

Finance, Audit & Budget Committee Meeting Agenda

April 18, 2017 – 1:30 PM
Conference Room A/B/C - Second Floor

Committee Members: Chairman Wendy Maurer, Jack Cavalier, and Bob Thomas

Agenda Item	
	Chief Financial Officer Maria Perrotte
	1) Monthly Report
	▪ 3 rd Quarter Review
	2) FY18 Budget/CIP
	▪ Fire Boat
	▪ Ups/Downs
	▪ Resolutions

FAB04182017





To Finance, Audit and Budget Committee

From: Maria Perrotte, Chief Financial Officer

Subject: Monthly Update

Date: April 13, 2017

CC: Thomas C. Foley, County Administrator

Department Activity

Preliminary audit field work is scheduled to begin at the end of April. Several meetings are slated to review the work plan and required data with County and School departments.

Staff has begun working on presentations for the bond rating agencies in anticipation of the G.O. issuance in early June. Once the budget and CIP are adopted, the presentation can be completed. Conference calls are scheduled with the agencies in early May.

Reports

Attached please find the 3rd quarter review and the monthly cash reconciliation report. I would be happy to answer any questions you may have.

Stafford County
Cash Reconciliation Summary Report
As of February 28, 2017

Treasurer balance	\$	248,593,704.04
Finance balance from H.T.E. and Munis		<u>289,736,171.50</u>
Difference	\$	41,142,467.46

Reconciling items:

School and County payroll 3/1	10,452,510.33
School Nutrition	10,604,400.99
Specific account vs fund differences, SNAP, OPEB	(2,895,010.94)
School payroll includes taxes & ICMA July to February	(32,530,564.35)
School VRS July to February	(21,165,381.02)
School Anthem Medical and Dental wires	(3,909,784.95)
School Pcard	(363,366.81)
Interest earned not in Munis fund 60	40,142.94
Wires not in Munis/H.T.E.	(486,779.02)
School deposits needing reclassification	(903,405.36)
Voided checks	14,507.99
Miscellaneous items less than \$ 500	<u>262.74</u>
Total reconciling items	\$ (41,142,467.46)
Unreconciled difference	\$ (0.00)

FY2017 3rd Quarter Review



April 18, 2017

Revenue



- ❧ The economy remains strong, resulting in most revenue lines exceeding budget.
- ❧ Property taxes continue their positive trend, due to new construction, and are projected to come in slightly higher than budget.
- ❧ Development revenues are mixed with planning fees which are lower than previous years and permit fees are growing.
- ❧ Ambulance Recovery Fees have flattened and may be slightly lower than budget.

Expenditures



- ❧ Total expenditures will be under budget.
- ❧ Budget for vacancy savings was distributed equally among departments.
- ❧ Actual vacancy savings did not occur that way.
- ❧ Individual departments will show positive and negative variances.
- ❧ But overall, budgeted managed attrition of \$0.5M will be achieved.

Expenditures



- ❧ Health insurance is tracking in line with budget. We had reserved prior health insurance savings of \$535,255 as a hedge against budget overage as the County underwent a change in health insurance policies.
- ❧ Year end projections for health insurance are favorable and the reserve will not be necessary.
- ❧ Staff recommends, per Proposed Resolution R17-124, health insurance savings is remitted to the OPEB Trust in accordance with our financial policies.

Expenditures



- ❧ We are projecting that the Rappahannock Juvenile Detention Center (RJDC) will exceed budget.
- ❧ At the end of FY2016, our lower than expected enrollment at RJDC created a savings which we reserved and will offset the additional expenditures.

Expenditures



- Private day school placements for special needs students is rising.
- We project that CSA expenditures will exceed the adjusted budget by \$540,000.
- Proposed Resolution R17-75 requests the Board Budget and Appropriate additional State revenue for CSA in the amount of \$240,000.

Expenditures



The CSA Budget Revisions – FY2017

	State	Local	Total
Adopted Budget	\$2,376,378	\$2,173,543	\$4,549,921
Mid-Year Adjustment	660,000	521,000	1,181,000
Third Quarter Adjustment (Proposed Resolution R17-75)	<u>240,000</u>	<u>300,000</u>	<u>540,000</u>
Total Revised Budget	\$3,276,378	\$2,994,543	\$6,270,921

Fund Balance Reserves



- ❧ We project all reserves to be fully funded in accordance with our financial policies.
- ❧ We anticipate there will be Positive Results of Operation of a little less than 1% that can be added to the Capital Projects Reserve.

School's Revenue



- ❧ State Revenues - net decrease of approximately \$640,000 from adopted budget
- ❧ Federal Revenues – decrease in supplemental impact aid revenue of approximately \$425,000

School's Expenditure



- ☞ Payroll and Benefits – Up to five monthly payrolls remaining, currently tracking as expected
- ☞ Fuel and Utilities – Trending under budget
- ☞ Other expenditures – trending as expected

School's Funded Reserve



- ❧ Funded Reserves Account – Approximately \$2M.
- ❧ Funded primarily from FY2017 “buy ahead” items and savings in fuels and utilities.
- ❧ It is a contingency for unexpected and remaining expenditures.
- ❧ Potentially available for cash capital items.

Questions?




Stafford County Fire and Rescue Department

Memo

Date: April 13, 2017

To: Finance, Audit and Budget Committee

Through: Tom Foley
County Administrator

From: Mark Lockhart, NRP 
County Fire and EMS Chief

Subject: FY18 CIP Purchase of Fire Boat

Fire and Rescue has requested a Fire Boat in the FY18 CIP and in discussion with the Public Safety Committee, it was determined that further discussion was required and that would be handled as part of the FY18 budget process. The discussion was referred to the FAB for discussion and I am happy to present you with a compilation of findings on this issue for your consideration and decision.

As you know, the County has approximately 50 miles of coastline and a good portion of that is along three bodies of water - Aquia Creek, Potomac Creek, and the Potomac River. While the Potomac River is the border with Maryland, we do respond to calls on the Potomac River to assist Charles County or when their boat is unavailable. In our review of calls from CY10 through CY16, we average 50 water-related calls annually with 20 of those occurring on the three aforementioned bodies of water. We see a choice of two paths forward: the first is to maintain our current service model with regard to waterborne assets or the second is to improve our current service delivery by proceeding with the proposed purchase of a new 30-foot boat capable of performing firefighting and rescue services. Both paths present with positives and negatives as well as a budget impact, either short-term (purchase of new boat) or long-term (cost of maintaining an aging fleet with an average age of just over 22 years).

The tables on page 2 present the positives and negatives of each path from our perspective. We have also attached additional information presented to the Public Safety Committee and the

Board of Supervisors in previous discussions regarding fireboats from 2015 and updated numbers regarding water rescue calls.

Option #1 - Maintaining Our Current Service Model – Under Option #1, we would maintain our current fleet of vessels and make necessary repairs as required in order to keep the fleet afloat. The list of our current inventory can be found in attachment A.

<i>Positive</i>	<i>Negative</i>
Budget Neutral	Age of Fleet (average age is 22.75 years)
Continued partnership with other jurisdictions	Continued reliance on other jurisdictions
Boat operators are familiar operating current fleet	Limited pump capacity/rescue capability = limited ability to provide service
	Lack of county ownership/decision-making ability

Option #2 - Improve Our Current Service Model – Under Option #2 and with the Board's approval, we would move forward with the planned FY18 purchase of a 30 foot fire and rescue boat that would be kept in the water year-round. This vessel would enhance the current fleet of water rescue assets.

<i>Positive</i>	<i>Negative</i>
Provides stable platform for firefighting and rescue operations from the water	Cost = \$291,000
All-weather – in water year-round	Limited to three larger waterways
Provides regional asset to assist other agencies when needed (Quantico, King George, Prince William)	Crews will need to be trained
Enhanced service = increased capability	

National Fire Protection Association 1925 – Standard for Marine Fire-Fighting Vessels does not stipulate a specific service life for fireboats, other NFPA standards denote a 15-year frontline service life with a 25-year total service life. The United States Maritime Administration specifies a 20-year hull life for fireboats. The vessels within our fleet are past the NFPA recommended frontline service life as well as the USMA hull life specification.

For your review, we have attached FY18 CIP Request for Fireboat Briefing Sheet – presented to the Public Safety Committee on February 21 and now updated with station location and pump capacity and comparison to the proposed vessel (attachment A) and Water Rescue Calls by Body of Water – CY10-CY16 (attachment B).

As always, I am happy to answer any questions you may have.



Stafford County Fire and Rescue Department

FY18 CIP Request for Fireboat Briefing Sheet

Situation:

Stafford County is home to 53 miles of shoreline along our navigable waterways, more than 1100 acres of reservoirs and lakes, and 19 miles of swift moving water along the Rappahannock River. The Fire and Rescue Department is tasked with providing emergency response to these areas, each of which comes with their own set of challenges. As the community grows, recreational boating along our waterways will as well. Having an appropriate combination of apparatus/equipment and trained personnel is critical to effective intervention. Specifically regarding the response to our largest bodies of water (Aquia Creek, Potomac Creek, Potomac River), the review of our current apparatus has highlighted the potential for a more efficient and safer response.

Current Inventory:

	Boat 3 (CES 3810)	Boat 5 (CES 559)	Boat 7 (CES 709)	Boat 7B (CES 704)	Proposed New Boat
Station	Widewater	Brooke	White Oak	White Oak	<i>Proposed for Widewater</i>
Age	18	21	26	26	0
Description	24 ft Pro Line Recreational/Fishing Boat	28 ft Privateer Recreational/Fishing Boat	22 ft Boston Whaler Center Console Fire Boat	21 ft Seamark Recreational Boat	30 ft PackMan Fire and Rescue Boat
Motor(s)	Single 225 hp Outboard	Dual 150 hp Outboard	Dual 150 hp Outboard	Single 130 hp Outboard	Dual 250 hp Mercury Outboard
Pump Capacity	300 GPM (must be placed in water)	250 GPM	600 GPM	250 GPM	900 GPM
Comments	Limited storage and deck space	Co-titled between County and Brooke	Limited storage and deck space. Purchased used by WOVFD from Charles County	Purchased used by WOVFD	Pumps will supply two 4" fire mains, each reduced down to two 2.5" outlets, 74" bow door can be lowered to allow for equipment and staff to load.

page 2

Opportunities:

The current inventory of boats is not designed for Fire/EMS applications within Stafford County

- Design is of recreational nature, modified/refurbished in a piecemeal fashion
- Most fire pump capacity is 1/3 that of standard Engine Companies
- Hydrilla, Shallow/Muddy Waterways, and Creeks require purposeful design
- Remote areas could be accessed by vessels designed to carry personnel and equipment, we currently lack this capacity.
- Most of Stafford County's waterfront properties are within non-hydranted (rural) areas - utilization of a properly equipped boat would allow for on-the-spot water supply.

FY18 CIP Request

The FY18 CIP includes a request for \$291,000 for a fire and rescue boat. Our recommendation is for a vessel that would offer a 900 gallon per minute pump capacity as well as a moveable ramp to allow for dive operations and water rescue.

WATER RESCUES IN STAFFORD COUNTY BY BODY OF WATER
Calendar Year 2010 through Calendar Year 2016

ATTACHMENT B

COUNTY WIDE	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	36	42	33	26	38	30	48	253
UNF - UNKNOWN TYPE FIRE	1	0	0	0	0	1	0	2
RES - RESIDENTIAL FIRE	0	1	0	0	1	0	0	2
PUB - PUBLIC SERVICE	19	11	6	2	4	2	13	57
LOC - LOCAL ALARM	1	0	0	0	0	2	0	3
INV - FIRE INVESTIGATION	0	1	0	0	0	0	0	1
DRO - DROWNING	0	0	0	1	1	0	0	2
BTS - BOAT SERVICE CALL	9	5	3	6	4	0	0	27
BRU - BRUSH FIRE	1	0	0	0	0	0	0	1
BOF - BOAT FIRE	1	1	1	0	0	0	0	3
ATTS - ATTEMPTED SUICIDE	1	0	0	0	0	2	0	3
AIR - AIRCRAFT ACCIDENT	1	0	0	0	0	1	0	2
TOTAL	70	61	43	35	48	38	61	356

AQUIA CREEK	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	1	2	5	3	8	5	5	29
UNF - UNKNOWN TYPE FIRE	1	0	0	0	0	0	0	1
RES - RESIDENTIAL FIRE	0	1	0	0	0	0	0	1
PUB - PUBLIC SERVICE	11	7	2	1	0	2	12	35
LOC - LOCAL ALARM	1	0	0	0	0	1	0	2
INV - FIRE INVESTIGATION	0	0	0	0	0	0	0	0
DRO - DROWNING	0	0	0	0	0	0	0	0
BTS - BOAT SERVICE CALL	7	3	2	3	1	0	0	16
BRU - BRUSH FIRE	1	0	0	0	0	0	0	1
BOF - BOAT FIRE	1	1	0	0	0	0	0	2
ATTS - ATTEMPTED SUICIDE	0	0	0	0	0	0	0	0
AIR - AIRCRAFT ACCIDENT	0	0	0	0	0	0	0	0
TOTAL	23	14	9	7	9	8	17	87

WATER RESCUES IN STAFFORD COUNTY BY BODY OF WATER
Calendar Year 2010 through Calendar Year 2016

ATTACHMENT B

ABEL LAKE	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	2	0	0	0	0	0	0	2
UNF - UNKNOWN TYPE FIRE	0	0	0	0	0	0	0	0
RES - RESIDENTIAL FIRE	0	0	0	0	0	0	0	0
PUB - PUBLIC SERVICE	0	0	0	0	1	0	0	1
LOC - LOCAL ALARM	0	0	0	0	0	0	0	0
INV - FIRE INVESTIGATION	0	0	0	0	0	0	0	0
DRO - DROWNING	0	0	0	0	0	0	0	0
BTS - BOAT SERVICE CALL	0	0	0	0	1	0	0	1
BRU - BRUSH FIRE	0	0	0	0	0	0	0	0
BOF - BOAT FIRE	0	0	0	0	0	0	0	0
ATTS - ATTEMPTED SUICIDE	0	0	0	0	0	0	0	0
AIR - AIRCRAFT ACCIDENT	0	0	0	0	0	0	0	0
TOTAL	2	0	0	0	2	0	0	4

CURTIS LAKE	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	0	0	1	0	0	0	0	1
UNF - UNKNOWN TYPE FIRE	0	0	0	0	0	0	0	0
RES - RESIDENTIAL FIRE	0	0	0	0	0	0	0	0
PUB - PUBLIC SERVICE	0	0	0	0	0	0	0	0
LOC - LOCAL ALARM	0	0	0	0	0	0	0	0
INV - FIRE INVESTIGATION	0	0	0	0	0	0	0	0
DRO - DROWNING	0	0	0	0	0	0	0	0
BTS - BOAT SERVICE CALL	0	0	0	1	0	0	0	1
BRU - BRUSH FIRE	0	0	0	0	0	0	0	0
BOF - BOAT FIRE	0	0	0	0	0	0	0	0
ATTS - ATTEMPTED SUICIDE	0	0	0	0	0	0	0	0
AIR - AIRCRAFT ACCIDENT	0	0	0	0	0	0	0	0
TOTAL	0	0	1	1	0	0	0	2

WATER RESCUES IN STAFFORD COUNTY BY BODY OF WATER
Calendar Year 2010 through Calendar Year 2016

ATTACHMENT B

LAKE ARROWHEAD	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	1	0	0	0	0	0	0	1
UNF - UNKNOWN TYPE FIRE	0	0	0	0	0	0	0	0
RES - RESIDENTIAL FIRE	0	0	0	0	0	0	0	0
PUB - PUBLIC SERVICE	0	0	0	0	0	0	0	0
LOC - LOCAL ALARM	0	0	0	0	0	0	0	0
INV - FIRE INVESTIGATION	0	0	0	0	0	0	0	0
DRO - DROWNING	0	0	0	0	0	0	0	0
BTS - BOAT SERVICE CALL	0	0	0	0	0	0	0	0
BRU - BRUSH FIRE	0	0	0	0	0	0	0	0
BOF - BOAT FIRE	0	0	0	0	0	0	0	0
ATTS - ATTEMPTED SUICIDE	0	0	0	0	0	0	0	0
AIR - AIRCRAFT ACCIDENT	0	0	0	0	0	0	0	0
TOTAL	1	0	0	0	0	0	0	1

POTOMAC	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	6	4	5	8	2	2	6	33
UNF - UNKNOWN TYPE FIRE	0	0	0	0	0	0	0	0
RES - RESIDENTIAL FIRE	0	0	0	0	1	0	0	1
PUB - PUBLIC SERVICE	6	1	3	1	1	0	1	13
LOC - LOCAL ALARM	0	0	0	0	0	0	0	0
INV - FIRE INVESTIGATION	0	0	0	0	0	0	0	0
DRO - DROWNING	0	0	0	0	0	0	0	0
BTS - BOAT SERVICE CALL	1	0	0	1	0	0	0	2
BRU - BRUSH FIRE	0	0	0	0	0	0	0	0
BOF - BOAT FIRE	0	0	1	0	0	0	0	1
ATTS - ATTEMPTED SUICIDE	0	0	0	0	0	1	0	1
AIR - AIRCRAFT ACCIDENT	0	0	0	0	0	0	0	0
TOTAL	13	5	9	10	4	3	7	51

WATER RESCUES IN STAFFORD COUNTY BY BODY OF WATER
Calendar Year 2010 through Calendar Year 2016

ATTACHMENT B

FBURG ROCK QUARRY	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	1	0	0	1	0	0	0	2
UNF - UNKNOWN TYPE FIRE	0	0	0	0	0	0	0	0
RES - RESIDENTIAL FIRE	0	0	0	0	0	0	0	0
PUB - PUBLIC SERVICE	0	0	0	0	0	0	0	0
LOC - LOCAL ALARM	0	0	0	0	0	0	0	0
INV - FIRE INVESTIGATION	0	0	0	0	0	0	0	0
DRO - DROWNING	0	0	0	0	1	0	0	1
BTS - BOAT SERVICE CALL	0	0	0	0	0	0	0	0
BRU - BRUSH FIRE	0	0	0	0	0	0	0	0
BOF - BOAT FIRE	0	0	0	0	0	0	0	0
ATTS - ATTEMPTED SUICIDE	0	0	0	0	0	0	0	0
AIR - AIRCRAFT ACCIDENT	0	0	0	0	0	0	0	0
TOTAL	1	0	0	1	1	0	0	3

RAPPAHANNOCK RIVER	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	26	35	22	14	27	19	34	177
UNF - UNKNOWN TYPE FIRE	0	0	0	0	0	1	0	1
RES - RESIDENTIAL FIRE	0	0	0	0	0	0	0	0
PUB - PUBLIC SERVICE	2	3	1	0	2	0	0	8
LOC - LOCAL ALARM	0	0	0	0	0	1	0	1
INV - FIRE INVESTIGATION	0	1	0	0	0	0	0	1
DRO - DROWNING	0	0	0	1	0	0	0	1
BTS - BOAT SERVICE CALL	1	2	0	1	2	0	0	6
BRU - BRUSH FIRE	0	0	0	0	0	0	0	0
BOF - BOAT FIRE	0	0	0	0	0	0	0	0
ATTS - ATTEMPTED SUICIDE	1	0	0	0	0	1	0	2
AIR - AIRCRAFT ACCIDENT	1	0	0	0	0	0	0	1
TOTAL	31	41	23	16	31	22	34	198

WATER RESCUES IN STAFFORD COUNTY BY BODY OF WATER
Calendar Year 2010 through Calendar Year 2016

ATTACHMENT B

LAKE MOONEY	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	0	1	0	0	0	0	0	1
UNF - UNKNOWN TYPE FIRE	0	0	0	0	0	0	0	0
RES - RESIDENTIAL FIRE	0	0	0	0	0	0	0	0
PUB - PUBLIC SERVICE	0	0	0	0	0	0	0	0
LOC - LOCAL ALARM	0	0	0	0	0	0	0	0
INV - FIRE INVESTIGATION	0	0	0	0	0	0	0	0
DRO - DROWNING	0	0	0	0	0	0	0	0
BTS - BOAT SERVICE CALL	0	0	0	0	0	0	0	0
BRU - BRUSH FIRE	0	0	0	0	0	0	0	0
BOF - BOAT FIRE	0	0	0	0	0	0	0	0
ATTS - ATTEMPTED SUICIDE	0	0	0	0	0	0	0	0
AIR - AIRCRAFT ACCIDENT	0	0	0	0	0	1	0	1
TOTAL	0	1	0	0	0	1	0	2

SMITH LAKE	2010	2011	2012	2013	2014	2015	2016	TOTAL
WR - WATER RESCUE	0	0	0	0	1	1	0	2
UNF - UNKNOWN TYPE FIRE	0	0	0	0	0	0	0	0
RES - RESIDENTIAL FIRE	0	0	0	0	0	0	0	0
PUB - PUBLIC SERVICE	0	0	0	0	0	0	0	0
LOC - LOCAL ALARM	0	0	0	0	0	0	0	0
INV - FIRE INVESTIGATION	0	0	0	0	0	0	0	0
DRO - DROWNING	0	0	0	0	0	0	0	0
BTS - BOAT SERVICE CALL	0	0	0	0	0	0	0	0
BRU - BRUSH FIRE	0	0	0	0	0	0	0	0
BOF - BOAT FIRE	0	0	0	0	0	0	0	0
ATTS - ATTEMPTED SUICIDE	0	0	0	0	0	0	0	0
AIR - AIRCRAFT ACCIDENT	0	0	0	0	0	0	0	0
TOTAL	0	0	0	0	1	1	0	2

FY2018 Proposed Budget Ups and Downs

	Revenues	Expenditures	Difference	Comments
Proposed Budget:	285,963,657	285,963,657	0	
Vehicle License Fees	130,000		130,000	Based on June expected billing
Sales Tax	250,000		380,000	
Transient Occupancy Tax	(60,000)		320,000	
Ambulance Recovery	(200,000)		120,000	
Recordation	100,000		220,000	
Code Administrative	125,000		345,000	
DMV Revenue	37,000	37,000	345,000	
Compensation Board - Adjustments	32,912		377,912	
Compensation Board - Sheriff Compression Pay	53,590		431,502	
Reduction of Fire and Rescue Overtime		(100,000)	531,502	
Law Clerk Position		87,276	444,226	Numbers have been verified
Registrar security line		8,000	436,226	New DHS requirements
Adjusted VPSA Debt Service		(25,000)	461,226	Draft debt service shows a more favorable rate
VPSA Debt Service for School's Operating Transfer		25,000	436,226	
Adjusted Animal Shelter Debt Service		(25,000)	461,226	Draft debt service shows a more favorable rate
Cable Franchise legal fees, no longer in FY18		(40,000)	501,226	Reduction of County Attorney's Expenditures
			501,226	
For Board Consideration:			501,226	
<i>Merchant's Capital Assuming a CY2016 Rate</i>	243,000		744,226	
			744,226	
			744,226	
			744,226	
Subtotal:	286,675,159	285,930,933	744,226	

Notes:

Highlighting indicates new adjustment

Date: April 14, 2017

BACKGROUND REPORT

Proposed Resolutions R17-75, 76, 77, 78, 110, 113, and 121 authorize the following:

1. Calendar Year (CY) 2017 Tax Rates (Proposed Resolution R17-75, Attachment 2)
2. Fiscal Year (FY) 2018 Budgets (Proposed Resolution R17-76, Attachment 3)
3. Appropriation of FY2018 Budgets (Proposed Resolution R17-110, Attachment 4)
4. Amendment of the County's Financial Policies (Proposed Resolution R17-113, Attachment 5)
5. FY2018-27 Capital Improvement Program (Proposed Resolution R17-77, Attachment 6)
6. Authorization of the Issuance and Sale of Virginia Public School Authority Debt (Proposed Resolution R17-78, Attachment 7)
7. Authorization of the Issuance and Sale of General Obligation Bonds (Proposed Resolution R17-121, Attachment 8)

CY2017 Tax Rates:

The County Administrator's FY2018 proposed budget includes a decreased Merchants' Capital Tax Rate as follows:

	2016 Tax Rate	Proposed 2017
Merchants' Capital	.50	.38

The Proposed Budget had no other changes to tax rates or fees.

To provide flexibility, the CY2016 Merchant's Capital rate of \$0.50 was advertised for the public hearing. Following advertisement of a tax rate, the Board has the option of lowering the tax rate below what was advertised. However, the Board cannot adopt a higher rate without re-advertising and holding another public hearing. In proposed Resolution R17-75, the Merchant's Capital tax rate is at \$.50.

FY2018 Budgets

Proposed Resolution R17-76 adopts the FY2018 budgets and addresses the following:

- Schools
 - The Proposed Budget funds above the Superintendent's request for local funding.
 - It includes local funding for the public day school, Gwyneth's Law, and shared services for the annual financial audit.
 - In FY2018, School debt service is decreasing slightly. The Proposed Budget directs the savings to School's Cash Capital to help comply with the County's financial policies.
 - It provides comparable local funding for a 2% salary increase.
- Authorizes nine new, full-time County positions to meet service demands, six of which are revenue neutral:
 - 4 new public safety positions; and,
 - 5 new non-public safety positions, two of which are conversions from part time to full time.
- Authorizes a 2% salary increase for County employees, effective July 1, 2017.
- Continues to adjust market pay and relieve salary compression.
- Assumes a level budget for health insurance: employee rates will increase slightly.
- Includes language to authorize the Potomac and Rappahannock Transportation Commission (PRTC) to pay PRTC and Virginia Railway Express (VRE) subsidies, with the County's gas tax revenues.

Proposed Resolution R17-76 will be amended to reflect any changes recommended by the Board's Finance, Audit, and Budget (FAB) Committee at its meeting on April 18, 2017.

Appropriation

Proposed Resolution R17-110 appropriates the County's FY2018 budgets. To retain adequate budgetary control, staff recommends that the Board withhold appropriation of the full budget. Proposed Resolution R17-110 holds back 5% of the General Government budget (less debt service), and the Local School Transfer. Following the mid-year review and completion of the FY2017 audit, the Board will be asked to consider releasing the appropriation hold in light of financial conditions.

Capital projects are appropriated when the projects are authorized by the Board. Once appropriated, the funds do not lapse. Staff recommends the continuation of the County's practice that appropriations for grants, capital projects, and incomplete commitments and encumbrances, be carried into the next fiscal year.

Language is included that authorizes the increase of budgets and appropriations to account for any advance refunding of debt to comply with the technical requirements of our auditors.

Amends the County Financial Policies

Proposed Resolution R17-113 recommends revisions to the County's Principles of High Performance Financial Management (financial policies).

The Board has expressed its intent to further fund the Purchase of Development Rights (PDR) program. The current financial policies require that all rollback taxes over \$80,000 be used for PDR. The change in the financial policies earmarks all rollback taxes for PDR.

To further support PDR, if funds are available from year-end positive results of operation, after all reserves are at policy levels, the first \$250,000 will be transferred to the PDR reserve before moving remaining funds to the Capital Projects Reserve. This change was presented to the Board's FAB Committee at its meeting on March 21, 2017. Members of the FAB Committee voted 2 - 1 to recommend not changing the financial policies for this reserve. The proposed Resolution includes the change, based on the apparent interest by the majority of the Board.

Stafford County has achieved its goal of pay-as-you go funding for infrastructure projects that are three percent of general government expenditures. The change in financial policies is to clarify the continuation of this goal.

Capital Improvement Program (CIP)

Proposed Resolution R17-77 adopts the proposed FY2018-27 CIP.

The CIP is adopted for planning purposes only. Approval of the CIP does not authorize issuance of debt or expenditure of funds. Authority to proceed is granted by the Board on a project-by-project basis. For each individual project, the Board is asked to take action, which would approve the project and the funding source, and appropriate the project's budget.

The County and Schools are working jointly to restructure the CIP. All projects in the out years are place-holders, as indicated on the chart below. The proposed new process would provide a thorough evaluation and rating of all projects as a shared service, be structured to provide a more equitable process that benefits the citizens of Stafford County, and would mold future CIP submissions. The development of the joint CIP will take approximately ten months and go through several committee reviews and rankings by County and School staff.

Funding for these projects is subject to Board's Principles of High Performance Financial Management Debt Limitations
Development of a Joint CIP process is underway and will be implemented with the FY2019 CIP submission

Agency	Projects	Opening Date (CY)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total This Period
Public Safety	Fire & Rescue Station 14	2017	6,570,670	0	0	0	0	0	0	0	0	0	6,570,670
Public Works	Courthouse ¹	2022	0	0	0	66,387,000	0	0	0	0	0	0	66,387,000
County Projects	To Be Determined		0	0	0	7,497,000	4,874,000	28,948,700	2,600,000	2,600,000	2,600,000	3,957,700	53,077,400
Subtotal County Projects			\$6,570,670	\$0	\$0	\$73,884,000	\$4,874,000	\$28,948,700	\$2,600,000	\$2,600,000	\$2,600,000	\$3,957,700	\$126,035,070
Schools Projects			\$16,431,000	\$1,000,000									\$17,431,000
	Moncure Elementary Rebuild Infrastructure		1,217,587										1,217,587
	To Be Determined			3,350,000	3,400,000	4,827,741	7,861,300	44,470,000	34,705,000	18,535,039	23,600,000	18,775,300	159,524,380
Subtotal School Projects			\$17,648,587	\$4,350,000	\$3,400,000	\$4,827,741	\$7,861,300	\$44,470,000	\$34,705,000	\$18,535,039	\$23,600,000	\$18,775,300	\$178,172,967
Total All Projects			\$24,219,257	\$4,350,000	\$3,400,000	\$78,711,741	\$12,735,300	\$73,418,700	\$37,305,000	\$21,135,039	\$26,200,000	\$22,733,000	\$304,208,037

Bond Funded Summary (master lease not included)			FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
County			\$6,570,670	\$0	\$0	\$73,884,000	\$4,874,000	\$28,948,700	\$2,600,000	\$2,600,000	\$2,600,000	\$3,957,700	\$126,035,070
Schools			\$17,648,587	\$4,350,000	\$3,400,000	\$4,827,741	\$7,861,300	\$44,470,000	\$34,705,000	\$18,535,039	\$23,600,000	\$18,775,300	\$178,172,967
Total Borrowers			\$24,219,257	\$4,350,000	\$3,400,000	\$78,711,741	\$12,735,300	\$73,418,700	\$37,305,000	\$21,135,039	\$26,200,000	\$22,733,000	\$304,208,037
Availability Limit			24,220,257	17,665,000	42,839,000	33,247,000	18,129,000	70,973,000	29,517,000	18,940,000	25,944,780	22,733,000	304,208,037
Cumulative (Deficit)/Surplus			1,000	13,316,000	52,755,000	7,290,259	12,683,959	10,238,269	2,450,259	255,220	0	0	

Debt Service		FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Existing Bond Debt Service		44,151,756	42,739,808	40,964,240	39,124,841	38,140,176	36,156,402	34,128,553	33,047,850	32,916,075	32,265,661
New Bond Debt Service			2,027,000	2,391,000	2,676,000	9,263,000	10,329,000	16,473,000	19,595,000	21,364,000	23,556,000
Total Bond Debt		\$44,151,756	\$44,766,808	\$43,355,240	\$41,800,841	\$47,403,176	\$46,485,402	\$50,601,553	\$52,642,850	\$54,280,075	\$55,821,661

*Bonds will be sold in the Spring of 2017 for Animal Shelter, Parks and Transportation.
 **Future Transportation and Parks projects will require a bond referendum.
¹Courthouse project represents concept A1 (all three Courts in one building). \$4.6M will be funded with cash.

STAFFORD COUNTY JOINT CIP PROCESS IMPLEMENTATION

The County and Schools are working jointly to restructure the Capital Improvement Program (CIP). All projects in FY2022 through FY2027 are placeholders. The proposed new process will provide a thorough evaluation and ranking of all projects as a shared service; be structured to provide a more equitable process that benefits the citizens of Stafford County; and will mold future CIP submissions. The development of the shared CIP will take approximately ten months each planning year and go through several committee reviews and ranking by County and School staff. The County Administrator, along with input from the Superintendent will review the committee's work and forward a recommendation to both the School Board and Board of Supervisors.

General Obligation Bonds

Proposed Resolution R17-121 authorizes the issuance of general obligation bonds.

Depending on bond market conditions, bonds can sell at a premium or a discount, meaning that the actual proceeds may be higher or lower than the par amount. To receive the actual amount identified for the projects, the issue amount may be slightly higher or lower than the net proceeds. To ensure sufficient funding for the projects, the County's bond counsel recommends that the County include a 5% bond-market contingency cushion to manage potential fluctuations in the bond market. Therefore, the bond authority will be slightly higher than the amount budgeted and appropriated. The market contingency will not increase project budgets or debt service costs.

Under the Transportation Bond Referendum, approved on November 4, 2008, bond proceeds would be issued in order to meet the revenue sharing agreement for Courthouse Road/Route 1 intersection in the amount of \$10,959.00. Under the Recreation Bond Referendum, approved on November 3, 2009, bond proceeds will be issued to complete athletic fields at Embrey Mill, along with infrastructure requirements for those fields, in the amount of \$3,236,000, which is in accordance with previously approved CIP. These amounts include the cost of issuance and the 5% market contingency.

Virginia Public School Authority (VPSA) Bonds

The School's capital projects are included in the County's CIP and financed incrementally through the VPSA, as outlined in proposed Resolution R17-R78. These financings are a general obligation debt of the County. Issuance requires approval by the Board. A public hearing was held on April 4, 2017. There were no public comments on this matter. The Board is now being asked to authorize the bond issuance, and to budget and appropriate the funds for the Schools' CIP. Bonds are typically sold on a cash-flow basis to minimize debt service costs, but State law requires that funds be appropriated before contracts can be let.

Depending on bond market conditions, bonds can sell at a premium or a discount, meaning that the actual proceeds may be higher or lower than the par amount. To receive the actual amount identified for the projects, the issue amount may be slightly higher or lower than the net proceeds. To ensure sufficient funding for the projects, the County's bond counsel recommends that the County include a 5% bond-market contingency cushion to manage potential fluctuations in the bond market. Therefore, the bond authority will be slightly higher than the amount budgeted and appropriated. The market contingency will not increase project budgets or debt service costs.

The School's CIP provides for the continuation of the Anne E. Moncure Elementary School rebuild in FY2018-19, and infrastructure projects in FY2018. Bonds for the Anne E. Moncure project have been previously approved by the Board and no further Board action is required. Proposed Resolution R17-78 authorizes funding for School infrastructure projects, consistent with the CIP.

Staff recommends approval of proposed Resolutions R17-75, R17-76, R17-77, R17-78, R17-110, R17-113, and R17-121, and will be available at the April 18, 2017 Board meeting to answer questions related to all of the above-referenced items.

PROPOSED

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of April, 2017:

MEMBERS:

Paul V. Milde, III, Chairman
Meg Bohmke, Vice Chairman
Jack R. Cavalier
Wendy E. Maurer
Laura A. Sellers
Gary F. Snellings
Robert "Bob" Thomas, Jr.

VOTE:

On motion of , seconded by , which carried by a vote of to , the following was adopted:

A RESOLUTION TO ESTABLISH THE CALENDAR YEAR 2017
TAX RATES

WHEREAS, the Virginia Code requires that the Board establish an annual levy of certain taxes for each calendar year; and

WHEREAS, a public hearing on the proposed calendar year 2017 tax rates was held on Tuesday, April 4, 2017, at 7:00 P.M., in the Board Chambers at the George L. Gordon, Jr., Government Center, located at 1300 Courthouse Road, Stafford, Virginia; and

WHEREAS, the Commissioner of the Revenue and the Treasurer require the timely establishment of tax levies to allow time for tax bills to be processed and received by citizens; and

WHEREAS, the Board carefully considered the recommendation of staff, and the public testimony, if any, received at the public hearing;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 18th day of April, 2017, that the following tax rates be and they hereby are established for the calendar year beginning January 1, 2017:

<u>Classification</u>	<u>Rate Per One Hundred Dollars of Assessed Valuation</u>
Real estate (Section 58.1-3200, Code of Virginia (1950), as amended.)	.99
Tangible personal property (Section 58.1-3500, Code of Virginia (1950), as amended.) Includes all other classifications of personal property not specifically enumerated.	6.50
Boats or watercraft (Section 58.1-3506(A)(1.a), (1.b), (12), (28), (29), Code of Virginia (1950), as amended.)	.0001
Motor vehicles specially equipped for the disabled (Section 58.1-3506(A)(14), Code of Virginia (1950), as amended.)	.10
Personal property—Fire & Rescue volunteers (Section 58.1-3506(A)(15), (16), Code of Virginia (1950), as amended.)	.0001
Camping trailers and recreational vehicles (Section 58.1-3506(A) (18), (30), Code of Virginia (1950), as amended.)	5.49
One motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind or who is permanently and totally disabled as certified by the Department of Veterans Services. In order to qualify, the veteran shall provide a written statement to the commissioner of the revenue from the Department of Veterans Services that the veteran has been so designated or classified by the Department of Veterans Services as to meet the requirements of this section, and that his disability is service-connected. For purposes of this section, a disabled veteran is blind if he meets the provisions of § 46.2-100 (Section 58.1-3506(A)(19), Code of Virginia (1950), as amended.)	.0001
Motor carrier transportation involved in interstate commerce (Section 58.1-3506(A)(25), Code of Virginia (1950), as amended.)	.0001
All tangible personal property employed in a trade or business other than that described in Virginia Code §§ 58.1-3503(A)(1) through (A)(18), except for subdivision (A)(17) (Section 58.1-3506(A)(26), Code of Virginia (1950), as amended.)	5.49

<u>Classification</u>	<u>Rate Per One Hundred Dollars of Assessed Valuation</u>
Programmable computer equipment and peripherals employed in a trade or business (Section 58.1-3506(A)(27), Code of Virginia (1950), as amended.)	5.49
Personal property—Sheriff's Deputy volunteers (Section 58.1-3506(A)(32), Code of Virginia (1950), as amended.)	.0001
Machinery and tools (Section 58.1-3507, Code of Virginia (1950), as amended.)	.0001
Merchants' capital (Section 58.1-3509, Code of Virginia (1950), as amended.) Includes all other classifications of Merchants' capital not specifically enumerated.	.50
Merchants' capital of pharmaceutical wholesalers (Section 58.1-3510.01, Code of Virginia (1950), as amended.)	0.00
Mobile homes (Section 58.1-3506(A)(10), Code of Virginia (1950), as amended.)	.99
Aircrafts (Section 58.1-3506(A)(2), (3), (4), (5), Code of Virginia (1950), as amended.)	.0001
Garrisonville Road Service District (Section 15.2-2403(6), Code of Virginia (1950), as amended.)	.082
Warrenton Road Service District (Section 15.2-2403(6), Code of Virginia (1950), as amended.)	.000
Hidden Lake Service District (Section 15.2-2403(6), Code of Virginia (1950), as amended.)	.40
Hartlake Special Service District (Section 15.2-2403(6), Code of Virginia (1950), as amended.)	.00
Countywide Fire and Emergency Medical Services Tax District (Section 27-23.1, Code of Virginia (1950), as amended.)	.00

* The tax rate for personal property is based on the assessed value, which is established at forty percent (40%) of the estimated fair market value. The effective tax rate would be stated as \$2.60 per \$100 of the estimated fair market value.

In 2004, the General Assembly capped the amount of relief the State will provide for Personal Property Tax Relief (PPTRA) at \$950 million per year. The PPTRA cap took effect on January 1, 2006. Stafford County's share of the state allotment is \$12.5 million. This allotment is to be distributed among all the qualifying vehicles. For calendar year 2017, qualifying vehicles will be granted 40% relief.

TCF:AL

PROPOSED

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of April, 2017:

MEMBERS:

Paul V. Milde, III, Chairman
Meg Bohmke, Vice Chairman
Jack R. Cavalier
Wendy E. Maurer
Laura A. Sellers
Gary F. Snellings
Robert "Bob" Thomas, Jr.

VOTE:

On motion of , seconded by , which carried by a vote of , the following was adopted:

A RESOLUTION TO APPROVE THE FISCAL YEAR 2018 COUNTY
BUDGETS

WHEREAS, a public hearing on the proposed FY2018 County budgets was held on Tuesday, April 4, 2017, at 7:00 P.M., in the Board Chambers at the George L. Gordon, Jr., Government Center, located at 1300 Courthouse Road, Stafford, Virginia; and

WHEREAS, the Board held budget work sessions at which Board members analyzed, deliberated, and reviewed citizen input regarding the County budget; and

WHEREAS, the Board considered the recommendations of staff, input at the budget work sessions, and the public testimony, at the public hearing;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 18th day of April, 2017, that the FY2018 County budgets be and it is adopted as follows for the various General Government Funds:

I. GENERAL GOVERNMENT FUNDS:

<u>General Fund:</u>	285,963,657
Operating Budget Transfer to Schools	115,402,334
Public Day School	518,000
Shared Services / Audit	115,307
One-Time School Cash Capital	21,879
School Debt Service	31,340,880
Board of Supervisors	690,417
Capital Projects	4,877,885
Central Rappahannock Regional Library	5,238,040
Commissioner of the Revenue	2,756,875
Commonwealth's Attorney	3,197,741
Cooperative Extension	186,057
Corrections	8,682,291
County Administration	1,403,383
County Attorney	1,120,975
Clerk of the Circuit Court	1,562,602
Circuit Court	285,816
General District Court	117,250
Juvenile and Domestic Relations Court	114,700
Magistrate	8,830
15th District Court Services Unit	371,136
Debt Service County	15,238,129
Economic Development	939,762
Finance and Budget	1,661,994
Fire and Rescue	19,499,644
Human Resources	577,504
Human Services, Office of	5,997,227
Information Technology	2,563,846
Non-Departmental	3,023,971
Parks, Recreation and Community Facilities	12,119,286
Partner Agencies	2,081,332
Planning and Zoning	2,500,023
Public Works	4,265,468
Public Works - Stormwater	581,705
Registrar & Electoral Board	505,996
Sheriff	27,147,531
Social Services	7,161,002
Treasurer	2,086,839

GENERAL GOVERNMENT FUNDS, continued:

Asset Forfeiture Fund	670,000	670,000
Capital Improvements Fund	7,480,430	7,480,430
Fleet Services Fund	4,219,517	4,219,517
Garrisonville Road Service District Fund	467,725	467,725
Hidden Lake Special Revenue Fund	111,100	111,100
Tourism Fund	1,192,500	1,192,500
Transportation Fund	9,886,266	9,886,266
Transportation Impact Fee - County- Wide Fund	325,000	325,000
Utilities Funds	65,853,228	65,853,228

; and

BE IT FURTHER RESOLVED that the FY2018 School budget be and it hereby is approved in the following amounts:

II. SCHOOL FUNDS:

Construction Fund	556,276
Grants Fund	12,947,266
Health Services Fund	31,573,243
Nutrition Services Fund	13,610,760
School Operating Fund	278,700,509
Workers' Compensation Fund	763,053

; and

BE IT FURTHER RESOLVED that the Board desires to continue to support special education students in the County, as identified by the County's Public Schools, and authorizes the County Administrator to execute a memorandum of understanding with Stafford County Public Schools for the Public Day School program not to exceed \$518,000. The Public Day School program provides educational services in the least restrictive, most cost-effective environment, within the community, through shared responsibility between the County and Schools for Public Day School students; and

BE IT FURTHER RESOLVED the County Administrator shall disburse funds to Stafford County Volunteer Fire and Rescue companies only after ensuring compliance with the Fire and Rescue Department, County, and State policies, regulations, rules, and procedures; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to increase budgets and appropriations for the following items of non-budgeted, restricted revenue that may occur during FY2018:

1. Insurance recoveries received for damages to County properties for which County funds have been expended to make repairs;
 2. Defaulted developer and builder securities to be used for uncompleted projects;
 3. Donations for a specific purpose;
 4. Asset forfeiture funds;
 5. Grants in accordance with the grant policy;
 6. Roll-back taxes and reserves for Purchase of Development Rights (PDR) Program pursuant to the County's financial policies;
 7. Incentive payments to developers in compliance with Board approved agreements; and
 8. Advance refunding of debt.
- ; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to recruit and maintain full-time positions up to the authorized full-time strength stated below:

General Fund	
• Non-Public Safety	347 352
• Public Safety	409 413
Utilities Fund	139 140
Capital Projects Fund	3 2
Total	898 907

; and

BE IT FURTHER RESOLVED that a 2% salary increase is authorized, effective July 1, 2017, for all County employees hired on or prior to April 1, 2017, whose job performance is satisfactory or better; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to continue with the targeted marketed adjustments based on the 2015 Compensation Study, effective July 1, 2017; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to execute contracts \$100,000 or more for the purchase of replacement Sheriff's Office and Fire and Rescue public safety vehicles, consistent with the FY2018 budget, purchased with cash capital; and

BE IT FURTHER RESOLVED that the Board approves the FY2018 Potomac and Rappahannock Transportation Commission subsidy of Eighty-Five Thousand Seven Hundred Fourteen Dollars (\$85,714) and the Virginia Railway Express subsidy of Two Million Three Hundred Forty-Four Thousand Five Hundred Fourteen Dollars (\$2,344,514), and authorizes the payment of the subsidies during FY2018 from the County's Motor Fuels Tax Revenue Fund; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to establish and implement a ramp-up program to fund one-time design costs for the Courthouse construction project that reduces future reliance on debt and begins to build future debt service cost into the budget; and

BE IT STILL FURTHER RESOLVED that the County Administrator is authorized to establish and implement a ramp up program to be used to enhance the PDR program and then in FY2019 to fund the Staffing for Adequate Fire and Emergency Response (SAFER) grant positions in the Fire and Rescue Department.

TCF:AL

PROPOSED

**BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA**

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of April, 2017:

MEMBERS:

VOTE:

Paul V. Milde, III, Chairman
Meg Bohmke, Vice Chairman
Jack R. Cavalier
Wendy E. Maurer
Laura A. Sellers
Gary F. Snellings
Robert "Bob" Thomas, Jr.

On motion of , seconded by , which carried by a vote of , the following was adopted:

**A RESOLUTION TO APPROPRIATE THE FISCAL YEAR 2018
COUNTY BUDGETS**

WHEREAS, the Board is committed to maintaining the undesignated fund balance, and wishes to retain adequate budgetary control given the challenging economic climate;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 18th day of April, 2017, that General Fund, General Government expenditures (other than debt service) and Local School Transfer (other than debt service) be and they hereby are appropriated at 95% of the adopted FY2018 budgets which is as follows:

I. GENERAL GOVERNMENT FUNDS:

<u>General Fund:</u>	274,007,247
Operating Budget Transfer to Schools	109,632,217
Public Day School	492,100
Shared Services / Audit	109,542
One-Time School Cash Capital	20,785
School Debt Service	31,340,880
Board of Supervisors	655,896
Capital Projects	4,633,991
Central Rappahannock Regional Library	4,976,138
Commissioner of the Revenue	2,619,031
Commonwealth's Attorney	3,037,854
Cooperative Extension	176,754
Corrections	8,260,998
County Administration	1,333,214
County Attorney	1,064,926
Clerk of the Circuit Court	1,484,472
Circuit Court	271,525
General District Court	111,388
Juvenile and Domestic Relations Court	108,965
Magistrate	8,389
15th District Court Services Unit	352,579
Debt Service County	15,238,129
Economic Development	892,774
Finance and Budget	1,578,894
Fire and Rescue	18,524,662
Human Resources	548,629
Human Services, Office of	5,697,366
Information Technology	2,435,654
Non-Departmental	2,872,772
Parks, Recreation and Community Facilities	11,513,322
Partner Agencies	1,977,265
Planning and Zoning	2,375,022
Public Works	4,052,195
Public Works - Stormwater	552,620
Registrar & Electoral Board	480,696
Sheriff	25,790,154
Social Services	6,802,952
Treasurer	1,982,497

GENERAL GOVERNMENT FUNDS, continued:

Asset Forfeiture Fund	670,000
Capital Improvements Fund	7,480,430
Fleet Services Fund	4,219,517
Garrisonville Road Service District Fund	467,725
Hidden Lake Special Revenue Fund	111,100
Tourism Fund	1,192,500
Transportation Fund	9,886,266
Transportation Impact Fee - County- Wide Fund	325,000
Utilities Funds	65,853,228

II. SCHOOL FUNDS

Construction Fund	556,276
Grants Fund	12,947,266
Health Services Fund	31,573,243
Nutrition Services Fund	13,610,760
School Operating Fund	272,930,392
Workers' Compensation Fund	763,053

; and

BE IT FURTHER RESOLVED that debt service is appropriated at 100% of the adopted FY2018 budgets; and

BE IT FURTHER RESOLVED that the Board intends to consider the appropriation of the 5% balance of the General Fund, General Government budget (less debt service) and the local school transfer (less debt service), following the mid-year review and completion of the FY2017 audit, in consideration of the then current financial conditions; and

BE IT FURTHER RESOLVED that at the close of the fiscal year, all appropriations shall lapse for budget items other than capital projects, encumbrances, commitments, and grants. The County Administrator is authorized to maintain the following appropriations as noted or until the Board, by resolution or ordinance, changes or eliminates the designated appropriations:

- (i) Capital projects, until the completion of the project;
- (ii) Encumbrances and commitments; and
- (iii) Grant funds for the duration of the grant.

; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to increase budgets and appropriations for the following items of non-budgeted restricted revenue that may occur during FY2018:

1. Insurance recoveries received for damages to County properties for which County funds have been expended to make repairs;
 2. Defaulted developer and builder securities to be used for uncompleted projects;
 3. Donations for a specific purpose;
 4. Asset forfeiture funds;
 5. Grants in accordance with the grant policy;
 6. Roll-back taxes and reserves for Purchase of Development Rights pursuant to the County's financial policies;
 7. Incentive payments to developers in compliance with Board approved agreements; and
 8. Advance refunding of debt.
- ; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to approve insurance settlements less than \$100,000, in concurrence with the County's insurance carrier; and

BE IT FURTHER RESOLVED that to comply with Governmental Accounting Standards Board's standards and Generally Accepted Accounting Practices, some projects or sets of accounts may need to be moved between funds, and the County Administrator is authorized to make such transfers; and

BE IT STILL FURTHER RESOLVED that to ensure the taxpayers of Stafford County are paying the lowest tax rates possible, all outside funding sources such as state funds, federal funds, proffers, and user fees will be designated to be spent first, with any local matches that are required. After these funds are spent, local tax dollars may be spent.

MJP:AML:kah

PROPOSED

**BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA**

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of April, 2017:

MEMBERS:

Paul V. Milde, III, Chairman
Meg Bohmke, Vice-Chairman
Jack R. Cavalier
Wendy E. Maurer
Laura A. Sellers
Gary F. Snellings
Robert "Bob" Thomas, Jr.

VOTE:

On motion of , seconded by , which carried by a vote of , the following was adopted:

**A RESOLUTION TO AMEND THE PRINCIPLES OF HIGH
PERFORMANCE FINANCIAL MANAGEMENT**

WHEREAS, it is the desire of the Board to prudently manage the County's resources; and

WHEREAS, the Board has reviewed and desires to update the "Principles of High Performance Financial Management" to reflect current County needs;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 18th day of April, 2017, that the amendments to "Principles of High Performance Financial Management," as contained herein as Exhibit A, be and they hereby are adopted, all other portions remaining unchanged.

TCF:MP:AL

The Stafford County Board of Supervisors hereby establishes its Principles of High Performance Financial Management to prudently manage the people's resources through:

- Accountable and transparent allocation of resources
- Planned strategic use of financial resources to ensure sustainability
- Maintaining and upgrading the County's bond ratings
- Balanced tax burden from residential and commercial sources

DEBT LIMITATIONS

- General obligation debt shall not exceed 3.0% of the assessed valuation of taxable real property.
- General fund debt service expenditures (County and Schools) shall not exceed 10% of the general government and schools operating budgets.
- Debt ratios do not include debt to be repaid from identified revenue sources outside the General Fund. In the case of special service districts, the Board of Supervisors intends to set tax rates to cover any debt to be funded with the revenue.
- Capital lease debt service shall not exceed 1% of the general government budget. Capital lease debt may only be used if all the following four criteria are met:
 1. Capital lease purchase is eligible under state law for such financing;
 2. Useful life of the purchase equals or exceeds the term of the debt;
 3. Total purchase exceeds \$100,000; and
 4. Sufficient funds are available to service the capital lease debt.

Capital Improvement Program (CIP) And Bonded Debt Service Affordability Guidelines

- A five-year CIP allocating capital improvement funds between the Schools and General Government will be adopted annually.
- Debt-funded CIP projects for County and Schools will be no less than \$500,000 each and will have a useful life that meets or exceeds the life of any debt issuance.
- Capital Improvement projects for County and Schools are items for which the purchase, construction, renovation, non-recurring replacement, expansion, or the acquisition represents a public betterment and adds to the total physical worth of Stafford. Projects include, but are not limited to, expenditures for land, new structures, major repairs and renovations; maintenance of existing structures; and expenditures for machinery, equipment and vehicles. Each project should have a total cost of \$500,000 or more. Scope of project includes all professional services (land acquisition, legal, planning, design) and construction costs.

Each year's maximum available debt service will be established by increasing the prior year's actual debt service by the percentage of general fund revenue changes averaged over the last 5 years.

DRAFT Principles Of High Performance Financial Management

(Exhibit A)

Last Revision: Resolution R17-113, 04/18/2017

UNASSIGNED FUND BALANCE

- The County shall maintain an unassigned fund balance that is not less than 12% of annual general fund revenues, not including transfers, reserves and grants. Use of the unassigned fund balance below this amount will be restricted to only significant unexpected declines in revenues or unanticipated emergency expenditures. Following any use of unassigned fund balance, the County will replenish the unassigned fund balance within three fiscal years.
- A reserve for healthcare costs equal to the estimated IBNR (incurred but not reported) plus 10% of annual claims will be maintained by school and county funds.
- Any amount in excess of the minimum unassigned fund balance will be assigned to these reserves, according to the following hierarchy and formulas:
 1. Revenue Stabilization Reserve (RSR): minimum of $\frac{1}{2}$ of 1% of General Fund revenues, with a goal of 2% by 2018.
 - The trigger for drawing on the reserve is a 2% revenue shortfall within a single fiscal year. The reserve can be used as a first stop for major unanticipated emergencies and catastrophes.
 - The reserve will not be used to offset a tax rate change.
 - The reserve will be used in combination with spending cuts.
 - The reserve will be restored to the minimum level within 5 years.
 - Withdrawal amounts may not exceed one-half of the RSR balance in any one fiscal year.
 - RSR funds should only be directed to one-time expenditures to the extent possible.
 2. Capital Projects Reserve of \$1,500,000 will be used to reduce reliance on debt, to provide cash flow for capital projects, and to pay down high interest debt when advantageous.
 3. Stafford Opportunity Fund Reserve: \$500,000.
 4. Any health care savings, after all expenditure and reserve needs have been met, will be set aside for a contribution to OPEB.
 5. If funds are available from Positive Results of Operation after all reserves are at policy levels, the first \$250,000 will be transferred to the Purchase of Development Rights reserve before moving remaining funds to the Capital Projects Reserve.
 6. Any remaining monies available after the reserve minimums are fully funded will go to the Capital Projects Reserve.
 7. Schools capital project reserve of \$1,500,000 will be used to reduce reliance on debt, to provide cash flow for capital projects, and to pay down high interest debt when advantageous. Funds above the minimum level may be added to the reserve from unspent school funds.
- Rollback Tax Revenue ~~in excess of \$80,000~~ will be dedicated to the County's Purchase of Development Rights and land conservation programs.
- Stafford County does not intend to establish a trend of using Fund Balance to finance current operations. As a nonrecurring source of revenue, any balance not needed for liquidity or financial cushion as noted above will be spent solely for nonrecurring uses. After the yearly audit and confirmation of fund balances by the County's external auditor, and in consideration of current financial conditions, the Board of Supervisors will consider reappropriation of Schools' unspent prior year funds.

General Fund Budget Guidelines

- Stafford will prepare and approve an annual budget with multi-year projections. The County will annually adopt and execute a budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budget shall control the levy of taxes and the expenditure of money for all County purposes during the ensuing fiscal year. The County budget shall be balanced within all available operating revenues, including fund balance, and adopted by the Board of Supervisors.
- Each year as part of the budget process, five year projections of revenues and expenditures will be prepared.
- Stafford County does not intend to issue tax or revenue anticipation notes to fund operations. The County intends to manage cash to prevent borrowing to meet cash flow needs.
- The school's share of the general government revenues will be 100% of meals tax revenues and an appropriate amount to ensure a globally competitive school system. The school operating transfer will be the difference between the school's share of general government revenues and school-related bonded and lease debt service.
- When the Schools desire an amendment to the adopted budget or appropriation, the School Board shall pass a resolution for consideration by the Board of Supervisors.
- An amount equivalent to 13% of general government expenditures will be set aside for pay-as-you-go capital projects, ~~with a goal of 3% by July 1, 2017.~~ An amount equal to 1% of the schools' operating budget will also be set aside for pay-as-you-go capital projects by July 1, 2015, with a goal of 2% by July 1, 2017. Cash capital will be used for only small capital projects and infrastructure needs.
- An amount equivalent to ½% of general government expenses will be set aside for the operating budget contingency reserve.

Finance, Audit & Budget Committee

- The Board of Supervisors will appoint a Finance, Audit & Budget Committee each year.

Budget Reviews

On a monthly basis, staff will provide written budget reports to the Board of Supervisors. Additionally, staff will provide quarterly budget and finance presentations at public meetings.

Tax Trigger Provision

- General revenue increases that exceed revenue forecasts, and are not accompanied by additional costs in the annual budget process, provide a trigger to reduce the real estate tax rate.

Periodic Policy Review

The Board of Supervisors will review this policy no less than once every two years.

DRAFT Principles Of High Performance Financial Management

(Exhibit A)

Last Revision: Resolution R17-113, 04/18/2017

Fund Balance Reporting

The new standard for fund balance reporting establishes criteria for classifying fund balances into specifically defined categories. There are now five (5) classifications versus the three (3) previously used in our financial statements.

Old Classification	New GASB 54 Classification
Reserved	Nonspendable
	Restricted
Designated	Committed
	Assigned
Undesignated	Unassigned

- Non-spendable - for items that would not be converted to cash, like inventories and prepaid items (cash has already been used).
- Restricted - amounts that can be spent for specific purposes, dictated by external entities or legislation, like debt service covenants, and grants.
- Committed - for specific purposes determined by formal action of governing body, such as transportation projects or our Capital, Stafford Opportunity, and Revenue Stabilization reserves. The commitments for the specific purpose must be made prior to the end of the fiscal year. The actual amount may be determined subsequently (prior to financial statement issuance). Action by governing body is needed to "undo" the commitment.
- Assigned - management's intentions/specific purposes, such as set asides we have for CSA, permit center, or future expenditures.
- Unassigned - residual, spendable amounts in the General Fund - there should not be any unassigned funds in Special Revenue and Capital Projects Funds, as all funds should relate to the purpose of the fund.

Encumbrances have been a designation of fund balance. Under the new standard encumbrances will be included in the total amounts reported as restricted, committed or assigned fund balance. The Notes to the Financial Statements will disclose the allocation by major fund and in aggregate for non-major funds.

Fund Balance Classification Policies and Procedures:

The new standard requires disclosure of the government's decision making authority and order of spending with regard to unrestricted fund balance. The following table describes the disclosures by fund balance classification.

Committed Fund Balance	Highest level of decision making authority.
	Formal action required to establish (and modify or rescind) a fund balance commitment.
Assigned Fund Balance	Official authorized to assign amounts to a specific purpose.
	Policy establishing that authorization.
Spending Policy	When an expenditure can be funded by either restricted or unrestricted fund balance, restricted funds are used first, followed by unrestricted funds. This parallels our policy of spending other funding sources first.
	Order of use of unrestricted fund balance is committed - assigned - unassigned.

PROPOSED

**BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA**

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of April, 2017:

MEMBERS:

Paul V. Milde, III, Chairman
Meg Bohmke, Vice Chairman
Jack R. Cavalier
Wendy E. Maurer
Laura A. Sellers
Gary F. Snellings
Robert "Bob" Thomas, Jr.

VOTE:

On motion of , seconded by , which carried by a vote of to , the following was adopted:

**A RESOLUTION TO ADOPT THE FISCAL YEARS 2018-2027
CAPITAL IMPROVEMENT PROGRAM WITH THE INTENT TO
REIMBURSE CERTAIN CAPITAL IMPROVEMENT EXPENDITURES**

WHEREAS, a public hearing on the proposed Fiscal Years (FY) 2018-2027 Capital Improvement Program (CIP) was held on Tuesday, April 4, 2017, at 7:00 P.M. in the Board Chambers at the George L. Gordon, Jr., Government Center, located at 1300 Courthouse Road, Stafford, Virginia; and

WHEREAS, the Board considered the recommendations of the School Board and staff, and the public testimony, if any, at the public hearing; and

WHEREAS, the ten-year CIP is a significant part of the County's Comprehensive Plan; and

WHEREAS, the Board finds that it is necessary to identify needed capital improvements;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 18th day of April, 2017, that the FY2018-2027 Capital Improvement Program (CIP) be and it hereby is adopted as part of the "Stafford County, Virginia Comprehensive Plan 2016-2036;" and

BE IT FURTHER RESOLVED that the intent to reimburse certain capital improvement expenditures for projects indicated in the FY2018-2027 CIP be and it hereby is adopted as follows:

General Government

Replacement Fire & Rescue Apparatus	Library #4
Training Center	Stormwater Compliance
Fire and Rescue Station 14	Belmont-Ferry Farm Trail - Phase 6
Fire and Rescue Station - New	Berea Church Road Improvements
Cardiac Equipment Replacement	Brooke Road Reconstruction South of Eskimo Hill Road
Computer Aided Dispatch System	Courthouse Rd at Jefferson Davis Hwy Intersection
Command Bus Replacement	Improvements
Body Cameras	Courthouse Road Widening; Cedar Lane to Winding
Simulator	Creek Road
Public Safety Infrastructure	Enon Road Widening: Rt. 1 to I-95
Information Technology Infrastructure	Ferry Road at Kings Hwy. Improvements
Duff McDuff Green Park	Garrisonville Rd., Eustace Rd. to Shelton Shop Rd.
Patawomeck Park Phase 2	Jefferson Davis Hwy at Potomac Creek Drive
New and Renovated Park Amenities	Juggins road Reconstruction
Parks and Community Facilities Infrastructure	Tech Center Drive
Courthouse	Telegraph Road and Woodstock Lane at Rt. 1 Safety Improvements

Schools

Moncure Elementary Rebuild FY2018
 Infrastructure FY2018
 All Other Projects to be Determined After Restructure of CIP

Utilities

320 Zone Water Improvements	Austin Run Gravity Sewer Replacement
342 Zone Water System - Phase 1	Little Falls Run WWTF - 3rd Treatment Train
370N Water Booster Pump Station	18" Gravity Accokeek Creek
Lake Mooney WTF Upgrade/Expansion	Lower Accokeek FM
Centerport Water Tank	8" Gravity Trunk SE Quadrant
Moncure Water Booster Pump Station	8" Extension of Existing Gravity from Stafford Hospital to PS
Regional Water Interconnection	Rowser 10" Gravity Line
Small Water Projects	Wyche Rd 12" Gravity Line
Smith Lake Distribution PS Upgrade	Venture to Wyche Rd 12" Gravity Replacement
Water Distribution System Rehab Program	8" Extension of Existing Gravity North of Stafford Hospital
Water Extension Projects	Potomac Creek Pump Station & Force Main Replacement
320 Zone Extension	Sewer Extension Projects
320 Zone Elevated Storage Tank	Wastewater Collection System Rehabilitation Projects
342 Zone Piping	Wastewater Pump Station Rehabilitation Program
Truslow Road Piping	Wastewater Pump Station Replacements
Forbes Street Phase 1	Wayside Sewer Interceptor Replacement
RV Parkway Phase II	Route 1 Sewer; Hidden Valley to Potomac Hills
Truslow Road Transmission	Aquia Creek Force Main Replacement
342 North Phase II	Aquia Creek PS Expansion
342 North Phase II	Austin Run Interceptor Section Replacement
Forbes Street	Camp Barrett SPS FM
Claiborne Run PS Parallel Force Main	US 17 VDOT Commuter Lot 10" Gravity Interceptor

Claiborne Run Pump Station Replacement
County Ridge Pump Station
Falls Run Pump Station Replacement
Falls Run Sewer Interceptor Replacement -
Phase 2

Stafford County Complex
Vehicles & Equipment Replacements
Contingency Allowance

NOTICE OF INTENT TO REIMBURSE CERTAIN CAPITAL IMPROVEMENT EXPENDITURES

Section 1: Statement of Intent. The County presently intends, at one time or from time-to-time, to finance projects in the FY2018-2027 Capital Improvement Program (Projects) with tax-exempt or taxable bonds, or other obligations (Bonds), and to reimburse capital expenditures paid by Stafford County (including expenditures previously paid by the County to the extent permitted by law) in connection with the Projects before the issuance of the Bonds.

Section 2: Source of Interim Financing and Payment of Bonds. Stafford County expects to pay the capital expenditures related to the Projects, and incurred before the issuance of the Bonds, with an inter-fund loan or loans from the General Fund or funds from temporary appropriations or loans from the General Capital Projects Fund. Stafford County expects to pay debt service on the Bonds from the General Fund consisting of general tax revenues for the projects to be financed in the FY2018-2027 Capital Improvement Program. The maximum amount of the Bonds expected to be issued for the Projects is \$386,430,076.

Section 3: Effective Date; Public Inspection. This Resolution is adopted for the purpose of complying with Treasury Regulation Section 1.150-2 (26 CFR 1.150-2) or any successor regulation, and shall be in full force and effect upon its adoption. The Clerk of the Board shall file a copy of this Resolution in the records of Stafford County, available for inspection by the general public during Stafford County's normal business hours.

Funding for these projects is subject to Board's Principles of High Performance Financial Management Debt Limitations
Development of a Joint CIP process is underway and will be implemented with the FY2019 CIP submission

Agency	Projects	Opening Date (CY)	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total This Period
Public Safety	Fire & Rescue Station 14	2017	6,570,670	0	0	0	0	0	0	0	0	0	6,570,670
Public Works	Courthouse ¹	2022	0	0	0	66,387,000	0	0	0	0	0	0	66,387,000
County Projects	To Be Determined		0	0	0	7,497,000	4,874,000	28,948,700	2,600,000	2,600,000	2,600,000	3,957,700	53,077,400
Subtotal County Projects			\$6,570,670	\$0	\$0	\$73,884,000	\$4,874,000	\$28,948,700	\$2,600,000	\$2,600,000	\$2,600,000	\$3,957,700	\$126,035,070
Schools Projects	Moncure Elementary Rebuild		\$16,431,000	\$1,000,000									\$17,431,000
	Infrastructure		1,217,587										\$1,217,587
	To Be Determined			3,350,000	\$3,400,000	\$4,827,741	\$7,861,300	\$44,470,000	\$34,705,000	\$18,535,039	\$23,600,000	\$18,775,300	\$159,524,380
Subtotal School Projects			\$17,648,587	\$4,350,000	\$3,400,000	\$4,827,741	\$7,861,300	\$44,470,000	\$34,705,000	\$18,535,039	\$23,600,000	\$18,775,300	\$178,172,967
Total All Projects			\$24,219,257	\$4,350,000	\$3,400,000	\$78,711,741	\$12,735,300	\$73,418,700	\$37,305,000	\$21,135,039	\$26,200,000	\$22,733,000	\$304,208,037

Bond Funded Summary (master lease not included)			FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	Total
County			\$6,570,670	\$0	\$0	\$73,884,000	\$4,874,000	\$28,948,700	\$2,600,000	\$2,600,000	\$2,600,000	\$3,957,700	\$126,035,070
Schools			\$17,648,587	\$4,350,000	\$3,400,000	\$4,827,741	\$7,861,300	\$44,470,000	\$34,705,000	\$18,535,039	\$23,600,000	\$18,775,300	\$178,172,967
Total Borrows			\$24,219,257	\$4,350,000	\$3,400,000	\$78,711,741	\$12,735,300	\$73,418,700	\$37,305,000	\$21,135,039	\$26,200,000	\$22,733,000	\$304,208,037
Availability Limit			24,220,257	17,665,000	42,839,000	33,247,000	18,129,000	70,973,000	29,517,000	18,940,000	25,944,780	22,733,000	304,208,037
Cumulative (Deficit)/Surplus			1,000	13,316,000	52,755,000	7,290,259	12,683,959	10,238,259	2,450,259	255,220	0	0	

Debt Service			FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Existing Bond Debt Service			44,151,756	42,739,808	40,964,240	39,124,841	38,140,176	36,156,402	34,128,553	33,047,850	32,916,075	32,265,661
New Bond Debt Service				2,027,000	2,391,000	2,676,000	9,263,000	10,329,000	16,473,000	19,595,000	21,364,000	23,556,000
Total Bond Debt			\$44,151,756	\$44,766,808	\$43,355,240	\$41,800,841	\$47,403,176	\$46,485,402	\$50,601,553	\$52,642,850	\$54,280,075	\$55,821,661

*Bonds will be sold in the Spring of 2017 for Animal Shelter, Parks and Transportation.

**Future Transportation and Parks projects will require a bond referendum.

¹Courthouse project represents concept A1 (all three Courts in one building). \$4.6M will be funded with cash.

STAFFORD COUNTY JOINT CIP PROCESS IMPLEMENTATION

The County and Schools are working jointly to restructure the Capital Improvement Program (CIP). All projects in FY2022 through FY2027 are placeholders. The proposed new process will provide a thorough evaluation and ranking of all projects as a shared service; be structured to provide a more equitable process that benefits the citizens of Stafford County; and will mold future CIP submissions. The development of the shared CIP will take approximately ten months each planning year and go through several committee reviews and ranking by County and School staff. The County Administrator, along with input from the Superintendent will review the committee's work and forward a recommendation to both the School Board and Board of Supervisors.

**BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA**

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of April, 2017:

MEMBERS:

Paul V. Milde III, Chairman
Meg Bohmke, Vice Chairman
Jack R. Cavalier
Wendy E. Maurer
Laura A. Sellers
Gary F. Snellings
Robert "Bob" Thomas, Jr.

VOTE:

On motion of , seconded by , which carried by a vote of , the following was adopted:

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED \$1,220,000 GENERAL OBLIGATION SCHOOL BONDS OF THE COUNTY OF STAFFORD, VIRGINIA TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY; AND AUTHORIZE THE COUNTY ADMINISTRATOR TO BUDGET AND APPROPRIATE THE SCHOOLS CAPITAL IMPROVEMENT PROGRAM

WHEREAS, the Board of Supervisors (Board) of the County of Stafford, Virginia (County) has received a request from the Stafford County School Board (School Board) to contract a debt and issue general obligation school bonds (Bonds) of the County in an amount not to exceed \$1,220,000 to finance (a) capital school improvement projects for public school purposes (collectively, Projects), including, but not limited to, the rebuilding of Moncure Elementary School and other general school infrastructure projects that are approved for bond funding in the Capital Improvement Program (CIP) (such as school site improvements, paving improvements and environmental upgrades) as the Board may amend it from time to time, and (b) costs of issuing the Bonds; and

WHEREAS, the Board has determined that it is necessary and expedient to issue the Bonds in an amount not to exceed \$1,220,000 to finance the Projects; and

WHEREAS, the Board held a public hearing on April 4, 2017, on the issuance of the Bonds in accordance with the requirements of Section 15.2-2606, Code of Virginia of 1950, as amended (Virginia Code); and

WHEREAS, the Board has determined that it may be necessary or desirable to advance money to pay the costs for the Projects and to reimburse such advances with proceeds from one or more series of Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF STAFFORD, VIRGINIA:

1. Authorization of Bonds and Use of Proceeds. The Board hereby determines that it is advisable to contract a debt and to issue and sell the Bonds of the County in the aggregate principal amount not to exceed \$1,220,000 for the purpose of financing the Projects. The issuance and sale of Bonds to Virginia Public School Authority (VPSA) in one or more series is hereby authorized and approved.

2. Declaration of Intent. The Board hereby adopts this declaration of official intent under Treasury Regulation § 1.150.2. The Board reasonably expects to reimburse advances made or to be made by the County or School Board to pay the cost of the Projects.

3. Submission of Application to VPSA. The Board hereby authorizes and directs the County Administrator of the County (County Administrator) to submit an application to VPSA in order to sell the Bonds to VPSA at such sale or sales of VPSA as the County Administrator may determine in his sole discretion, subject to the limitations set forth in paragraph 1 above.

4. Form of the Bonds. Each series of Bonds shall be in such form as may be attached to any subsequent resolution that approves the details of such series of Bonds.

5. Payment. All payment terms of a series of Bonds shall be set forth in a subsequent resolution that approves the details of such series of Bonds.

6. Execution of the Bonds. No Bonds shall be executed until the Board adopts a subsequent resolution approving of and setting forth the details of the Bonds.

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

8. Filing of Resolution. The appropriate officers or agents of the County are hereby authorized and directed to cause a certified copy of this Resolution to be filed with the Circuit Court of the County.

9. Further Actions. Subject to the limitation on the execution of Bonds set forth in Section 6, the County Administrator, the Chairman of the Board, and all such other officers, employees and agents of the County as either of them may designate are hereby

authorized to take such action as the County Administrator or the Chairman of the Board may consider necessary or desirable in connection with the issuance and sale of the Bonds and the filing of any application with VPSA and any such action previously taken is hereby ratified and confirmed.

10. Effective Date. This Resolution shall take effect immediately.

; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to budget and appropriate the FY2017 budget as follows:

GENERAL CAPITAL PROJECTS FUND:

Revenue:

Proceeds from future VPSA Bond Sales \$1,217,587

Expenditure:

Transfer to Schools' Construction Fund \$1,217,587

SCHOOLS' CONSTRUCTION FUND:

Revenue:

Transfer from Capital Projects Fund \$1,217,587

Expenditure:

Transfer to Schools' Construction Fund \$1,217,587

The undersigned Clerk of the Board of Supervisors of the County of Stafford, Virginia, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Board of Supervisors held on April 18, 2017, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing resolution, a quorum was present. The front page of this Resolution accurately records (i) the members of the Board of Supervisors present at the meeting, (ii) the members who were absent from the meeting, and (iii) the vote of each member, including any abstentions.

WITNESS MY HAND and the seal of the Board of Supervisors of the County of Stafford, Virginia, this 18th day of April, 2017.

Clerk, Board of Supervisors of the County
of Stafford, Virginia

(SEAL)

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 18th day of April, 2017:

MEMBERS:

Paul V. Milde III, Chairman
Meg Bohmke, Vice Chairman
Jack R. Cavalier
Wendy E. Maurer
Laura A. Sellers
Gary F. Snellings
Robert "Bob" Thomas, Jr.

VOTE:

On motion of , seconded by , which carried by a vote of , the following was adopted:

A RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL
OBLIGATION PUBLIC IMPROVEMENT BONDS, AND AUTHORIZE
THE COUNTY ADMINISTRATOR TO BUDGET AND APPROPRIATE
THE GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS

WHEREAS, at an election held on November 4, 2008 (Transportation Bond Referendum) the voters of Stafford County, Virginia (County) approved the issuance of general obligation bonds of the County in the maximum amount of \$70,000,000 to finance transportation improvement projects (Transportation Projects); and

WHEREAS, at an election held on November 3, 2009 (Recreation Bond Referendum) the voters of the County approved the issuance of general obligation bonds of the County in the maximum amount of \$29,000,000 to finance parks and recreation projects (Recreation Projects); and

WHEREAS, the County has issued general obligation bonds approved at the Transportation Bond Referendum in the principal amount of \$12,170,033 and \$57,829,967 in general obligation bonds are approved and unissued pursuant to the Transportation Bond Referendum; and

WHEREAS, the County has issued general obligation bonds approved at the Recreation Bond Referendum in the principal amount of \$22,219,967 and \$6,780,033 in general obligation bonds are approved and unissued pursuant to the Recreation Bond Referendum; and

WHEREAS the Board has determined that it is advisable to issue general obligation bonds pursuant to the Transportation Bond Referendum in the maximum principal amount of \$10,959,000 which amount includes bonds in the amount of \$57,829,967 previously authorized by resolutions adopted December 4, 2012, July 2, 2013, and June 2, 2015, which remain unissued (Transportation Bonds) and pursuant to the Recreation Bond Referendum in the maximum principal amount of \$3,236,000 which amount includes bonds in the amount of \$6,780,033 previously authorized by a resolution adopted December 4, 2012, and June 2, 2015, which remain unissued (Recreation Bonds and together with the Transportation Bonds, New Money Bonds); and

WHEREAS, the Board has also determined to authorize the issuance of general obligation refunding bonds (Refunding Bonds and together with the New Money Bonds, Bonds) to refund any previously-issued general obligation bonds of the County, if (1) the refunding generates an aggregate net present value debt service savings of not less than 3% of the refunded principal amount and (2) the final maturity of any Refunding Bonds does not exceed the last fiscal year in which any Refunded Bond (as defined below) matures (Refunding Terms);

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF STAFFORD, VIRGINIA:

1. Authorization of Bonds and Use of Proceeds. The Board hereby determines that it is advisable to contract a debt and to issue and sell the New Money Bonds in the maximum aggregate principal amount of \$14,195,000 consisting of Transportation Bonds in the maximum principal amount of \$10,959,000 and Recreation Bonds in the maximum principal amount of \$3,236,000. The issuance and sale of the New Money Bonds are hereby authorized. The proceeds from the issuance and sale of the Transportation Bonds shall be used to pay costs of the Transportation Projects and the proceeds from the issuance and sale of the Recreation Bonds shall be used to pay costs of the Recreation Projects. Proceeds of the New Money Bonds may also be used to pay the costs of issuing the New Money Bonds.

The Board hereby determines that it is advisable to contract a debt and to issue and sell the Refunding Bonds provided that the refunding satisfies the Refunding Terms. The issuance and sale of the Bonds are hereby authorized. The proceeds from the issuance and sale of the Refunding Bonds shall be used to refund the Refunded Bonds and to pay the costs of issuing the Refunded Bonds.

The Board hereby determines that the issuance of the Bonds will benefit the inhabitants of the City through the promotion of their safety, health, welfare and prosperity.

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

3. Details and Sale of Bonds. The Bonds shall be issued upon the terms established pursuant to this Resolution and upon such other terms as may be determined in the manner set

forth in this Resolution. The Bonds shall be issued in fully registered form, in one or more series, on more than one occasion, shall be dated such date or dates as the County Administrator and the Chief Financial Officer, or either of them, may approve, shall be in the denominations of \$5,000 each or whole multiples thereof and shall be numbered from R-1 upwards consecutively. The Bonds shall mature on such dates and in such amounts and shall be issued in such principal amount as the County Administrator and the Chief Financial Officer, or either of them, may approve, provided that (1) the final maturity of any New Money Bond is not more than approximately 25 years from its date, (2) the aggregate principal amount of the New Money Bonds is not more than the amount set forth in paragraph 1 and (3) the issuance of the Refunding Bonds complies with the Refunding Terms. The County Administrator and the Chief Financial Officer, or either of them, is authorized and directed to determine the method of sale of the Bonds which may be a competitive or negotiated sale, a bank placement or a placement through the Virginia Resources Authority (VRA). The County Administrator and the Chief Financial Officer, or either of them, is authorized and directed to accept a bid for the purchase of the Bonds which results in the lowest true interest cost to the County, or in the case of a placement or a negotiated sale, to accept a proposal from the VRA or a bank, underwriter or group of underwriters and execute and deliver on behalf of the County a bond purchase agreement or other appropriate agreement with the VRA or such bank or underwriter or underwriters as such officers determine to be in the best interests of the County. The Bonds shall bear interest, payable on such dates, at such rate or rates and shall be sold to the successful bidder or bidders at such price as may be set forth in the bid or proposal so accepted, provided that the true interest cost of the New Money Bonds shall not exceed 6.5% per annum and the sale price of the Bonds, not taking into account any original issue discount, shall not be less than 98% of par. The County Administrator and the Chief Financial Officer, or either of them, is authorized and directed to approve such optional redemption provisions and other terms for the Bonds as such officer or officers determine to be in the best interest of the County.

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

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

Transfer of ownership interest in the Bonds may be made by DTC and its participants (Participants), acting as nominees of the beneficial owners of the Bonds in accordance with rules specified by DTC and its Participants. The County shall comply with the agreements set forth in the County's Letter of Representations to DTC.

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

- (i) DTC determines not to continue to act as securities depository for the Bonds; or
- (ii) The County has advised DTC of its determination not to use DTC as a securities depository; or
- (iii) The County has determined that it is in the best interest of the beneficial owners of the Bonds or the County not to continue the book-entry system of transfer.

Upon occurrence of the event described in (i) or (ii) above, the County shall attempt to locate another qualified securities depository. If the County fails to locate another qualified securities depository to replace DTC, the appropriate officers and agents of the County shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to the Resolution to the Participants. In the event the Board of Supervisors, in its discretion, makes the determination noted in (iii) above and has made provisions to notify the beneficial owners of the Bonds by mailing an appropriate notice to DTC, the appropriate officers and agents of the County shall execute and deliver Replacement Bonds substantially in the form set forth in Exhibit A to this Resolution to any Participants requesting such Replacement Bonds. Principal of and interest on the Replacement Bonds shall be payable as provided in this Resolution and in the Bonds and Replacement Bonds will be transferable in accordance with the provisions of paragraphs 9 and 10 of this Resolution and the Bonds.

6. Appointment of Bond Registrar and Paying Agent. The County Administrator and the Chief Financial Officer, or either of them, are authorized and directed to appoint a Bond Registrar and Paying Agent for the Bonds and as long as the Bonds are in book-entry form, either of such officers may serve as Paying Agent.

The County Administrator and the Chief Financial Officer, or either of them, may appoint a subsequent registrar and/or one or more paying agents for the Bonds upon giving written notice to the owners of the Bonds specifying the name and location of the principal office of any such registrar or paying agent.

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

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

officer or agent of the County, by reason of any inaccuracy, error or omission with respect to such numbers.

9. Registration, Transfer and Exchange. Upon surrender for transfer or exchange of any Bond at the principal office of the Bond Registrar, the County shall execute and deliver and the Bond Registrar shall authenticate in the name of the transferee or transferees a new Bond or Bonds of any authorized denomination in an aggregate principal amount equal to the Bond surrendered and of the same form and maturity and bearing interest at the same rate as the Bond surrendered, subject in each case to such reasonable regulations as the County and the Bond Registrar may prescribe. All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and substance reasonably satisfactory to the County and the Bond Registrar, duly executed by the registered owner or by his or her duly authorized attorney-in-fact or legal representative. No Bond may be registered to bearer.

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

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

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

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

13. Refunding and Escrow Agreement. The County Administrator and the Chief Financial Officer, or either of them are hereby authorized and directed to select the prior general obligation bonds to be refunded (Refunded Bonds) and to cause the refunding of the Refunded Bonds pursuant to the terms of the Refunded Bonds. The County Administrator and the Chief Financial Officer, or either of them are hereby authorized to cause to be prepared and directed to execute and deliver one or more escrow agreements, between the County and an escrow agent to be selected by either of them, providing for the deposit and investment of a portion of the proceeds of the Refunding Bonds to be applied to the redemption or payment of the Refunded Bonds on the earliest practicable date.

14. SNAP Investment Authorization. The County has heretofore received and reviewed the Information Statement (Information Statement) describing the State Non-Arbitrage Program of the Commonwealth of Virginia (SNAP) and the Contract Creating the State Non-Arbitrage Program Pool I (Contract, and the County has determined to authorize the Chief Financial Officer to utilize SNAP in connection with the investment of the proceeds of the Bonds if the Chief Financial Officer determines that the utilization of SNAP is in the best interest of the County. The Board of Supervisors acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the County in connection with SNAP, except as otherwise provided in the contract creating the investment program pool.

15. Further Actions. The County Administrator and the Chief Financial Officer and such officers and agents of the County as either of them may designate are authorized and directed to take such further action as they deem necessary regarding the issuance and sale of the Bonds and the execution and delivery of any such other documents, agreements and certificates as they may deem necessary or desirable and all actions taken by such officers and agents in connection with the issuance and sale of the Bonds are ratified and confirmed. All actions taken by officers and agents of the County in connection with the issuance and sale of the Bonds are hereby ratified and confirmed. The officers and agents of the County are hereby authorized and directed to take such further actions as each deems necessary regarding the issuance and sale of any series of Bonds and all actions taken by such officers and agents in connection with the issuance and sale of any series of Bonds are hereby ratified and confirmed. Any authorization of an officer of the County under this Resolution entitles such officer to exercise his or her discretion in taking action on behalf of the County, unless expressly provided otherwise. When this Resolution authorizes more than one officer of the County to perform an action, it shall be sufficient for one of the officers to act and bind the County. The authorizations granted in this Resolution to the County Administrator, the Chief Financial Officer or the Clerk of the Board of Supervisors, or any combination of the foregoing, may be carried out by any Acting, Assistant, Deputy or Interim County Administrator (with respect to authorizations granted to the County Administrator), any Acting, or Interim Chief Financial Officer (with respect to the authorizations granted to the Chief Financial Officer) and any Deputy or Assistant Clerk (with respect to authorizations granted to the Clerk of the Board of Supervisors), in the unavailability of the primary officer.

16. Effective Date. This Resolution shall take effect at the time of its adoption.

BE IT FURTHER RESOLVED that the County Administrator is authorized to budget and appropriate the FY2017 budget as follows:

GENERAL FUND:

Revenue:

Proceeds from future GO Bond Sales	\$14,195,000
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Expenditure:

Transfer to Transportation Fund	\$10,959,000
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Transfer to Capital Projects Fund	\$ 3,236,000
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more particularly, issued pursuant to the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended, referenda held in the County on November 4, 2008 and November 3, 2009 and a Resolution adopted by the Board of Supervisors on April 18, 2017 (Resolution).

[Bonds maturing on or before _____, _____ are not subject to redemption before maturity. Bonds at the time outstanding which are stated to mature on or after _____, _____ may be redeemed before their maturities on or after _____, _____, at the option of the County in whole or in part (in installments of \$5,000) at any time or from time to time upon payment of the principal amount to be redeemed together with the interest accrued thereon to the date fixed for redemption.]

If less than all of the Bonds are called for redemption, the Bonds to be redeemed shall be redeemed in such order as may be determined by the Chief Financial Officer of the County in such officer's discretion. If at any time less than all of the Bonds of any maturity are called for redemption, the particular Bonds of such maturity or portions thereof to be redeemed shall be selected by The Depository Trust Company or any successor securities depository, or, if the book-entry-only system is discontinued, by the Bond Registrar and Paying Agent by lot in such manner as the Bond Registrar in its discretion may determine.

If any of the Bonds or portions thereof are called for redemption, the Bond Registrar shall send notice of the call for redemption identifying the Bonds by serial or CUSIP numbers, and in the case of partial redemption, identifying the principal amount to be redeemed, and identifying the redemption date and price and the place where Bonds are to be surrendered for payment, by electronic mail, facsimile transmission, first class mail or overnight express delivery not less than 30 nor more than 60 days before the redemption date to the registered owner of each Bond to be redeemed at such owner's address as it appears on the registration books maintained by the Bond Registrar, but failure to mail such notice shall not affect the validity of the proceedings for redemption. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Resolution and shall not be deemed to be outstanding. Any such notice of redemption may be conditioned on the happening of such event or events as may be specified in the notice. If a portion of this Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion hereof will be issued to the registered owner upon the surrender of this Bond.

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

This Bond may be transferred only by an assignment duly executed by the registered owner hereof or such owner's attorney or legal representative in a form satisfactory to the Bond Registrar. Such transfer shall be made in the registration books kept by the Bond Registrar upon presentation and surrender hereof and the County shall execute, and the Bond Registrar shall authenticate and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same

rate, and registered in names as requested by the then registered owner hereof or such owner's attorney or legal representative. Any such exchange shall be at the expense of the County, except that the Bond Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

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

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

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

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

IN WITNESS WHEREOF, the Board of Supervisors of the County of Stafford, Virginia, has caused this Bond to be signed by the facsimile signature of its Chairman, a facsimile of its seal to be affixed and attested by the facsimile signature of its Clerk and this Bond to be dated _____, 2017.

COUNTY OF STAFFORD, VIRGINIA

By _____
Chairman, Board of Supervisors, County of
Stafford, Virginia

[SEAL]

ATTEST:

Clerk, Board of Supervisors,
County of Stafford, Virginia

ASSIGNMENT

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

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

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

the within Bond and does hereby irrevocably constitute and appoint

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

Dated _____

Signature Guaranteed:

(NOTICE: Signature(s) must be Guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association which is a member of a medallion program approved by the Securities Association, Inc.)

Registered Owner

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

CERTIFICATE OF AUTHENTICATION

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

Authentication Date: April 18, 2017

By: Thomas C. Foley

Its: County Administrator