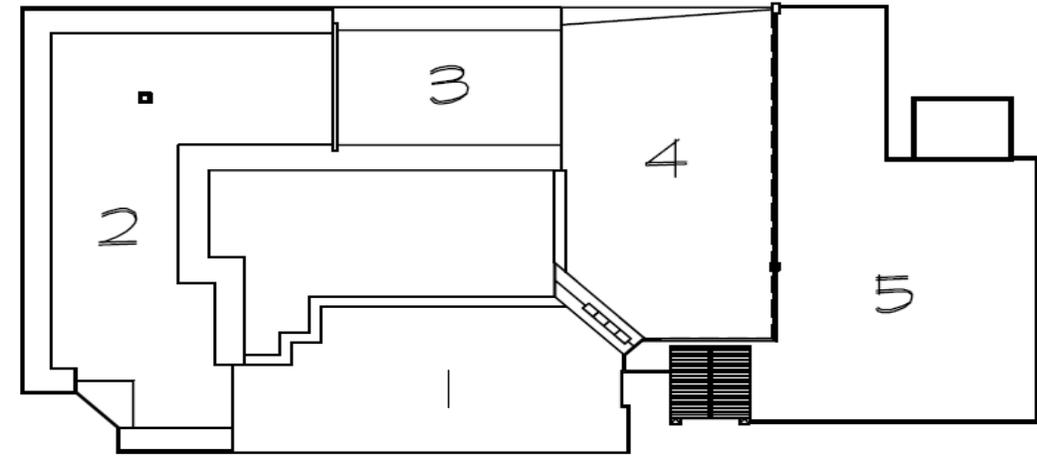
ROOFS 1,2,4



ROOF 3



ROOF 5



KEY PLAN
NO SCALE

Existing roof construction



Overview photo of roof



Courtyard at center of building and partial view of roof



View of courtyard near the center of the building



Many HVAC ventilator curbs and skylights cover the roof. Most are set low to the roof with limited flashing height.



Closer view of curbs and skylights set low to the roof surface.



Example of low 3" flashing height. 8" minimum and 12" or more is preferred.



One of several patches that have failed



Fractures in skylight lense



Large crack in skylight lense near leak area



A short wall section separates the newer addition and original building



View of newer addition roof with HVAC unit. This newer section was built around 2008 and has more leak problems than the original building areas.



Stained ceiling tiles from roof leaks in office area



Stained ceiling tiles from roof leaks in office area



Stained ceiling tiles in hallway



Following a recent rain, water collected on concrete floor in police interview room



Water on floor hallway inside jail area and more stained ceiling tiles from roof leaks



Newer addition roof covers the 911 Dispatch, Sheriff's Office and Court Room areas



Major leak area over offices



Leaking area over Sherriff's Office



Typical HVAC unit on roof



Very low flashing height presents leak problems and little room to work for repairs



WARNING
CAUTION
DANGER

WARNING
CAUTION
DANGER

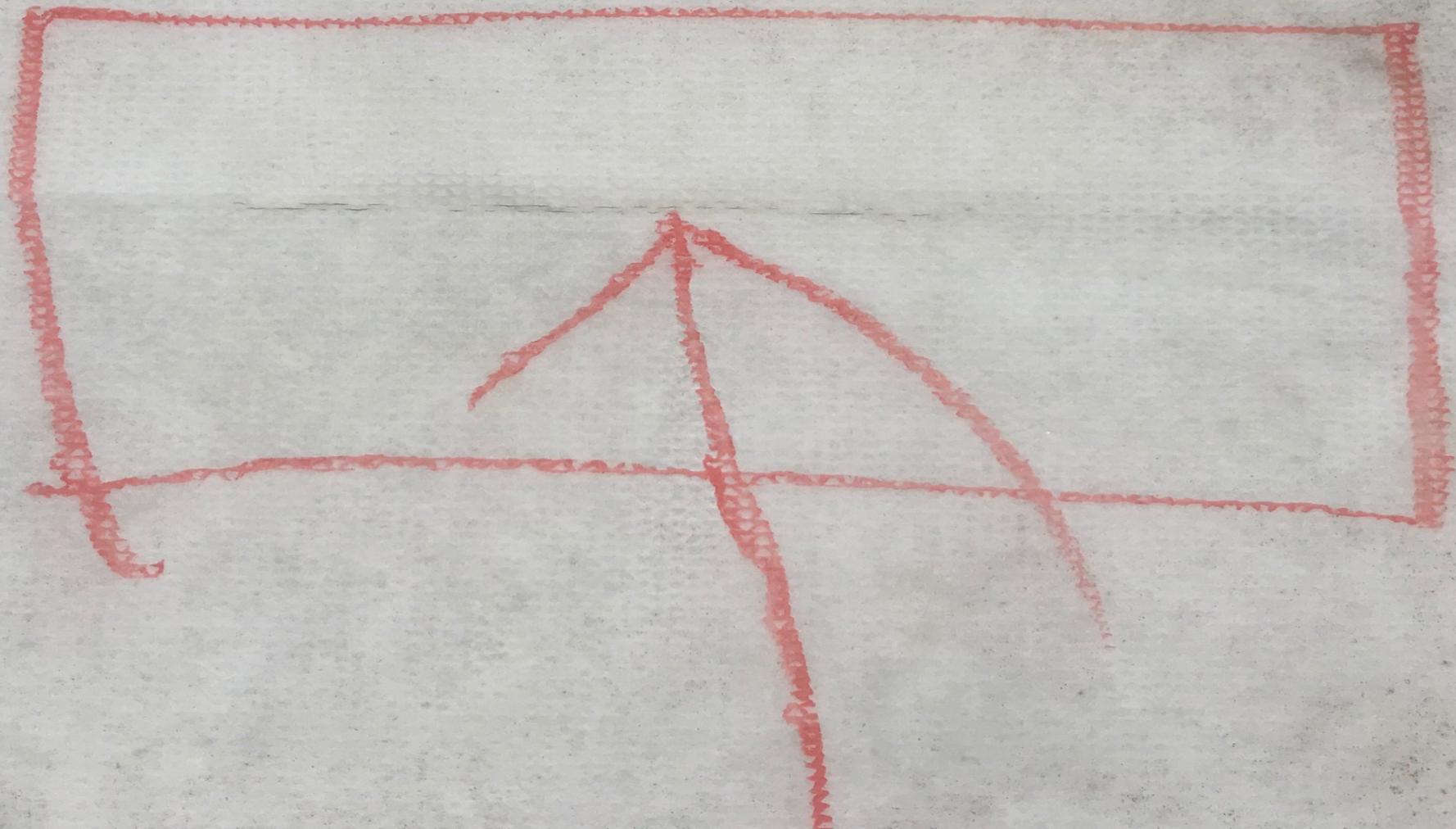














Relative Scale

20

40

60

80

BATTERY

100

LOW MOISTURE

HIGH MOISTURE

TRAMEC

10
9
8
7
6
5
4
3
2
1

SENSITIVITY



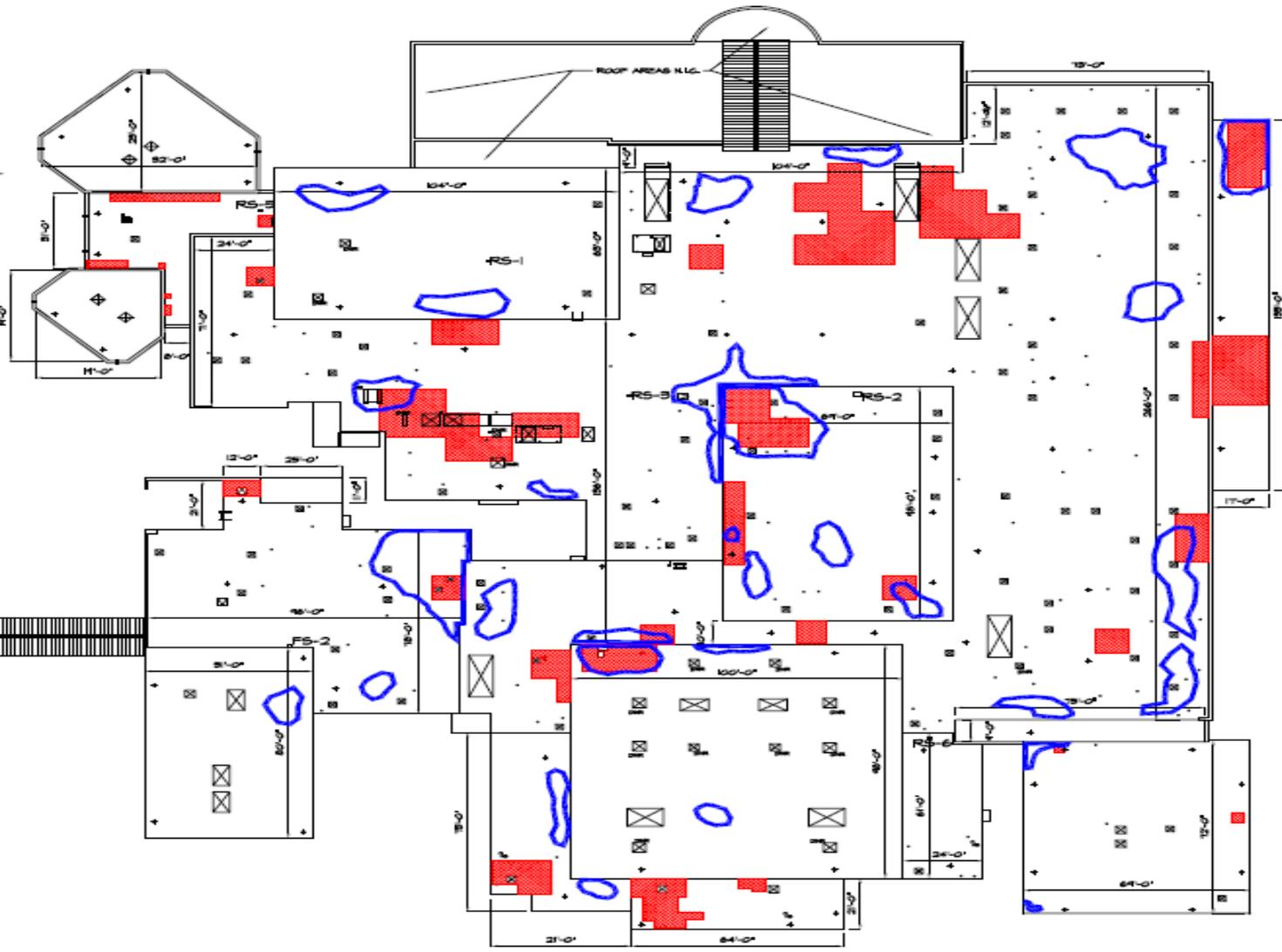
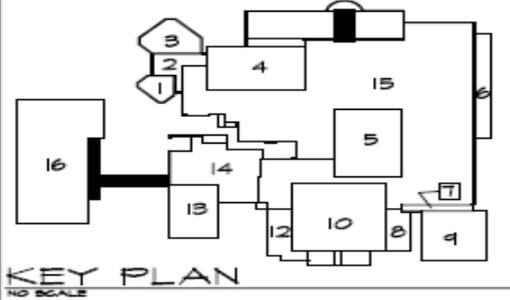
WET



Infrared images showing wet insulation with same area outlined on roof surface



WET



ROOF AREA SCHEDULE

ROOF NUMBER	SQ. FT.	SQ. FT.	ROOF TYPE	REMARKS
1	1,027		C	INSULATED
2	2,226	147	C	INSULATED
3	2,226		A	INSULATED
4	2,226		A	INSULATED
5	2,226	225	A	INSULATED
6	2,226	744	C	INSULATED
7	1,474		A	INSULATED
8	1,474		A	INSULATED
9	4,121	25	C	INSULATED
10	1,822		A	INSULATED
11	1,822	225	C	INSULATED
12	1,822	225	A	INSULATED
13	2,226		A	INSULATED
14	2,226	175	A	INSULATED
15	1,822	2,226	A	INSULATED
16	1,822		B	INSULATED
17	1,822		E	INSULATED
CANOPY	407		E	INSULATED
TOTAL	18,125	5,000		

- ROOF TYPE 'A'
- 2" EPS
 - 1/2" WOOD FIBER
 - 2" 1/4" GRAVEL SURFACE
 - 3/4" FIBERGLASS
 - ROSH PAPER
 - 1/2" EPS
 - 1/2" PERLITE
 - METAL DECK
- ROOF TYPE 'B'
- 2" 1/4" GRAVEL SURFACE
 - 3/4" FIBERGLASS
 - ROSH PAPER
 - 1/2" EPS
 - 1/2" PERLITE
 - METAL DECK
- ROOF TYPE 'C'
- 2" EPS
 - 1/2" WOOD FIBER
 - 2" 1/2" POLY FAGED URETHANE
 - METAL DECK
- ROOF TYPE 'D'
- 2" EPS
 - 1/2" WOOD FIBER
 - 2" 1/4" GRAVEL SURFACE
 - 3/4" PERLITE
 - METAL DECK
- ROOF TYPE 'E'
- 2" 1/4" GRAVEL SURFACE
 - 3/4" PERLITE
 - METAL DECK

- LEGEND
- ⊕ ROOF DRAIN
 - ⊙ VENT PIPE, STRUCTURAL PIPE SUPPORT
 - ⊞ CURB
 - ⊞ PITCH POCKET, SLEEPERS
 - ⊞ HOT STACK
 - ⊞ ROOF HATCH
 - ⊞ ASBESTOS SAMPLE NUMBER AND LOCATION
 - SCANNED WET AREA
 - ⊞ DEMO AND REMOVE
 - ⊞ DENOTES PONDING

ROOF PLAN
SCALE 1/8"=1'-0"

SURRY COUNTY HIGH SCHOOL
1675 HOLLYBUSH ROAD
DENDRON, VIRGINIA



DATE	
BY	
CHECKED BY	
SCALE	
PROJECT NO.	
ISSUE NO.	
DATE OF ISSUE	

ROOF PLAN

SHEET NO.

A1



Wet Insulation



Ponding Water

Options Before Inspection

Repair



Restore



Retrofit



Replace



Building Code Says:

1. Recovering vs. replacing: New roof coverings shall not be installed without removing existing all existing coverings when any of the following occur:
 - the existing roof is **water soaked** or has deteriorated to the point where it is not an adequate base
 - the existing roof is wood shake, slate, clay, cement or asbestos-cement tile
 - the existing roof has **two or more applications** of any type of roof covering

Options After Inspection

Repair



Restore



Retrofit



Replace



Cost Estimates and Schedule

Repair



Restore



Retrofit



Replace



\$ 700,000

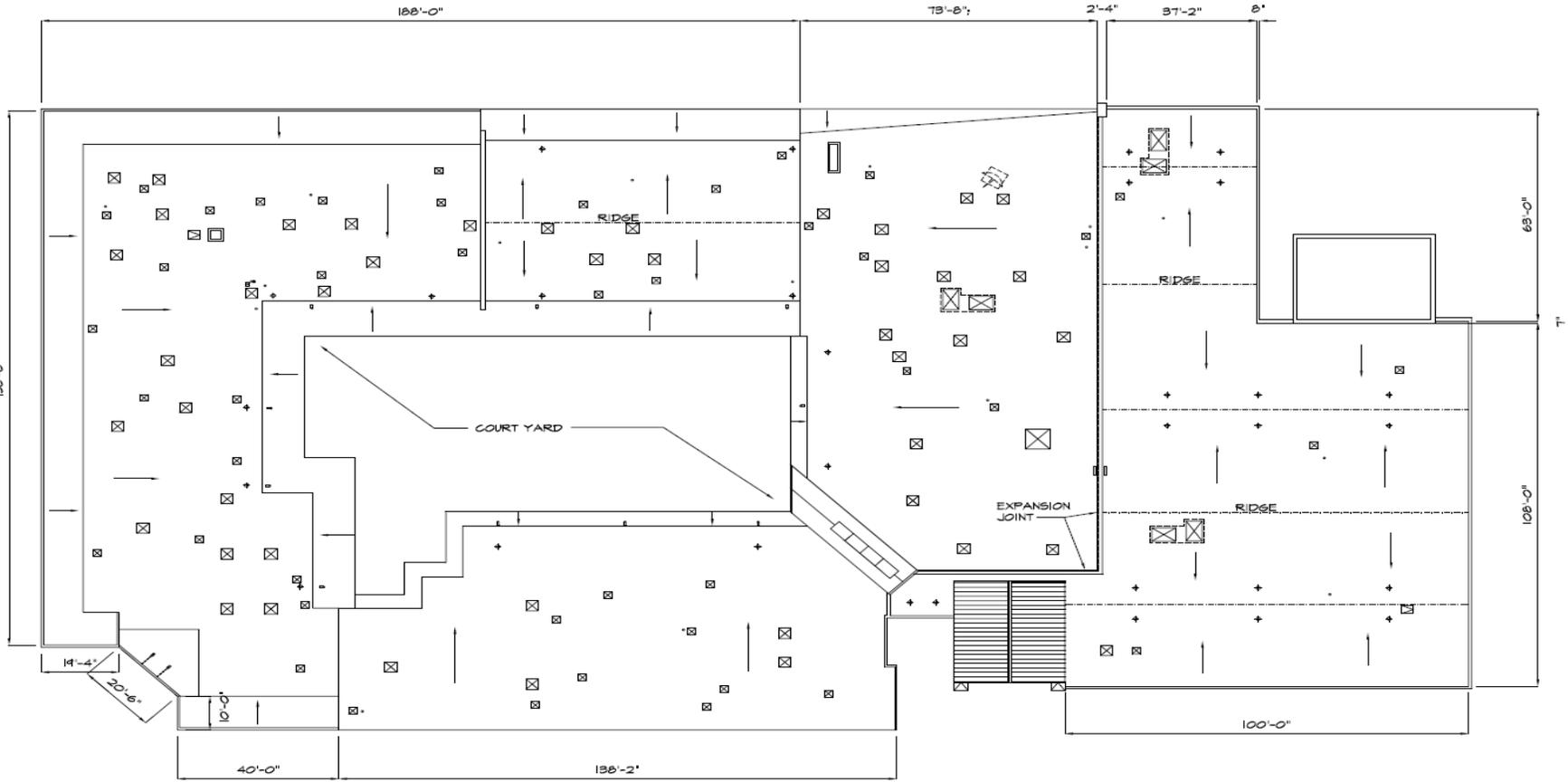
**20 Yr. Warranty
Schedule: 8 Weeks**

\$ 900,000

**20 Yr. Warranty
Schedule: 10 Weeks**

\$ 1,200,000

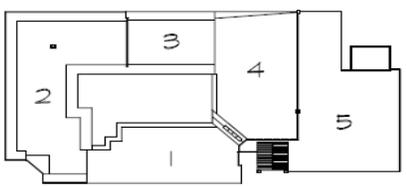
**20 Yr. Warranty
Schedule: 16 Weeks**



- LEGEND**
- + ROOF DRAIN
 - OVERFLOW DRAIN
 - VENT PIPE, STRUCTURAL PIPE SUPPORT
 - CURB
 - PITCH POCKET, SLEEPERS
 - HOT STACK
 - ⊠ ROOF HATCH
 - ROOF SLOPE
 - Rb-2 ASBESTOS SAMPLE NUMBER AND LOCATION

EPDM SQUARE FEET 38,287
 WHITE ROOF SQ. FT. 12,178
 TOTAL 51,065

ROOF PLAN
 SCALE 1/16"=1'-0"



- ROOF 1,2,4**
 EPDM
 1 1/2" POLYISO.
 SLOPED METAL DECK
- ROOF 3**
 EPDM
 TAPERED POLYISO.
 METAL DECK
- ROOF 5**
 WHITE MEMBRANE
 1/2" GYPSUM
 TAPERED POLYISO.
 METAL DECK

KEY PLAN
 NO SCALE

<u>Roof Budget</u>	<u>Restoration</u>	<u>Replacement</u>	<u>Warranty</u>
Entire Bldg (1-5)	\$ 700,000	\$ 1,200,000	20 Years
<u>Phased Replacement Option</u>			
Phase 1 (4,5)	\$ 325,000	\$ 550,000	20 Years
Phase 2 (1-3)	\$ 400,000	\$ 680,000	20 Years

SURRY GOVERNMENT CENTER
 45 SCHOOL STREET
 SURRY, VIRGINIA



REVISED	DATE
	8-28-2020
SCALE	AS SHOWN
COMM No.	
PROJ MGR	MJR
DRAWN BY	DEP

ROOF PLAN

DRAWING No.



Roof Restoration References

Surry County Public Schools
Richmond City Public Schools
City of Virginia Beach Public Schools
Chesapeake City Public Schools
James City County Public Schools
York County Public Schools
Gloucester County Public Schools
Portsmouth City Public Schools
New Kent County Public Schools
Nottoway County Public Schools

Questions ??

Roof Inspection Report

**Surry County
Clerk of Courts**

9-18-20





View of front entrance



Overview of low slope roof with sloped terra cotta tile shingles along each side.



View of section of low sloped roof over front entrance.





View of front scupper drain in wall that is leaking and causing interior damage.



Flashing membrane is wide open in front of scupper drain



Metal covered lintel overhanging the walls is rusted and in poor condition.



Scupper drain opening extends through outside wall to a downspout.



Leaves accumulation on roof can block water flow to drains



Scupper opening blocked with leaves.



Standard interior cast iron roof drains.

Recommendations

Budget

Short Term (1-6 months)

\$ 4,000

1. Repairs to front scupper drains and other miscellaneous minor repairs.

\$ 3,500

2. Moisture Survey

\$ 20.00 psf

3. Replace wet areas. Unknown amount to be bid after survey if necessary.

Long Term (5 years)

\$ 175,000

1. Restoration of all low sloped roof areas

\$ 250,000

2. Full replacement if extensive wet insulation is discovered.

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF SURRY, VIRGINIA AUTHORIZING A LEASE
REFINANCING AND LEASE FINANCING WITH THE
VIRGINIA RESOURCES AUTHORITY FOR VARIOUS PUBLIC
IMPROVEMENTS**

WHEREAS, the Board of Supervisors of the County of Surry, Virginia (the “County”) desires to (i) refinance for payment restructuring purposes certain projects financed through a lease financing arrangement with the Virginia Resources Authority (“VRA”) in November 2014 (the “2014 Projects”), (ii) finance through an additional lease financing with VRA certain capital projects and project improvements contained in the County’s capital improvement program for fiscal years 2021 and 2020, including but not limited to technology improvements, improvements to the public high school electrical system, improvements to County buildings and facilities, including roof repair, medical unit and fire system replacement and upgrades, and the acquisition of school buses and other vehicles for County use (collectively, the “2020 Projects”), and (iii) fund through such lease financing arrangement interest payments related to the 2020 Projects for up to six months and certain associated issuance costs;

WHEREAS, the County Board of Supervisors (the “Board”) has determined to apply to VRA to provide up to \$18,300,000 in proceeds to refinance the 2014 Projects and to finance the 2020 Projects under a lease-lease back arrangement with VRA through VRA’s Pooled Financing Program;

WHEREAS, Section 15.2-1800 of the Code of Virginia of 1950, as amended, permits the County to lease real property, whether improved or unimproved, and any interest therein as lessor or lessee and construct improvements thereon, and the proposed financing entails a lease-lease back arrangement with VRA for the 2020 Projects and for the refinancing of the 2014 Projects;

WHEREAS, in addition to the 2014 lease financing (the “2014 VRA Lease Financing”), the County also entered into a lease financing arrangement with VRA in December 2018 (the “2018 VRA Lease Financing,” and together with the 2014 VRA Lease Financing, the “Prior VRA Lease Financings”),) to provide additional funding for certain of the 2014 Projects, which lease financing was evidenced by amending and restating the documents for the 2014 VRA Lease Financing to combine the terms of such lease financings in one set of documents;

WHEREAS, in connection with the Prior VRA Lease Financings, the County entered into the following amended and restated basic documents with VRA: (a) a Prime Lease pursuant to which the projects were leased by the County to VRA; (b) a Local Lease Acquisition Agreement and Financing Lease pursuant to which VRA leased the projects back to the County to cause the acquisition and construction of the public improvements; and (c) a Leasehold Deed of Trust and Security Agreement creating a lien on certain of the projects pursuant to which VRA secured its interest in the Prior VRA Lease Financings;

WHEREAS, the County desires to entire into a new financing lease or an amendment to the Prior VRA Lease Financings, as VRA may determine, for the refinancing of the 2014 VRA Lease Financing (the “2014 Refinancing”) and the financing of the 2020 Projects, under which the

County will undertake to complete the 2014 Refinancing and undertake the acquisition, construction and equipping of the 2020 Projects (collectively, the “New Financing Lease”);

WHEREAS, VRA has indicated its willingness to enter into a New Financing Lease to effect the 2014 Refinancing and to provide funding for the 2020 Projects with the proceeds of one or more of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2020 (the “VRA Bonds”), in accordance with the terms of the New Financing Lease to be dated on or about September 25, 2020, or such other date specified by VRA, between VRA and the County;

WHEREAS, VRA has advised a condition of the New Financing Lease will be the cross collateralization of the New Financing Lease with some or all of the property securing the Prior VRA Lease Financings;

WHEREAS, the County will make rental payments (the “Rental Payments”) corresponding in amount and timing to the debt service on the portion of the Related Series of VRA Bonds (as defined in the New Lease Financing) issued for the 2014 Refinancing and for the 2020 Projects, which Rental Payments the County intends to pay from the County’s General Fund, subject to annual appropriation by the Board;

WHEREAS, the County has made certain expenditures related to the 2020 Projects and desires to reimburse all or a portion of such expenditures from proceeds of the VRA Bonds to be provided to the County;

WHEREAS, the New Financing Lease shall indicate that the County requested an amount sufficient to (i) provide for the financing of the 2020 Projects plus capitalized interest for up to six months, (ii) refinance and defeasance the principal components of the 2014 Refinancing or portions thereof designated to be refinanced, and (iii) pay local costs of issuance or such other amount as may be requested in writing by the County Administrator, with Board approval, and approved by VRA prior to the sale of the VRA Bonds (the “Proceeds Requested”);

WHEREAS, VRA has advised the County that its objective is to provide the County an amount which, in VRA’s judgment, reflects its market value of the Rental Payments under the New Financing Lease (the “VRA Purchase Price Objective”), taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters’ discount and other costs incurred by VRA, collectively the “VRA Costs”), and other market conditions relating to the sale of the VRA Bonds;

WHEREAS, VRA has advised the County that the sale of the VRA Bonds is tentatively scheduled for October 28, 2020, but, subject to market conditions, may occur prior to or after such date, and, in the event the Proceeds Requested are not provided under the New Financing Lease on the scheduled sale date of the VRA Bonds, such Proceeds Requested may be provided under substantially the same terms and conditions on such other date;

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

1. Essentiality of Projects. The Board determines that the 2020 Projects and 2014 Projects to be refinanced are essential to the operation, growth and development of the County and the County anticipates that the 2020 Projects and 2014 Projects will continue to be essential to the County during the term of the New Financing Lease.

2. Approval of Terms of Lease Financing. The plan of lease-lease back financing among the County and VRA for the 2020 Projects and 2014 Refinancing as described generally in the recitals to this Resolution is approved, including funding of up to six months of interest on the 2020 Projects and related issuance costs, subject to the conditions set forth in this paragraph 2 and VRA's Purchase Price Objective and market conditions described in the Recitals hereof. The final pricing and other terms of the New Financing Lease shall be satisfactory to the County Administrator in consultation with the County's financial advisor; provided, however, that (a) the principal component of Rental Payments shall not exceed \$18,300,000, (b) the financing term of the New Financing Lease concerning the 2020 Projects shall not exceed 20 years from the closing date thereof with VRA, (c) the lease payment term of the 2014 Refinancing shall not extend beyond the original term of the lease payments being refinanced, and (d) the interest component of Rental Payments shall bear interest at a true interest cost not to exceed 5% per annum, excluding any administrative fees or other VRA Costs. The principal component of Rental Payments shall be subject to prepayment as set forth in the New Financing Lease.

Subject to the preceding terms and limitations, the Board further authorizes the County Administrator in consultation with the County's financial advisor to (a) determine the total of principal component of Rental Payments (b) establish the Rental Payment schedule, including the dates and amounts thereof, in such manner as the County Administrator, in consultation the financial advisor, may determine and (c) take all necessary and appropriate actions to accomplish and complete the 2014 Refinancing and undertake the 2020 Projects as contemplated by the New Financing Lease, as the County Administrator shall determine to be in the best interest of the County. The County Administrator and other officers herein authorized are authorized to proceed with the matters herein authorized without further approval of the Board, subject to the approval parameters and conditions set forth in this paragraph.

As will be set forth in the New Financing Lease, the County agrees to pay such "Supplemental Interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish a VRA Reserve, as defined in the New Financing Lease, related to VRA Bonds. Payments under the New Financing Lease shall be payable in lawful money of the United States of America.

3. Subject to Appropriation. The payment obligations of the County under the New Financing Lease shall be limited obligations payable solely from funds to be appropriated by the Board for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County. The County's payment obligation shall not extend beyond any fiscal year for which the Board has lawfully appropriated funds for such purpose. Nothing herein or in the New Financing Lease shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

4. **Execution and Recordation of Documents.** The New Financing Lease consisting of a Local Lease Acquisition Agreement and Amended and Restated Financing Lease, an Amended and Restated Prime Lease and an Amended and Restated Deed of Trust and Security Agreement (collectively, the “Financing Documents”) are approved in substantially the forms on file with the County Administrator, with such modifications and changes not inconsistent with the approvals herein granted as may be approved by the Chairman, Vice Chairman or the County Administrator, any of whom may act, whose execution and delivery thereof shall evidence conclusively the final terms thereof. Such officers or their designees are authorized to affix and attest the seal of the County to such Financing Documents and to deliver them to the other parties thereto and are further authorized to cause the Financing Documents to be recorded in the Clerk’s Office of the Circuit Court of the County or other appropriate place.

5. **Annual Budget.** While recognizing that it is not empowered to make any binding commitment to make Rental Payments and any other payments required under the Financing Documents beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Financing Documents. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County’s annual budget, to include in the budget request for each fiscal year during the term of the Financing Documents an amount sufficient to pay the Rental Payments and all other payments coming due under the Financing Documents during such fiscal year. If at any time during any fiscal year of the County throughout the term of the Financing Documents, the amount appropriated in the County’s annual budget in any such fiscal year is insufficient to pay when due the Rental Payments and any other payments required under the Financing Documents, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County’s annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

6. **Disclosure Documents.** The County authorizes and consents to the inclusion of information with respect to the County to be contained in VRA’s Preliminary Official Statement and VRA’s Official Statement in final form, both to be prepared in connection with the sale of the VRA Bonds. If appropriate, such disclosure documents shall be distributed in such manner and at such times as VRA shall determine. The County Administrator is authorized and directed to take whatever actions are necessary or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

7. **Tax Matters.** The County Administrator is authorized and directed to execute and deliver on the County’s behalf a Nonarbitrage Certificate and Tax Compliance Agreement and/or similar agreements or certificates (the Tax Documents”). The Tax Documents shall set forth the expected use of and investment of all or any portion of the proceeds of the VRA Bonds provided to the County for the 2020 Projects, and, if requested, the actual and/or expected use of the proceeds of the prior VRA bonds provided to the County for the 2014 Projects, and include such covenants as may be necessary to qualify the interest on all or any portion of the VRA Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the “Tax Code”), and to maintain such exemption. The County Administrator is further authorized to make on behalf of the County

such elections under the Tax Code with respect to the Tax Documents as such officer may deem to be in the best interests of the County after consultation with the County's Bond Counsel.

8. SNAP Investment Authorization. The Board has heretofore received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Board has determined to authorize the County to utilize SNAP in connection with the investment of the VRA Bond proceeds if the County Administrator, in consultation with the County's financial advisor, determines that the utilization of SNAP is in the best interest of the County. The Board acknowledges the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the Contract. The County Administrator may also provide for investment of the VRA Bond proceeds in such other manner as VRA may require or request.

9. Reimbursement. The Board declares its intent and reasonable expectation to reimburse the County for all or a portion of the expenditures paid by the County from general funds of the County related to the 2020 Projects with proceeds of the VRA Bonds. This Resolution constitutes a declaration of "official intent" under Treasury Regulations Section 1.150-2, promulgated under the federal Tax Code.

10. VRA Fees and Expenses. The County agrees to pay all amounts required by the Financing Documents, including supplemental interest, late charges and other amounts necessary to maintain or replenish any VRA Reserve (as defined in the Financing Documents) for the VRA Bonds, all as required by VRA.

11. Other Actions. All other actions of officers of the County heretofore or hereafter taken in conformity with the purposes and intent of this Resolution and in furtherance of the undertaking of the 2020 Projects and the 2014 Refinancing are ratified, approved and confirmed. The officers of the County are authorized and directed to execute and deliver all agreements, certificates, financing statements and other instruments, and to take all actions considered necessary or desirable in connection with the execution and delivery of the Financing Documents and the undertaking of the 2020 Projects and the 2014 Refinancing. 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.

12. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

13. Effective Date. This resolution shall take effect immediately.

CERTIFICATE OF CLERK

The undersigned Clerk of the Board of Supervisors of the County of Surry, Virginia, hereby certifies that the foregoing constitutes a true, correct and complete copy of a resolution duly adopted at a special meeting duly called and held on September 24, 2020 during which a quorum was present and acting throughout by the recorded affirmative vote of a majority of all of the members elected to the Board, the ayes and nays being recorded in the minutes of the Meeting as shown below:

<u>MEMBER</u>	<u>PRESENT/ABSENT</u>	<u>VOTE</u>
Timothy Calhoun		
Michael H. Drewry		
Robert Elliott		
Kenneth R. Holmes		
Judy S. Lyttle		

The attached resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the County of Surry, Virginia, this _____ day _____, 2020.

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

[SEAL]

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SURRY, VIRGINIA AUTHORIZING A LEASE REFINANCING AND LEASE FINANCING WITH THE VIRGINIA RESOURCES AUTHORITY FOR VARIOUS PUBLIC IMPROVEMENTS

WHEREAS, the Board of Supervisors of the County of Surry, Virginia (the “County”) desires to (i) refinance for payment restructuring purposes certain projects financed through a lease financing arrangement with the Virginia Resources Authority (“VRA”) in November 2014 (the “2014 Projects”), (ii) finance through an additional lease financing with VRA certain capital projects and project improvements contained in the County’s capital improvement program for fiscal years 2021 and 2020, including but not limited to technology improvements, improvements to the public high school electrical system, improvements to County buildings and facilities, including roof repair, medical unit and fire system replacement and upgrades, and the acquisition of school buses and other vehicles for County use (collectively, the “2020 Projects”), and (iii) fund through such lease financing arrangement interest payments related to the 2020 Projects for up to six months and certain associated issuance costs;

WHEREAS, the County Board of Supervisors (the “Board”) has determined to apply to VRA to provide up to \$~~22,300,000~~18,300,000 in proceeds to refinance the 2014 Projects and to finance the 2020 Projects under a lease-lease back arrangement with VRA through VRA’s Pooled Financing Program;

WHEREAS, Section 15.2-1800 of the Code of Virginia of 1950, as amended, permits the County to lease real property, whether improved or unimproved, and any interest therein as lessor or lessee and construct improvements thereon, and the proposed financing entails a lease-lease back arrangement with VRA for the 2020 Projects and for the refinancing of the 2014 Projects;

WHEREAS, in addition to the 2014 lease financing (the “2014 VRA Lease Financing), the County also entered into a lease financing arrangement with VRA in December 2018 (the “2018 VRA Lease Financing,” and together with the 2014 VRA Lease Financing, the “Prior VRA Lease Financings),) to provide additional funding for certain of the 2014 Projects, which lease financing was evidenced by amending and restating the documents for the 2014 VRA Lease Financing to combine the terms of such lease financings in one set of documents;

WHEREAS, in connection with the Prior VRA Lease Financings, the County entered into the following amended and restated basic documents with VRA: (a) a Prime Lease pursuant to which the projects were leased by the County to VRA; (b) a Local Lease Acquisition Agreement and Financing Lease pursuant to which VRA leased the projects back to the County to cause the acquisition and construction of the public improvements; and (c) a Leasehold Deed of Trust and Security Agreement creating a lien on certain of the projects pursuant to which VRA secured its interest in the Prior VRA Lease Financings;

WHEREAS, the County desires to entire into a new financing lease or an amendment to the Prior VRA Lease Financings, as VRA may determine, for the refinancing of the 2014 VRA Lease Financing (the “2014 Refinancing”) and the financing of the 2020 Projects, under which

the County will undertake to complete the 2014 Refinancing and undertake the acquisition, construction and equipping of the 2020 Projects (collectively, the “New Financing Lease”);

WHEREAS, VRA has indicated its willingness to enter into a New Financing Lease to effect the 2014 Refinancing and to provide funding for the 2020 Projects with the proceeds of one or more of its Infrastructure and State Moral Obligation Revenue Bonds (Virginia Pooled Financing Program), Series 2020 (the “VRA Bonds”), in accordance with the terms of the New Financing Lease to be dated on or about September 25, 2020, or such other date specified by VRA, between VRA and the County;

WHEREAS, VRA has advised a condition of the New Financing Lease will be the cross collateralization of the New Financing Lease with some or all of the property securing the Prior VRA Lease Financings;

WHEREAS, the County will make rental payments (the “Rental Payments”) corresponding in amount and timing to the debt service on the portion of the Related Series of VRA Bonds (as defined in the New Lease Financing) issued for the 2014 Refinancing and for the 2020 Projects, which Rental Payments the County intends to pay from the County’s General Fund, subject to annual appropriation by the Board;

WHEREAS, the County has made certain expenditures related to the 2020 Projects and desires to reimburse all or a portion of such expenditures from proceeds of the VRA Bonds to be provided to the County;

WHEREAS, the New Financing Lease shall indicate that the County requested an amount sufficient to (i) provide for the financing of the 2020 Projects plus capitalized interest for up to six months, (ii) refinance and defeasance the principal components of the 2014 Refinancing or portions thereof designated to be refinanced, and (iii) pay local costs of issuance or such other amount as may be requested in writing by the County Administrator, with Board approval, and approved by VRA prior to the sale of the VRA Bonds (the “Proceeds Requested”);

WHEREAS, VRA has advised the County that its objective is to provide the County an amount which, in VRA’s judgment, reflects its market value of the Rental Payments under the New Financing Lease (the “VRA Purchase Price Objective”), taking into consideration such factors as the purchase price received by VRA for the VRA Bonds, the issuance costs of the VRA Bonds (consisting of the underwriters’ discount and other costs incurred by VRA, collectively the “VRA Costs”), and other market conditions relating to the sale of the VRA Bonds;

WHEREAS, VRA has advised the County that the sale of the VRA Bonds is tentatively scheduled for October 28, 2020, but, subject to market conditions, may occur prior to or after such date, and, in the event the Proceeds Requested are not provided under the New Financing Lease on the scheduled sale date of the VRA Bonds, such Proceeds Requested may be provided under substantially the same terms and conditions on such other date;

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

1. Essentiality of Projects. The Board determines that the 2020 Projects and 2014 Projects to be refinanced are essential to the operation, growth and development of the County and the County anticipates that the 2020 Projects and 2014 Projects will continue to be essential to the County during the term of the New Financing Lease.

2. Approval of Terms of Lease Financing. The plan of lease-lease back financing among the County and VRA for the 2020 Projects and 2014 Refinancing as described generally in the recitals to this Resolution is approved, including funding of up to six months of interest on the 2020 Projects and related issuance costs, subject to the conditions set forth in this paragraph 2 and VRA's Purchase Price Objective and market conditions described in the Recitals hereof. The final pricing and other terms of the New Financing Lease shall be satisfactory to the County Administrator in consultation with the County's financial advisor; provided, however, that (a) the principal component of Rental Payments shall not exceed ~~\$22,300,000~~, 18,300,000, (b) the financing term of the New Financing Lease concerning the 2020 Projects shall not exceed 20 years from the closing date thereof with VRA, (c) the lease payment term of the 2014 Refinancing shall not extend beyond the original term of the lease payments being refinanced, and (d) the interest component of Rental Payments shall bear interest at a true interest cost not to exceed 5% per annum, excluding any administrative fees or other VRA Costs. The principal component of Rental Payments shall be subject to prepayment as set forth in the New Financing Lease.

Subject to the preceding terms and limitations, the Board further authorizes the County Administrator in consultation with the County's financial advisor to (a) determine the total of principal component of Rental Payments (b) establish the Rental Payment schedule, including the dates and amounts thereof, in such manner as the County Administrator, in consultation the financial advisor, may determine and (c) take all necessary and appropriate actions to accomplish and complete the 2014 Refinancing and undertake the 2020 Projects as contemplated by the New Financing Lease, as the County Administrator shall determine to be in the best interest of the County. The County Administrator and other officers herein authorized are authorized to proceed with the matters herein authorized without further approval of the Board, subject to the approval parameters and conditions set forth in this paragraph.

As will be set forth in the New Financing Lease, the County agrees to pay such "Supplemental Interest" and other charges as provided therein, including such amounts as may be necessary to maintain or replenish a VRA Reserve, as defined in the New Financing Lease, related to VRA Bonds. Payments under the New Financing Lease shall be payable in lawful money of the United States of America.

3. Subject to Appropriation. The payment obligations of the County under the New Financing Lease shall be limited obligations payable solely from funds to be appropriated by the Board for such purpose and shall not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County. The County's payment obligation shall not extend beyond any fiscal year for which the Board has lawfully appropriated funds for such purpose. Nothing herein or in the New Financing Lease shall constitute a debt of the County within the meaning of any constitutional or statutory limitation or a pledge of the faith and credit or taxing power of the County.

4. Execution and Recordation of Documents. The New Financing Lease consisting of a Local Lease Acquisition Agreement and Amended and Restated Financing Lease, an Amended and Restated Prime Lease and an Amended and Restated Deed of Trust and Security Agreement (collectively, the “Financing Documents”) are approved in substantially the forms on file with the County Administrator, with such modifications and changes not inconsistent with the approvals herein granted as may be approved by the Chairman, Vice Chairman or the County Administrator, any of whom may act, whose execution and delivery thereof shall evidence conclusively the final terms thereof. Such officers or their designees are authorized to affix and attest the seal of the County to such Financing Documents and to deliver them to the other parties thereto and are further authorized to cause the Financing Documents to be recorded in the Clerk’s Office of the Circuit Court of the County or other appropriate place.

5. Annual Budget. While recognizing that it is not empowered to make any binding commitment to make Rental Payments and any other payments required under the Financing Documents beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Financing Documents. The Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County’s annual budget, to include in the budget request for each fiscal year during the term of the Financing Documents an amount sufficient to pay the Rental Payments and all other payments coming due under the Financing Documents during such fiscal year. If at any time during any fiscal year of the County throughout the term of the Financing Documents, the amount appropriated in the County’s annual budget in any such fiscal year is insufficient to pay when due the Rental Payments and any other payments required under the Financing Documents, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County’s annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

6. Disclosure Documents. The County authorizes and consents to the inclusion of information with respect to the County to be contained in VRA’s Preliminary Official Statement and VRA’s Official Statement in final form, both to be prepared in connection with the sale of the VRA Bonds. If appropriate, such disclosure documents shall be distributed in such manner and at such times as VRA shall determine. The County Administrator is authorized and directed to take whatever actions are necessary or appropriate to aid VRA in ensuring compliance with Securities and Exchange Commission Rule 15c2-12.

7. Tax Matters. The County Administrator is authorized and directed to execute and deliver on the County’s behalf a Nonarbitrage Certificate and Tax Compliance Agreement and/or similar agreements or certificates (the Tax Documents”). The Tax Documents shall set forth the expected use of and investment of all or any portion of the proceeds of the VRA Bonds provided to the County for the 2020 Projects, and, if requested, the actual and/or expected use of the proceeds of the prior VRA bonds provided to the County for the 2014 Projects, and include such covenants as may be necessary to qualify the interest on all or any portion of the VRA Bonds for exemption from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations (the “Tax Code”), and to maintain such exemption. The County Administrator is further authorized to make on

behalf of the County such elections under the Tax Code with respect to the Tax Documents as such officer may deem to be in the best interests of the County after consultation with the County's Bond Counsel.

8. SNAP Investment Authorization. The Board has heretofore received and reviewed the Information Statement (the "Information Statement") describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool I (the "Contract"), and the Board has determined to authorize the County to utilize SNAP in connection with the investment of the VRA Bond proceeds if the County Administrator, in consultation with the County's financial advisor, determines that the utilization of SNAP is in the best interest of the County. The Board acknowledges the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the Contract. The County Administrator may also provide for investment of the VRA Bond proceeds in such other manner as VRA may require or request.

9. Reimbursement. The Board declares its intent and reasonable expectation to reimburse the County for all or a portion of the expenditures paid by the County from general funds of the County related to the 2020 Projects with proceeds of the VRA Bonds. This Resolution constitutes a declaration of "official intent" under Treasury Regulations Section 1.150-2, promulgated under the federal Tax Code.

10. VRA Fees and Expenses. The County agrees to pay all amounts required by the Financing Documents, including supplemental interest, late charges and other amounts necessary to maintain or replenish any VRA Reserve (as defined in the Financing Documents) for the VRA Bonds, all as required by VRA.

11. Other Actions. All other actions of officers of the County heretofore or hereafter taken in conformity with the purposes and intent of this Resolution and in furtherance of the undertaking of the 2020 Projects and the 2014 Refinancing are ratified, approved and confirmed. The officers of the County are authorized and directed to execute and deliver all agreements, certificates, financing statements and other instruments, and to take all actions considered necessary or desirable in connection with the execution and delivery of the Financing Documents and the undertaking of the 2020 Projects and the 2014 Refinancing. 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.

12. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are hereby repealed.

13. Effective Date. This resolution shall take effect immediately.

CERTIFICATE OF CLERK

The undersigned Clerk of the Board of Supervisors of the County of Surry, Virginia, hereby certifies that the foregoing constitutes a true, correct and complete copy of a resolution duly adopted at a special meeting duly called and held on September 24, 2020 during which a quorum was present and acting throughout by the recorded affirmative vote of a majority of all of the members elected to the Board, the ayes and nays being recorded in the minutes of the Meeting as shown below:

<u>MEMBER</u>	<u>PRESENT/ABSENT</u>	<u>VOTE</u>
Timothy Calhoun		
Michael H. Drewry		
Robert Elliott		
Kenneth R. Holmes		
Judy S. Lyttle		

The attached resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the County of Surry, Virginia, this _____ day _____, 2020.

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

[SEAL]

Document comparison by Workshare 9.5 on Thursday, September 24, 2020
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Input:	
Document 1 ID	netdocuments://4843-5673-4920/4
Description	Surry County - 2020 VRA - Authorizing Resolution
Document 2 ID	netdocuments://4843-5673-4920/5
Description	Surry County - 2020 VRA - Authorizing Resolution
Rendering set	Kutak Option 1

Legend:	
Insertion	
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Style change	
Format change	
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Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
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Deletions	2
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	4