



**Minutes of the
Colonial Beach Town Council
Work Session held on
Thursday, September 24, 2015 at 4:30 p.m.**

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

Present

Mayor, Mike Ham
Vice Mayor, Eddie Blunt
Member, Wayne DiRosario
Member, Tommy Edwards
Member, Mike Looney
Member, Burkett Lyburn

Absent

Member, Wanda Goforth

Also Present

Town Manager, Val Foulds
Town Attorney, Andrea Erard
Police Chief, Danny Plott
CFO, Joan Grant
Zoning Administrator, Brendan McHugh
Town Clerk, Kathleen Flanagan

Call to Order

Mayor Ham called the Work Session to order at 4:31 p.m.

Roll Call of Members

Mayor Ham noted all members were present, with the exception of Wanda Goforth.

Presentations (by Council request)

Bike Fest Committee

Carey Geddes reported to Council that there were no issues and the event permit has been signed.

Ms. Foulds noted staff has been working with the committee.

Chief Plott reported that there will be one more meeting for law enforcement and the Bike Fest Committee.

Renee Peyton Fields, McKenney Vento Coordinator, CB School Division

Ms. Fields noted she lost her son to gun violence, has seen the introduction of drugs into our community and stands for the underprivileged, disadvantaged and homeless. Ms. Fields believes it takes a village to raise a child.

Mr. Looney asked Ms. Peyton about how many [homeless] children and families does she count. Ms. Fields answered there are about 50-some children, down from 90-some children last year.

Mr. DiRosario asked what can council do. Ms. Fields urged Council to look at grants, community centers, say “yes” to funds to provide community outlets.

Ms. Fields noted she would like to be a part of any community effort.

Ms. Fields offered to come back and share with the Town Council specific things the town government can do to help those less fortunate.

Town Manager Update

Ms. Foulds noted that statistics show tourism is on the rise.

Ms. Foulds noted the contractors are ready to begin demolition of the old high school and are waiting on DEQ permits.

Mr. Blunt recommended that Town Council, by consensus, direct Ms. Foulds to talk to several marketing firms about selling town-owned properties.

Mayor Ham asked if there was any Council objection.

There was unanimous consensus by Council in support of Ms. Foulds talking to several marketing firms about selling town-owned property.

August Department Reports

Council received copies of August Department reports.

Old Business

Resolution #48-15, Authorizing the Issuance of Not to Exceed \$9,668,131 Government Obligation School Bonds

Mayor Ham noted that a public hearing was held on September 12, 2015. In response to questions that arose during the public hearing, Mayor Ham called upon Ms. Erard to provide a presentation.

Ms. Erard provided Council with a presentation on the Comprehensive Plan and the Capital Improvement Plan as it relates to the bond issue. The bond issue before Council only deals with the financing of construction of a new school. The Comprehensive Plan and the Capital Improvement Plan deal with land use issues such as location.

Presentations Continued

Belinda Johnson, Westmoreland County Dept of Social Services

Ms. Johnson noted the agency administers several programs such as SNAP (Supplemental Nutrition program), Medicaid, Energy Assistance, Fuel Assistance and the Cooling Program. Having a physical address is not a requirement of receiving services.

The agency also provides family services, prevention services, child protective services, adult services, and foster care services.

Mr. Blunt asked how many people use the services of the agency from Colonial Beach. Ms. Johnson answered you would have to look at the entire 22443 zip code and then pull out residents of Colonial Beach.

Ms. Johnson also noted that residents can sign up for benefits on line and, as such, there is no longer a satellite office in the town.

Ms. Johnson guessed that out of 1,800 people receiving medical benefits, half of them are within Colonial Beach.

Eligibility for programs is based on income and family size. For example, for a family of three to qualify for TANF (Temporary Assistance for Needy Families), the maximum monthly income is \$265.00.

Mr. Lyburn asked if someone who received social security would be eligible. Ms. Johnson said they would be eligible, maybe, for food stamps or Section 8 through the Housing and Urban Development program.

Resolution #48-15, Authorizing the Issuance of Not to Exceed \$9,668,131 Government Obligation School Bonds Continued

Mr. Looney made a motion to approve Resolution #48-15 as written. Mr. Lyburn seconded the motion.

Mr. Blunt noted this has been an extremely difficult decision. With the new tax increase, the town has higher taxes than Fairfax County. Mr. Blunt further noted that personal property is taxed at a higher rate in town than in Fairfax County.

Mr. Blunt would have preferred a better process, using a feasibility study and/or ad hoc committees when looking at the options.

Mr. Blunt further noted he will not vote again for another penny for the new school building.

Mayor Ham called for a roll call vote. Mr. Edwards voted “aye,” Mr. Lyburn voted “aye,” Mr. Blunt voted “nay,” Mr. DiRosario voted “nay,” Mr. Looney voted “aye,” and Mayor Ham voted “aye.” Resolution #48-15 passed with a 4-2 vote.

Resolution #48-15 passed with a 4-2 vote.

RESOLUTION # 48-15

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$9,668,131 GENERAL OBLIGATION SCHOOL BOND OF THE TOWN OF COLONIAL BEACH, VIRGINIA, TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY AND PROVIDING FOR THE FORM AND DETAILS THEREOF

WHEREAS, the Town Council (**the “Town Council”**) of the Town of Colonial Beach, Virginia (**the “Town”**), has determined that it is necessary and expedient to borrow an amount not to exceed \$9,668,131 and to issue its general obligation school bond (**as more specifically defined below, the “Local School Bond”**) for the purpose of financing certain capital projects for school purposes; and

WHEREAS, the Town held a public hearing, duly noticed, on September 12, 2015, on the issuance of the Local School Bond in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (**the “Virginia Code”**); and

WHEREAS, the School Board of the Town has, by resolution, requested the Town Council to authorize the issuance of the Local School Bond and consented to the issuance of the Local School Bond; and

WHEREAS, Virginia Public School Authority (**“VPSA”**) has offered to purchase the Local School Bond along with the local school bonds of certain other localities with a portion of the proceeds of certain bonds to be issued by VPSA in the fall of 2015 (**the “VPSA Bonds”**);

WHEREAS, the Bond Sale Agreement (as defined below) shall indicate that \$9,207,744 is the amount of proceeds requested (**the “Proceeds Requested”**) from VPSA in connection with the sale of the Local School Bond; and

WHEREAS, VPSA’s objective is to pay the Town a purchase price for the Local School Bond which, in VPSA’s judgment, reflects the Local School Bond’s market value (**the “VPSA Purchase Price Objective”**), taking into consideration such factors as the amortization schedule the Town has requested for the Local School Bond relative to the amortization schedules requested by other localities, the purchase price to be received by VPSA from the sale of the VPSA Bonds and other market conditions relating to the sale of the VPSA bonds;

WHEREAS, such factors may result in the Local School Bond having a purchase price other than par and consequently (i) the Town may have to issue a principal amount of Bonds that is greater than or less than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) if the maximum authorized principal amount of the Local School Bond set forth in section 1 below does not exceed the Proceeds Requested by at least the amount of any discount, the purchase price to be paid to the Town, given the VPSA Purchase Price Objective and market conditions, will be less than the Proceeds Requested; and

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF COLONIAL BEACH, VIRGINIA

1 **Authorization of Bonds and Use of Proceeds.** The Town Council hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bonds in an aggregate principal amount not to exceed \$9,668,131 (**the “Bonds”**) for the purpose of financing certain capital projects for school purposes as described in Exhibit B. The Town Council hereby authorizes the issuance and sale of the Local School Bond in the form and upon the terms established pursuant to this Resolution.

2 **Sale of the Local School Bond.** The sale of the Local School Bond, within the parameters set forth in paragraph 4 of this Resolution, to VPSA is authorized. Given the VPSA Purchase Price Objective and market conditions, the Town acknowledges that the limitation on the maximum principal amount on the Local School Bond set forth in paragraph 1 of this Resolution restricts VPSA's ability to generate the Proceeds Requested, however, the Local School Bond may be sold for a purchase price not lower than [95]% of the Proceeds Requested. The Mayor of the Town and the Town Manager (**each a “Delegate”**), or either of them and such other officer or officers of the Town as either may designate are hereby authorized and directed to enter into an agreement with VPSA providing for the sale of the Local School Bond to VPSA (**the “Bond Sale Agreement”**). The Bond Sale Agreement shall be in substantially the form submitted to the Board at this meeting, which form is hereby approved.

3 **Details of the Local School Bond.** The Local School Bond shall be dated 16 days prior to the date of its issuance and delivery or such other date designated by VPSA; shall be designated “General Obligation School Bond, Series 2015”; shall bear interest from its dated date payable semi-annually on each January 15 and July 15 beginning July 15, 2016 (**each an “Interest Payment Date”**), at the rates established in accordance with Section 4 of this Resolution; and shall mature on July 15 in the years (**each a “Principal Payment Date”**) and in the amounts acceptable to a Delegate (**the “Principal Installments”**), subject to the provisions of Section 4 of this Resolution.

4 **Interest Rates and Principal Installments.** Each Delegate is hereby authorized and directed to accept the interest rates on the Local School Bond established by VPSA, provided that each interest rate shall be five one-hundredths of one percent (0.05%) over the interest rate to be paid by VPSA for the corresponding principal payment date of the VPSA Bonds, a portion of the proceeds of which will be used to purchase the Local School Bond, and provided further that the true interest cost of the Local School Bond does not exceed [five and fifty one-hundredths percent (5.50%) per annum]. The Interest Payment Dates and the Principal Installments are subject to change at the request of VPSA. Each Delegate is hereby authorized and directed to accept changes in the Interest Payment Dates and the Principal Installments at the request of VPSA, provided that the aggregate principal amount of the Local School Bond shall not exceed the maximum principal amount authorized by this Resolution and the final maturity of the Local School Bond shall not exceed thirty (30) years from the date of the issuance and delivery of the Local School Bond. The execution and delivery of the Local School Bond as described in Section 8 hereof shall conclusively evidence the approval and acceptance of all of the details of the Local School Bond by the Delegate as authorized by this Resolution.

5 **Form of the Local School Bond.** The Local School Bond shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.

6 **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Local School Bond:

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

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

(c) The Delegate is authorized and directed to designate a qualified financial institution as Bond Registrar and Paying Agent for the Local School Bond and such designation shall be conclusive.

7 **Prepayment or Redemption.**

The Principal Installments of the Local School Bond held by VPSA coming due on or before July 15, 2025, and the definitive Bonds for which the Local School Bond held by VPSA may be exchanged that mature on or before July 15, 2025, are not subject to prepayment or redemption prior to their stated maturities. The Principal Installments of the Local School Bond held by VPSA coming due on or after July 15, 2026, and the definitive bonds for which the Local School Bond held by VPSA may be exchanged that mature on or after July 15, 2026, are subject to prepayment or redemption at the option of the Town prior to their stated maturities in whole or in part, on any date on or after July 15, 2025, upon payment of the prepayment or redemption prices (expressed as percentages of Principal Installments to be prepaid or the

principal amount of the Local School Bond to be redeemed) set forth below plus accrued interest to the date set for prepayment or redemption:

<u>Dates</u>	<u>Prices</u>
July 15, 2025 through July 14, 2026	101%
July 15, 2026 through July 14, 2027	100½
July 15, 2027 and thereafter	100

Provided, however, that the Local School Bond shall not be subject to prepayment or redemption prior to their stated maturities as described above without first obtaining the written consent of the registered owner of the Local School Bond. Notice of any such prepayment or redemption shall be given by the Bond Registrar to VPSA or other registered owner by registered mail not more than ninety (90) and not less than sixty (60) days before the date fixed for prepayment or redemption.

If VPSA refunds the VPSA Bonds in the future and such refunding causes the Local School Bond to be deemed refunded, the prepayment or redemption of the Local School Bond will be subject to VPSA approval and subject to similar prepayment or redemption provisions as set forth above that correspond to the call period of the VPSA bonds issued in part to refund the Local School Bond.

8 **Execution of the Local School Bond.** The Mayor or Vice Mayor and the Town Clerk or Deputy Town Clerk of the Town are authorized and directed to execute and deliver the Local School Bond and to affix the seal of the Town thereto.

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

10 **Use of Proceeds Certificate and Certificate as to Arbitrage.** The Mayor of the Town, the Town Manager and such other officer or officers of the Town as either may designate are hereby authorized and directed to execute and deliver on behalf of the County a Use of Proceeds Certificate and Tax Compliance Agreement (**the "Tax Compliance Agreement"**) setting forth the expected use and investment of the proceeds of the Local School Bond and containing such covenants as may be necessary in order to show compliance with the provisions of the Internal Revenue Code of 1986, as amended (**the "Code"**), and applicable regulations relating to the exclusion from gross income of interest on the VPSA Bonds. The Town Council covenants on behalf of the Town that (i) the proceeds from the issuance and sale of the Local School Bond will be invested and expended as set forth in such Tax Compliance Agreement and that the Town shall comply with the other covenants and representations contained therein and (ii) the Town shall comply with

the provisions of the Code so that interest on the VPSA Bonds will remain excludable from gross income for federal income tax purposes.

11 **State Non-Arbitrage Program; Proceeds Agreement.** The Town Council hereby determines that it is in the best interests of the Town to authorize and direct the Town Treasurer to participate in the State Non-Arbitrage Program in connection with the Local School Bond. The Mayor of the Town, the Town Manager and such officer or officers of the Town as either may designate are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Local School Bond by and among the Town, the other participants in the sale of the VPSA Bonds, VPSA, the investment manager and the depository, substantially in the form submitted to the Town Council at this meeting, which form is hereby approved.

12 **Continuing Disclosure Agreement.** The Mayor of the Town, the Town Manager and such other officer or officers of the Town as either may designate are hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in Appendix D to the Bond Sale Agreement, setting forth the reports and notices to be filed by the Town and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12, under the Securities Exchange Act of 1934, as amended, and directed to make all filings required by Section 3 of the Bond Sale Agreement should the Town be determined by VPSA to be a MOP (as defined in the Bond Sale Agreement).

13 **Refunding.** The Town Council hereby acknowledges that VPSA may issue refunding bonds to refund any bonds previously issued by VPSA, including the VPSA Bonds issued to purchase the Local School Bond, and that the purpose of such refunding bonds would be to enable VPSA to pass on annual debt service savings to the local issuers, including the Town. Each of the Delegates is authorized to execute and deliver to VPSA such allonge to the Local School Bond, revised debt service schedule, IRS Form 8038-G or such other documents reasonably deemed necessary by VPSA and VPSA's bond counsel to be necessary to reflect and facilitate the refunding of the Local School Bond and the allocation of the annual debt service savings to the Town by VPSA. The Clerk to the Town Council is authorized to affix the Town's seal on any such documents and attest or countersign the same.

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

15 **Election to Proceed under Public Finance Act.** In accordance with Section 15.2-2601 of the Virginia Code, the Town Council elects to issue the Local School Bond pursuant to the provisions of the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Virginia Code.

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

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

* * *

The Members of the Council voted as follows:

Ayes

Nays

Mike Ham, Mayor

Eddie Blunt, Vice Mayor

Tommy Edwards

Wayne DiRosario

Mike Looney

Burkett Looney

Absent

Abstentions

Wanda Goforth

Adopted this 24th day of September, 2015.

The undersigned Town Clerk of the Town of Colonial Beach, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a work session of the Town Council held on September 24, 2015, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly called meeting and that, during the consideration of the foregoing resolution, a quorum was present and action was taken in an open meeting.

Dated this 24th day of September, 2015.

Kathleen Flanagan, Town Clerk

Town of Colonial Beach, Virginia

Special Events Policy

Ms. Foulds noted the changes made in the Special Events Policy and further noted the attached Fee Schedule will be presented to Town Council as an ordinance for a public hearing and vote at the November 12, 2015 meeting.

New Business

Request for Authorization to Proceed with Enforcement Action

Motion to Place on the October agenda

Mr. Edwards asked why this is coming before Council.

Ms. Erard answered she has always procured authority from council before filing court documents.

Mr. Blunt supports taking enforcement action.

Mayor Ham asked for Council Members to indicate agreement to include a resolution on the October agenda.

There was unanimous council agreement to include a resolution to proceed with enforcement action on the October agenda.

Recommendation from Planning Commission, Re-Use of Old Elementary School

Motion to Place on the October agenda

Mr. McHugh summarized the Planning Commission's recommendation to rezone the old elementary school property (not including the current town hall) to Residential-Commercial.

Mr. Looney asked if the property has to be re-surveyed.

Mr. McHugh answered to rezone the property it would have to go before Planning Commission and then Town Council. Currently the property is zoned R-2.

Mayor Ham asked for Council Members to indicate agreement to include a resolution on the October agenda.

There was unanimous council agreement to include a resolution to accept the recommendation from the Planning Commission regarding re-use of the old elementary school on the October agenda.

Ord No. 662, Breweries

Mr. McHugh summaries the proposed changes to allow breweries as a conditional use in certain zoning districts.

Mayor Ham asked for Council Members to indicate agreement to include a Public Hearing on breweries on the November agenda.

There was unanimous council agreement to include a resolution to proceed a public hearing on the November agenda.

Resolution #49-15, Authorizes Town Manager to execute any and all documents necessary for the Transportation Alternative Program (TAP) grant

Mayor Ham reported that the town had received a commitment letter in the amount of \$542,000 grant to install the pedestrian plaza at the end of Colonial Avenue as part of the revitalization program.

Mr. Looney asked if the town was required to match 20% of the funds and if the town would be responsible for maintenance and operating costs.

Ms. Foulds answered yes to both questions and noted that the 20% would come from grant funds, not taxes, and that there there will be parking fees and user fees for maintenance costs.

Mayor Ham asked for Council Members to indicate agreement to include a resolution on the October agenda.

Mr. Edwards asked if the plaza would impact River Edge’s parking. Ms. Foulds answered no, the plaza would be below the parking entrances.

There was unanimous council agreement to include Resolution #49-15 on the October agenda.

Adjournment/Recess

Mr. Edwards made a motion to adjourn. Mr. Lyburn seconded the motion.

Mayor Ham called for a voice vote on the motion to adjourn. Mr. Edwards, Mr. Lyburn, Mr. Blunt, Mr. DiRosario, Mr. Looney, Ms. Goforth and Mayor Ham all voted “aye.”

At 6:06 p.m. the meeting was adjourned.

Kathleen Flanagan, Town Clerk

Mike Ham, Mayor