



**Colonial Heights
City Council Special Meeting
February 15, 2022**

Colonial Heights City Council Meeting

February 15, 2022



- 1. Call to Order**
- 2. Roll Call**
- 3. Declarations Of Personal Interest**

Colonial Heights City Council Meeting

February 15, 2022



4. Closed Meeting Pursuant To The Code Of Virginia In Accordance With The Following Provisions:

- ▶ *Paragraph A.3 of Section 2.2-3711, to discuss or consider the disposition of a 1.489 acre parcel of publicly held real property that is zoned BB Boulevard Business District, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.*
- ▶ *Paragraph A.3 of Section 2.2-3711, to discuss or consider the disposition of a 19.83 acre parcel of publicly held real property that is zoned IN, Industrial, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.*

Colonial Heights City Council Meeting

February 15, 2022



5. Vote To Come Back Into Open Meeting.

The Council has been in a closed meeting pursuant to the Code of Virginia in accordance with the following provisions:

- ▶ *Paragraph A.3 of Section 2.2-3711, to discuss or consider the disposition of a 1.489 acre parcel of publicly held real property that is zoned BB Boulevard Business District, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.*
- ▶ *Paragraph A.3 of Section 2.2-3711, to discuss or consider the disposition of a 19.83 acre parcel of publicly held real property that is zoned IN, Industrial, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.*

Colonial Heights City Council Meeting

February 15, 2022



Consideration of the following consideration:

Each member will now certify that to the best of the member's knowledge (i) only public business matters lawfully exempted from open meeting requirements of the act and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Any member who believes there was a departure from the requirements of clauses (i) and (ii), shall so state prior to the vote, indicating the substance of the departure that, in his judgment, has taken place.

Roll Call. An affirmative vote shall constitute certification of compliance.

Colonial Heights City Council Meeting

February 15, 2022



6. A Work Session On The Following Items:

A. *A RESOLUTION NO. 22-6*

Awarding the City Attorney a 2.5% salary increase.

Colonial Heights City Council Meeting

February 15, 2022



6. A Work Session On The Following Items:

B. Discussion Regarding Debt Financing/ Re-Financing



Colonial Heights, VA

Series 2022 Bond Issuance Overview

February 3, 2022

PFM Financial
Advisors LLC

3200 Lauderdale Drive
Suite 102
Richmond, VA 23233

804.780.2850
pfm.com



Summary of Series 2022 Issuance

- Under current market conditions with a 25bps cushion, the preliminary sizing for Series 2022 indicates \$18.79 million of par and \$3.667 million of premium, for a total of \$22.743 million of proceeds
- This produces NPV savings of \$1.01 million (5.6%) assuming frontloaded savings on the refunding component, level debt service on the new money component and a first principal and interest payment of 12/1/2022
- The refunding component currently includes all callable maturities of Series 2012 and Series 2018
- The issuance is structured so that savings are frontloaded through FY2027 in order to smooth the City's aggregate debt service
- This scenario assumes the City would like to borrow \$1.78m of new money proceeds over 15 years for general purposes and \$2.188m of new money proceeds over 20 years for schools

| Series 2022 Preliminary Summary | | | | |
|---------------------------------|---|--------------------------------|---------------------|------------------|
| | New Money Component General Purposes | New Money Component Schools | Refunding Component | Total |
| Par Amount (\$) | \$1.485 million | \$1.8 million | \$15.505 million | \$18.79 million |
| True Interest Cost (%) | 2.21% | 2.66% | 1.73% | 1.99% |
| Refunded Par (\$) | | | \$18.025 million | \$18.025 million |
| NPV Savings (\$) | | | \$1.01 million | \$1.01 million |
| NPV Savings (%) | | | 5.6% | 5.6% |

- Assumes market conditions as of February 2, 2021 + 25 basis points.
- Assumed delivery date of April 26, 2021
- Cost of issuance of \$200K and underwriters' discount is assumed at \$5 per bond
- New money project fund of \$3,968,088



Effect of Additional Schools New Money Component

- Below is an analysis comparing the potential savings achieved by a refunding (shaded green) vs. the new debt service from a City general purpose borrowing without (no shading) or with additional school needs (red shading)
- The savings reflects a frontloaded structure and assume an equity contribution matching FY2022 savings (\$287k)
- Frontloaded savings maximize savings through FY2027 and then are marginal after, as a way to smooth the City's aggregate debt service

| Summary of Options | | |
|----------------------------|---|--------------|
| | Without Schools | With Schools |
| Delivery Date | 4/26/2022 | 4/26/2022 |
| Final Maturity | 12/1/2036 | 12/1/2041 |
| Project Fund | \$1,780,000 | \$3,968,088 |
| Total Par Amount | \$16,990,000 | \$18,790,000 |
| Equity Contribution | \$286,918 | |
| Refunded Maturities | All callable maturities for 2012 and 2018 | |
| Refunded Par | \$18,025,000 | |
| NPV Savings (\$) | \$1,008,929 | |
| NPV Savings (%) | 5.60% | |

| Annual Cash Flow | | | |
|------------------|---------------------|---------------------------|-----------------------------|
| | Frontloaded Savings | New Money DS (No Schools) | New Money DS (With Schools) |
| 6/30/2022 | \$0 | \$0 | \$0 |
| 6/30/2023 | \$211,779 | \$139,969 | \$282,594 |
| 6/30/2024 | \$207,958 | \$139,500 | \$280,875 |
| 6/30/2025 | \$212,548 | \$140,875 | \$284,375 |
| 6/30/2026 | \$213,561 | \$142,000 | \$282,500 |
| 6/30/2027 | \$215,945 | \$142,875 | \$285,250 |
| 6/30/2028 | \$14,977 | \$143,500 | \$287,500 |
| 6/30/2029 | \$11,321 | \$143,875 | \$284,375 |
| 6/30/2030 | \$15,037 | \$139,125 | \$281,000 |
| 6/30/2031 | \$16,125 | \$139,250 | \$282,250 |
| 6/30/2032 | \$19,875 | \$139,125 | \$283,000 |
| 6/30/2033 | \$8,136 | \$143,625 | \$288,125 |
| 6/30/2034 | \$4,435 | \$142,750 | \$287,625 |
| 6/30/2035 | \$6,384 | \$141,625 | \$286,625 |
| 6/30/2036 | \$0 | \$140,250 | \$285,125 |
| 6/30/2037 | \$0 | \$143,500 | \$288,000 |
| 6/30/2038 | \$0 | \$0 | \$143,875 |
| 6/30/2039 | \$0 | \$0 | \$143,000 |
| 6/30/2040 | \$0 | \$0 | \$141,875 |
| 6/30/2041 | \$0 | \$0 | \$145,375 |
| 6/30/2042 | \$0 | \$0 | \$143,500 |
| Total | \$1,158,079 | \$2,121,844 | \$4,986,844 |

- Assumes market conditions as of February 2, 2021 + 25 basis points.
 - Assumed delivery date of April 26, 2021
 - Cost of issuance of \$200K and underwriters' discount is assumed at \$5 per bond
- * Negated by equity contribution



Existing and Projected Debt Service

- The chart below shows the City's existing debt by year
- Red indicates debt service that will be refunded by Series 2022 (as thus retired), and the green indicates additional debt service created by Series 2022 (both refunding and new money needs)

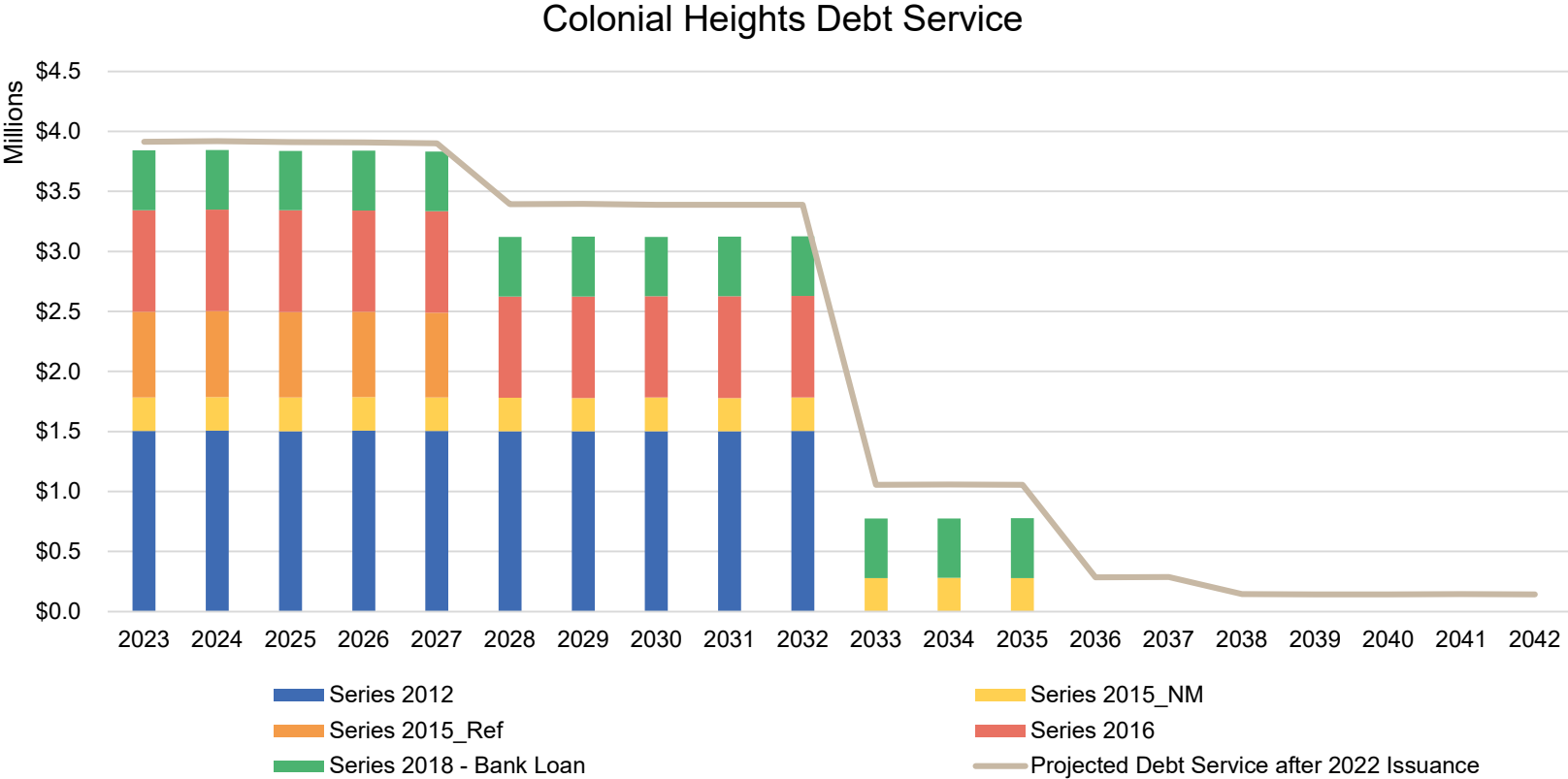
| Debt Service | | | | | | | |
|--------------|--------------|----------------|-----------------|-------------|-------------------------|--------------|-------------------------|
| Year | Series 2012 | Series 2015_NM | Series 2015_Ref | Series 2016 | Series 2018 - Bank Loan | Series 2022 | Total after Series 2022 |
| 2022 | \$1,284,075 | \$232,400 | \$652,700 | \$110,781 | \$89,143 | \$0 | \$2,369,099 |
| 2023 | \$1,505,550 | \$279,250 | \$712,550 | \$847,038 | \$497,725 | \$2,074,090 | \$3,912,928 |
| 2024 | \$1,506,150 | \$280,450 | \$715,250 | \$847,688 | \$496,433 | \$2,075,500 | \$3,918,888 |
| 2025 | \$1,501,500 | \$281,550 | \$712,650 | \$847,738 | \$494,798 | \$2,068,125 | \$3,910,063 |
| 2026 | \$1,505,950 | \$281,550 | \$710,650 | \$843,713 | \$497,736 | \$2,072,625 | \$3,908,538 |
| 2027 | \$1,504,200 | \$280,250 | \$705,550 | \$846,563 | \$495,245 | \$2,068,750 | \$3,901,113 |
| 2028 | \$1,501,400 | \$278,800 | | \$843,113 | \$497,327 | \$2,271,250 | \$3,393,163 |
| 2029 | \$1,502,550 | \$277,200 | | \$845,063 | \$498,896 | \$2,274,500 | \$3,396,763 |
| 2030 | \$1,502,500 | \$280,450 | | \$844,213 | \$495,037 | \$2,263,500 | \$3,388,163 |
| 2031 | \$1,501,250 | \$278,400 | | \$847,500 | \$495,750 | \$2,263,125 | \$3,389,025 |
| 2032 | \$1,503,800 | \$281,200 | | \$844,394 | \$495,950 | \$2,262,875 | \$3,388,469 |
| 2033 | | \$278,700 | | | \$495,636 | \$775,625 | \$1,054,325 |
| 2034 | | \$281,050 | | | \$494,810 | \$778,000 | \$1,059,050 |
| 2035 | | \$278,100 | | | \$498,384 | \$778,625 | \$1,056,725 |
| 2036 | | | | | | \$285,125 | \$285,125 |
| 2037 | | | | | | \$288,000 | \$288,000 |
| 2038 | | | | | | \$143,875 | \$143,875 |
| 2039 | | | | | | \$143,000 | \$143,000 |
| 2040 | | | | | | \$141,875 | \$141,875 |
| 2041 | | | | | | \$145,375 | \$145,375 |
| 2042 | | | | | | \$143,500 | \$143,500 |
| Total | \$16,318,925 | \$3,869,350 | \$4,209,350 | \$8,567,800 | \$6,542,869 | \$25,317,340 | \$43,337,058 |

1. Assumes school component is included
2. FY 2022 debt service does not include payments prior to 2/1/22. Total annual debt service is approximately \$3.91 million.
- 3.



Existing and Projected Debt Service

- The graph below shows the City’s aggregate debt service before and after the 2022 bond sale
- The bar shows current debt service, the line shows projected debt service with a planned smoothing after FY2027



1. Assumes school component is included

Colonial Heights City Council Meeting

February 15, 2022



6. A Work Session On The Following Items:

C. Discussion Of City Code Provision On Fences

Colonial Heights City Council Meeting

February 15, 2022



6. A Work Session On The Following Items:

D. Presentation Of The Quarterly Financial Report

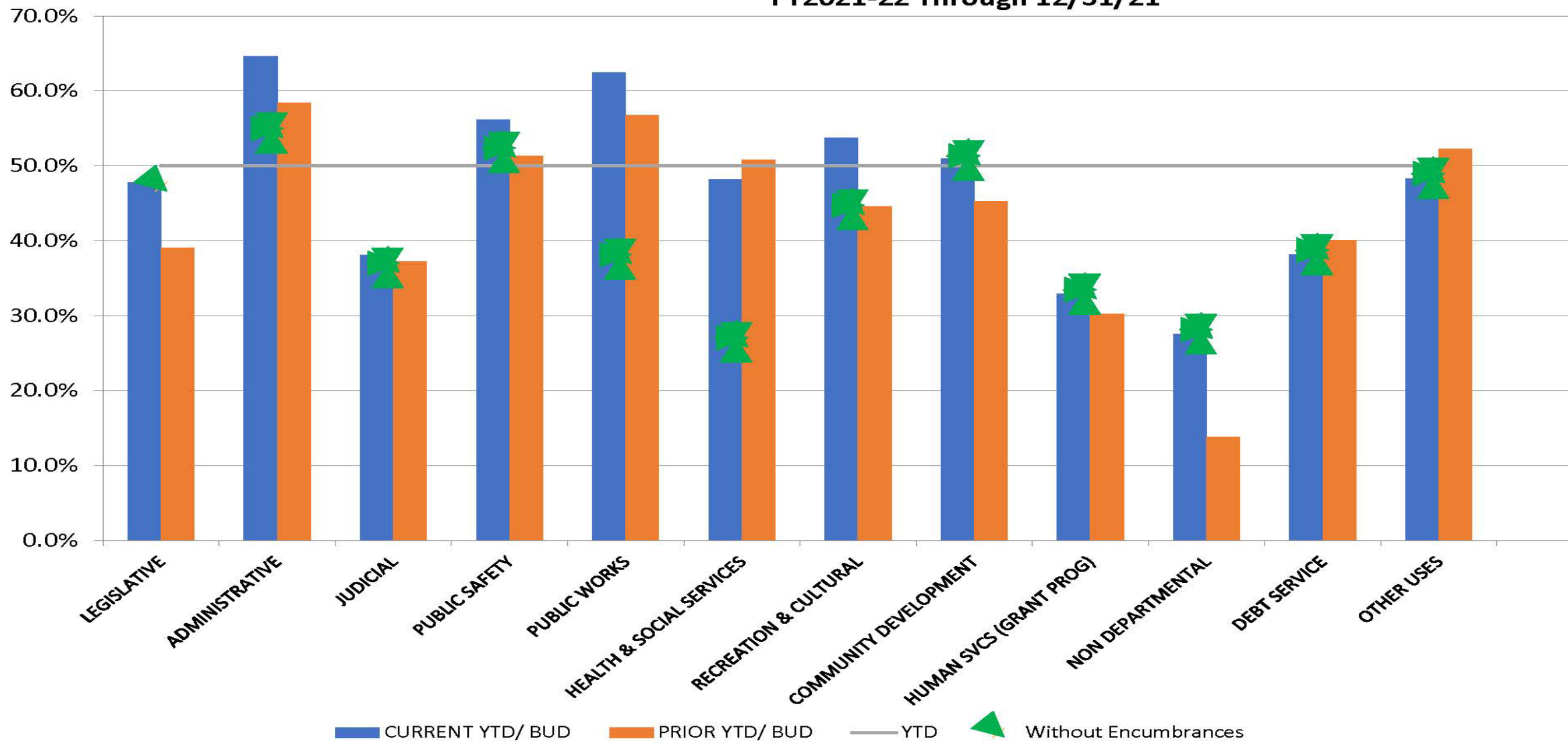
City of Colonial Heights
Quarterly Financial Report
Revenue Collections FY2021-22 Through 12/31/21

| FUND | 1ST SUB | ----- TITLE ----- | BUDGET | DECEMBER RECEIPTS | YEAR TO DATE RECEIPTS | AVAILABLE BALANCE | CURRENT YTD/ BUD | PRIOR YTD/BUD |
|---------------------------|---------|---------------------------|-------------------|-------------------|-----------------------|-------------------|------------------|---------------|
| 10 | 4100 | GENERAL PROPERTY TAXES | 25,456,122 | 953,345 | 11,308,595 | 14,147,527 | 44.4% | 45.3% |
| 10 | 4200 | OTHER LOCAL TAXES | 19,563,819 | 1,773,893 | 8,085,725 | 11,478,094 | 41.3% | 34.5% |
| 10 | 4300 | LICENSE PERMITS & FEES | 3,744,470 | 51,351 | 476,151 | 3,268,319 | 12.7% | 12.7% |
| 10 | 4400 | FINES & FORFEITURES | 356,000 | 18,197 | 97,592 | 258,408 | 27.4% | 25.9% |
| 10 | 4500 | USE OF MONEY & PROPERTY | 206,300 | 8,329 | 76,841 | 129,459 | 37.2% | 43.2% |
| 10 | 4600 | INTERGOVERNMENTAL REVENUE | 7,959,405 | 262,603 | 3,060,889 | 4,898,516 | 38.5% | 44.9% |
| 10 | 4700 | CHARGES-CURRENT SERVICES | 2,616,900 | 1,369,300 | 2,059,187 | 557,713 | 78.7% | 27.9% |
| 10 | 4800 | MISCELLANEOUS | 1,243,220 | 158,368 | 332,050 | 911,170 | 26.7% | 20.8% |
| 10 | 4900 | NON-OPERATING INCOME | 1,983,342 | - | - | 1,983,342 | 0.0% | 0.0% |
| GENERAL FUND TOTAL | | | 63,129,578 | 4,595,386 | 25,497,030 | 37,632,548 | 40.4% | 37.2% |
| 25 | 4900 | NON-OPERATING INCOME | 30,280 | - | - | 30,280 | 0.0% | 0.0% |
| 30 | 4600 | INTERGOVERNMENTAL REVENUE | 630,000 | 630,000 | 670,117 | (40,117) | 106.4% | 102.3% |
| 40 | 4700 | CHARGES-CURRENT SERVICES | 160,917 | 12,323 | 40,859 | 120,058 | 25.4% | 0.8% |
| 40 | 4800 | MISCELLANEOUS | - | 116 | 17,103 | (17,103) | #DIV/O! | N/A |
| 60 | 4500 | USE OF MONEY & PROPERTY | - | 278 | 1,550 | (1,550) | #DIV/O! | N/A |
| 60 | 4600 | INTERGOVERNMENTAL REVENUE | 9,364,253 | - | 197,693 | 9,166,560 | 2.1% | 24.1% |
| 60 | 4800 | MISCELLANEOUS | 3,483,587 | - | - | 3,483,587 | 0.0% | 79.1% |
| 60 | 4900 | NON-OPERATING INCOME | 6,485,013 | - | - | 6,485,013 | 0.0% | 0.0% |
| 68 | 4700 | CHARGES-CURRENT SERVICES | 234,960 | 19,690 | 118,140 | 116,820 | 50.3% | N/A |
| 68 | 4800 | MISCELLANEOUS | - | - | 30,000 | (30,000) | #DIV/O! | N/A |
| 75 | 4700 | CHARGES-CURRENT SERVICES | 730,000 | 795,228 | 1,044,077 | (314,077) | 143.0% | 41.1% |
| 75 | 4900 | NON-OPERATING INCOME | 308,329 | - | - | 308,329 | 0.0% | 0.0% |
| 80 | 4700 | CHARGES-CURRENT SERVICES | 5,173,446 | 5,447,023 | 7,253,146 | (2,079,700) | 140.2% | 39.8% |
| 80 | 4800 | MISCELLANEOUS | 105,629 | - | 3,629 | 102,000 | 3.4% | N/A |
| 80 | 4900 | NON-OPERATING INCOME | 202,924 | 39 | 1,316 | 201,608 | 0.6% | 2.4% |
| TOTAL, ALL REVENUE | | | 90,038,916 | 11,500,082 | 34,874,660 | 55,164,256 | 38.73% | 35.9% |

City of Colonial Heights
Quarterly Financial Report
Expenditures FY2021-22 Through 12/31/21

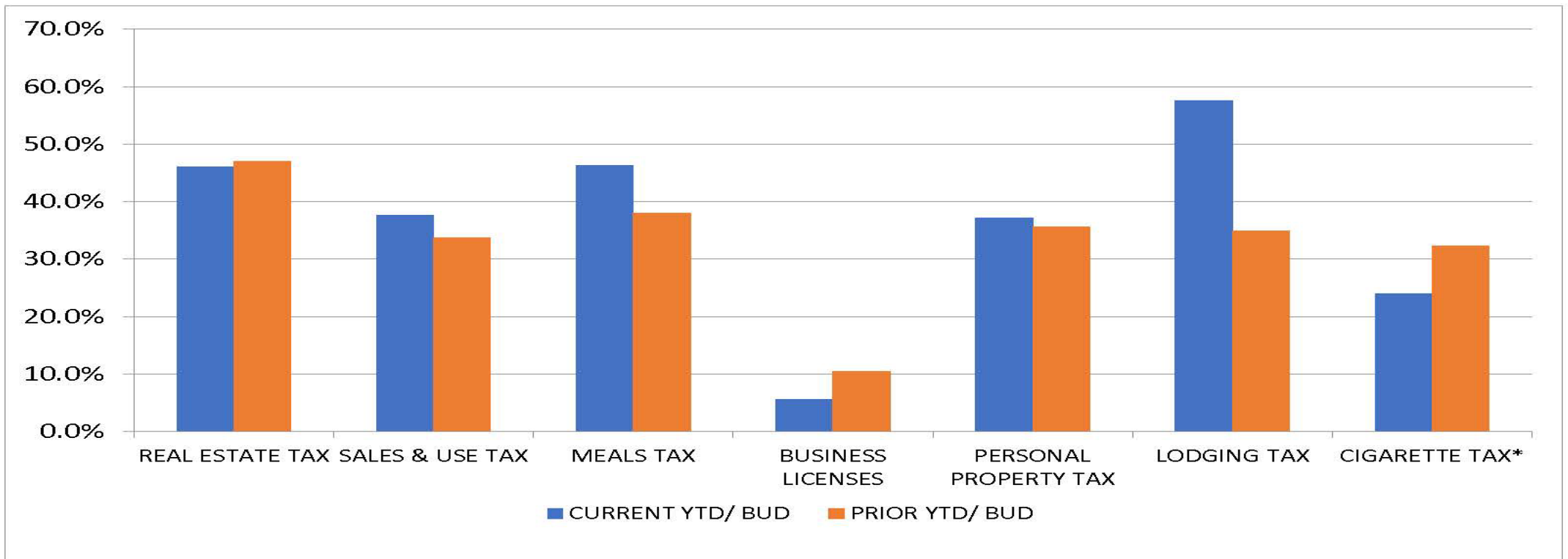
| FUND | DIV | ----- TITLE ----- | BUDGET | DECEMBER EXPEND | ENCUMB OUTSTANDING | YEAR TO DATE EXP | AVAILABLE BALANCE | CURRENT YTD/ BUD | PRIOR YTD/ BUD |
|--------------------------------|-----|--------------------------|-------------------|--------------------|-----------------------|---------------------|----------------------|---------------------|-------------------|
| 10 | 101 | LEGISLATIVE | 200,617 | 19,450 | 1,067 | 94,692 | 154,007 | 47.7% | 39.0% |
| 10 | 105 | ADMINISTRATIVE | 4,932,649 | 610,097 | 503,867 | 2,682,715 | 2,932,365 | 64.6% | 58.4% |
| 10 | 135 | JUDICIAL | 5,834,390 | 418,256 | 101,857 | 2,122,205 | 4,742,286 | 38.1% | 37.2% |
| 10 | 140 | PUBLIC SAFETY | 13,001,714 | 1,397,961 | 563,043 | 6,732,767 | 8,903,805 | 56.1% | 51.3% |
| 10 | 145 | PUBLIC WORKS | 6,126,358 | 662,552 | 1,528,775 | 2,299,253 | 2,998,952 | 62.5% | 56.8% |
| 10 | 150 | HEALTH & SOCIAL SERVICES | 1,342,633 | 142,365 | 292,481 | 354,959 | 772,607 | 48.2% | 50.8% |
| 10 | 160 | RECREATION & CULTURAL | 2,800,123 | 254,354 | 269,875 | 1,235,542 | 2,016,582 | 53.8% | 44.6% |
| 10 | 175 | COMMUNITY DEVELOPMENT | 676,090 | 91,550 | 1,454 | 342,929 | 494,913 | 50.9% | 45.3% |
| 10 | 180 | HUMAN SVCS (GRANT PROG) | 488,969 | 42,580 | 213 | 160,754 | 403,198 | 32.9% | 30.3% |
| 10 | 190 | NON DEPARTMENTAL | 642,140 | 33,717 | - | 176,780 | 566,075 | 27.5% | 13.9% |
| 10 | 195 | DEBT SERVICE | 3,725,119 | - | - | 1,420,719 | 3,725,119 | 38.1% | 40.1% |
| 10 | 200 | OTHER USES | 23,358,775 | 1,876,099 | - | 11,286,594 | 17,700,478 | 48.3% | 52.3% |
| GENERAL FUND TOTAL | | | 63,129,578 | 5,548,981 | 3,262,633 | 28,909,908 | 45,410,386 | 50.96% | 49.44% |
| 25 | 250 | ECONOMIC DEV. AUTHORITY | 30,280 | - | - | - | 30,280 | 0.0% | 90.4% |
| 30 | 300 | EMERGENCY RESPONSE | - | - | 630,000 | 39,317 | (669,317) | #DIV/0! | 97.4% |
| 40 | 420 | RECREATION ACTIVITIES | 169,093 | 5,331 | 261 | 34,395 | 134,437 | 20.5% | 8.2% |
| 60 | 601 | GENERAL GOVERNMENT | 6,196,022 | 59,356 | 2,814,122 | 800,746 | 2,581,155 | 58.3% | 72.0% |
| 60 | 610 | RECREATIONAL FACILITIES | 1,411,869 | 39,000 | 29,562 | 260,745 | 1,121,562 | 20.6% | 41.6% |
| 60 | 615 | EDUCATIONAL FACILITIES | 272,422 | 100,172 | - | 188,668 | 83,754 | 69.3% | 0.0% |
| 60 | 620 | STREETS & BRIDGES | 8,971,858 | 260,338 | 531,380 | 472,570 | 7,967,908 | 11.2% | 28.0% |
| 60 | 630 | UTILITY IMPROVEMENT | 1,080,864 | - | 66,917 | 161,604 | 852,343 | 21.1% | 59.0% |
| 60 | 650 | STORMWATER PROJECTS | 1,399,818 | 415,000 | - | 415,000 | 984,818 | 29.6% | 0.0% |
| 68 | 680 | INFORMATION TECH SER FUN | 234,960 | - | 75,856 | 76,613 | 82,491 | 64.9% | N/A |
| 75 | 750 | STORM WATER | 1,038,329 | 44,177 | 150,823 | 263,871 | 623,634 | 39.9% | 66.0% |
| 80 | 810 | UTILITIES | 5,922,899 | 626,802 | 1,559,386 | 2,744,242 | 1,619,270 | 72.7% | 78.3% |
| TOTAL, ALL EXPENDITURES | | | 89,857,991 | 7,099,157 | 9,120,940 | 34,367,680 | 60,822,721 | 48.4% | 52.3% |

**City of Colonial Heights
Quarterly Financial Report
Expenditures as Percent of Budget
FY2021-22 Through 12/31/21**



City of Colonial Heights
Quarterly Financial Report
Top Six Revenues Through 12/31/21
(including Cigarette Taxes)

| FD | ACCT | ----- TITLE ----- | FY21 ACTUAL | FY 22 BUDGET | DECEMBER RECEIPTS | YEAR TO DATE RECEIPTS | AVAILABLE BALANCE | CURRENT YTD/ BUD | PRIOR YTD/ BUD |
|----|------|-----------------------|----------------|-----------------|----------------------|--------------------------|----------------------|---------------------|-------------------|
| 10 | 4101 | REAL ESTATE TAX | 21,389,174 | 21,052,640 | 136,729 | 9,697,904 | 11,354,736 | 46.1% | 47.0% |
| 10 | 4203 | SALES & USE TAX | 8,677,937 | 8,119,754 | 783,177 | 3,060,661 | 5,059,093 | 37.7% | 33.8% |
| 10 | 4205 | MEALS TAX | 7,751,813 | 7,274,000 | 647,879 | 3,364,277 | 3,909,723 | 46.3% | 38.0% |
| 10 | 4301 | BUSINESS LICENSES | 3,555,784 | 2,958,755 | 3,644 | 165,947 | 2,792,808 | 5.6% | 10.5% |
| 10 | 4112 | PERSONAL PROPERTY TAX | 2,892,083 | 3,323,990 | 755,070 | 1,233,532 | 2,090,458 | 37.1% | 35.6% |
| 10 | 4207 | LODGING TAX | 1,202,305 | 1,124,765 | 146,533 | 647,480 | 477,285 | 57.6% | 34.9% |
| 10 | 4209 | CIGARETTE TAX* | 614,123 | 848,700 | 29,533 | 203,152 | 645,548 | 23.9% | 32.3% |



**City of Colonial Heights
Quarterly Financial Report
Cash and Investments as of 12/31/21**

| | | |
|----------------------------|--------------|--------------------------------|
| Truist Checking | | \$ 2,957,496.82 |
| Truist EDA | | 124,683.62 |
| Truist EMS Deposit | | 417,968.96 |
| LGIP | | 17,271,203.16 |
| SNAP | | 4,579,424.31 |
| 2016 GO Bonds | 3,456,816.49 | |
| 2018 Bond Proceeds | 1,122,607.82 | |
| Total Cash and Investments | | <u><u>\$ 25,350,776.87</u></u> |

Colonial Heights City Council Meeting

February 15, 2022



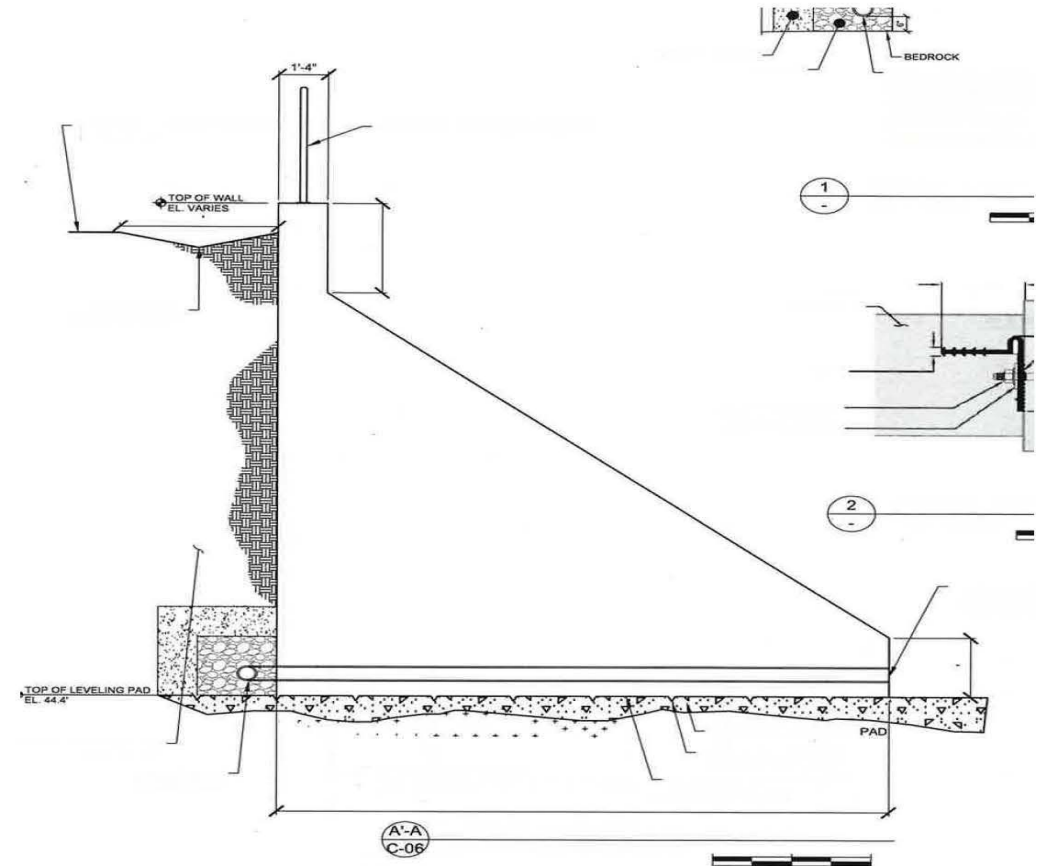
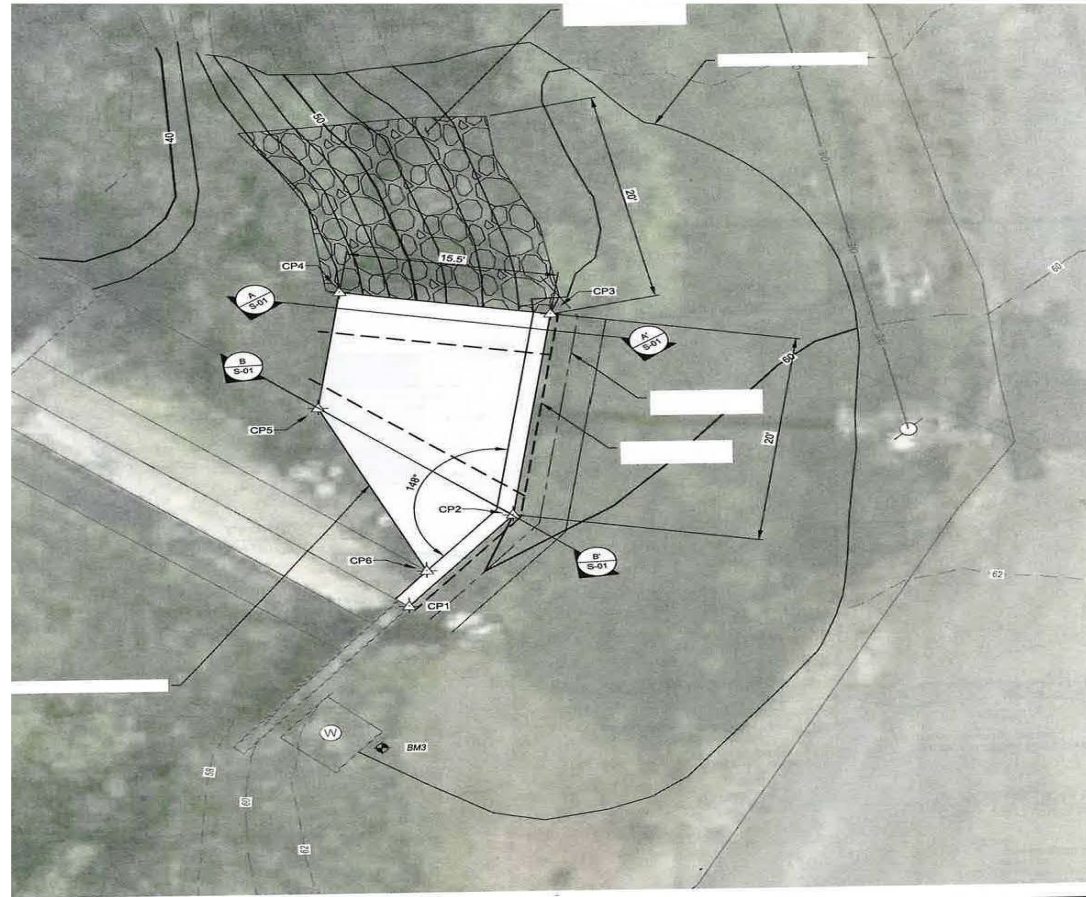
6. A Work Session On The Following Items:

E. Lakeview Dam Updates

Highlights

- Lakeview Dam Improvements
- Documents requirement by FERC
- Addressing Inflow Design Flood (IDF)

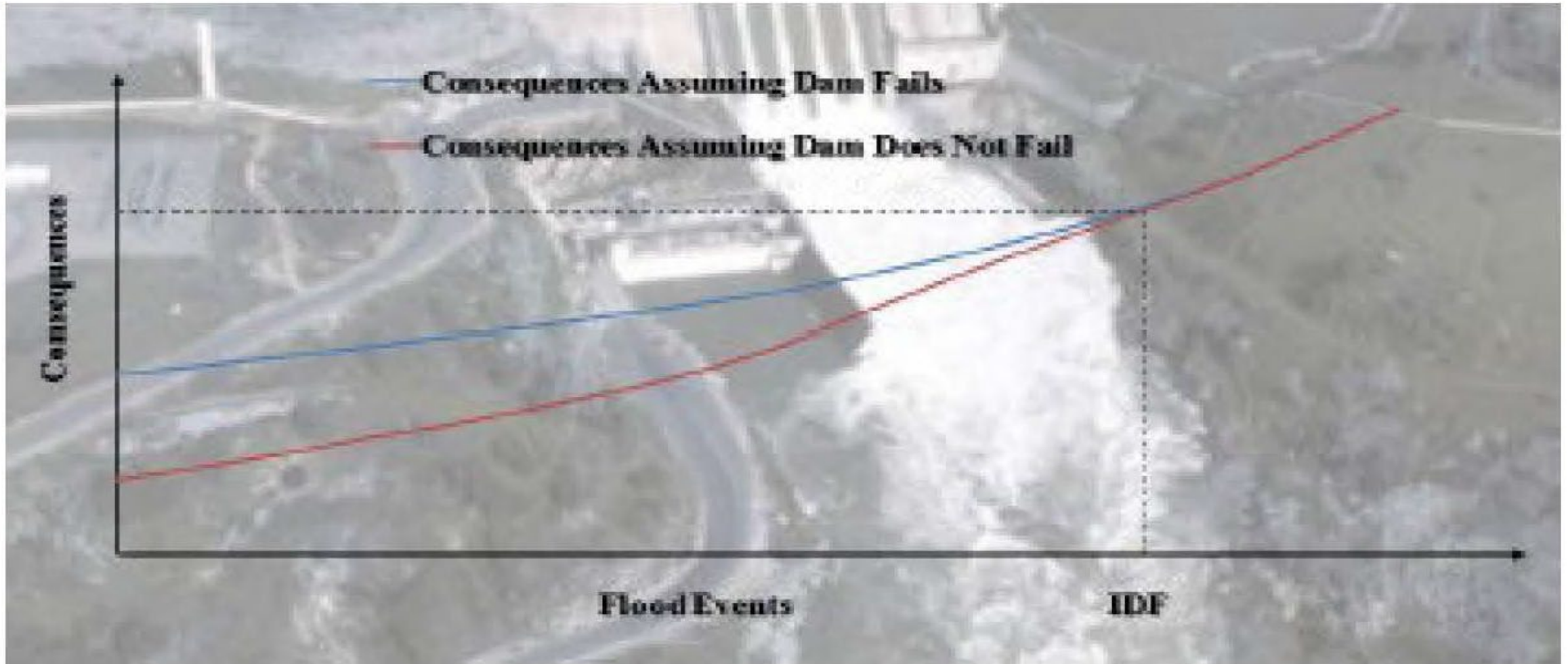
Lakeview Dam Improvements



FERC Documents

- Owner's Dam Safety Plan (ODSP)
- Dam Safety Surveillance and Monitoring Plan (DSSMP)
- Emergency Action Plan (EAP)
- Potential Failure Mode Analysis (PFMA)
- Supporting Technical Information Document (STID)

FERC IDF requirement



Source: S. Lin (FERC)

IDF Requirement

| Hazard Potential Classification | Definition of Hazard Potential Classification | Inflow Design Flood (IDF) |
|---------------------------------|--|------------------------------|
| High | Probable loss of life due to dam failure | Probable Maximum Flood (PMF) |
| Significant | No probable loss of life but can cause economic loss | 1,000 Year Flood |
| Low | No probable loss of life and low economic loss | 100 Year Flood |

Source: S.Lin (FERC)

Next Steps

- Put construction drawings out for bid.
- Work with FERC and KEI to update all required documents.
- Put out an RFP to procure professional services to address IDF.

Colonial Heights City Council Meeting

February 15, 2022



7. Adjournment



**Colonial Heights
City Council Special Meeting
February 15, 2022**