



**Minutes of the
Colonial Beach Town Council
Regular Meeting held on
Wednesday, May 17, 2017 at 6:00 p.m.**

Colonial Beach Town Center
22 Washington Avenue
Colonial Beach, VA 22443

Present

Mayor, Eddie Blunt
Vice Mayor, Dallas Leamon
Member, Frank Alger III
Member, Steve Cirbee
Member, Bill Dellar
Member, Phil Rogers

Absent

All Council Members were present, with the exception of Mr. Lyburn.

Also Present

Town Manager, Val Foulds
Town Attorney, Andrea Erard
Town Clerk, Kathleen Flanagan

Call to Order

Mayor Blunt called the meeting to order at 6:00 p.m.

Mayor Blunt noted Mr. Lyburn was absent.

All Council Members were present, with the exception of Mr. Lyburn.

Prayer and Pledge of Allegiance

Without objection, Ms. Erard recited a short prayer and all in attendance recited the Pledge of Allegiance.

Approval of the Agenda

Mr. Alger made a motion to approve the agenda as presented. Mr. Rogers seconded the motion.

Mayor Blunt requested a voice vote. All in favor, signify by saying “aye.” Mr. Alger, Mr. Cirbee, Mr. Dellar, Mr. Leamon, Mr. Rogers and Mayor Blunt all voted “aye.”

The motion to approve the agenda passed unanimously by council members present.

Approval of Minutes

A motion was made by Mr. Alger to approve the minutes for the March 24, 2017 Work Session and the April 19, 2017 Regular Meeting. Mr. Leamon seconded the motion.

Mayor Blunt requested a voice vote. All in favor, signify by saying “aye.” Mr. Alger, Mr. Cirbee, Mr. Dellar, Mr. Leamon, Mr. Rogers, and Mayor Blunt all voted “aye.”

The minutes for the March 24, 2017 Work Session and the April 19, 2017 Work Session were unanimously approved by council members present.

Council Announcements

Mr. Leamon commended the emergency service responders for their response after the storm. The Memorial Day Service will be held at 11:00 a.m. at the cannon. The American Legion will hold a lunch following the ceremony at the Legion Hall.

Mr. Cirbee noted the marina is still working off generators and his email has been out since the storm. Mr. Cirbee and on behalf of the Lighthouse Marina thanked the Chamber of Commerce for their help after the storm.

Mr. Rogers thanked the community organizers and volunteers who have given of their time in the clean up after the storm.

Mayor Blunt reported that he had received Tommy Edwards’ resignation from the Tourism Advisory Council. Mr. Blunt asked Mr. Edwards to stand and thanked him for his many years of service to the town.

Mayor Blunt then noted he had received a request from Cathy Bokman requesting volunteers to help clean and organize the Tourism Center this weekend.

Presentations

Town Manager Val Foulds expressed her gratitude for everyone who worked tirelessly after the storm.

Old Business

There was no old business.

New Business

Public Hearing

Resolution #29-17, RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A GENERAL OBLIGATION AND WATER REVENUE BOND OF THE TOWN OF COLONIAL BEACH IN AN AMOUNT NOT TO EXCEED \$4,374,004 AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT OF THE BOND

Mayor Blunt summarized Resolution #29-17.

Open Public Hearing

At 6:08 p.m. Mayor Blunt opened the public hearing.

There was no public input.

Close Public Hearing

At 6:09 p.m. Mayor Blunt closed the public hearing.

Motion to Adopt

Mr. Rogers made a motion to adopt Resolution #29-17 as written. Mr. Leamon seconded the motion.

Mr. Dellar read from his notes. In summary, Mr. Dellar noted the proposed use of the bond as written in the Notice of Public Hearing states: (1) the use of the bond is to pay costs of capital improvements to the water system, which is the only use for which more than ten percent of the total proceeds are expected to be used; and (2) there is no explanation how the \$4,374,004 total was developed.

Mr. Dellar then noted as to the Resolution: (1) What is the expected amount of funding available? What is the cost of funds? What is the administrative fee?; (2) Council did not receive a pro forma statement; (3) the project plan, as stated on page 2, Section 2, is one sentence with no detail information, schedule or cost estimate; and, (4) what is the impact on water and sewer fees?

Mr. Dellar then expressed his skepticism of the town's ability to manage a large project, noting both the Robin Grove improvements and water tower maintenance both received bids all over estimated costs.

Mr. Dellar further noted according to Municipal & Financial Services Group the cost to operate the water and sewer system is approximately \$2million per year; add in debt service and capital improvements, the total per year is approximately \$3million. An additional \$250,000 to cover the bond payment would necessitate a rate increase.

Mr. Dellar further noted he had requested information to consider a sale, lease or operational outsource of the water and sewer system.

Mr. Dellar proposed Council postpone consideration of Resolution #29-17 indefinitely.

Mr. Cirbee agreed with Mr. Dellar and thanked him for providing details.

Ms. Foulds noted that estimates for projects noted by Mr. Dellar were provided by engineers.

Mr. Webster Day, bond counsel, noted the resolution is clear that all the proceeds would go to capital improvements.

Ms. Foulds noted the project is to upgrade water lines and install meters and upgrade the Robin Grove site.

Mayor Blunt noted this project is part of an ongoing commitment to replace and/or upgrade water pipes.

Mayor Blunt further noted the town previously had spent \$3million in the 3rd Street area.

Ms. Foulds noted the town is under a Consent Order.

Mr. Cirbee asked if this bond includes sewer lines and what is the percentage of sewer and water lines that need to be upgraded.

Ms. Foulds responded some of that information is contained in the preliminary engineering report.

Mr. Cirbee stated he would like to see the big picture.

Mr. Cirbee asked if road repairs were included in this bond.

Ms. Foulds responded affirmatively.

Mr. Leamon called for the vote.

Mayor Blunt called for a roll call vote. Mr. Alger voted “aye,” Mr. Leamon voted “aye,” Mr. Dellar voted “nay,” Mr. Cirbee voted “nay,” Mr. Rogers voted “aye,” and Mayor Blunt voted “aye.” The motion to adopt Resolution #29-17, as written, passed with a 4-2 vote.

The motion to adopt Resolution #29-17, as written, passed with a 4-2 vote of council members present.

RESOLUTION # 29-17

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A GENERAL OBLIGATION AND WATER REVENUE BOND OF THE TOWN OF COLONIAL BEACH IN AN AMOUNT NOT TO EXCEED \$4,374,004 AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT OF THE BOND

The Town of Colonial Beach, a political subdivision of the Commonwealth of Virginia (the “Town”), may contract debts and to issue, as evidence of the debt, bonds, notes or other obligations payable from either or both of a pledge of the revenues from the Town’s water system and a pledge of the Town’s full faith and credit.

The Council of the Town (the “Council”) has determined it is necessary and expedient to undertake capital improvements to the Town’s water system and to borrow money and issue a bond to finance costs of the improvements.

On May 17, 2017, the Council held a public hearing on the proposed issuance of the bond in an estimated maximum amount of \$4,374,004, under Section 15.2-2606 of the Public Finance Act, and the Council desires to authorize the issuance of the bond.

BE IT RESOLVED BY THE COUNCIL OF THE TOWN OF COLONIAL BEACH:

Section 1. Definitions. As used in this resolution:

“Act” means the Public Finance Act of 1991 (Chapter 26, Title 15.2, Code of Virginia of 1950, as amended);

“Bond” means the Town’s general obligation and water revenue bond issued under this resolution;

“Council” means the Council of the Town;

“Fund” means the Virginia Water Supply Revolving Fund, its successors and assigns;

“Maximum Amount” means \$4,374,004;

“Project” means capital improvements to the System, including installation of water lines, a water storage tank, a well, booster pumps and meter reading devices;

“System” means all plants, systems, facilities, equipment or property, including but not limited to the Project, owned, operated or maintained by the Town and used in the collection, supply, treatment, storage or distribution of water, as the same may from time to time exist;

“Town” means the Town of Colonial Beach, a political subdivision of the Commonwealth of Virginia; and

“VRA” means the Virginia Resources Authority, as Administrator of the Fund.

Section 2. Project. The Council has determined that it is necessary and expedient for the Town to undertake the Project and to borrow money for such purpose and to issue its general obligation and water revenue bond for the Project.

Section 3. Authorization of the Bond. The Council finds it advisable, necessary and expedient for the Town to borrow an amount not to exceed the Maximum Amount, to provide funds, with other funds that may be available, to finance costs of the Project and to pay the costs of issuing the Bond. Pursuant to the Act, the Council authorizes to be issued and sold to the VRA a general obligation and water revenue bond of the Town in a principal amount not to exceed the Maximum Amount. The Bond will provide for principal advances to be made and noted on the Bond from time to time as funds are advanced by the VRA under the Bond.

Section 4. Details of the Bond. The Bond will be issued as a single, registered bond without coupons, shall be numbered R-1, and shall bear interest, defined in the Financing Agreement as the “Cost of Funds.” Each of the Mayor, Vice-Mayor or Town Manager is authorized to determine and approve the other final details of the Bond, including, but not limited to, its description and series designation, dated date, original principal amount, its Cost of Funds, the payment dates of principal and Cost of Funds, and the amount of each principal payment, subject to these requirements:

- (a) the original principal amount of the Bond shall not exceed the Maximum Amount,
- (b) the Cost of Funds on the Bond shall not exceed 3.50% per annum, and
- (c) the due date of the last installment of principal of the Bond shall not be more than 40 years after the date of the Bond.

Such officer’s determination and approval of the final details of the Bond shall be evidenced conclusively by the officer’s execution and delivery of the Bond under this resolution.

Section 5. Execution of Bond. The Bond shall bear the manual signature of the Mayor, Vice-Mayor or Town Manager and shall bear a manually impressed or imprinted facsimile of the seal of the Town attested by the manual signature of the Town Clerk. If any officer whose signature appears on the Bond shall cease to be such officer before the delivery of the Bond, such signature shall nevertheless be valid and sufficient for all purposes the same had such officer remained in office until such delivery. The Bond may be signed by such persons as at the actual time of its execution shall be the proper officers to sign the Bond although at the date of the Bond such persons may not have been such officers.

Section 6. Form of Bond. The Bond shall be in substantially this form, with such variations, insertions and omissions as may be consistent with this resolution:

FORM OF BOND

No. R-1

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

[\$amount]

TOWN OF COLONIAL BEACH

[date]

GENERAL OBLIGATION AND WATER REVENUE BOND

SERIES 2017

The Town of Colonial Beach, a political subdivision of the Commonwealth of Virginia (the "Town"), acknowledges itself indebted, and for value received promises to pay, to the order of the Virginia Resources Authority, as Administrator of the Virginia Water Supply Revolving Fund, Richmond, Virginia (the "VRA") or its legal representative or registered assigns, the principal sum equal to the aggregate amount of principal advances made and noted on the Schedule of Principal Advances below, but not to exceed [amount] Dollars (\$[amount]), with interest (the "Cost of Funds"), including the part thereof allocable to the annual administrative fee payable in Section 6.1 of the "Financing Agreement" defined below, on the unpaid principal from the date of each principal advance shown on the attached Certificate of Principal Advances until payment of the entire principal sum, at the annual rate of [number]%.

Commencing [date] and continuing semi-annually thereafter on [month] 1 and [month] 1 in each year, principal due under this Bond shall be due in equal installments of \$[amount] with a final installment of \$[amount] due on [date], when if not sooner paid, all amounts due under this Bond shall be due in full. If principal disbursements up to the maximum authorized amount of this Bond are not made, the principal amount due on this Bond shall

not include such undisbursed amount. However, unless the Town and VRA agree otherwise in writing, until all amounts due under this Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of this Bond shall not postpone the due date of any semi-annual installment due or change the amount of such installment unless the principal amount due under this Bond is less than the amount of such installment.

In addition, if any installment of principal is not received by the registered owner of this Bond within ten (10) days from its due date, the Town shall pay to the registered owner of this Bond a late payment charge in an amount equal to five percent (5.00%) of such overdue installment. Principal and other sums are payable in lawful money of the United States.

No notation must be made on this Bond of the payment of any principal on normal installment payment dates or of any prepayments of principal. HENCE, THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING AND DUE HEREUNDER.

As used in this Bond, "Financing Agreement" means the Financing Agreement dated as of [date], between the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund ("VRA"), and the Town, and any amendments to it. Capitalized terms used in this Bond and not otherwise defined have the meanings given them in the Financing Agreement.

This Bond is issued under the Public Finance Act of 1991 and a resolution duly adopted by the Council of the Town of Colonial Beach on May 17, 2017, under the Constitution and the statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, and under the Financing Agreement to evidence a loan by the VRA to the Town to finance the Project Costs. The obligations of the Town under this Bond shall terminate when all amounts due and to become due under this Bond and the Financing Agreement have been paid in full.

The full faith and credit of the Town are irrevocably pledged for the payment of principal of and Cost of Funds on this Bond. The resolution adopted by the Council of the Town authorizing the issuance of this Bond provides, and Section 15.2-2624 of the Code of Virginia of 1950, as amended, requires, there shall be levied and collected an annual tax upon all taxable property in the Town subject to local taxation sufficient to provide for the payment of the principal of and Cost of Funds on this Bond as the same 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 Town, to the extent other funds of the Town are not lawfully available and appropriated for such purpose.

In addition, revenues of the Town's water system are pledged to the payment of the principal of and Cost of Funds on this Bond, to the extent provided in the Financing Agreement. Such pledge is on parity with the pledge of such revenues securing the payment of the Existing Parity Bonds. The Town has also pledged a Reserve Fund to the payment of the principal of and Cost of Funds on this Bond.

Transfer of this Bond may be registered upon the registration books of the Bond Registrar. Prior to due presentment for registration of transfer of this Bond, the Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal hereof and the exercise of all other rights and powers of the owner.

This Bond is subject to optional prepayment on the terms in the Financing Agreement.

If an Event of Default occurs, the principal of and Cost of Funds on this Bond may be declared immediately due by the holder by written notice to the Town.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal and Cost of Funds provided for by this Bond, the Town shall also pay such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Financing Agreement.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in due time, manner and form as required.

IN WITNESS WHEREOF the Town has caused this Bond to be signed by its Mayor and its seal to be impressed and attested by its Clerk.

Town of Colonial Beach

[FORM OF BOND-NOT FOR SIGNATURE]

By: _____

Mayor, Town of Colonial Beach

(SEAL)

ATTEST:

[FORM OF BOND-NOT FOR SIGNATURE]

Clerk, Town of Colonial Beach

SCHEDULE OF PRINCIPAL ADVANCES

The amount and date of principal advances not to exceed the face amount shall be entered by an authorized representative of the VRA when the proceeds of each such advance are delivered to the Town.

<u>AMOUNT</u>	<u>DATE</u>	<u>AUTHORIZED SIGNATURE</u>

END OF FORM OF BOND

The execution and delivery of the Bond will constitute conclusive evidence that any variations, insertions and omissions are consistent with this resolution. Upon request of the VRA, the Town shall have prepared, executed, authenticated and delivered in exchange when practicable bonds in printed form in an aggregate principal amount equal to the unpaid principal of the Bond in typewritten form, in denominations of \$5,000 and multiples thereof, except for one bond which may be issued in an odd denomination of not less than \$5,000, of the same form and maturity and registered in such names as requested by the VRA or its duly authorized attorney or legal representative. The typewritten bond surrendered in any such exchange shall be canceled.

Section 7. Bond Registrar. The Treasurer of the Town is appointed Bond Registrar for the Bond.

Section 8. Registration, Transfer and Exchange. The Town shall cause books for the registration and transfer of the Bond (and any printed bond or bonds issued in substitution for it) to be kept at the office of the Bond Registrar, and the Council instructs the Bond Registrar to keep such books and to make such registrations and transfers under such reasonable regulations as the Council or the Bond Registrar may prescribe. Transfer of the Bond or any printed bond issued in substitution for it may be registered upon books maintained for that purpose at the office of the Bond Registrar. Prior to due presentment for registration of transfer, the Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and the exercise of all other rights and powers of the owner.

Section 9. Preparation and Award of Bond. After consideration of the methods of sale of the Bond and the current state of the municipal bond market, the Council determines that it will be in the best interests of the Town to accept the offer of the VRA to purchase the Bond, and the Bond is awarded to the VRA under the Financing Agreement described in Section 10 of this resolution. Each of the Mayor, the Vice-Mayor, and the Clerk of the Town is authorized and directed to take all proper steps

to have the Bond prepared and executed under its terms and to deliver the Bond to the VRA under the terms of the Financing Agreement.

Section 10. Authorization of Financing Agreement and Other Matters. The Financing Agreement between VRA and the Town (the "Financing Agreement"), the form of which has been presented to the Council at this meeting and filed with the records of the Council, is approved. Each of the Mayor, Vice-Mayor and Town Manager of the Town is authorized to execute and deliver on behalf of the Town the Financing Agreement in substantially the form submitted to the Council, with such changes, insertions or omissions as approved by the Mayor, Vice Mayor or Town Manager, whose approval shall be evidenced conclusively by the execution and delivery of the Financing Agreement. The acceptance by the Town of grants from governmental agencies to fund the Project is approved and authorized. Each of the Mayor, Vice-Mayor, Town Manager, Clerk and any other officer of the Town is authorized to execute and deliver on behalf of the Town such grant agreements and other instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this resolution or contemplated by the Bond or Financing Agreement, and the foregoing, done or performed by such officers of the Town, are approved, ratified and confirmed.

Section 11. Constitutional Authority. The Bond shall be issued under Article VII, Section 10(a) of the Constitution of Virginia (other than Subsection (2) thereof). The principal of the Bond shall be payable from (a) the revenues derived from operating the Town's System under the Financing Agreement, and (b) ad valorem taxes to be levied without limitation as to rate or amount on all property in the Town subject to taxation, to the extent other funds of the Town are not lawfully available and appropriated for such purpose.

Section 12. Election of Applicable Law. To the extent permitted by Section 15.2-2601 of the Act, the Council elects that the Bond will be issued under the Act without regard to the requirements, restrictions or provisions in any charter or local or special act applicable to the Town.

Section 13. Payment of the Bond. The Town shall pay promptly, as provided in the Bond and the Financing Agreement, the principal of and Cost of Funds on the Bond. Nothing in the Bond, the Financing Agreement or this resolution shall be deemed to create or constitute an indebtedness of the Commonwealth of Virginia (the "Commonwealth") or any political subdivision of the Commonwealth other than the Town, or a pledge of the full faith and credit of the Commonwealth or of any political subdivision of the Commonwealth other than the Town.

Section 14. Pledge of Full Faith and Credit; Tax Rate Covenant. The full faith and credit of the Town are irrevocably pledged for the payment of principal of and Cost of Funds on the Bond. So long as the Bond is outstanding, unless other funds are lawfully available and appropriated for timely payment of the Bond, the Council will levy and collect annually, at the same time and in the same manner as other taxes of the Town are assessed, levied and collected, over and above all other taxes authorized or limited by law, an ad valorem tax, without limitation as to rate or amount, on all the

taxable property in the Town in an amount sufficient to pay principal of and Cost of Funds on the Bond as the same become due .

Section 15. Pledge of Revenues and Reserve Fund. To the extent provided in the Financing Agreement, revenues derived from the System shall be pledged to the payment of the Bond. Such pledge shall be on parity with any pledge of revenues of the System to the payment of the principal of or interest on the Existing Parity Bonds, as defined in the Financing Agreement. The Bond may also be secured by a reserve fund under the Financing Agreement (the “Reserve Fund”). The Reserve Fund will be held by the Town in a separate and segregated account. As and when required by the Financing Agreement, the Town will deposit into the Reserve Fund from its available funds an amount equal to the Required Reserve (as defined in the Financing Agreement) to be held and maintained under the Financing Agreement.

Section 16. Authority of Officers and Agents. The officers and agents of the Town shall do all acts and things required of them by this resolution and the Bond for the complete and punctual performance of all the terms, covenants and agreements in the Bond. The appropriate officers of the Town are further authorized and empowered to take such other action as they may consider necessary or desirable to carry out the intent and purpose of this resolution, and the issuance of the Bond.

Section 17. Limitation of Liability of Officials of Town. No covenant, condition or agreement contained in this resolution shall be deemed to be a covenant, agreement or obligation of an officer, employee, member of Council, or agent of the Town in his or her individual capacity, and no officer of the Town or member of Council executing the Bond shall be liable personally on the Bond or be subject to any personal liability or accountability by the issuance thereof. No officer, employee or agent of the Town shall incur any personal liability regarding any other action taken in good faith by him or her under this resolution.

Section 18. Conditions Precedent. Upon the issuance of the Bond, all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia or this resolution to have happened, exist and to have been performed precedent to or in the issuance of the Bond shall have happened, exist and have been performed.

Section 19. Headings. Any headings in this resolution are solely for convenience of reference and do not constitute a part of the resolution nor do they affect its meaning, construction or effect.

Section 20. Severability. If any court of competent jurisdiction shall hold any provision of this resolution to be invalid and unenforceable, such holding shall not invalidate any other provision.

Section 21. Effective Date. This resolution shall take effect immediately.

Section 22. Filing of Resolution. The Clerk is authorized and directed to see to the prompt filing of a certified copy of this resolution with the Circuit Court of Westmoreland County, Virginia.

The Clerk of the Town of Colonial Beach, Virginia, certifies that:

- (a) the foregoing is a true, complete and correct copy of a resolution adopted by the Council of the Town at a meeting of the Council held on May 17, 2017;
- (b) the meeting was a duly called, noticed and held regular meeting;
- (c) during the consideration of the foregoing resolution, a quorum was present; and
- (d) the name of each member of Council voting on the adoption of the foregoing resolution and his or her vote were recorded at the meeting :

<u>Member</u>	<u>Attendance</u>	<u>Vote</u>
Edward T. Blunt, Sr., Mayor	X	AYE
Frank A. Alger, III	X	AYE
Stephen V. Cirbee	X	NAY
Bill Dellar	X	NAY
Dallas Leamon	X	AYE
Burkett O. Lyburn	ABSENT	ABSENT
Phillip E. Rogers	X	AYE

Clerk, Town of Colonial Beach, Virginia

(SEAL)

Citizen Input

Jean Conaty, 207 Monroe Bay Avenue representing the Historical Society requested the town consider purchasing a supply of Colonial Beach flags and then allow different groups in town to purchase small quantities for resale.

Rich Estes, 1328 Monroe Bay Avenue thanked everyone for their hard work after the recent storm. .

Adjournment/Recess

Mr. Leamon made a motion to adjourn. Mr. Alger seconded the motion.

Mayor Blunt requested a voice vote. All in favor, signify by saying “aye.” Mr. Alger, Mr. Dellar, Mr. Leamon, Mr. Rogers, Mr. Cirbee and Mayor Blunt all voted “aye.”

The motion to adjourn passed with a unanimous vote of council members present.

At 6:31 p.m. the meeting was adjourned.

Kathleen Flanagan, Town Clerk