

A RESOLUTION NO. 22-8

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COLONIAL HEIGHTS, VIRGINIA AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BONDS, SERIES 2022

WHEREAS, the City Council of the City of Colonial Heights, Virginia ("City") has determined that it is advisable to issue general obligation bonds of the City in the maximum principal amount of \$6,000,000 (the "New Money Bonds") to finance costs of certain public improvements consisting primarily of (i) various capital improvements to Colonial Heights High School and (ii) various security upgrades and improvements to the City's courthouse and other City facilities.

WHEREAS, the City Council has held a public hearing on the issuance of the New Money Bonds in accordance with Section 15.2-2606 of the Code of Virginia of 1950, as amended (the "Virginia Code") on March 8, 2022.

WHEREAS, the City Council has determined that it is advisable to issue general obligation bonds of the City (the "Refunding Bonds" and, together with the New Money Bonds, the "Bonds") to finance the costs of refunding, redeeming and defeasing outstanding obligations of the City (the "Prior Bonds") and to finance the issuance costs of the Refunding Bonds.

WHEREAS, no public hearing is required on the Refunding Bonds under the Virginia Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLONIAL HEIGHTS:

1. Authorization of Bonds and Use of Proceeds. The City Council hereby determines that it is advisable (i) to contract a debt and to issue and sell the New Money Bonds in the maximum principal amount of \$6,000,000 and (ii) to contract a debt and to issue and sell the Refunding Bonds. The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the New Money Bonds will be used to pay all or a portion of the costs of capital projects for the City, including various capital improvements to Colonial Heights High School in the estimated amount of \$2,188,088 and various security upgrades and improvements to the City's courthouse and other City facilities in the estimated amount of \$1,000,000 (collectively, the "Projects"), provided that the City Manager, Director of Finance and the Interim Director of Finance, or either of them, may reallocate proceeds of the Bonds between the Projects and to the extent such proceeds are not needed for the Projects to such other public improvements as such officers may deem appropriate and to pay the costs of issuing the New Money Bonds. The proceeds from the issuance and sale of the Refunding Bonds will be used to finance the refunding of the Prior Bonds and to pay the costs of issuing the Refunding Bonds. For purposes of issuance, any of the Bonds may be aggregated with other bonds with the same security that have been or may be authorized by Council, with such appropriate designation

as the City Manager, Director of Finance and the Interim Director of Finance, or either of them, may determine.

2. Pledge of Full Faith and Credit. The full faith and credit of the City are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Bonds as the same become due and payable. The City Council shall levy an annual ad valorem tax upon all property in the City, subject to local taxation, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment thereof.

3. Refunding of the Prior Bonds. The refunding of the Prior Bonds shall be executed as follows:

(a) the City Manager, Director of Finance and the Interim Director of Finance, or either of them, are authorized and directed to select the particular Prior Bonds to be refunded provided that the refunding of the Prior Bonds selected shall result in an aggregate net present value debt service savings of not less than 3.0% of the par amount of the Prior Bonds to be refunded;

(b) the City Manager, Director of Finance and the Interim Director of Finance, or either of them, are authorized and directed to cause each of the Prior Bonds to be refunded to be called for optional redemption on its earliest optional redemption date required under applicable federal tax law;

(c) the redemption proceedings, including the giving of redemption notices to the holders of the refunded Prior Bonds shall be done pursuant to the terms of the Prior Bonds; and

(d) the City Manager, Director of Finance and the Interim Director of Finance, or either of them, are authorized and directed to cause to be prepared and to execute and deliver an escrow agreement or agreements between the City and an escrow agent or escrow agents to be selected by the City Manager, Director of Finance and the Interim Director of Finance, or either of them, providing for the irrevocable deposit of the proceeds of the Refunding Bonds in amounts sufficient, when invested as set forth in the escrow agreement(s), to provide for the payment of the principal of, premium, if any, and interest on the refunded Prior Bonds.

4. Details and Sale of Bonds. The Bonds shall be issued in one or more series upon the terms established pursuant to this Resolution and upon such other terms as may be determined in the manner set forth in this Resolution. The Bonds shall be issued in fully registered form, shall be dated such date or dates and shall have such series designation as the City Manager, Director of Finance and the Interim Director of Finance, or either of them, may approve, shall be in the denominations of \$5,000 each or whole multiples thereof and shall be numbered from R-1 upwards consecutively. The City Manager, Director of Finance and the Interim Director of Finance, or either of them, is authorized and directed to approve the terms of the Bonds, including any optional or mandatory redemption provisions, provided that (a) the aggregate principal amount of the New Money Bonds is not more than \$6,000,000, (b) the final maturity of any New Money Bond is not more than approximately 21 years from its date, (c) the final maturity of the Refunding Bonds is not later than the end of the last fiscal year in which a

refunded Prior Bond matures, (d) the true interest cost of the New Money Bonds shall not exceed 4.0% and (e) any series of Refunding Bonds shall result in an aggregate net present value savings of at least 3.0% of the principal amount of the applicable refunded Prior Bond. The City Manager, Director of Finance and the Interim Director of Finance, or either of them, is authorized and directed to determine the method of sale of the Bonds which may be a competitive or negotiated sale. The City Manager, Director of Finance and the Interim Director of Finance, or either of them, is authorized and directed to accept a bid for the purchase of the Bonds which results in the lowest true interest cost to the City, or in the case of a negotiated sale, to accept a proposal from such underwriter or underwriters and enter into a bond purchase agreement with such underwriter or underwriters as such officers determine to be in the best interests of the City. The approval of the details of the Bonds shall be evidenced conclusively by the execution and delivery by the City Manager, Director of Finance and the Interim Director of Finance, or either of them, of a bond purchase agreement or a certificate confirming the award of the Bonds.

5. Form of Bonds. The Bonds shall be in substantially the form attached to this Resolution as Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by this Resolution. There may be endorsed on the Bonds such legend or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

6. Book-Entry-Only-Form. The Bonds may be issued in book-entry-only form. The Bonds shall be issued in fully-registered form and may be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") as registered owner of the Bonds, and immobilized in the custody of DTC. One fully-registered Bond in typewritten or printed form for the principal amount of each maturity of the Bonds may be registered to Cede & Co. In such event, beneficial owners of the Bonds shall not receive physical delivery of the Bonds and principal, premium, if any, and interest payments on the Bonds shall be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC, as registered owner of the Bonds on the applicable payment date.

Transfer of ownership interest in the Bonds may be made by DTC and its participants (the "Participants"), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. In such event, the City shall notify DTC of any notice required to be given pursuant to this Resolution or the Bonds in accordance with the City's Letter of Representations to DTC and shall comply with such other agreements as may be set forth in the City's Letter of Representations to DTC.

In the event the Bonds are issued in book-entry-only form and registered in the name of DTC's nominee as permitted above, replacement Bonds (the "Replacement Bonds") may be issued directly to beneficial owners of the Bonds rather than to DTC or its nominee but only in the event that:

- (i) DTC determines not to continue to act as securities depository for the Bonds; or
- (ii) The City has advised DTC of its determination not to use DTC as a securities depository; or

- (iii) The City has determined that it is in the best interest of the beneficial owners of the Bonds or the City not to continue the book-entry system of transfer.

Upon occurrence of the event described in (i) or (ii) above, the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City Council shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Resolution to the Participants. In the event the City Council, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the City shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Resolution to any Participants requesting such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable as provided in this Resolution and in the Bonds and Replacement Bonds will be transferable in accordance with the provisions of paragraphs 10 and 11 of this Resolution and the Bonds.

7. Appointment of Bond Registrar and Paying Agent. U.S. Bank National Association is appointed as Bond Registrar and Paying Agent for the Bonds.

The City Manager, Director of Finance and the Interim Director of Finance, or either of them, may appoint a subsequent registrar and/or one or more paying agents for the Bonds upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such registrar or paying agent and as long as the Bonds are in book-entry form, either of such officers may serve as registrar or paying agent.

8. Execution of Bonds. The City Manager and the Clerk of the City Council are authorized and directed to execute appropriate negotiable Bonds and to affix the seal of the City thereto and to deliver the Bonds to the purchaser thereof upon payment of the purchase price. The manner of execution and affixation of the seal may be by facsimile, provided, however, that if the signatures of the City Manager and the Clerk are both by facsimile, the Bonds shall not be valid until signed at the foot thereof by the manual signature of the Bond Registrar.

9. CUSIP Numbers. The Bonds may have CUSIP identification numbers printed thereon. No such number shall constitute a part of the contract evidenced by the Bond on which it is imprinted and no liability shall attach to the City, or any of its officers or agents by reason of such numbers or any use made of such numbers, including any use by the City and any officer or agent of the City, by reason of any inaccuracy, error or omission with respect to such numbers.

10. Registration, Transfer and Exchange. Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the City shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the City and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the City and the Bond Registrar, duly executed by the

registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Resolution and entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

11. Charges for Exchange or Transfer. No charge shall be made for any exchange or transfer of Bonds, but the City may require payment by the registered owner of any Bond of a sum sufficient to cover any tax or other governmental charge which may be imposed with respect to the transfer or exchange of such Bond.

12. Non-Arbitrage Certificate and Tax Covenants. The City Manager, Director of Finance and the Interim Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are authorized and directed to execute with respect to each series of the Bonds a Non-Arbitrage Certificate and Tax Covenants setting forth the expected use and investment of the proceeds of the Bonds and containing such covenants as may be necessary in order to comply with the provisions of the Tax Code, including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The City Council covenants on behalf of the City that the proceeds from the issuance and sale of the Bonds will be invested and expended as set forth in the City's Non-Arbitrage Certificate and Tax Covenants relating to such Bonds, to be delivered simultaneously with the issuance and delivery of the Bonds and that the City shall comply with the other covenants and representations contained therein.

13. Disclosure Documents. The City Manager, Director of Finance and the Interim Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are hereby authorized and directed to prepare, execute, if required, and deliver an appropriate notice of sale, preliminary official statement, official statement, continuing disclosure agreement or such other offering or disclosure documents as may be necessary to expedite the sale of the Bonds. The notice of sale, preliminary official statement, official statement, continuing disclosure agreement or other documents shall be published in such publications and distributed in such manner, including electronically, and at such times as the Director of Finance shall determine. The City Manager, Director of Finance or Interim Director of Finance is authorized and directed to deem the preliminary official statement "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

14. Authorization to Designate. The City Manager, Director of Finance and the Interim Director of Finance, or either of them, are authorized to designate the Bonds, or a portion of the Bonds, as appropriate, as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, if, upon the advice of bond counsel, the Bonds or any portion of the Bonds will meet the requirements of qualified tax-exempt obligations and such officers determine that it is in the best interests of the City to so designate the Bonds.

15. Authorization of Bond Anticipation Notes. If prior to the sale of the Bonds, market or other conditions are such that the City Manager determines that it is not advisable to enter into a long-term financing for all or any portion of the costs of the Projects, the City Manager,

without further approval of the City Council as to documentation or otherwise, may execute, deliver and issue short-term notes of the City (the "Notes") as provided in Section 15.2-2628 of the Virginia Code at public or private sale in anticipation of the issuance of any or all of the Bonds; provided that the aggregate principal amount of the Notes shall not exceed the maximum principal amount of the Bonds set forth in paragraph 1 above, the term to maturity thereof shall not exceed five years and the true interest cost thereon shall not exceed 3.0% and the Notes shall be subject to such other terms and conditions contained in this Resolution or approved by the City Manager to the extent not inconsistent with this paragraph 15.

16. Further Actions. The City Manager, Director of Finance and the Interim Director of Finance, or either of them, and such officers and agents of the City as either of them may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Bonds including the execution and delivery of such bond purchase agreement as may be required in connection with any negotiated sale of the Bonds and the execution and delivery of any such other documents, agreements and certificates as they may deem necessary or desirable and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are ratified and confirmed.

17. Effective Date; Applicable Law. In accordance with Section 15.2-2601 of the Virginia Code, the City Council elects to issue the Bonds pursuant to the provisions of the Public Finance Act of 1991. This Resolution shall take effect at the time of its adoption.

Approved:

Mayor

Attest:

City Clerk

At a regular meeting of the City Council of the City of Colonial Heights, Virginia, held on the 8th day of March, 2022, the following City Council members were recorded as present or absent:

PRESENT:

ABSENT:

On motion by _____, seconded by _____, I certify that the foregoing Resolution was adopted by a majority of the members of the City Council by a recorded vote, the votes being recorded as follows:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable Kenneth B. Frenier, Councilman: _____.

The Honorable John E. Pitorwski, Councilman: _____.

The Honorable Dr. Laura F. Poe, Councilwoman: _____.

The Honorable R. W. Wade, Councilman: _____.

The Honorable John T. Wood, Councilman: _____.

The Honorable Elizabeth G. Luck, Vice Mayor: _____.

The Honorable T. Gregory Kochuba, Mayor: _____.

City Clerk

Approved as to form:

City Attorney

**Exhibit A
FORM OF BOND**

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA**

**No. R-__ CITY OF COLONIAL HEIGHTS
GENERAL OBLIGATION PUBLIC IMPROVEMENT AND REFUNDING BOND,
SERIES 2022**

MATURITY DATE [____], 20[__]	INTEREST RATE [___]%	CUSIP [_____]
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REGISTERED OWNER: CEDE & CO.

**PRINCIPAL AMOUNT: [_____] THOUSAND DOLLARS
(\$_____)**

CITY OF COLONIAL HEIGHTS, VIRGINIA (the "City"), for value received, acknowledges itself indebted and promises to pay to the registered owner of this Bond or legal representative, the principal amount stated above on the maturity date set forth above and to pay interest on the principal amount of this Bond at the rate specified above per annum, payable semiannually on [_____] and [_____] , beginning on [_____] , 20[___]. This Bond shall bear interest (a) from its date if this Bond is authenticated before [_____] , 20[___] or (b) otherwise from the [_____] or [_____] that is, or immediately precedes, the date on which this Bond is authenticated; provided that, if at the time of authentication of this Bond, interest on this Bond is in default, this Bond shall bear interest from the date to which interest has been paid. Both principal of and interest on this Bond are payable in lawful money of the United States of America. The principal of this Bond is payable upon presentation and surrender hereof at the office of U.S. Bank National Association, as Bond Registrar and Paying Agent ("Bond Registrar" or "Paying Agent"). Interest on this Bond is payable by check or draft mailed to the registered owner hereof at its address as it appears on the registration books maintained by the Bond Registrar without presentation of this Bond (or by wire transfer as long as Cede & Co. is the registered owner of this Bond or if requested by any owner of at least \$1,000,000 in principal amount of the Bonds). All interest payments shall be made to the registered owner as it appears on the registration books kept by the Bond Registrar on the fifteenth day of the month preceding each interest payment date.

This Bond has been duly authorized by the City Council of the City (the "City Council") and is issued for the purpose of providing funds [for certain public improvements in the City and refunding certain bonds of the City.] The full faith and credit of the City are irrevocably pledged for the payment of the principal of and premium, if any, and interest on this Bond in accordance with its terms. The City Council shall levy an annual ad valorem tax upon all property in the City subject to local taxation sufficient to pay the principal of and premium, if any, and interest

on this Bond as the same shall become due for payment unless other funds are lawfully available and appropriated for the timely payment hereof.

This Bond is one of a series of \$[_____] General Obligation Public Improvement and Refunding Bonds, Series 2022, of the City, (the "Bonds") of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity, issued under the authority of and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, and, more particularly, issued pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended and a Resolution adopted by the City Council on March 8, 2022 (the "Resolution").

[Bonds maturing on or before [_____] , 20[___] are not subject to redemption before maturity. Bonds at the time outstanding which are stated to mature on or after [_____] , 20[___] may be redeemed before their maturities on or after [_____] , 20[___] , at the option of the City, in whole or in part (in installments of \$5,000), at any time or from time to time, without penalty or premium, upon payment of the principal amount to be redeemed together with the interest accrued thereon to the date fixed for redemption.]

If less than all of the Bonds are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the City Manager of the City in such officer's discretion. If less than all of the Bonds of any maturity are called for redemption, the Bonds or portions thereof to be redeemed within a maturity shall be selected by The Depository Trust Company or any successor securities depository, or, if the book-entry-only system is discontinued, by lot by the Bond Registrar, each portion of \$5,000 principal amount being counted as one Bond for such purpose.

If any of the Bonds or portions thereof are called for redemption, the City Manager shall cause to be sent a notice of the call for redemption identifying the Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Bonds are to be surrendered for payment, by facsimile transmission, electronic mail, first class mail or overnight delivery service not less than 30 and not more than 60 days before the redemption date to the registered owner of each Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Bond Registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Any notice of a call for redemption of the Bonds or any portions thereof may state that the redemption is conditioned upon there being available an amount of money sufficient to pay the redemption price of and interest accrued and unpaid on the Bonds called for redemption to the date fixed for redemption or such other condition as may be set forth in such notice. Any such conditional notice given may be rescinded at any time before the payment of the redemption price if the condition specified in the conditional notice is not satisfied. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Resolution and shall not be deemed to be outstanding. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and integral multiples thereof. Any Bond may be exchanged for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations at the principal office of the Bond Registrar.

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation and surrender hereof and the City shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The City may designate a successor Bond Registrar and/or Paying Agent, provided that written notice specifying the name and location of the principal office of any such successor shall be given to the registered owner of the Bonds. Upon registration of transfer of this Bond, the Bond Registrar shall furnish written notice to the transferee of the name and location of the principal office of the Bond Registrar and/or the Paying Agent.

The Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the 15th day of the month preceding each interest payment date.

This Bond shall not be valid or obligatory for any purpose unless and until authenticated at the foot hereof by the Bond Registrar.

It is hereby certified and recited that all acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to the issuance of this Bond have happened, exist or been performed in due time, form and manner as so required and that the indebtedness evidenced by this Bond is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City Council of the City of Colonial Heights, Virginia, has caused this Bond to be signed by the facsimile signature of its City Manager, a facsimile of its seal to be affixed and attested by the facsimile signature of its Clerk and this Bond to be dated [_____], 2022

CITY OF COLONIAL HEIGHTS, VIRGINIA

By _____
City Manager, City of Colonial Heights, Virginia

[SEAL]

ATTEST:

Clerk, City Council,
City of Colonial Heights, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and does hereby irrevocably constitute and appoint

_____, attorney, to transfer said Bond on the books kept for registration of said Bond, with full power of substitution in the premises.

Dated _____

Signature Guaranteed:

(NOTICE: Signature(s) must be guaranteed.)

Registered Owner
(NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the books kept for registration of this Bond in every particular, without alteration or change.)

CERTIFICATE OF AUTHENTICATION

The undersigned Bond Registrar hereby certifies that this is one of a series of Bonds of the City of Colonial Heights, Virginia described in the within-mentioned Resolution.

Authentication Date: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____
Its: Authorized Officer