



## WINCHESTER COMMON COUNCIL

June 23, 2015

**AGENDA**

**6:00 P.M.**

### **CALL TO ORDER AND ROLL CALL**

### **MOMENT OF SILENCE**

### **PLEDGE OF ALLEGIANCE**

**APPROVAL OF MINUTES** – June 9, 2015 Regular Meeting and June 9, 2015 Work Session

### **REPORT OF THE MAYOR**

### **REPORT OF THE CITY MANAGER**

### **REPORT OF THE CITY ATTORNEY**

### **1.0 PUBLIC HEARINGS**

- 1.1 O-2015-12:** Second Reading – AN ORDINANCE TO AUTHORIZE THE ADDITIONAL APPROPRIATION OF FUNDS FOR NECESSARY EXPENDITURES FOR FISCAL YEAR 2015 **(REQUIRES ROLL-CALL VOTE)(pages 3-10)**
- 1.2 O-2015-13:** Second Reading – AN ORDINANCE TO AMEND ARTICLES 1, 8, 9, 10, AND 11 OF THE WINCHESTER ZONING ORDINANCE PERTAINING TO DEFINITION AND USES PROVISIONS OF IMPROVEMENT DONATION CENTERS. *(Proposal will create a definition and district use provisions for Home Improvement Donations Centers.)* TA-15-177 **(REQUIRES ROLL-CALL VOTE)(pages 11-14)**

### **2.0 PUBLIC COMMENTS**

### **3.0 CONSENT AGENDA**

- 3.1 O-2015-14:** First Reading: AN ORDINANCE TO AMEND SECTION 2-157 OF THE WINCHESTER CITY CODE TO CLARIFY CREATION OF CHIEF FINANCIAL OFFICER AND DIRECTOR OF SUPPORT SERVICES (pages 15-18)

### **4.0 AGENDA**

- 4.1 Presentation** and Overview of the Frederick-Winchester Service Authority (pages 19-31)

- 4.2 R-2015-26:** Resolution – Authorize the issuance in an aggregate principal amount not to exceed \$132,700,000, by the Economic Development Authority of the City of Winchester of its Hospital Revenue Refunding Bonds (Valley Health System Obligated Group), Series 2015 (pages 32-57)
- 4.3 Motion** to announce the receipt of the resignation of Commonwealth Attorney Alex Iden and direct the City Attorney to prepare a petition for a special election upon the occurrence of the vacancy (page 58)
- 4.4 Announce** the resignation of Rick McClendon as the Shenandoah University Representative to the Old Town Development Board and direct the Clerk of Council to notify Shenandoah University of the vacancy

## **5.0 EXECUTIVE SESSION**

- 5.1 MOTION TO CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 2.2-3711(1)1 OF THE CODE OF VIRGINIA FOR THE PURPOSE OF DISCUSSION AND CONSIDERATION OF INFORMATION REGARDING THE SUBJECT OF EMPLOYMENT, ASSIGNMENT, PERFORMANCE AND APPOINTMENT OF SPECIFIC PUBLIC OFFICERS, APPOINTEES, AND EMPLOYEES OF THE CITY OF WINCHESTER AND PURSUANT TO SECTION 2.2-3711(A)(7) OF THE CODE OF VIRGINIA FOR THE PURPOSE OF RECEIVING LEGAL ADVICE FROM THE CITY ATTORNEY AND LEGAL CONSULTATION REGARDING THE SUBJECT OF SPECIFIC LEGAL MATTERS REQUIRING THE PROVISION OF LEGAL ADVICE BY THE CITY ATTORNEY AND MATTERS OF ACTUAL OR PROBABLE LITIGATION.**

## **6.0 ADJOURNMENT**

**CITY OF WINCHESTER, VIRGINIA**

**PROPOSED CITY COUNCIL AGENDA ITEM**

**CITY COUNCIL/COMMITTEE MEETING OF:** May 26, 2015 **CUT OFF DATE:**     

**RESOLUTION**      **ORDINANCE** X **PUBLIC HEARING**     

**ITEM TITLE:** Authorize Supplemental Appropriations for the FY 2015 budget

**STAFF RECOMMENDATION:** Approve as recommended; send to public hearing

**PUBLIC NOTICE AND HEARING:** June 23, 2015

**ADVISORY BOARD RECOMMENDATION:** N/A

**FUNDING DATA:**  
See attached ordinance

**INSURANCE:**  
N/A

The initiating Department Director will place below, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The Director's initials for approval or disapproval address only the readiness of the issue for Council consideration. This does not address the Director's recommendation for approval or denial of the issue.

<u>DEPARTMENT</u>	<u>INITIALS FOR APPROVAL</u>	<u>INITIALS FOR DISAPPROVAL</u>	<u>DATE</u>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. City Attorney		_____	5/13/2015 15 MAY 15
6. City Manager		_____	_____
7. Clerk of Council	_____	_____	_____

Initiating Department Director's Signature:  \_\_\_\_\_ Date: 5-12-15

Finance Director

Date



APPROVED AS TO FORM:

  
CITY ATTORNEY

# CITY COUNCIL ACTION MEMO

**To:** Honorable Mayor and Members of City Council  
**From:** Mary Blowe, Finance Director  
**Date:** May 26, 2015  
**Re:** Ordinance to authorize the additional appropriation of funds for necessary expenditures for Fiscal Year 2015

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**THE ISSUE:** The FY 2015 budget needs to be amended to account for additional revenues and proposed expenditures.

**RELATIONSHIP TO STRATEGIC PLAN:** These budget amendments help to advance quality of life for Winchester residents and also improve City services and advance the City's strategic plan goals by promoting a culture of transparency, efficiency and innovation.

**BACKGROUND:** City Staff is requesting the following amendments to the FY 2015 budget:

1. **General Fund** to increase by **\$157,500**, as follows:
  - a. City Council - \$30,000 for prior year strategic planning consulting fees.
  - b. Storm Drainage - \$45,000 for storm water management engineering fees.
  - c. Loudoun Mall - \$46,000 for maintenance, landscaping and water & sewer fees.
  - d. Commonwealth Attorney - \$19,500 for furniture for the new office space.
  - e. Airport - \$17,000 additional City operating share due to decreased fuel sales.
  
2. **Juvenile Detention Center** to increase by \$49,000 from fund balance for new computers and rooftop heat exchanges.
  
3. **School Funds** – see attached School Board Resolutions dated March 23, 2015 and April 13, 2015.

**BUDGET IMPACT:** The budget will increase to allow for the expenditure of identified funds.

**OPTIONS:** Adopt ordinance as presented or amend the ordinance

**RECOMMENDATIONS:** Staff recommends the adoption of this ordinance.

**WINCHESTER PUBLIC SCHOOLS  
SCHOOL BOARD RESOLUTION  
MARCH 23, 2015**

Be it resolved that the Winchester City School Board requests the following budget amendments for fiscal year 2014-2015:

**SCHOOL OPERATING FUND**

**INCREASED STATE FUNDING FOR ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE TEST FEES OF \$925:** These reimbursable state funds will be used to supplement funds available to assist individuals identified as low-income students in paying for AP and IB testing.

**PROJECT GRADUATION INCREASE OF \$6,622.** These reimbursable state funds will target students who have not achieved a verified credit in English, Writing, Reading, and/or Algebra.

**INCREASED STATE FUNDING AWARD BONUS FOR NATIONAL BOARD CERTIFICATIONS OF \$22,500.** These funds will be awarded to National Board Certified teachers. WPS currently has nine teachers with National Board certifications. Each Board Certified teacher received a \$2,500 continuing award.

**CTE INDUSTRY CERTIFICATIONS INCREASE OF \$5,197,** These reimbursable state funds were used to cover student expenses for licensure in Microsoft Certification for financial literacy.

**CTE WORKPLACE READINESS INCREASE OF \$912,** These reimbursable state funds were used to cover student expenses related to testing of customer service skills.

**DONATION FROM THE ADAMS FAMILY FOUNDATION OF \$15,000.** Historically these funds were used in our early childhood literacy initiatives.

**FEDERAL GRANT FUND**

**TITLE I DECREASE OF \$908.** These reimbursable funds are used for expenses associated with the pre-school program, and the elementary reading programs.

**TITLE VI B, INCREASE OF \$796.** These reimbursable funds are used to help fund Special Education programs

**BUDGET AMENDMENTS  
MARCH 23, 2015**

**CAPITAL IMPROVEMENTS FUND**

**DONATION FROM TAVOSO FAMILY CHARITABLE FUND THROUGH THE WINCHESTER EDUCATION FOUNDATION OF \$10,000. These funds will be used to purchase wrestling equipment at Daniel Morgan Middle School.**



**Erica Truban  
Chairman**



**Bonnie Stickle  
Clerk of the Board**

**WINCHESTER PUBLIC SCHOOLS  
SCHOOL BOARD RESOLUTION  
APRIL 13, 2015**

Be it resolved that the Winchester City School Board requests the following budget amendments for fiscal year 2014-2015:

**FEDERAL GRANT FUND**

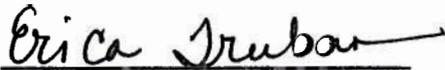
**VPI + (Pre-K), INCREASE OF \$65,000.** These reimbursable funds are used for expenses associated with the recently announced VPI + grant. These funds are for anticipated startup expense that would occur in FY15.

**FOOD SERVICES FUND**

**Fund balance transfer of \$33,500.** These funds will be used to replace the following equipment.

<b>School</b>	<b>Description</b>
<b>GQES</b>	Replace Ovens
<b>HHS</b>	Replace tray line drop-in ice cream box
<b>FDES</b>	Replace Pass-thru Food Warmer
<b>VACDES</b>	Replace Steam Jacket Kettle
<b>DMMS</b>	Replace 2-Dorr Reach-in Salad Refrigerator.

The current fund balance for the food services fund totals \$654,837.



**Erica Truban**  
Chairman



**Bonnie Stickley**  
Clerk of the Board

# COMMON COUNCIL



Rouss City Hall  
15 North Cameron Street  
Winchester, VA 22601  
540-667-1815  
TDD 540-722-0782  
www.winchesterva.gov

## AN ORDINANCE TO AUTHORIZE THE ADDITIONAL APPROPRIATION OF FUNDS FOR NECESSARY EXPENDITURES OF THE CITY OF WINCHESTER, VIRGINIA FOR THE FISCAL YEAR ENDING JUNE 30, 2015

WHEREAS, Council approves the following additional funds for the purposes herein specified for the fiscal year ending June 30, 2015:

### GENERAL FUND

#### REVENUE

Fund Balance/Supplemental Appropriation	<u>157,500</u>
TOTAL GENERAL FUND REVENUE	157,500

#### EXPENDITURES

Legislative	30,000
Public Works	91,000
Judicial Administration	19,500
Community Development	<u>17,000</u>
TOTAL GENERAL FUND EXPENDITURES	157,500

### JUVENILE DETENTION CENTER FUND

#### REVENUE

Fund Balance/Supplemental Appropriation	<u>49,000</u>
TOTAL JDC REVENUE	49,000

#### EXPENDITURES

Public Safety	<u>49,000</u>
TOTAL JDC EXPENDITURES	49,000

**SCHOOL OPERATING FUND**

<u>REVENUE</u>	
State	36,156
Local	<u>15,000</u>
TOTAL SCHOOL OPERATING REVENUE	51,156
 <u>EXPENDITURES</u>	
Instruction	<u>51,156</u>
TOTAL SCHOOL OPERATING EXPENDITURES	51,156

**SCHOOL FOOD SERVICES FUND**

<u>REVENUE</u>	
Fund Balance/Supplemental Appropriation	<u>33,500</u>
TOTAL SCHOOL FOOD SERVICES REVENUE	33,500
 <u>EXPENDITURES</u>	
Food Services	<u>33,500</u>
TOTAL SCHOOL FOOD SERVICES EXPENDITURES	33,500

**SCHOOL FEDERAL GRANTS FUND**

<u>REVENUE</u>	
Federal	<u>64,888</u>
TOTAL SCHOOL FEDERAL GRANTS REVENUE	64,888
 <u>EXPENDITURES</u>	
Instruction	<u>64,888</u>
TOTAL SCHOOL FEDERAL GRANTS EXPENDITURES	64,888

**SCHOOL CAPITAL IMPROVEMENTS FUND**

<u>REVENUE</u>	
Local	<u>10,000</u>
TOTAL SCHOOL CIP REVENUE	10,000
 <u>EXPENDITURES</u>	
Facilities	<u>10,000</u>
TOTAL SCHOOL CIP EXPENDITURES	10,000

WHEREAS, there is available in the general fund an unencumbered and unappropriated sum sufficient to meet such appropriations, and

WHEREAS, all appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully obligated or encumbered, and

WHEREAS, all ordinances and parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed.

NOW THEREFORE BE IT ORDAINED, by the Common Council of the City of Winchester that the additional appropriations specified herein are hereby appropriated for the purposes specified for the fiscal year ending June 30, 2015.

0-2015-13

CITY OF WINCHESTER, VIRGINIA

PROPOSED CITY COUNCIL AGENDA ITEM

CITY COUNCIL MEETING OF: 5/26/15, CUT OFF DATE: 5/20/15
6/9/15 (1st Reading) 6/23/15 (2nd Reading/Public Hearing)

RESOLUTION \_\_\_ ORDINANCE X PUBLIC HEARING X

ITEM TITLE:

TA-15-177 - AN ORDINANCE AMENDING ARTICLES 1, 8, 9, 10, AND 11 OF THE WINCHESTER ZONING ORDINANCE PERTAINING TO DEFINITION AND USE PROVISIONS OF HOME IMPROVEMENT DONATION CENTERS. (Proposal will create a definition and district use provisions for Home Improvement Donation Centers.)

STAFF RECOMMENDATION:

Adopt the text amendment.

PUBLIC NOTICE AND HEARING:

Public hearing required with 2nd reading on 6/23/2015.

ADVISORY BOARD RECOMMENDATION:

Planning Commission unanimously forwarded with favorable recommendation.

FUNDING DATA: N/A

INSURANCE: N/A

The initiating Department Director will place below, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda.

Table with 4 columns: DEPARTMENT, INITIALS FOR APPROVAL, INITIALS FOR DISAPPROVAL, DATE. Rows include Planning Director, City Attorney, City Manager, and Clerk of Council.

Initiating Department Director's Signature: [Signature] 5/20/2015
(Zoning and Inspections)



APPROVED AS TO FORM:

[Signature] 5/20/2015 CITY ATTORNEY

# CITY COUNCIL ACTION MEMO

**To:** Honorable Mayor and Members of City Council  
**From:** Aaron Grisdale, Director of Zoning and Inspections  
**Date:** May 26, 2015  
**Re:** TA-15-177 - AN ORDINANCE AMENDING ARTICLES 1, 8, 9, 10, AND 11 OF THE WINCHESTER ZONING ORDINANCE PERTAINING TO DEFINITION AND USE PROVISIONS OF HOME IMPROVEMENT DONATION CENTERS. (*Proposal will create a definition and district use provisions for Home Improvement Donation Centers.*)

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## **THE ISSUE:**

Create definition and use provisions for *Home Improvement Donation Centers*. The result of this amendment will create a specific use definition for centers where building supplies, materials, appliances and related materials are donated and resold to the public.

## **RELATIONSHIP TO STRATEGIC PLAN:**

Goal 2 – Promote and accelerate revitalization of targeted areas throughout the city.

## **BACKGROUND:**

Originally the applicant discussed allowing this use in the Limited Industrial (M-1) district. Presently, there is not a use provision in the M-1 district that will allow for this style of use. The closest available use classification is a *Retail Lumberyard*. Following discussions with staff, the applicant decided to sponsor a zoning text amendment. After initial discussions with staff, the ordinance amendment was modified and expanded beyond the M-1 district to include the Highway Commercial (B-2), Central Business (B-1) and Commercial Industrial (CM-1) districts. The use is proposed to be permitted by-right in the M-1, B-2, and CM-1 districts and permitted with a conditional use permit in the B-1 district. Staff believes this type of proposed use a slightly unique and distinct from general retail services such as a hardware store and related uses in that the customer traffic and interaction with the business is two-way: goods are both brought to the site to be donated as well as merchandise is purchased on-site and removed from the customer. (Full staff report attached).

## **BUDGET IMPACT:**

No funding is required.

## **OPTIONS:**

- Adopt the text amendment
- Adopt the text amendment with modifications
- Decline to adopt the text amendment

## **RECOMMENDATIONS:**

The Planning Commission unanimously recommended approval.

**TA-15-177** AN ORDINANCE AMENDING ARTICLES 1, 8, 9, 10, AND 11 OF THE WINCHESTER ZONING ORDINANCE PERTAINING TO DEFINITION AND USE PROVISIONS OF HOME IMPROVEMENT DONATION CENTERS (*Proposal will create a definition and district use provisions for Home Improvement Donation Centers.*)

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**REQUEST DESCRIPTION**

This is a privately sponsored zoning ordinance text amendment intended to create definition and use provisions for *Home Improvement Donation Centers*. The result of this amendment will create a specific use definition for centers where building supplies, materials, appliances and related materials are donated and resold to the public.

Originally the applicant discussed allowing this use in the Limited Industrial (M-1) district. Presently, there is not a use provision in the M-1 district that will allow for this style of use. The closest available use classification is a *Retail Lumberyard*. Following discussions with staff, the applicant decided to sponsor a zoning text amendment. After initial discussions with staff, the ordinance amendment was modified and expanded beyond the M-1 district to include the Highway Commercial (B-2), Central Business (B-1) and Commercial Industrial (CM-1) districts. The use is proposed to be permitted by-right in the M-1, B-2, and CM-1 districts and permitted with a conditional use permit in the B-1 district.

**STAFF COMMENTS**

Staff has met with the applicant prior to submitting this application and supports the current proposal. The *Home Improvement Donation Center* use in the M-1, B-2, and CM-1 districts is consistent with the types of uses permitted by-right within each of those districts. In the B-1 district, the use would only be permitted with a conditional use permit, which would allow the Planning Commission and City Council to evaluate such uses on a case by case basis and mitigate any potential negative impacts. Staff believes this type of proposed use is slightly unique and distinct from general retail services such as a hardware store and related uses in that the customer traffic and interaction with the business is two-way: goods are both brought to the site to be donated as well as merchandise is purchased on-site and removed from the customer.

**RECOMMENDATION**

At their May 19, 2015 meeting, the Planning Commission unanimously forwarded **TA-15-177** with a favorable recommendation because the amendment, as proposed, presents good planning practice by providing for expanded commercial opportunities consistent with Council's Strategic Plan and the City's Comprehensive Plan.

AN ORDINANCE AMENDING ARTICLES 1, 8, 9, 10, AND 11 OF THE WINCHESTER ZONING  
ORDINANCE PERTAINING TO DEFINITION AND USE PROVISIONS OF HOME  
IMPROVEMENT DONATION CENTERS

**TA 15-177**

Draft 3 – 5/18/2015

Ed. Note: The following text represents excerpts of the Zoning Ordinance that are subject to change. Words with strikethrough are proposed for repeal. Words that are boldfaced and underlined are proposed for enactment. Existing ordinance language that is not included here is not implied to be repealed simply due to the fact that it is omitted from this excerpted text.

**ARTICLE 1  
DEFINITIONS**

**1-2-48.1**      **HOME IMPROVEMENT DONATION CENTER – A facility in which building supplies, materials, appliances and related materials are donated and resold to the public.**

**ARTICLE 8  
HIGHWAY COMMERCIAL DISTRICT - B-2**

**SECTION 8-1. USE REGULATIONS.**

**8-1-53**      **Home Improvement Donation Center**

**ARTICLE 9  
CENTRAL BUSINESS DISTRICT – B-1**

**SECTION 9-2. USES PERMITTED WITH A CONDITIONAL USE PERMIT.**

**9-2-27**      **Home Improvement Donation Center**

**ARTICLE 10  
COMMERCIAL INDUSTRIAL DISTRICT - CM-1**

**SECTION 10-1. USE REGULATIONS.**

**10-1-44**      **Home Improvement Donation Center**

**ARTICLE 11  
LIMITED INDUSTRIAL DISTRICT - M-1**

**SECTION 11-1. USES REGULATIONS.**

**11-1-32**      **Home Improvement Donation Center**

CITY OF WINCHESTER, VIRGINIA

PROPOSED CITY COUNCIL AGENDA ITEM

CITY COUNCIL/COMMITTEE MEETING OF: June 9, 2015 CUT OFF DATE: \_\_

RESOLUTION \_\_ ORDINANCE X PUBLIC HEARING \_\_

ITEM TITLE:

Change in ordinance to reflect new title for Finance Director

STAFF RECOMMENDATION:

Correct title to ensure consistency with budget and City Code

PUBLIC NOTICE AND HEARING:

N/A

ADVISORY BOARD RECOMMENDATION:

N/A

FUNDING DATA:

Funding provided in FY 2016 budget

INSURANCE:

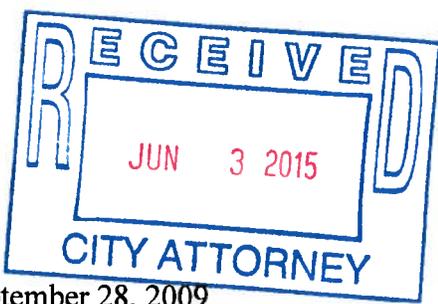
No liability assumed.

The initiating Department Director will place below, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda.

DEPARTMENT	INITIALS FOR APPROVAL	INITIALS FOR DISAPPROVAL	DATE
1. Human Resources	TBS		5/28/15
2.			
3.			
4.			
5. City Attorney	AV		6/3/2015
6. City Manager	EF		3 Jun 15
7. Clerk of Council			

Initiating Department Director's Signature: Eden Freeman Date: 1 Jun 2015

Eden Freeman, City Manager



APPROVED AS TO FORM:

Signature and date 6/3/2015 CITY ATTORNEY

# CITY COUNCIL ACTION MEMO

**To:** Honorable Mayor and Members of City Council

**From:** Eden Freeman, City Manager

**Date:** June 9, 2015

**Re:** Ordinance Change to Clarify Creation of Chief Financial Officer and Director of Support Services

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**THE ISSUE:** After careful review of the City's current operating structure, I am planning to restructure the reporting structure of internal support departments. During the FY16 Budget Process, I identified the creation of the role of "Chief Financial Officer and Director of Support Services" (CFO) as an important part of improving the efficiency of the organization. The planned restructuring will result in the Finance Director assuming the role of overseeing the Information Technology, Human Resources and Finance Departments. My goal is to have less direct reports to the City Manager, which will allow me to become more proactive in meeting the Strategic Goals of the City. The CFO will be a direct report to the City Manager. A copy of the proposed organizational chart is attached.

**RELATIONSHIP TO STRATEGIC PLAN:** Goal Four: Improve City Services and Advance the City's Strategic Plan Goals by Promoting a Culture of Transparency, Efficiency and Innovation

**BACKGROUND:** While they work together on specific projects, currently, the Information Technology, Human Resources and Finance Departments, are separate in terms of how the departments are managed. Under the restructuring, the departments will still be separate, but they will be under the "umbrella" of Support Services since their work supports the work of all other City departments. This change will create a more structured team effort on an ongoing basis and improve processes and overall efficiency.

**BUDGET IMPACT:** The adopted FY 2016 Budget includes the required \$9,200 to cover the cost of this change. This job description, pay grade and salary range for the position was reviewed by our outside vendor that grades and verifies job descriptions and determines how they fall in the pay plan.

**OPTIONS:** The other option would be to keep these department directors as direct reports to the City Manager, thereby maintaining the status quo organizational structure.

**RECOMMENDATIONS:** I recommend this change to enhance internal services and improve the overall efficiency of City operations.

**SECTION 2-157. OFFICE CREATED; APPOINTMENT.**

There is hereby created the office of Finance Director. The Finance Director shall be appointed by the City Manager. The Finance Director may also be referred to as Chief Financial Officer and Director of Support Services which terms shall be deemed synonymous for the purposes of this Code of Ordinances.

Code 1959, §7-9; Ord. of 4-13-76)(Ord. No. 049-95, 10-17-95)

# City of Winchester Citizens

- Clerk of Circuit Court
- Commissioner of the Revenue
- Commonwealth Attorney
- Sheriff
- Treasurer

City Council

City Attorney

School Board

Boards & Commissions

City Manager

Communications

Economic  
Redevelopment

Tourism

Emergency Management

Fire & Rescue

Parking

Old Town

Parks & Recreation

Planning

Police

Public Services

Engineering

Facilities Maintenance

Public Works

Utilities

Social Services

CFO & Support Services

Finance

Human Resources

Information Technology

Zoning & Inspections



**CITY OF WINCHESTER, VIRGINIA**

**PROPOSED CITY COUNCIL AGENDA ITEM**

**CITY COUNCIL/COMMITTEE MEETING OF:** June 23, 2015 **CUT OFF DATE:** \_\_\_\_\_

**RESOLUTION** \_\_\_ **ORDINANCE** \_\_\_ **PUBLIC HEARING** \_\_\_ **PRESENTATION X**

**ITEM TITLE:**

Presentation and Overview of Frederick Winchester Service Authority

**STAFF RECOMMENDATION:**

For information only.

**PUBLIC NOTICE AND HEARING:**

**ADVISORY BOARD RECOMMENDATION:**

**FUNDING DATA:**

**INSURANCE:**

The initiating Department Director will place below, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The Director's initials for approval or disapproval address only the readiness of the issue for Council consideration. This does not address the Director's recommendation for approval or denial of the issue.

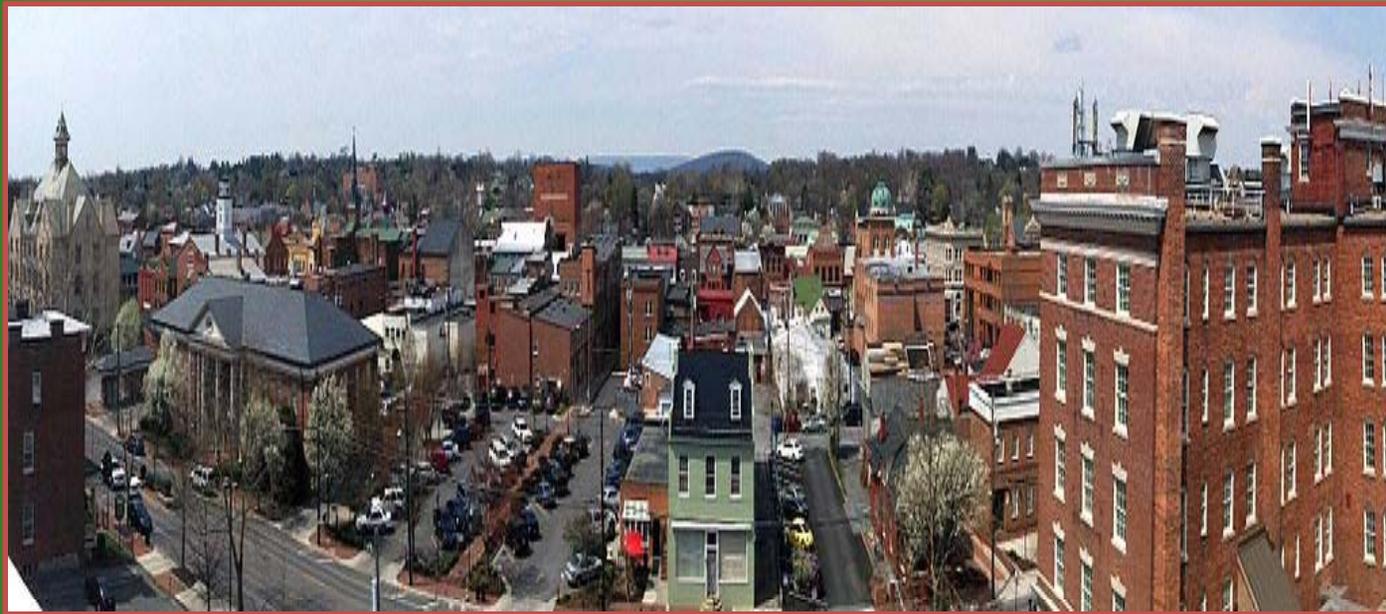
<u>DEPARTMENT</u>	<u>INITIALS FOR APPROVAL</u>	<u>INITIALS FOR DISAPPROVAL</u>	<u>DATE</u>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____
4. _____	_____	_____	_____
5. City Attorney	Anthony C. Williams <small>Digitally signed by Anthony C. Williams DN: cn=Anthony C. Williams, o=City of Winchester, ou=City of Winchester, email=awilliams@cityofwinchester.com, c=US</small>	_____	20150618
6. City Manager	<i>AS</i>	_____	18 June 2015
7. Clerk of Council	_____	_____	_____
Initiating Department Director's Signature:	<i>Yvonne Fullman</i> City Manager	_____	18 June 2015 Date



**APPROVED AS TO FORM:**

*[Signature]*  
CITY ATTORNEY

## *Frederick-Winchester Service Authority*



***“Maintaining and Promoting the Values of the Community through  
Environmental Stewardship”***

*Frederick-Winchester Service Authority*

***The Frederick-Winchester Service Authority is a public body politic and corporate and a political subdivision of the Commonwealth.***



# *Frederick-Winchester Service Authority*

## ***Powers of the Authority***

- *The Authority exercises public and essential governmental functions to provide for the public health and welfare, and may:*
- *1. Adopt, amend or repeal bylaws, rules and regulations,*
- *2. Sue and be sued;*
- *3. Acquire, purchase, lease, construct, reconstruct, improve, extend, operate and maintain any system or any combination of systems*
- *4. Issue revenue bonds*
- *5. Fix, charge and collect rates, fees and charges for the use of, or for the services furnished by, or for the benefit derived from, any facilities or systems owned, operated or financed by the authority. replacement and any related customer service functions*

# *Frederick-Winchester Service Authority*

## ***Board of Directors***

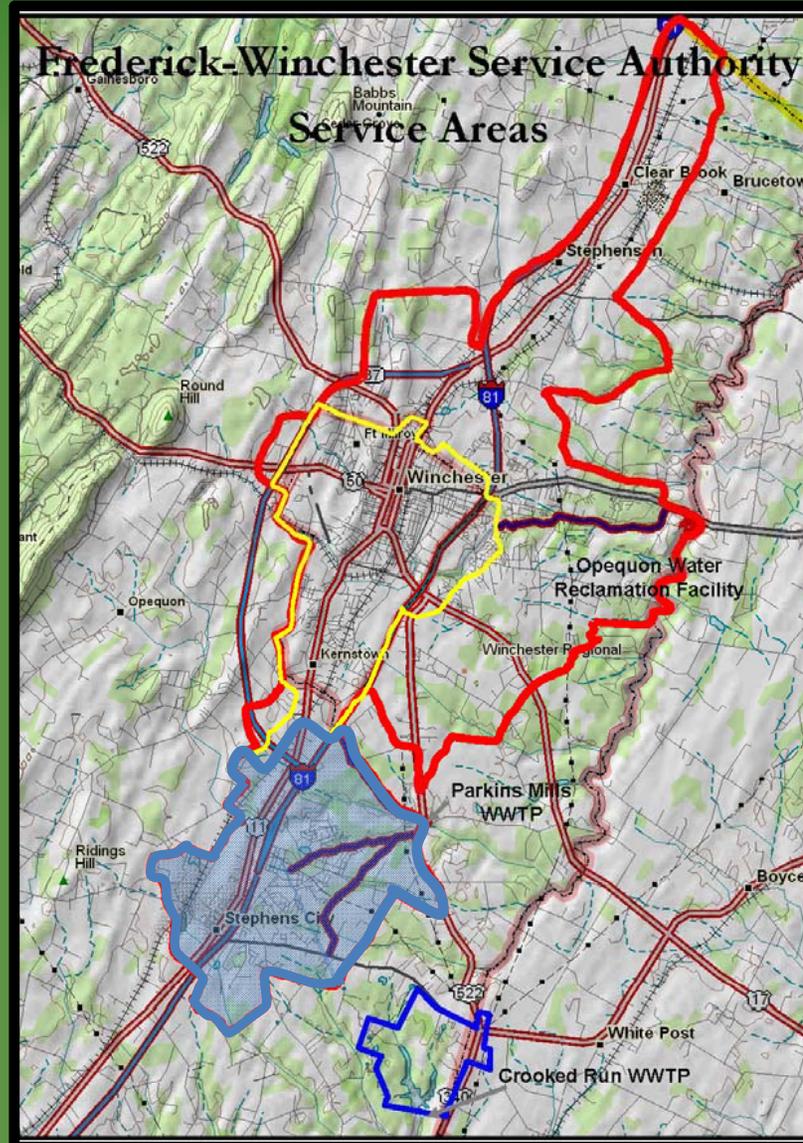
- 9 Members
  - Appointments are made by City Council and Board of Supervisors
    - City – Five Appointees
      - John Schroth - Board Chairman
      - Kevin Wolfe
      - Richard Helms
      - Art Major
      - Shep Campbell
    - County – Three Appointees
      - Ned Cleland – Secretary/Treasurer
      - Wellington “Wendy” Jones
      - Gene Fisher
    - Joint Appointee – One
      - Richie Wilkins - Vice-Chairman
  - No term limit -3 year appointment

## *Frederick-Winchester Service Authority*

### *Frederick-Winchester Service Authority Oversight*

- *Opequon Water Reclamation Facility*
  - *12.6 MGD facility serving City of Winchester and northern portion of Frederick County*
- *Parkins Mill Wastewater Treatment Facility*
  - *5.0 MGD facility serving southern portion of Frederick County*
- *Crooked Run Wastewater Treatment Plant*
  - *250,000 GPD facility serving the Lake Frederick Area of Frederick County*

# *Frederick-Winchester Service Authority*



## *Frederick-Winchester Service Authority*

### ***The Frederick-Winchester Service Authority was created in 1974***

- **WHY:** “The City of Winchester and Frederick County recognize that problems and concerns common to each of them render it desirable to place the responsibility for water supply and sewage disposal for the City and the County under the supervision of the same political entity;”
- **PURPOSE:** At its inception, the Authority had three distinct purposes for its creation.
  - To provide water production
  - To provide wastewater treatment
  - To provide refuse disposal
- Water production was eliminated from the Authority’s responsibilities in 1985.
- The City of Winchester and the County of Frederick exercise no oversight responsibilities.

# *Frederick-Winchester Service Authority*

## ***Initial Objective Given to the Authority***

- *The Authority shall forthwith proceed with the planning and construction of a Regional Sewage Treatment Facility in the Opequon Creek drainage area.*
  - June 18, 1985 – Contract signed for Construction of Opequon WRF
  - October 31, 1985 – Groundbreaking for Opequon Facility
  - May 10, 1988 – First flow introduced into the Opequon Facility
- ***Subsequent Agreements***
  - Opequon Water Reclamation Facility Intermunicipal Agreement
  - Opequon Operational Agreement

# *Frederick-Winchester Service Authority*

## ***Opequon Water Reclamation Facility Intermunicipal Agreement***

- ***Initial Agreement – September 12, 1983***

- To provide for the construction of new wastewater treatment facilities and the financing, operation and maintenance of such facilities. Allowing for construction of original Opequon facility. (5 MGD)

- ***Amended Agreement – June 22, 1998***

- To provide for the construction of such wastewater treatment facilities as are agreed upon from time to time and the financing, operation and maintenance of such facilities. Allowing for the expansion and upgrade of the Opequon facility. (8.4 MGD)
- Established ownership of capacity between City and FCSA
  - » City – Flow -6.125 MGD, BOD – 10,000 lbs.
  - » FCSA – Flow – 2.125 MGD, BOD – 8,000 lbs.

- ***Amended Agreement – April 16, 2008***

- To provide for expansion and upgrade of Opequon facility and allocation of new flow and biological capacity. (12.6 MGD)
- Established ownership for expanded capacity
  - » City – Flow – 7.125 MGD, BOD – 11,000 lbs.
  - » FCSA- Flow – 5.475 MGD, BOD – 13,000 lbs.

## *Frederick-Winchester Service Authority*

### ***Opequon Operational Agreement***

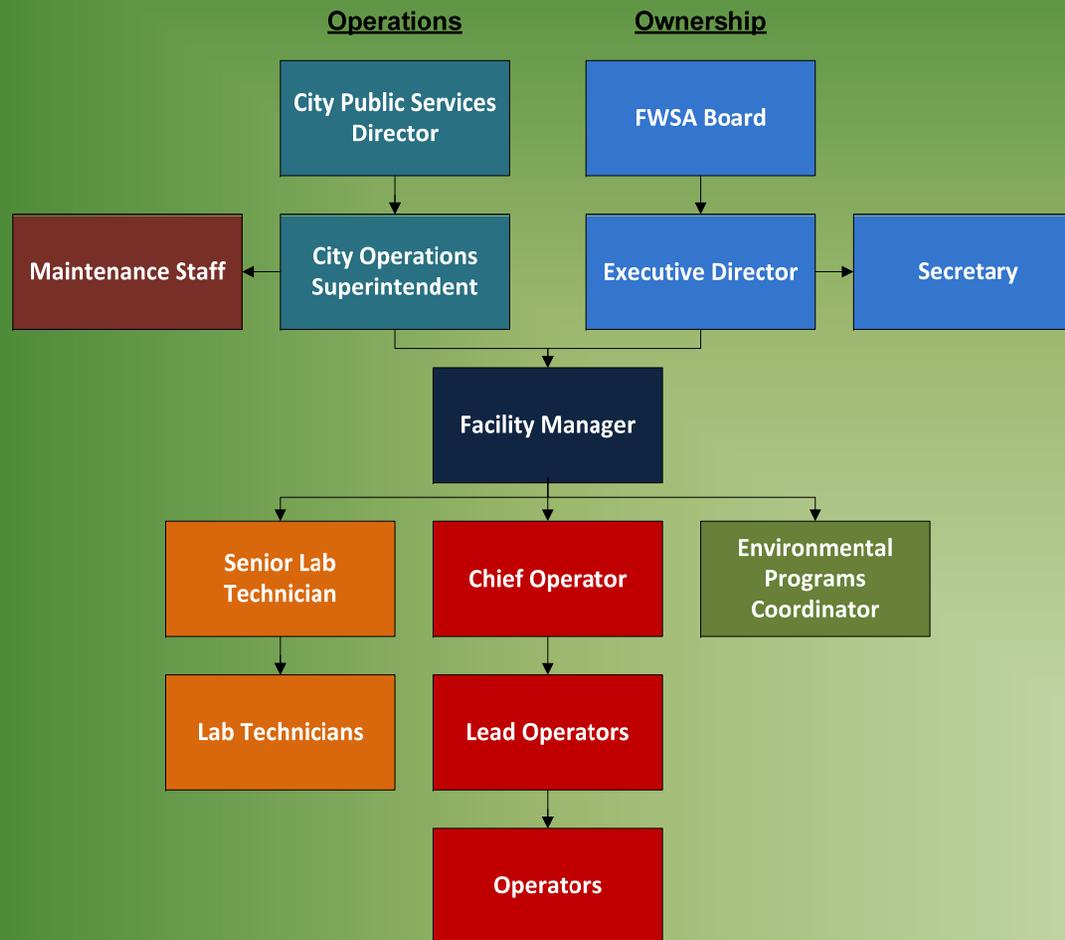
Contractual agreement between City of Winchester and the Frederick-Winchester Service Authority (1987)

City of Winchester shall have operational and managerial control of the Opequon Facility

- Hiring of employees
- Requisitioning, purchasing, and payment for all supplies, services, materials and equipment to operate and maintain the facility
- Set forth under Section 4.7 – OPERATION OF PROJECT of the Intermunicipal Agreement

# Frederick-Winchester Service Authority

## Present Organizational Structure



*Frederick-Winchester Service Authority*

**Questions , Clarification & Discussion**

CITY OF WINCHESTER, VIRGINIA

PROPOSED CITY COUNCIL AGENDA ITEM

CITY COUNCIL/COMMITTEE MEETING OF: June 9, 2015 CUT OFF DATE: \_\_

RESOLUTION X ORDINANCE \_\_\_ PUBLIC HEARING \_\_\_

ITEM TITLE: A RESOLUTION TO AUTHORIZE THE ISSUANCE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$132,700,000, BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER OF ITS HOSPITAL REVENUE REFUNDING BONDS (VALLEY HEALTH SYSTEM OBLIGATED GROUP), SERIES 2015

STAFF RECOMMENDATION:

Proceed with Resolution approval

PUBLIC NOTICE AND HEARING:

Public Hearing required and held by the EDA on May 26, 2015.

ADVISORY BOARD RECOMMENDATION:

Resolution adopted by the EDA and forwarded to Council for approval.

FUNDING DATA:

No funding requested.

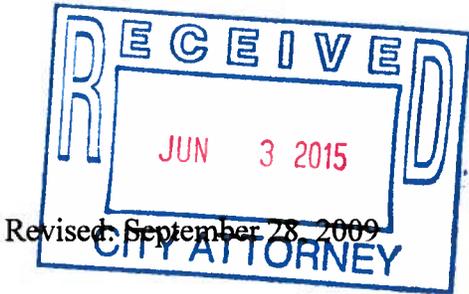
INSURANCE:

N/A

The initiating Department Director will place below, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda.

<u>DEPARTMENT</u>	<u>INITIALS FOR APPROVAL</u>	<u>INITIALS FOR DISAPPROVAL</u>	<u>DATE</u>
1. Finance	CB		6/3/15
2.			
3.			
4.			
5. City Attorney			6/3/15
6. City Manager			3 June 15
7. Clerk of Council			

Initiating Department Director's Signature: Cherub G. Murray Date 6/3/15  
Economic Redevelopment Director



APPROVED AS TO FORM: [Signature] 6/3/2015  
CITY ATTORNEY

Revised: September 28, 2009

# CITY COUNCIL ACTION MEMO

**To:** Honorable Mayor and Members of City Council

**From:** Kimberly L. Murray, Economic Redevelopment Director

**Date:** June 9, 2015

**Re: A RESOLUTION TO AUTHORIZE THE ISSUANCE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$132,700,000, BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER OF ITS HOSPITAL REVENUE REFUNDING BONDS (VALLEY HEALTH SYSTEM OBLIGATED GROUP), SERIES 2015**

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**THE ISSUE:** Winchester Medical Center, Warren Memorial Hospital, and Shenandoah Memorial Hospital have requested that the Economic Development Authority issue a series of its revenue refunding bonds (the "Bonds"), in an aggregate principal amount not to exceed \$132,700,000.

**RELATIONSHIP TO STRATEGIC PLAN:** Will assist in the City's desire to encourage sustainable economic growth and partnerships through business and workforce development and advance quality of life for Winchester residents.

**BACKGROUND:** A public hearing was held by the Economic Development Authority of the City of Winchester, Virginia at 8:00 a.m. on May 26, 2015 regarding the approval of the issuance by the Authority of a series of its revenue refunding bonds (the "Bonds"), in an aggregate principal amount not exceeding \$132,700,000, for the purpose of making a loan or loans to Winchester Medical Center, a Virginia nonstock corporation, Warren Memorial Hospital, a Virginia nonstock corporation, and Shenandoah Memorial Hospital, a Virginia nonstock corporation.

Proceeds of the Bonds will be used to undertake any or all of the following: (i) refund all of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2009E, issued on December 17, 2009 in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$29,025,000, (ii) refund all or a portion of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2007, issued on January 31, 2007 in the original aggregate principal amount of \$88,335,000 and currently outstanding in the aggregate principal amount of \$87,310,000, and (iii) pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds.

Attached is a summary of the EDA Public Hearing on May 26, 2015, the Resolution adopted by the EDA approving the issuance of the Bonds in an Aggregate Principal Amount not to exceed \$132,700,000.00 of its Hospital Revenue Refunding Bonds ("Valley Health System Obligated Group, Series 2015), The Series Resolution adopted by the Authority concerning the issuance of the Bonds, the Fiscal Impact Statement for proposed Bond financing, and the proposed Resolution for consideration by the Common Council authorizing the issuance of the Bonds.

**BUDGET IMPACT:** No additional costs at this time.

**OPTIONS:** Council may approve the resolution or decline the resolution.

**RECOMMENDATIONS:** City Staff recommends the approval of the attached Resolution to support the request that the Economic Development Authority issue a series of its revenue refunding bonds (the "Bonds"), in an aggregate principal amount not to exceed \$132,700,000 to the Winchester Medical Center, Warren Memorial Hospital, and Shenandoah Memorial Hospital.

**BRYAN & COLEMAN, P.L.C.**  
**ATTORNEYS AT LAW**

116 SOUTH BRADDOCK STREET  
WINCHESTER, VIRGINIA 22601  
TELEPHONE: (540) 545-4130  
FAX: (540) 545-4131

MICHAEL L. BRYAN, ESQUIRE

Email: mbryan2@earthlink.net

June 10, 2015

**Hand Delivered**

Eden E. Freeman, City Manager  
City of Winchester  
Rouss City Hall  
15 North Cameron Street  
Winchester, Virginia 22601

Mary Blowe, Chief Financial Officer  
City of Winchester  
Rouss City Hall  
15 North Cameron Street  
Winchester, Virginia 22601

Anthony Williams, Esquire  
City Attorney  
15 North Cameron Street  
Winchester, Virginia 22601

Kimberly Murray, Economic  
Redevelopment Director  
33 East Boscawen Street  
Winchester, Virginia 22601

RE: Hospital Revenue Refunding Bonds (Valley Health System Obligated Group) Series 2015

Dear Eden, Tony, Mary and Kimberly:

Please find enclosed a revised Resolution of the Common Council authorizing the issuance of the EDA Bonds on behalf of the Valley Health System Obligated Group. I enclose both a clean copy and a black line copy. The only change is the addition of a sentence in Paragraph 1 on Page 5. I hope that this revisions is acceptable and that this Resolution can now be placed upon Common Council's agenda for its June 23<sup>rd</sup> regular meeting.

Please let me know your thoughts at your earliest opportunity.

Very truly yours,



Michael L. Bryan  
MLB/pmn

Enclosures

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF WINCHESTER,  
VIRGINIA AUTHORIZING THE ISSUANCE, IN AN AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED \$132,700,000, BY THE  
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER,  
VIRGINIA OF ITS HOSPITAL REVENUE REFUNDING BONDS  
(VALLEY HEALTH SYSTEM OBLIGATED GROUP), SERIES 2015**

**WHEREAS**, the City of Winchester, Virginia (the "City") is a political subdivision of the Commonwealth of Virginia exercising public and essential governmental functions pursuant to the Constitution and the laws of the Commonwealth of Virginia; and

**WHEREAS**, the Economic Development Authority of the City of Winchester, Virginia (the "Authority") is a political subdivision of the Commonwealth of Virginia and is authorized under Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to borrow money for the purpose of providing funds to finance the acquisition, construction, equipping, expansion, enlargement and improvement of medical facilities in order to provide modern and efficient medical services to the inhabitants of the Commonwealth of Virginia, to refinance medical facilities in order to reduce the costs to residents of the Commonwealth of utilizing such facilities and to issue its revenue bonds for the purpose of carrying out any of its powers; and

**WHEREAS**, Winchester Medical Center ("Winchester") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the City of Winchester, Virginia; and

**WHEREAS**, Shenandoah Memorial Hospital ("Shenandoah") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the Town of Woodstock, Virginia and the Town of New Market, Virginia; and

**WHEREAS**, Warren Memorial Hospital ("Warren") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of Commonwealth of Virginia, which operates medical facilities located in the Town of Front Royal, Virginia; and

**WHEREAS**, Winchester, Warren and Shenandoah have requested that the Authority issue a series of its revenue refunding bonds (the "Bonds"), in an aggregate principal amount not to exceed \$132,700,000; and

**WHEREAS**, the Bonds will be issued for the purpose of making a loan to Winchester, Warren and Shenandoah (i) to refund all of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2009E (the "Series 2009E Bonds"), issued on December 17, 2009 in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$29,025,000, (ii) to refund all or a portion of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2007 (the "Series 2007 Bonds"), issued on January 31, 2007 in the original aggregate principal amount of \$88,335,000 and currently outstanding in the aggregate principal amount of

\$87,310,000, and (iii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds; and

**WHEREAS**, the Series 2009E Bonds were issued for the purpose of providing funds, together with other available funds, (i) to pay, or reimburse Winchester for paying, all or a portion of the cost of (A) renovating, expanding and equipping certain portions of the general acute care hospital and regional referral center known as Winchester Medical Center (the "Medical Center"), including the construction of a 400,000 square-foot, four-story bed tower to provide space for 54 additional beds for the step-down unit, the critical care unit and the observation unit, to provide space for 36 additional bassinets for the neo-natal intensive care unit, to allow for a future increase of up to 120 beds on two shelled floors, to relocate laboratory services, to expand cardiovascular services, including the addition of a catheterization laboratory and shelled space for up to six more such laboratories, and to expand the emergency room; and constructing and acquiring a new heating plant, boilers and emergency power generators in connection with such renovation, expansion and equipping of the Medical Center; (B) constructing and equipping a 60,000 square-foot outpatient diagnostic center; (C) constructing a 560 space parking deck for staff and patient parking; and (D) acquiring certain other capital equipment for use in or in connection with the Medical Center and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2009 Medical Center Project"); and (ii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2009E Bonds; and

**WHEREAS**, the Series 2007 Bonds were issued for the purpose of providing funds, together with other available funds, (i) to finance or refinance for Winchester all or a portion of the cost of (A) renovating, expanding and equipping certain portions of the Medical Center, including the renovation of approximately 60,000 square feet of space at the main hospital building and other buildings at the Medical Center to accommodate patient care, laboratory and administrative services and other hospital functions, including the renovation and expansion of the emergency department, the addition of a new bariatric suite, the renovation of the labor and delivery department to accommodate new ultrasound and recovery areas, the renovation and expansion of the pharmacy, the renovation of the inpatient wing for a new, eight-bed neurology intensive care unit, and the relocation of laboratories, the biomedical department, administrative offices and clinical research facilities; (B) acquiring and installing a new nursery security system at the main hospital building at the Medical Center; (C) acquiring and installing a linear accelerator at a medical office building at the Medical Center; (D) acquiring and installing 12 new heat pump units at the physical and occupational therapy building located at the Medical Center; (E) acquiring and installing underground utility equipment at the Medical Center; and (F) acquiring certain other capital equipment for use in or in connection with the Medical Center and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2007 Medical Center Project"); (ii) to finance or refinance for Shenandoah all or a portion of the cost of (A) renovating, expanding and equipping certain portions of Shenandoah's medical care facilities operated as Shenandoah Memorial Hospital, including (1) the renovation of 1,500 square feet of space for the laundry facility at the main hospital building; (2) the construction of a 1,930-square foot addition to the north side of the main hospital building adjacent to the emergency department for the medical imaging department; and (3) the construction of a 17,690 square-foot addition to the south side of the main hospital building and renovation of 15,030 square feet of existing space for the ambulatory surgery unit; (B) constructing a one-story, 9,000 square-foot ambulatory care

center (the "New Market Ambulatory Care Center"); (C) installing a new traffic signal on Route 11 at the main entrance to the main hospital building; (D) acquiring and installing a new medical/surgical nursing call system in the main hospital building; and (E) acquiring certain other capital equipment for use in or in connection with Shenandoah Memorial Hospital and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2007 Shenandoah Memorial Hospital Project"); (iii) to finance or refinance for Warren all or a portion of the cost of (A) renovating, expanding and equipping certain portions of Warren's medical care facilities operated as Warren Memorial Hospital, including (1) the construction of a 2,600 square-foot addition to the south side of Warren Memorial Hospital's skilled nursing facility, the Lynn Care Center, for rehabilitation services; and (2) the renovation of 3,200 square feet of existing space in the main hospital building for laboratory services; (B) constructing and equipping a two-story, 36,000 square-foot ambulatory care center (the "Warren Ambulatory Center"); (C) acquiring a 3.8 acre parcel of land for construction of the Warren Ambulatory Center; (D) acquiring and installing a new medical gas system at the main hospital building; (E) acquiring a 151-acre parcel of land for future development within an exempt purpose of Warren (the "Future Facility Land"); and (F) acquiring certain other capital equipment for use in or in connection with Warren Memorial Hospital and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2007 Warren Memorial Hospital Project" and, together with the 2007 Medical Center Project and the 2007 Shenandoah Memorial Hospital Project, the "2007 Project"); (iv) to refinance for Shenandoah the outstanding Industrial Development Authority of Shenandoah County, Virginia Hospital Facilities Revenue Refunding Bonds (Shenandoah Memorial Hospital), Series 2003 (the "Shenandoah Series 2003 Bonds"); (v) to refinance for Warren the outstanding Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia Hospital Facilities Revenue Bonds (Warren Memorial Hospital), Series 2003 (the "Warren Series 2003 Bonds"); (vi) to fund a portion of the interest accruing on the Series 2007 Bonds during the construction period, and a reasonable period thereafter, of the 2007 Project; and (vii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2007 Bonds; and

**WHEREAS**, the proceeds derived from the sale of the Shenandoah Series 2003 Bonds were applied to refund the Industrial Development Authority of Shenandoah County, Virginia Facility Revenue Bond (Shenandoah County Memorial Hospital), Series 1994 (Bank-Qualified), the proceeds of which were used to pay the costs of additions, improvements, renovations and equipment for Shenandoah Memorial Hospital and to pay financing costs and costs of issuance incurred in connection with the Shenandoah Series 2003 Bonds (the "2003 Shenandoah Project"); and

**WHEREAS**, the proceeds derived from the sale of the Warren Series 2003 Bonds were applied to finance or refinance all or a portion of the costs of: (a) refunding the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia Medical Facilities Revenue Bonds (Warren Memorial Hospital), Series 1992 (Bank-Qualified), the proceeds of which were used to refinance certain prior debt and to pay the cost of improvements, renovations and equipment for Warren Memorial Hospital; (b) acquiring, constructing, expanding and equipping the Lynn Care Center; (c) acquiring, constructing, renovating and equipping hospital facilities; (d) paying interest accruing on the Warren Series 2003 Bonds during the acquisition, construction, reconstruction, expansion and equipping of such facilities; and (e)

paying certain issuance expenses incurred in connection with the Warren Series 2003 Bonds (the “2003 Warren Project”); and

**WHEREAS**, the Medical Center, the 2009 Medical Center Project and the 2007 Medical Center Project are located on a 166-acre campus bounded on the south by Amherst Street, on the west by Route 37, on the north approximately by Pond View Drive and a line extending from the end of Pond View Drive west to Route 37, and approximately on the east by Linden Drive and Whitacre Street, with addresses currently ranging from 1830 to 1890 Amherst Street and from 190 to 400 Campus Blvd., Winchester, Virginia 22604; Shenandoah Memorial Hospital is located at 759 South Main Street, Woodstock, Virginia 22664; the New Market Ambulatory Care Center is located at 9166 North Congress Street, New Market, Virginia 22844; Warren Memorial Hospital is located at 1000 N. Shenandoah Avenue, Front Royal, Virginia 22630; the Lynn Care Center is located at 132 West 11th Street, Front Royal, Virginia 22630; the Warren Ambulatory Center is located at 120 North Commerce Avenue, Front Royal, Virginia 22630; and the Future Facility Land, which does not yet have an address, is a 151-acre parcel of land identified on the Town of Front Royal Tax Map No. 20A212-2, located north of John Marshall Highway and south of Happy Creek Road in Front Royal, Virginia; and

**WHEREAS**, the Medical Center, the 2009 Medical Center Project and the 2007 Medical Center Project are owned and operated by Winchester, whose sole corporate member is Valley Health System (“Valley Health”), also a Virginia nonstock corporation; and

**WHEREAS**, Shenandoah Memorial Hospital, the 2003 Shenandoah Project and the 2007 Shenandoah Memorial Hospital Project (other than the New Market Ambulatory Care Center) are owned and operated by Shenandoah, whose sole corporate member is Valley Health; and the New Market Ambulatory Care Center is operated by Shenandoah pursuant to an improvement lease; and

**WHEREAS**, Warren Memorial Hospital, the 2003 Warren Project and the 2007 Warren Memorial Hospital Project (other than the Warren Ambulatory Center) are owned and operated by Warren, whose sole corporate member is Valley Health; and the Warren Ambulatory Center is owned by Valley Health and operated by Warren; and

**WHEREAS**, the Authority has by resolution adopted on May 26, 2015 (the “Authority Approval Resolution”) approved the issuance by the Authority of the Bonds, in an aggregate principal amount not exceeding \$132,700,000, for the purposes hereinabove set forth; and

**WHEREAS**, the Authority held a public hearing on May 26, 2015 with respect to the issuance of the Bonds in accordance with state and federal law; and

**WHEREAS**, the Common Council of the City of Winchester, Virginia (the “Winchester Common Council”) must first approve the issuance of the Bonds by the Authority; and

**WHEREAS**, the Authority has delivered or caused to be delivered to the Winchester Common Council the following: (i) a reasonably detailed summary of the comments expressed at the public hearing held by the Authority in connection with the issuance of the Bonds, (ii) a fiscal impact statement concerning the Bonds in the form specified by Section 15.2-4907 of the Act, and

(iii) a copy of the Authority Approval Resolution, which constitutes the recommendation of the Authority that the Winchester Common Council approve the issuance of the Bonds; and

WHEREAS, the Winchester Common Council has determined that it is advisable and in the best interest of the City to approve the issuance by the Authority of the Bonds, in an aggregate principal amount not exceeding \$132,700,000, to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia;

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Winchester, Virginia:

1. The Winchester Common Council hereby approves the issuance by the Authority of the Bonds, in an aggregate principal amount not exceeding \$132,700,000, to provide funds for the purpose of making a loan to Winchester, Warren and Shenandoah (a) to refund all of the Series 2009E Bonds, (b) to refund all or a portion of the Series 2007 Bonds, and (c) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds. **The issue date of the Bonds shall be not later than December 31, 2015, and the approval of the issuance of the Bonds by the Winchester Common Council shall constitute approval for only such Bonds that are issued by not later than December 31, 2015.**

2. The Mayor, the Clerk and any Deputy Clerk of the Winchester Common Council are hereby authorized and directed, acting jointly or separately, on behalf of the City, to take all action necessary or desirable, including the execution of any documents, to consummate the issuance of the Bonds.

3. The approval of the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and the Act, does not constitute an endorsement to any prospective purchaser of the Bonds of the creditworthiness of Winchester, Warren or Shenandoah and, as required by the Act, the Bonds shall provide that neither the Commonwealth of Virginia, the City nor the Authority shall be obligated to pay the principal of, the redemption premium, if any, or the interest on the Bonds or other costs incident thereto except from the revenues and funds pledged therefor and neither the faith or credit nor the taxing power of the Commonwealth of Virginia, the City nor the Authority shall be pledged thereto.

4. This resolution shall take effect immediately upon its passage.

ATTEST:

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Kari J. Van Diest, CMC  
Deputy Clerk of the Common Council

## SUMMARY OF PUBLIC HEARING

A public hearing was held by the Economic Development Authority of the City of Winchester, Virginia (the "Authority") at 8:00 a.m. on May 26, 2015 regarding the approval of the issuance by the Authority of a series of its revenue refunding bonds (the "Bonds"), in an aggregate principal amount not exceeding \$132,700,000, for the purpose of making a loan or loans to Winchester Medical Center, a Virginia nonstock corporation, Warren Memorial Hospital, a Virginia nonstock corporation, and Shenandoah Memorial Hospital, a Virginia nonstock corporation. Proceeds of the Bonds will be used to undertake any or all of the following: (i) refund all of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2009E, issued on December 17, 2009 in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$29,025,000, (ii) refund all or a portion of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2007, issued on January 31, 2007 in the original aggregate principal amount of \$88,335,000 and currently outstanding in the aggregate principal amount of \$87,310,000, and (iii) pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds.

The Notice of Public Hearing was published on May 12, 2015 and May 19, 2015 in The Winchester Star and The Northern Virginia Daily.

A description of the facilities to be refinanced with the proceeds of the Bonds, and the location and purpose of each such facility, are more particularly set forth in the Notice of Public Hearing attached hereto.

The public hearing was held in the Council Chambers of the Common Council of the City of Winchester, Virginia at Rouss City Hall, 15 North Cameron Street, Winchester, Virginia. The hearing was open to the public, and persons interested in the issuance of the Bonds were given the opportunity to present their views.

Peter F. Gallagher, Senior Vice President and Chief Financial Officer of Valley Health System, was present in order to respond to any inquiries by the Authority. No member of the public spoke either for or against the issuance of the Bonds by the Authority.

After such public hearing, the Authority adopted a resolution recommending the approval of the issuance of the Bonds by the Common Council of the City of Winchester, Virginia, the Town Council of the Town of Woodstock, Virginia, the Town Counsel of the Town of Front Royal, Virginia and the Town Council of the Town of New Market, Virginia.

Economic Development Authority of  
the City of Winchester, Virginia

By: 

Michael L. Bryan, Secretary

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA APPROVING THE ISSUANCE, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$132,700,000, OF ITS HOSPITAL REVENUE REFUNDING BONDS (VALLEY HEALTH SYSTEM OBLIGATED GROUP), SERIES 2015**

**WHEREAS**, the Economic Development Authority of the City of Winchester, Virginia (the "Authority") is a political subdivision of the Commonwealth of Virginia and is authorized under Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to borrow money for the purpose of providing funds to finance the acquisition, construction, equipping, expansion, enlargement and improvement of medical facilities in order to provide modern and efficient medical services to the inhabitants of the Commonwealth of Virginia, to refinance medical facilities in order to reduce the costs to residents of the Commonwealth of utilizing such facilities and to issue its revenue bonds for the purpose of carrying out any of its powers; and

**WHEREAS**, Winchester Medical Center ("Winchester") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the City of Winchester, Virginia; and

**WHEREAS**, Shenandoah Memorial Hospital ("Shenandoah") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the Town of Woodstock, Virginia and the Town of New Market, Virginia; and

**WHEREAS**, Warren Memorial Hospital ("Warren") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the Town of Front Royal, Virginia; and

**WHEREAS**, Winchester, Warren and Shenandoah have requested that the Authority issue a series of its revenue refunding bonds (the "Bonds"), in an aggregate principal amount not to exceed \$132,700,000; and

**WHEREAS**, the Bonds will be issued for the purpose of making a loan to Winchester, Warren and Shenandoah (i) to refund all of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2009E (the "Series 2009E Bonds"), issued on December 17, 2009 in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$29,025,000, (ii) to refund all or a portion of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2007 (the "Series 2007 Bonds"), issued on January 31, 2007 in the original aggregate principal amount of \$88,335,000 and currently outstanding in the aggregate principal amount of \$87,310,000, and (iii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds; and

**WHEREAS**, the Series 2009E Bonds were issued for the purpose of providing funds, together with other available funds, (i) to pay, or reimburse Winchester for paying, all or a portion of the cost of (A) renovating, expanding and equipping certain portions of the general

acute care hospital and regional referral center known as Winchester Medical Center (the "Medical Center"), including the construction of a 400,000 square-foot, four-story bed tower to provide space for 54 additional beds for the step-down unit, the critical care unit and the observation unit, to provide space for 36 additional bassinets for the neo-natal intensive care unit, to allow for a future increase of up to 120 beds on two shelled floors, to relocate laboratory services, to expand cardiovascular services, including the addition of a catheterization laboratory and shelled space for up to six more such laboratories, and to expand the emergency room; and constructing and acquiring a new heating plant, boilers and emergency power generators in connection with such renovation, expansion and equipping of the Medical Center; (B) constructing and equipping a 60,000 square-foot outpatient diagnostic center; (C) constructing a 560 space parking deck for staff and patient parking; and (D) acquiring certain other capital equipment for use in or in connection with the Medical Center and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2009 Medical Center Project"); and (ii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2009E Bonds; and

**WHEREAS**, the Series 2007 Bonds were issued for the purpose of providing funds, together with other available funds, (i) to finance or refinance for Winchester all or a portion of the cost of (A) renovating, expanding and equipping certain portions of the Medical Center, including the renovation of approximately 60,000 square feet of space at the main hospital building and other buildings at the Medical Center to accommodate patient care, laboratory and administrative services and other hospital functions, including the renovation and expansion of the emergency department, the addition of a new bariatric suite, the renovation of the labor and delivery department to accommodate new ultrasound and recovery areas, the renovation and expansion of the pharmacy, the renovation of the inpatient wing for a new, eight-bed neurology intensive care unit, and the relocation of laboratories, the biomedical department, administrative offices and clinical research facilities; (B) acquiring and installing a new nursery security system at the main hospital building at the Medical Center; (C) acquiring and installing a linear accelerator at a medical office building at the Medical Center; (D) acquiring and installing 12 new heat pump units at the physical and occupational therapy building located at the Medical Center; (E) acquiring and installing underground utility equipment at the Medical Center; and (F) acquiring certain other capital equipment for use in or in connection with the Medical Center and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2007 Medical Center Project"); (ii) to finance or refinance for Shenandoah all or a portion of the cost of (A) renovating, expanding and equipping certain portions of Shenandoah's medical care facilities operated as Shenandoah Memorial Hospital, including (1) the renovation of 1,500 square feet of space for the laundry facility at the main hospital building; (2) the construction of a 1,930-square foot addition to the north side of the main hospital building adjacent to the emergency department for the medical imaging department; and (3) the construction of a 17,690 square-foot addition to the south side of the main hospital building and renovation of 15,030 square feet of existing space for the ambulatory surgery unit; (B) constructing a one-story, 9,000 square-foot ambulatory care center (the "New Market Ambulatory Care Center"); (C) installing a new traffic signal on Route 11 at the main entrance to the main hospital building; (D) acquiring and installing a new medical/surgical nursing call system in the main hospital building; and (E) acquiring certain other capital equipment for use in or in connection with Shenandoah Memorial Hospital and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2007 Shenandoah

Memorial Hospital Project”); (iii) to finance or refinance for Warren all or a portion of the cost of (A) renovating, expanding and equipping certain portions of Warren’s medical care facilities operated as Warren Memorial Hospital, including (1) the construction of a 2,600 square-foot addition to the south side of Warren Memorial Hospital’s skilled nursing facility, the Lynn Care Center, for rehabilitation services; and (2) the renovation of 3,200 square feet of existing space in the main hospital building for laboratory services; (B) constructing and equipping a two-story, 36,000 square-foot ambulatory care center (the “Warren Ambulatory Center”); (C) acquiring a 3.8 acre parcel of land for construction of the Warren Ambulatory Center; (D) acquiring and installing a new medical gas system at the main hospital building; (E) acquiring a 151-acre parcel of land for future development within an exempt purpose of Warren (the “Future Facility Land”); and (F) acquiring certain other capital equipment for use in or in connection with Warren Memorial Hospital and renovating any space necessary or incidental to the installation of any such equipment (collectively, the “2007 Warren Memorial Hospital Project” and, together with the 2007 Medical Center Project and the 2007 Shenandoah Memorial Hospital Project, the “2007 Project”); (iv) to refinance for Shenandoah the outstanding Industrial Development Authority of Shenandoah County, Virginia Hospital Facilities Revenue Refunding Bonds (Shenandoah Memorial Hospital), Series 2003 (the “Shenandoah Series 2003 Bonds”); (v) to refinance for Warren the outstanding Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia Hospital Facilities Revenue Bonds (Warren Memorial Hospital), Series 2003 (the “Warren Series 2003 Bonds”); (vi) to fund a portion of the interest accruing on the Series 2007 Bonds during the construction period, and a reasonable period thereafter, of the 2007 Project; and (vii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2007 Bonds; and

**WHEREAS**, the proceeds derived from the sale of the Shenandoah Series 2003 Bonds were applied to refund the Industrial Development Authority of Shenandoah County, Virginia Facility Revenue Bond (Shenandoah County Memorial Hospital), Series 1994 (Bank-Qualified), the proceeds of which were used to pay the costs of additions, improvements, renovations and equipment for Shenandoah Memorial Hospital and to pay financing costs and costs of issuance incurred in connection with the Shenandoah Series 2003 Bonds (the “2003 Shenandoah Project”); and

**WHEREAS**, the proceeds derived from the sale of the Warren Series 2003 Bonds were applied to finance or refinance all or a portion of the costs of: (a) refunding the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia Medical Facilities Revenue Bonds (Warren Memorial Hospital), Series 1992 (Bank-Qualified), the proceeds of which were used to refinance certain prior debt and to pay the cost of improvements, renovations and equipment for Warren Memorial Hospital; (b) acquiring, constructing, expanding and equipping the Lynn Care Center; (c) acquiring, constructing, renovating and equipping hospital facilities; (d) paying interest accruing on the Warren Series 2003 Bonds during the acquisition, construction, reconstruction, expansion and equipping of such facilities; and (e) paying certain issuance expenses incurred in connection with the Warren Series 2003 Bonds (the “2003 Warren Project”); and

**WHEREAS**, the Medical Center, the 2009 Medical Center Project and the 2007 Medical Center Project are located on a 166-acre campus bounded on the south by Amherst Street, on the west by Route 37, on the north approximately by Pond View Drive and a line extending from the

end of Pond View Drive west to Route 37, and approximately on the east by Linden Drive and Whitacre Street, with addresses currently ranging from 1830 to 1890 Amherst Street and from 190 to 400 Campus Blvd., Winchester, Virginia 22604; Shenandoah Memorial Hospital is located at 759 South Main Street, Woodstock, Virginia 22664; the New Market Ambulatory Care Center is located at 9166 North Congress Street, New Market, Virginia 22844; Warren Memorial Hospital is located at 1000 N. Shenandoah Avenue, Front Royal, Virginia 22630; the Lynn Care Center is located at 132 West 11th Street, Front Royal, Virginia 22630; the Warren Ambulatory Center is located at 120 North Commerce Avenue, Front Royal, Virginia 22630; and the Future Facility Land, which does not yet have an address, is a 151-acre parcel of land identified on the Town of Front Royal Tax Map No. 20A212-2, located north of John Marshall Highway and south of Happy Creek Road in Front Royal, Virginia; and

**WHEREAS**, the Medical Center, the 2009 Medical Center Project and the 2007 Medical Center Project are owned and operated by Winchester, whose sole corporate member is Valley Health System (“Valley Health”), also a Virginia nonstock corporation; and

**WHEREAS**, Shenandoah Memorial Hospital, the 2003 Shenandoah Project and the 2007 Shenandoah Memorial Hospital Project (other than the New Market Ambulatory Care Center) are owned and operated by Shenandoah, whose sole corporate member is Valley Health; and the New Market Ambulatory Care Center is operated by Shenandoah pursuant to an improvement lease; and

**WHEREAS**, Warren Memorial Hospital, the 2003 Warren Project and the 2007 Warren Memorial Hospital Project (other than the Warren Ambulatory Center) are owned and operated by Warren, whose sole corporate member is Valley Health; and the Warren Ambulatory Center is owned by Valley Health and operated by Warren; and

**WHEREAS**, prior to the issuance of the Bonds, it is required by applicable Virginia and federal law that a public hearing be held during which members of the public are given an opportunity to express their views on the proposed issuance of the Bonds; and

**WHEREAS**, the Authority held a public hearing today at 8:00 A.M. with respect to the issuance of the Bonds in accordance with applicable Virginia and federal law; and

**WHEREAS**, the Common Council of the City of Winchester, Virginia (the “Winchester City Council”), the Town Council of the Town of Woodstock, Virginia (the “Woodstock Town Council”), the Town Council of the Town of Front Royal, Virginia (the “Front Royal Town Council”) and the Town Council of the Town of New Market, Virginia (the “New Market Town Council”) must first approve (to the extent required by applicable Virginia and federal law) the issuance of the Bonds;

**NOW, THEREFORE, BE IT RESOLVED** by the Economic Development Authority of the City of Winchester, Virginia:

1. It is hereby found and determined that the issuance of the Bonds will promote the health and welfare of the residents of the City of Winchester, Virginia and surrounding areas, will be in the public interest and will be consistent with the purposes of the Act.

2. Pursuant to the authority granted to it by the Act, the Authority hereby approves the issuance of the Bonds, in an aggregate principal amount not exceeding \$132,700,000, to provide funds for the purpose of making a loan to Winchester, Warren and Shenandoah (a) to refund all of the Series 2009E Bonds, (b) to refund all or a portion of the Series 2007 Bonds and (c) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds.

3. The Chairman or Vice Chairman and the Secretary of the Authority are hereby authorized and directed to deliver to the Winchester City Council, the Woodstock Town Council, the Front Royal Town Council and the New Market Town Council, (i) a reasonably detailed summary of the comments expressed at the public hearing held in connection with the issuance of the Bonds, (ii) a fiscal impact statement concerning the Bonds in the form specified in Section 15.2-4907 of the Act and (iii) a copy of this resolution, which constitutes the recommendation of the Authority that the Winchester City Council, the Woodstock Town Council, the Front Royal Town Council and the New Market Town Council approve (to the extent required by applicable Virginia and federal law) the issuance of the Bonds.

4. The Authority shall perform such other acts and adopt such further resolutions as may be necessary or appropriate to implement this resolution.

5. This resolution shall take effect immediately upon its passage.

Adopted May 26, 2015.

  
Michael L. Bryan, Secretary



**SERIES RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF  
THE CITY OF WINCHESTER, VIRGINIA AUTHORIZING, AMONG OTHER  
THINGS, THE ISSUANCE OF ITS HOSPITAL REVENUE REFUNDING BONDS  
(VALLEY HEALTH SYSTEM OBLIGATED GROUP), SERIES 2015**

**WHEREAS**, the Economic Development Authority of the City of Winchester, Virginia (the "Authority") is a political subdivision of the Commonwealth of Virginia and is authorized under Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to borrow money for the purpose of providing funds to finance the acquisition, construction, equipping, expansion, enlargement and improvement of medical facilities in order to provide modern and efficient medical services to the inhabitants of the Commonwealth of Virginia, to refinance medical facilities in order to reduce the costs to residents of the Commonwealth of utilizing such facilities and to issue its revenue bonds for the purpose of carrying out any of its powers; and

**WHEREAS**, Winchester Medical Center ("Winchester") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the City of Winchester, Virginia; and

**WHEREAS**, Shenandoah Memorial Hospital ("Shenandoah") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the Town of Woodstock, Virginia and the Town of New Market, Virginia; and

**WHEREAS**, Warren Memorial Hospital ("Warren") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the Town of Front Royal, Virginia; and

**WHEREAS**, Winchester, Warren and Shenandoah have requested that the Authority give final approval to the issuance of its Hospital Revenue Refunding Bonds (Valley Health System Obligated Group), Series 2015 (the "Series 2015 Bonds"), in an aggregate principal amount not to exceed \$132,700,000, for the purpose of making a loan to Winchester, Warren and Shenandoah (i) to refund all of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2009E (the "Series 2009E Bonds"), issued on December 17, 2009 in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$29,025,000, (ii) to refund all or a portion of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2007 (the "Series 2007 Bonds"), issued on January 31, 2007 in the original aggregate principal amount of \$88,335,000 and currently outstanding in the aggregate principal amount of \$87,310,000, and (iii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2015 Bonds; and

**WHEREAS**, there have been presented at this meeting draft copies of the following documents relating to the issuance of the Series 2015 Bonds:

(a) the Bond Purchase Agreement, to be dated as of the date of the sale of the Series 2015 Bonds (the "Bond Purchase Agreement"), among B.C. Ziegler and Company, acting on

behalf of itself, Wells Fargo Bank, National Association and Merrill Lynch, Pierce, Fenner and Smith Incorporated (collectively, the "Underwriters"), the Authority, Shenandoah, Warren and Winchester;

(b) the Trust Agreement, to be dated as of July 1, 2015 or such other date as shall be mutually agreed to by the parties thereto (the "Trust Agreement"), between the Authority and Regions Bank, as Bond Trustee (the "Bond Trustee"), the provisions of which relate to the issuance of and security for the Series 2015 Bonds;

(c) the Loan Agreement, to be dated as of July 1, 2015 or such other date as shall be mutually agreed to by the parties thereto (the "Loan Agreement"), among the Authority, Winchester, Warren and Shenandoah, pursuant to which the Authority will loan the proceeds of the Series 2015 Bonds to Winchester, Warren and Shenandoah, and Winchester, Warren and Shenandoah will agree to repay such loan and to pay certain other amounts as set forth therein;

(d) the Supplemental Indenture for Obligation No. 20, to be dated as of July 1, 2015 or such other date as shall be mutually agreed to by the parties thereto ("Supplemental Indenture No. 20"), among Shenandoah, Winchester, Warren, Hampshire Memorial Hospital, Inc., Page Memorial Hospital and Regions Bank, as successor master trustee (the "Master Trustee"), supplementing the Master Trust Indenture, dated as of September 1, 1986, between Winchester and the Master Trustee;

(e) Obligation No. 20 of Shenandoah, Warren and Winchester ("Obligation No. 20"), to be dated the date of its delivery;

(f) the Escrow Deposit Agreement, to be dated as of July 1, 2015 or such other date as shall be mutually agreed to by the parties thereto (the "2009E Escrow Deposit Agreement"), among the Authority, Winchester and Regions Bank, as Escrow Agent, relating to the Series 2009E Bonds;

(g) the Escrow Deposit Agreement, to be dated as of July 1, 2015 or such other date as shall be mutually agreed to by the parties thereto (the "2007 Escrow Deposit Agreement" and, together with the 2009E Escrow Deposit Agreement, the "Escrow Deposit Agreements"), among the Authority, Winchester, Warren, Shenandoah and Regions Bank, as Escrow Agent, relating to the Series 2007 Bonds; and

(h) the Preliminary Official Statement of the Authority (the "Preliminary Official Statement"), relating to the Series 2015 Bonds; and

**WHEREAS**, the Authority hereby finds that the use of the proceeds of the Series 2015 Bonds for the purposes hereinabove set forth will accomplish the public purposes set forth in the Act; and

**WHEREAS**, the Authority has determined that adequate provision has been made for the payment of the principal of, and the redemption premium, if any, and interest on the Series 2015 Bonds;

**NOW THEREFORE, THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER, VIRGINIA DOES HEREBY RESOLVE, AS FOLLOWS:**

Section 1. Capitalized words and terms used in this Series Resolution and not defined herein shall have the same meanings in this Series Resolution as such words and terms are given in the Trust Agreement or the Loan Agreement.

Section 2. Pursuant to the authority granted to it by the Act, the Authority hereby authorizes the issuance of the Series 2015 Bonds in the aggregate principal amount not to exceed \$132,700,000. The Series 2015 Bonds shall be issued as fully registered bonds in Authorized Denominations. Payments of principal of and interest on the Series 2015 Bonds shall be made by the Bond Trustee to the registered owners of the Series 2015 Bonds in such manner as is set forth in the Trust Agreement.

Section 3. The Series 2015 Bonds shall be subject to mandatory, extraordinary and optional redemption and purchase in lieu of redemption at the times, upon the terms and conditions and at the prices set forth in the Trust Agreement.

Section 4. The Board hereby delegates to the Chairman of the Authority or, in his absence or unavailability, the Vice Chairman of the Authority, subject to the limitations and guidelines contained herein, the power to determine and carry out the following with respect to the Series 2015 Bonds:

(A) To determine the aggregate principal amount of the Series 2015 Bonds, not to exceed \$132,700,000;

(B) To determine the maturities and maturity amounts of, and the Sinking Fund Requirements for, the Series 2015 Bonds, the final maturity not to extend beyond January 1, 2044;

(C) To determine the interest payment dates and the interest rates for the Series 2015 Bonds, the true interest cost of which shall not in the aggregate exceed five and one-fourth percent (5.25%);

(D) To approve the sale of the Series 2015 Bonds and the purchase price for the Series 2015 Bonds, in accordance with the provisions of Section 10 of this Series Resolution; and

(E) To determine any other terms or provisions for the Series 2015 Bonds deemed advisable and not in conflict with the terms and provisions of this Series Resolution.

The execution and delivery of the Trust Agreement and the Bond Purchase Agreement, pursuant to Sections 6 and 7, respectively, of this Series Resolution, shall be conclusive evidence of the determinations or other actions taken by the Chairman of the Authority or, in his absence or unavailability, the Vice Chairman of the Authority pursuant to the authority granted in this Series Resolution.

Section 5. The proceeds of the Series 2015 Bonds shall be applied as provided in Section 208 of the Trust Agreement.

**Section 6.** The forms, terms and provisions of the Trust Agreement, the Loan Agreement and the Escrow Deposit Agreements are hereby approved in all respects and the Chairman or Vice Chairman and the Secretary of the Authority are hereby authorized and directed to execute and deliver the Trust Agreement, the Loan Agreement and the Escrow Deposit Agreements in substantially the forms presented to this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary or appropriate, including, but not limited to, changes, modifications and deletions necessary to incorporate the final terms of the Series 2015 Bonds as shall be set forth in the Bond Purchase Agreement; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

**Section 7.** The form, terms and provisions of the Bond Purchase Agreement are hereby approved in all respects and the Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form presented to this meeting, together with such changes, modifications, insertions and deletions as the Chairman or Vice Chairman, with the advice of counsel, may deem necessary or appropriate; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

**Section 8.** The forms, terms and provisions of Supplemental Indenture No. 20 and Obligation No. 20 are hereby approved in substantially the forms presented at this meeting, together with such changes, modifications and deletions as the Chairman or Vice Chairman, with the advice of counsel, may deem necessary or appropriate; and the execution and delivery of the Trust Agreement pursuant to Section 6 of this Series Resolution shall be conclusive evidence of the approval of Supplemental Indenture No. 20 and Obligation No. 20 by the Authority.

**Section 9.** The form of the Series 2015 Bonds set forth in the Trust Agreement is hereby approved in all respects and the Chairman or Vice Chairman and the Secretary of the Authority are hereby authorized and directed to execute, by manual or facsimile signature, as provided in such form of the Series 2015 Bonds, and to deliver to the Bond Trustee for authentication on behalf of the Authority, the Series 2015 Bonds in definitive form, which shall be in substantially the form presented to this meeting, together with such changes, modifications and deletions as they, with the advice of counsel, may deem necessary, appropriate and consistent with the Trust Agreement; and such execution and delivery shall be conclusive evidence of the approval and authorization thereof by the Authority.

**Section 10.** The Authority hereby approves the sale of the Series 2015 Bonds to the Underwriters in a negotiated sale at a purchase price which may include an underwriting discount and original issue discount or premium, subject to the approval of the Chairman or Vice Chairman of the Authority.

**Section 11.** Upon their execution in the form and manner set forth in the Trust Agreement, the Series 2015 Bonds shall be deposited with the Bond Trustee for authentication, and the Bond Trustee is hereby authorized and directed to authenticate the Series 2015 Bonds and deliver the Series 2015 Bonds to the Underwriters against payment therefor.

Section 12. The Authority hereby approves the use and distribution of the Preliminary Official Statement in connection with the sale of the Series 2015 Bonds, and the Official Statement (the "Official Statement"), in substantially the form of the Preliminary Official Statement, with such changes as are necessary to reflect the maturities, redemption provisions and interest rates of the Series 2015 Bonds, is hereby approved. The Chairman or Vice Chairman is hereby authorized to execute, on behalf of the Authority, the Official Statement, in substantially such form, together with such changes, modifications and deletions as the Chairman or Vice Chairman, with the advice of counsel, may deem necessary or appropriate; and such execution shall be conclusive evidence of the approval thereof by the Authority. The Chairman or Vice Chairman is hereby further authorized to determine, and to certify or otherwise represent, on behalf of the Authority, when the Preliminary Official Statement is to be "deemed final" (except for permitted omissions) and when the Official Statement is a "final official statement" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The Authority hereby approves and authorizes the distribution and use of copies of the Official Statement, the Trust Agreement, the Loan Agreement and the Escrow Deposit Agreements by the Underwriters in connection with such sale.

Section 13. Regions Bank is hereby appointed Bond Trustee for the Series 2015 Bonds.

Section 14. Each of Ronald A. Mislowsky, Chairman of the Authority, and Michael L. Bryan, Secretary of the Authority, is hereby appointed as an Authority Representative under the Loan Agreement, with full power to carry out the duties set forth therein.

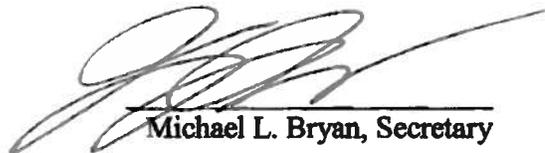
Section 15. The Depository Trust Company, New York, New York is hereby appointed as the initial Securities Depository for the Series 2015 Bonds, with Cede & Co., a nominee thereof, being the initial Securities Depository Nominee and initial registered owner of the Series 2015 Bonds.

Section 16. The Chairman, Vice Chairman and Secretary of the Authority are authorized and directed (without limitation except as may be expressly set forth herein) to take such action and to execute and deliver any such documents, certificates, undertakings, agreements or other instruments, as they, with the advice of counsel, may deem necessary or appropriate to effect the transactions contemplated by the Official Statement, the Trust Agreement, the Loan Agreement, the Escrow Deposit Agreements and the Bond Purchase Agreement, and such execution and delivery shall be conclusive evidence of the authorization and approval thereof by the Authority.

Section 17. This Series Resolution shall take effect immediately upon its passage.

Adopted May 26, 2015.



  
Michael L. Bryan, Secretary

**FISCAL IMPACT STATEMENT  
FOR PROPOSED BOND FINANCING**

Date: May 26, 2015

**Applicants:** Winchester Medical Center, Shenandoah Memorial Hospital and Warren Memorial Hospital  
**Facilities:** Facilities in the City of Winchester, Virginia, the Town of Woodstock, Virginia, the Town of Front Royal, Virginia and the Town of New Market, Virginia

	<u>City of Winchester</u>	<u>Town of Woodstock</u>	<u>Town of Front Royal</u>	<u>Town of New Market</u>	<u>Total</u>
1. Maximum amount of financing sought.	\$90,864,740	\$11,814,090	\$29,750,989	\$270,181	\$132,700,000
2. Estimated taxable value of the facility's real property to be constructed in the locality.	n/a	n/a	n/a	n/a	n/a
3. Estimated real property tax per year using present tax rates.	n/a	n/a	n/a	n/a	n/a
4. Estimated personal property tax per year using present tax rates.	n/a	n/a	n/a	n/a	n/a
5. Estimated merchants' capital tax per year using present tax rates.	n/a	n/a	n/a	n/a	n/a
6. (a) Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality.	\$0*	\$0*	\$0*	\$0*	\$0*
(b) Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality.	\$0*	\$0*	\$0*	\$0*	\$0*
(c) Estimated dollar value per year of services that will be purchased from Virginia companies within the locality.	\$0*	\$0*	\$0*	\$0*	\$0*
(d) Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality.	\$0*	\$0*	\$0*	\$0*	\$0*
7. Estimated number of regular employees on year round basis (FTEs).	2,500 FTE	252 FTE	433 FTE	13 FTE	3,198 FTE
8. Average annual salary per employee.	\$59,594	\$59,234	\$53,793	\$92,509	\$66,300

  
 Chairman, Economic Development Authority  
 of the City of Winchester, Virginia

\* No impact. Refunding bonds only are being issued.

**RESOLUTION OF THE COMMON COUNCIL OF THE CITY OF WINCHESTER,  
VIRGINIA AUTHORIZING THE ISSUANCE, IN AN AGGREGATE  
PRINCIPAL AMOUNT NOT TO EXCEED \$132,700,000, BY THE  
ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF WINCHESTER,  
VIRGINIA OF ITS HOSPITAL REVENUE REFUNDING BONDS  
(VALLEY HEALTH SYSTEM OBLIGATED GROUP), SERIES 2015**

**WHEREAS**, the City of Winchester, Virginia (the "City") is a political subdivision of the Commonwealth of Virginia exercising public and essential governmental functions pursuant to the Constitution and the laws of the Commonwealth of Virginia; and

**WHEREAS**, the Economic Development Authority of the City of Winchester, Virginia (the "Authority") is a political subdivision of the Commonwealth of Virginia and is authorized under Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to borrow money for the purpose of providing funds to finance the acquisition, construction, equipping, expansion, enlargement and improvement of medical facilities in order to provide modern and efficient medical services to the inhabitants of the Commonwealth of Virginia, to refinance medical facilities in order to reduce the costs to residents of the Commonwealth of utilizing such facilities and to issue its revenue bonds for the purpose of carrying out any of its powers; and

**WHEREAS**, Winchester Medical Center ("Winchester") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the City of Winchester, Virginia; and

**WHEREAS**, Shenandoah Memorial Hospital ("Shenandoah") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of the Commonwealth of Virginia, which operates medical facilities located in the Town of Woodstock, Virginia and the Town of New Market, Virginia; and

**WHEREAS**, Warren Memorial Hospital ("Warren") is a private, nonstock corporation duly incorporated and validly existing under and by virtue of the laws of Commonwealth of Virginia, which operates medical facilities located in the Town of Front Royal, Virginia; and

**WHEREAS**, Winchester, Warren and Shenandoah have requested that the Authority issue a series of its revenue refunding bonds (the "Bonds"), in an aggregate principal amount not to exceed \$132,700,000; and

**WHEREAS**, the Bonds will be issued for the purpose of making a loan to Winchester, Warren and Shenandoah (i) to refund all of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2009E (the "Series 2009E Bonds"), issued on December 17, 2009 in the original aggregate principal amount of \$75,000,000 and currently outstanding in the aggregate principal amount of \$29,025,000, (ii) to refund all or a portion of the Authority's outstanding Hospital Revenue Bonds (Valley Health System Obligated Group), Series 2007 (the "Series 2007 Bonds"), issued on January 31, 2007 in the original aggregate principal amount of \$88,335,000 and currently outstanding in the aggregate principal amount of

\$87,310,000, and (iii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds; and

**WHEREAS**, the Series 2009E Bonds were issued for the purpose of providing funds, together with other available funds, (i) to pay, or reimburse Winchester for paying, all or a portion of the cost of (A) renovating, expanding and equipping certain portions of the general acute care hospital and regional referral center known as Winchester Medical Center (the "Medical Center"), including the construction of a 400,000 square-foot, four-story bed tower to provide space for 54 additional beds for the step-down unit, the critical care unit and the observation unit, to provide space for 36 additional bassinets for the neo-natal intensive care unit, to allow for a future increase of up to 120 beds on two shelled floors, to relocate laboratory services, to expand cardiovascular services, including the addition of a catheterization laboratory and shelled space for up to six more such laboratories, and to expand the emergency room; and constructing and acquiring a new heating plant, boilers and emergency power generators in connection with such renovation, expansion and equipping of the Medical Center; (B) constructing and equipping a 60,000 square-foot outpatient diagnostic center; (C) constructing a 560 space parking deck for staff and patient parking; and (D) acquiring certain other capital equipment for use in or in connection with the Medical Center and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2009 Medical Center Project"); and (ii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2009E Bonds; and

**WHEREAS**, the Series 2007 Bonds were issued for the purpose of providing funds, together with other available funds, (i) to finance or refinance for Winchester all or a portion of the cost of (A) renovating, expanding and equipping certain portions of the Medical Center, including the renovation of approximately 60,000 square feet of space at the main hospital building and other buildings at the Medical Center to accommodate patient care, laboratory and administrative services and other hospital functions, including the renovation and expansion of the emergency department, the addition of a new bariatric suite, the renovation of the labor and delivery department to accommodate new ultrasound and recovery areas, the renovation and expansion of the pharmacy, the renovation of the inpatient wing for a new, eight-bed neurology intensive care unit, and the relocation of laboratories, the biomedical department, administrative offices and clinical research facilities; (B) acquiring and installing a new nursery security system at the main hospital building at the Medical Center; (C) acquiring and installing a linear accelerator at a medical office building at the Medical Center; (D) acquiring and installing 12 new heat pump units at the physical and occupational therapy building located at the Medical Center; (E) acquiring and installing underground utility equipment at the Medical Center; and (F) acquiring certain other capital equipment for use in or in connection with the Medical Center and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2007 Medical Center Project"); (ii) to finance or refinance for Shenandoah all or a portion of the cost of (A) renovating, expanding and equipping certain portions of Shenandoah's medical care facilities operated as Shenandoah Memorial Hospital, including (1) the renovation of 1,500 square feet of space for the laundry facility at the main hospital building; (2) the construction of a 1,930-square foot addition to the north side of the main hospital building adjacent to the emergency department for the medical imaging department; and (3) the construction of a 17,690 square-foot addition to the south side of the main hospital building and renovation of 15,030 square feet of existing space for the ambulatory surgery unit; (B)

constructing a one-story, 9,000 square-foot ambulatory care center (the "New Market Ambulatory Care Center"); (C) installing a new traffic signal on Route 11 at the main entrance to the main hospital building; (D) acquiring and installing a new medical/surgical nursing call system in the main hospital building; and (E) acquiring certain other capital equipment for use in or in connection with Shenandoah Memorial Hospital and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2007 Shenandoah Memorial Hospital Project"); (iii) to finance or refinance for Warren all or a portion of the cost of (A) renovating, expanding and equipping certain portions of Warren's medical care facilities operated as Warren Memorial Hospital, including (1) the construction of a 2,600 square-foot addition to the south side of Warren Memorial Hospital's skilled nursing facility, the Lynn Care Center, for rehabilitation services; and (2) the renovation of 3,200 square feet of existing space in the main hospital building for laboratory services; (B) constructing and equipping a two-story, 36,000 square-foot ambulatory care center (the "Warren Ambulatory Center"); (C) acquiring a 3.8 acre parcel of land for construction of the Warren Ambulatory Center; (D) acquiring and installing a new medical gas system at the main hospital building; (E) acquiring a 151-acre parcel of land for future development within an exempt purpose of Warren (the "Future Facility Land"); and (F) acquiring certain other capital equipment for use in or in connection with Warren Memorial Hospital and renovating any space necessary or incidental to the installation of any such equipment (collectively, the "2007 Warren Memorial Hospital Project" and, together with the 2007 Medical Center Project and the 2007 Shenandoah Memorial Hospital Project, the "2007 Project"); (iv) to refinance for Shenandoah the outstanding Industrial Development Authority of Shenandoah County, Virginia Hospital Facilities Revenue Refunding Bonds (Shenandoah Memorial Hospital), Series 2003 (the "Shenandoah Series 2003 Bonds"); (v) to refinance for Warren the outstanding Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia Hospital Facilities Revenue Bonds (Warren Memorial Hospital), Series 2003 (the "Warren Series 2003 Bonds"); (vi) to fund a portion of the interest accruing on the Series 2007 Bonds during the construction period, and a reasonable period thereafter, of the 2007 Project; and (vii) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Series 2007 Bonds; and

**WHEREAS**, the proceeds derived from the sale of the Shenandoah Series 2003 Bonds were applied to refund the Industrial Development Authority of Shenandoah County, Virginia Facility Revenue Bond (Shenandoah County Memorial Hospital), Series 1994 (Bank-Qualified), the proceeds of which were used to pay the costs of additions, improvements, renovations and equipment for Shenandoah Memorial Hospital and to pay financing costs and costs of issuance incurred in connection with the Shenandoah Series 2003 Bonds (the "2003 Shenandoah Project"); and

**WHEREAS**, the proceeds derived from the sale of the Warren Series 2003 Bonds were applied to finance or refinance all or a portion of the costs of: (a) refunding the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia Medical Facilities Revenue Bonds (Warren Memorial Hospital), Series 1992 (Bank-Qualified), the proceeds of which were used to refinance certain prior debt and to pay the cost of improvements, renovations and equipment for Warren Memorial Hospital; (b) acquiring, constructing, expanding and equipping the Lynn Care Center; (c) acquiring, constructing, renovating and equipping hospital facilities; (d) paying interest accruing on the Warren Series 2003 Bonds during the acquisition, construction, reconstruction, expansion and equipping of such facilities;

and (e) paying certain issuance expenses incurred in connection with the Warren Series 2003 Bonds (the "2003 Warren Project"); and

**WHEREAS**, the Medical Center, the 2009 Medical Center Project and the 2007 Medical Center Project are located on a 166-acre campus bounded on the south by Amherst Street, on the west by Route 37, on the north approximately by Pond View Drive and a line extending from the end of Pond View Drive west to Route 37, and approximately on the east by Linden Drive and Whitacre Street, with addresses currently ranging from 1830 to 1890 Amherst Street and from 190 to 400 Campus Blvd., Winchester, Virginia 22604; Shenandoah Memorial Hospital is located at 759 South Main Street, Woodstock, Virginia 22664; the New Market Ambulatory Care Center is located at 9166 North Congress Street, New Market, Virginia 22844; Warren Memorial Hospital is located at 1000 N. Shenandoah Avenue, Front Royal, Virginia 22630; the Lynn Care Center is located at 132 West 11th Street, Front Royal, Virginia 22630; the Warren Ambulatory Center is located at 120 North Commerce Avenue, Front Royal, Virginia 22630; and the Future Facility Land, which does not yet have an address, is a 151-acre parcel of land identified on the Town of Front Royal Tax Map No. 20A212-2, located north of John Marshall Highway and south of Happy Creek Road in Front Royal, Virginia; and

**WHEREAS**, the Medical Center, the 2009 Medical Center Project and the 2007 Medical Center Project are owned and operated by Winchester, whose sole corporate member is Valley Health System ("Valley Health"), also a Virginia nonstock corporation; and

**WHEREAS**, Shenandoah Memorial Hospital, the 2003 Shenandoah Project and the 2007 Shenandoah Memorial Hospital Project (other than the New Market Ambulatory Care Center) are owned and operated by Shenandoah, whose sole corporate member is Valley Health; and the New Market Ambulatory Care Center is operated by Shenandoah pursuant to an improvement lease; and

**WHEREAS**, Warren Memorial Hospital, the 2003 Warren Project and the 2007 Warren Memorial Hospital Project (other than the Warren Ambulatory Center) are owned and operated by Warren, whose sole corporate member is Valley Health; and the Warren Ambulatory Center is owned by Valley Health and operated by Warren; and

**WHEREAS**, the Authority has by resolution adopted on May 26, 2015 (the "Authority Approval Resolution") approved the issuance by the Authority of the Bonds, in an aggregate principal amount not exceeding \$132,700,000, for the purposes hereinabove set forth; and

**WHEREAS**, the Authority held a public hearing on May 26, 2015 with respect to the issuance of the Bonds in accordance with state and federal law; and

**WHEREAS**, the Common Council of the City of Winchester, Virginia (the "Winchester Common Council") must first approve the issuance of the Bonds by the Authority; and

**WHEREAS**, the Authority has delivered or caused to be delivered to the Winchester Common Council the following: (i) a reasonably detailed summary of the comments expressed at the public hearing held by the Authority in connection with the issuance of the Bonds, (ii) a fiscal impact statement concerning the Bonds in the form specified by Section 15.2-4907 of the Act, and (iii) a copy of the Authority Approval Resolution, which constitutes the

recommendation of the Authority that the Winchester Common Council approve the issuance of the Bonds; and

**WHEREAS**, the Winchester Common Council has determined that it is advisable and in the best interest of the City to approve the issuance by the Authority of the Bonds, in an aggregate principal amount not exceeding \$132,700,000, to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia;

**NOW, THEREFORE, BE IT RESOLVED** by the Common Council of the City of Winchester, Virginia:

1. The Winchester Common Council hereby approves the issuance by the Authority of the Bonds, in an aggregate principal amount not exceeding \$132,700,000, to provide funds for the purpose of making a loan to Winchester, Warren and Shenandoah (a) to refund all of the Series 2009E Bonds, (b) to refund all or a portion of the Series 2007 Bonds, and (c) to pay certain expenses incurred in connection with the authorization, issuance and sale of the Bonds.

2. The Mayor, the Clerk and any Deputy Clerk of the Winchester Common Council are hereby authorized and directed, acting jointly or separately, on behalf of the City, to take all action necessary or desirable, including the execution of any documents, to consummate the issuance of the Bonds.

3. The approval of the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended, and the Act, does not constitute an endorsement to any prospective purchaser of the Bonds of the creditworthiness of Winchester, Warren or Shenandoah and, as required by the Act, the Bonds shall provide that neither the Commonwealth of Virginia, the City nor the Authority shall be obligated to pay the principal of, the redemption premium, if any, or the interest on the Bonds or other costs incident thereto except from the revenues and funds pledged therefor and neither the faith or credit nor the taxing power of the Commonwealth of Virginia, the City nor the Authority shall be pledged thereto.

4. This resolution shall take effect immediately upon its passage.

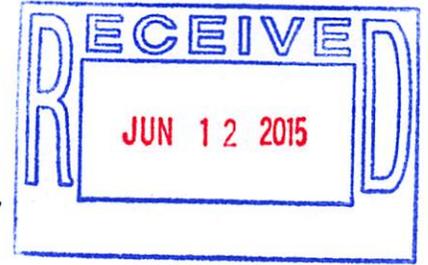
ATTEST:

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Kari J. Van Diest, CMC  
Deputy Clerk of the Common Council



**CITY OF WINCHESTER**  
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*Assistant Commonwealth's Attorney*

June 12, 2015

The Honorable Elizabeth Minor, Mayor  
The Honorable John Willingham, President  
Winchester Common Council  
15 N. Cameron Street  
Winchester, Virginia 22601

RE: Farewell

Dear Mayor Minor, President Willingham, Members of Council:

After 19 years of service as an elected official for the City of Winchester - first as a councilman and then as Commonwealth's Attorney - I hereby resign as Commonwealth's Attorney, effective June 30, 2015 at 5 p.m.

As you know, I will take the bench as a circuit court judge of the 26<sup>th</sup> Judicial Circuit on July 1, 2015.

Council and the City Managers have been most supportive these last 13 ½ years that I have been Commonwealth's Attorney. Please extend my thanks to all of my fellow City employees for their cooperation and collaboration over the years.

By copy of this letter to the media, I wish to express my heartfelt thanks to the citizens of Winchester for electing and re-electing me six times to public office. I have striven to be fair, accessible, and conscientious in my duties. Thank you all for your support.

Sincerely,

Alexander Iden, Commonwealth's Attorney

cc: Eden Freeman, City Manager  
Anthony Williams, City Attorney  
The Winchester Star  
The Northern Virginia Daily  
WINC  
WHAG Hagerstown