

# CITY OF WINCHESTER, VIRGINIA

## CITY COUNCIL AGENDA ITEM

CITY COUNCIL MEETING OF: September 8, 2015

RESOLUTION \_\_\_ ORDINANCE  DESCRIPTION/PRESENTATION \_\_\_

**ITEM TITLE:** ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE CITY OF WINCHESTER, VIRGINIA, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,200,000, TO FINANCE THE COSTS OF CERTAIN CAPITAL IMPROVEMENT PROJECTS

**PUBLIC HEARING DATE:** October 13, 2015 at 12:00 AM

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 completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

**Review:**

Mary Blowe	Completed	09/01/2015 3:12 PM
Anthony Williams	Completed	09/01/2015 3:30 PM
Eden Freeman	Completed	09/01/2015 4:37 PM

**Mary Blowe**

Mary Blowe, Chief Financial Officer 9/1/2015



**APPROVED AS TO FORM:**

**CITY ATTORNEY**

  
Eden Freeman, City Manager 9/1/2015

# CITY COUNCIL ACTION MEMO

**To:** Honorable Mayor and Members of City Council  
**From:** Mary Blowe, Chief Financial Officer  
**Date:** September 8, 2015  
**Re:** ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE CITY OF WINCHESTER, VIRGINIA, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,200,000, TO FINANCE THE COSTS OF CERTAIN CAPITAL IMPROVEMENT PROJECTS

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## **THE ISSUE:**

As part of the budget process the following projects required bond proceeds:

- JJC Improvements- \$3,700,000
- City Hall Renovations & HVAC replacement- \$1,315,000
- Valley Avenue/Whitlock Drainage- \$385,000
- Meadow Branch Extension- \$600,000
- JKES furniture & fixtures- \$1,000,000

## **RELATIONSHIP TO STRATEGIC PLAN:**

With the projects listed above we are supporting the goal to promote and accelerate revitalization of targeted areas within the City. Also, we are improving City services and advancing the City's strategic plan goal by promoting a culture of transparency, *efficiency and innovation.*

## **BACKGROUND:**

During the budget process, the projects listed above were approved to be funded with bonds. Since this is a small issuance, we are going to introduce both a resolution (for a private placement) and an ordinance (for a public offering). So, if we do not receive an acceptable bid for our bonds with the private placement, we are in a position to go forward with a public offering. The document that is not needed with automatically expire upon closing.

## **BUDGET IMPACT:**

<b>Maturity Date</b>	<b>Principal</b>
9/15/2016	\$ 275,000
9/15/2017	\$ 280,000
9/15/2018	\$ 290,000
9/15/2019	\$ 300,000
9/15/2020	\$ 305,000
9/15/2021	\$ 315,000
9/15/2022	\$ 325,000

9/15/2023	\$ 330,000
9/15/2024	\$ 340,000
9/15/2025	\$ 350,000
9/15/2026	\$ 360,000
9/15/2027	\$ 370,000
9/15/2028	\$ 380,000
9/15/2029	\$ 390,000
9/15/2030	\$ 405,000
9/15/2031	\$ 415,000
9/15/2032	\$ 425,000
9/15/2033	\$ 435,000
9/15/2034	\$ 450,000
<u>9/15/2035</u>	<u>\$ 460,000</u>
	<u>\$ 7,200,000</u>

Interest on be determined by either the Private placement bid, or public offering.

**OPTIONS:**

Two options are being presented, a private placement or public offering. After the RFP's are evaluated the CFO will bring the offers (rates) forward to Council for final approval.

**RECOMMENDATIONS:**

I recommend we run the resolution and ordinance during the same time frame to be able to achieve the best rate possible on our 2015 bond issuance.

**ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF GENERAL  
OBLIGATION BONDS OF THE CITY OF WINCHESTER, VIRGINIA, IN AN  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$7,200,000, TO  
FINANCE THE COSTS OF CERTAIN CAPITAL IMPROVEMENT PROJECTS**

**WHEREAS**, the Common Council of the City desires to issue general obligation bonds to finance the costs of certain capital improvement projects for the City, including (but not limited to) one or more of the following projects: the acquisition, construction, extension, renovation and equipping of joint judicial center improvements, City Hall renovations and HVAC replacement, road, street and sidewalk improvements, and public school improvements (collectively, the “Project”);

**BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF  
WINCHESTER, VIRGINIA:**

1. Pursuant to the City Charter and the Public Finance Act of 1991, there are hereby authorized to be issued and sold general obligation bonds (the “Bonds”) of the City in an aggregate principal amount not to exceed \$7,200,000 to provide funds, together with other funds as may be available, to finance costs of the Project and to pay costs incurred in connection with issuing the Bonds.

2. The Bonds shall bear such date or dates, mature at such time or times not exceeding 40 years from their dates, bear interest at such rate or rates, be in such denominations and form, be executed in such manner and be sold in one or more series at such time or times and in such manner as the Common Council may hereafter provide by appropriate resolution or resolutions.

3. The Bonds shall be general obligations of the City for the payment of principal of and premium, if any, and interest on which its full faith and credit shall be irrevocably pledged.

4. The Clerk of the Common Council, in collaboration with the City Attorney, is authorized and directed to see to the immediate filing of a certified copy of this ordinance in the Circuit Court of the City.

5. This ordinance shall take effect immediately.

**Ordinance No. \_\_\_\_-2015.**

The undersigned Clerk of the Common Council of the City of Winchester, Virginia, hereby certifies that (a) the foregoing ordinance was introduced at a regular meeting of the Common Council on September 22, 2015, and was adopted at a regular meeting of the Common Council on October 13, 2015, and (b) the foregoing ordinance constitutes a true and correct extract from the minutes of the October 13, 2015 regular meeting of the Common Council, and of the whole thereof so far as applicable to the matters referred to in such extract.

**WITNESS** my signature and the seal of the City of Winchester, Virginia, this \_\_\_\_ day of October, 2015.

(SEAL)

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Clerk of the Common Council, City of  
Winchester, Virginia