

AT A MEETING OF THE BOARD OF SUPERVISORS OF GLOUCESTER COUNTY, VIRGINIA, HELD ON TUESDAY, SEPTEMBER 2, 2025, AT 6:00 AT THE COLONIAL COURTHOUSE, 6504 MAIN STREET GLOUCESTER, VIRGINIA: ON A MOTION MADE BY _____, AND SECONDED BY _____, THE FOLLOWING RESOLUTION WAS ADOPTED BY THE FOLLOWING VOTE:

Phillip N. Bazzani, ____;
Ashley C. Chriscoe, ____;
Kenneth W. Gibson, ____;
Christopher A. Hutson, ____;
Michael A. Nicosia, ____;
Robert J. Orth, ____;
Kevin M. Smith, ____;

**RESOLUTION OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF GLOUCESTER, VIRGINIA APPROVING THE
EQUIPMENT LEASE FINANCING OF VARIOUS CAPITAL
PROJECTS FOR THE COUNTY WITH A FINANCIAL
INSTITUTION AND AUTHORIZING THE LEASING OF THE
EQUIPMENT TO BE FINANCED, AND OTHER RELATED
ACTIONS**

WHEREAS, the Board of Supervisors (the "Board") of the County of Gloucester, Virginia (the "County"), intends to finance all or a portion of the costs (or to reimburse the County for payment of such costs) of various capital improvements, including the acquisition and installation of advanced metering infrastructure projects and related costs (collectively, the "Project"); and

WHEREAS, the Board has determined that it is in the best interest of the County to enter into a lease arrangement in order to obtain funds to finance the Project; and

WHEREAS, the Board has been presented with proposals of various lenders to provide financing for the costs of the Project in the form of an equipment lease, purchase agreement or similar financing arrangement (a "Lease") among the County and the Lessor (as defined below); and

WHEREAS, to evidence the financing of the Project, the County will enter into one or more Leases with one or more financial institutions (each a "Lessor") that will provide the funding for the Project, and under the terms of the Lease, the County will pay, subject to appropriation, rental payments (the "Rental Payments") for the right to use the equipment (the "Equipment") that is the subject of the Lease; and

WHEREAS, the County intends to pay the Rental Payments out of appropriations from the County's General Fund or the County's Utility Fund; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Gloucester County, Virginia:

1. Approval of Lease Financing Arrangement. The lease financing arrangement with a Lessor to be determined in accordance with the parameters of this Resolution to accomplish the financing of the Project is hereby approved and is found to be in the best interests of the public health, safety and welfare of the residents of the County.

2. Approval of the Lessor. The County Administrator, in consultation with the County's financial advisor, is hereby authorized to determine the Lessor from the proposals received by the County.

3. Approval of the Lease. The County Administrator is hereby authorized to determine the final form of the Lease; provided that it reflect terms not inconsistent with this Resolution.

4. Approval of the Terms of the Rental Payments. The Rental Payments set forth in the Lease shall be composed of principal and interest components reflecting an original aggregate principal amount not to exceed \$6,000,000 a true interest cost not to exceed 4.5% per annum (taking into account any original issue discount or premium) and a term ending no later than June 30, 2041.

5. Execution of Lease. The Board hereby authorizes and directs the Chairman, the County Administrator, and the Chief Financial Officer of the County (the "Deputy County Administrator") to execute the Lease and deliver them to the other parties thereto. The Board hereby authorizes the Clerk of the Board to affix the seal of the County or a facsimile thereof to the Lease, if required, and to attest such seal.

6. Essentiality of the Project. The Project is hereby declared to be essential to the efficient operation of the County, and the County anticipates that the Project will continue to be essential to the operation of the County during the term of the Lease.

7. Annual Budget. While recognizing that it is not empowered to make any binding commitment to make Rental Payments and any other payments required under the Lease beyond the current fiscal year, the Board hereby states its intent to make annual appropriations for future fiscal years in amounts sufficient to make all such payments and hereby recommends that future Boards do likewise during the term of the Lease. The Board directs the County Administrator, or such other officer who may be charged with the responsibility

for preparing the County's annual budget, to include in the budget request for each fiscal year during the term of the Lease an amount sufficient to pay the Rental Payments and all other payments coming due under the Lease during such fiscal year. If at any time during any fiscal year of the County throughout the term of the Lease, the amount appropriated in the County's annual budget in any such fiscal year is insufficient to pay when due the Rental Payments and any other payments required under the Lease, the Board directs the County Administrator, or such other officer who may be charged with the responsibility for preparing the County's annual budget, to submit to the Board at the next scheduled meeting, or as promptly as practicable but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

8. Rental Payments Subject to Appropriation. The County's obligation to make the Rental Payments and all other payments pursuant to the Lease is hereby specifically stated to be subject to annual appropriation therefor by the Board, and nothing in this Resolution or the Lease shall constitute a pledge of the full faith and credit nor taxing power of the County or compel the Board to make any such appropriation.

9. Tax Documents. The County Administrator and the Director of Financial Services, either of whom may act, is authorized to execute a Nonarbitrage Certificate and Tax Compliance Agreement and/or any related document (the "Tax Documents") setting forth the expected use and investment of the proceeds of the Lease and containing such covenants as may be necessary in order for the County to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Tax Code"), with respect to the Lease including the provisions of Section 148 of the Tax Code and applicable regulations relating to "arbitrage bonds." The County covenants that the proceeds of the Lease will be invested and expended as set forth in the Tax Documents, to be delivered simultaneously with the issuance and delivery of the Lease and that the County shall comply with the other covenants and representations contained therein.

10. Other Actions. All other actions of the officers of the County in conformity with the purpose and intent of this Resolution are hereby approved and confirmed. The officers of the County are hereby authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the execution and delivery of the Lease.

11. SNAP Investment Authorization. The County has heretofore received and reviewed the Information Statement (the "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 (the "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 lease transaction if the Chief Financial Officer determines that the utilization of

SNAP is in the best interest of the County. The Board 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.

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

A Copy Teste:

Carol E. Steele, County Administrator

Schools HVAC Financing Options Comparison

Gloucester County, Virginia



September 2, 2025



- On behalf of the County, Davenport distributed an RFP for a Direct Bank Loan with options for 15 or 20-Year terms in an amount up to \$6,000,000* to fund HVAC projects in Schools (as well as the related issuance costs)

- The County received five (5) proposals for the HVAC Financing from the following institutions:
 - Banc of America Public Capital Corp (“BAPCC”);
 - Capital One Public Funding (“Capital One”);
 - Chesapeake Bank;
 - Huntington Public Capital (“Huntington”); and
 - Webster Bank.

- The RFP requested proposals for a Lease Revenue Bond issued through the Economic Development Authority (“EDA”) as conduit and secured by one or more County or Schools facilities.

- Lenders were requested to note in their proposals if they would prefer an alternative Equipment Lease Financing Structure, which would be secured by the equipment purchased with loan proceeds.
 - BAPCC was the only institution that requested the alternative Equipment Lease Structure.

Interest Rate & Prepayment Summary



- Based on the proposals received, the remainder of this analysis focuses on the BAPCC 15-Year proposal, which provided the lowest interest rate and overall interest cost.

A Lender (Low to High)	B Type	C Collateral	D Call Provisions	E Terms		F
				15-Year	20-Year	
1 BAPCC	Equipment Lease	HVAC Equipment	On any periodic payment date with 30 days' notice, prepayable in whole but not in part at 102% of the outstanding principal balance	4.035%		4.310%
2 Webster Bank	Lease Revenue Bond	Mut. acceptable facility with value close to 100% of loan amount	Prepayable in whole on any payment date on or after 2/1/2030 with a 2% premium initially, declining to 1%, then no penalty (timing of declines depends on term). Some partial prepayment permitted	4.28%		4.58%
3 Capital One	Lease Revenue Bond	Not Specified	Prepayable in whole at par on or after the call date (2/1/2033 or 2/1/2036, depending on term). Some partial prepayment permitted	4.49% ⁽²⁾		4.71% ⁽²⁾
4 Chesapeake Bank	Lease Revenue Bond	One or more mutually acceptable facilities	No prepayment penalty for any amount that is paid ahead of schedule	4.75% ⁽³⁾		4.75% ⁽³⁾
5 Huntington	Lease Revenue Bond	Mutually acceptable "essential purpose" building(s)	Subject to prepayment without penalty commencing 2/1/2030 in whole, but not in part, at par plus accrued interest	4.68%		4.84%


(1) Rates are subject to change if the relevant SOFR Swap rate on the date the interest rate is locked in is more than 0.05% different than it was on 8/14/2025.

(2) Fixed for the first 10 years of the term then adjusted to the Wall Street Journal Prime minus 1% for the remaining 5 or 10 years, depending on the selected final maturity.

BAPCC 15-Year Proposal Details and Estimated Debt Service



- The estimated debt service and additional details of the BAPCC 15-Year option are shown here.

A	B
Lender	BANK OF AMERICA 
1 Credit	Equipment Lease (EDA involvement not required)
2 Interest Rate	15-Year: 4.035% 20-Year: 4.310%
3 Acceptance / Rate Expiration	Rates are locked for a closing by 10/17/2025.
4 Collateral	HVAC Equipment
5 Collateral Requirements	BAPCC will receive a first priority perfected security interest in the equipment that shall be evidenced by the filing of UCC financing statements and fixture filings.
6 Prepayment Provisions	On any periodic payment date with 30 days' notice, prepayable in whole but not in part at 102% of the outstanding principal balance.
7 Project Fund/Escrow Requirements	Amenable to Deposit at VASNAP. Restricted Account Agreement required.
Key Interest Rate Dates	
8 Proposal Expiration/Deadline to Notify	9/3/2025
Rate Expiration/Close By	10/17/2025
9 Bank/Other Fees	None
10 Credit Approval	Subject to Final Credit & Documentation Approval
11 Lender's Counsel	TBD (Fees Covered by Bank)

A	B
Preliminary Results	15-Year
1 Key Assumptions	
2 Interest Rate Lock Date	9/3/2025
3 Closing Date	10/15/2025
4 First Interest	8/1/2026
5 First Principal	2/1/2027
6 Final Maturity	2/1/2041
7 Interest Rate/TIC	4.035%
8 AIC	4.499%
9 Sources	
10 Par Amount	6,000,000
11 Total Sources	\$ 6,000,000
12 Uses	
13 Project Fund	5,800,000
14 Local Costs of Issuance	200,000
15 Total Uses	\$ 6,000,000
16 Estimated Debt Service	
17 2027	\$ 547,385
18 2028	546,658
19 2029	546,988
20 2030	546,794
21 2031	547,075
22 2032	546,791
23 2033	546,942
24 2034	547,488
25 2035	547,388
26 2036	547,643
27 2037	547,212
28 2038	547,095
29 2039	547,251
30 2040	547,641
31 2041	547,224
32 Total Debt Service	\$ 8,207,575

Recommendation / Next Steps



- Based upon our review of the proposals, related analyses, and discussions with County Staff and Bond Counsel, Davenport and County Staff recommend that the County move forward with BAPCC with a 15-year term.

Date	Task
September 2 6:00 pm	County Board Meeting <ul style="list-style-type: none">■ Davenport presents comparative analysis of bank proposals.■ County Board considers selecting preferred lender.■ County Board considers adopting final resolution and form of financing documents, if available.
September 9 6:00 pm	School Board Meeting <ul style="list-style-type: none">■ School Board considers resolution(s) related to collateral for the financing.
September 16 6:00 pm	County Board Meeting <ul style="list-style-type: none">■ County Board considers adopting final authorizing resolution(s) and form of financing documents, if not done previously.
Late September/ Early October	Finalize financing documents and numbers.
October 7 6:00 pm	County Board Meeting <ul style="list-style-type: none">■ Placeholder, if needed.
By Mid-October	Closing.



Appendix A

Detailed Proposal Comparisons

Debt Service Comparison | BAPCC vs. Webster Bank



- Shown here is a comparison of the estimated debt service based on the proposals provided by BAPCC and Webster Bank.
- BAPCC is estimated to provide the lowest annual payments and total debt service for each of the terms under consideration.
- See Appendix B for each option's effect on the School Sales Tax Affordability.



(1) Includes \$6,000 for Lender's Counsel and an estimated \$25,000 for collateral-related costs such as a Title Search and Title Insurance.

A	B		C	D		E
	BAPCC			Webster Bank		
Preliminary Results	15-Year	20-Year		15-Year	20-Year	
1 Key Assumptions						
2 Interest Rate Lock Date	9/3/2025	9/3/2025		9/3/2025	9/3/2025	
3 Closing Date	10/15/2025	10/15/2025		10/15/2025	10/15/2025	
4 First Interest	8/1/2026	8/1/2026		8/1/2026	8/1/2026	
5 First Principal	2/1/2027	2/1/2027		2/1/2027	2/1/2027	
6 Final Maturity	2/1/2041	2/1/2046		2/1/2041	2/1/2046	
7 Interest Rate/TIC	4.035%	4.310%		4.280%	4.580%	
8 AIC	4.499%	4.684%		4.822%	5.018%	
9 Sources						
10 Par Amount	6,000,000	6,000,000		6,000,000	6,000,000	
11 Total Sources	\$ 6,000,000	\$ 6,000,000		\$ 6,000,000	\$ 6,000,000	
12 Uses						
13 Project Fund	5,800,000	5,800,000		5,769,000	5,769,000	
14 Local Costs of Issuance	200,000	200,000		200,000	200,000	
15 Bank Costs of Issuance (1)	-	-		31,000	31,000	
16 Total Uses	\$ 6,000,000	\$ 6,000,000		\$ 6,000,000	\$ 6,000,000	
17 Estimated Debt Service						
18 2027	\$ 547,385	\$ 459,743		\$ 557,413	\$ 470,713	
19 2028	546,658	459,213		557,170	470,533	
20 2029	546,988	459,334		556,902	470,327	
21 2030	546,794	459,067		557,078	470,709	
22 2031	547,075	459,413		556,654	470,633	
23 2032	546,791	459,328		556,631	470,099	
24 2033	546,942	458,811		556,966	470,107	
25 2034	547,488	458,864		556,617	470,611	
26 2035	547,388	459,442		556,582	470,566	
27 2036	547,643	459,504		556,820	469,971	
28 2037	547,212	459,048		557,288	470,826	
29 2038	547,095	459,075		556,942	470,041	
30 2039	547,251	459,541		556,784	470,659	
31 2040	547,641	459,404		556,769	470,591	
32 2041	547,224	458,664		556,855	470,836	
33 2042	-	459,321		-	470,348	
34 2043	-	459,287		-	470,127	
35 2044	-	458,565		-	470,128	
36 2045	-	459,152		-	470,304	
37 2046	-	458,964		-	470,610	
38 Total Debt Service	\$ 8,207,575	\$ 9,183,740		\$ 8,353,472	\$ 9,408,741	
39 Annual Payment Difference vs. BAPCC				\$ 9,726	\$ 11,250	
40 Total Debt Service Difference vs. BAPCC				\$ 145,897	\$ 225,002	

End of
Non-
Callable
Period

Detailed Comparison of Financing Options



A	B	C
Lender	BANK OF AMERICA 	 WebsterBank®
1 Credit	Equipment Lease (EDA involvement not required)	Lease Revenue Bond (requires EDA involvement)
2 Interest Rate	15-Year: 4.035% 20-Year: 4.310%	15-Year: 4.28% 20-Year: 4.58%
3 Acceptance / Rate Expiration	Rates are locked for a closing by 10/17/2025.	Rates are locked for a closing by 10/17/2025 if the term sheet is accepted by 9/3/2025.
4 Collateral	HVAC Equipment	One or more mutually acceptable County or School facilities. Webster Bank will require collateral coverage close to 100% of the loan amount.
5 Collateral Requirements	BAPCC will receive a first priority perfected security interest in the equipment that shall be evidenced by the filing of UCC financing statements and fixture filings.	Webster Bank will require a Title Search, Title Insurance, an Environmental Survey, and request a copy of any surveys/appraisals that the County may already have in its possession.
6 Prepayment Provisions	On any periodic payment date with 30 days' notice, prepayable in whole but not in part at 102% of the outstanding principal balance.	Prepayable in whole on any payment date on or after 2/1/2030 with a 2% premium initially. For the 15-Year option, the premium declines to 1% on 2/1/2031 with no penalty on or after 2/1/2032. For the 20-Year option, the premium declines to 1% on 2/1/2032 with no penalty on or after 2/1/2034. Partial prepayments of at least \$500,000 are permitted once per year and applied in inverse order. Partial prepayments from insurance proceeds are permitted at any time without penalty and applied in inverse order.
7 Project Fund/Escrow Requirements	Amenable to Deposit at VASNAP. Restricted Account Agreement required.	Amenable to Deposit at VASNAP Quarterly reports of withdrawn funds are requested
Key Interest Rate Dates		
8 Proposal Expiration/Deadline to Notify Rate Expiration/Close By	9/3/2025 10/17/2025	9/3/2025 10/17/2025
9 Bank/Other Fees	None	Lender's Counsel: not to exceed \$6,000 Costs related to Title Search and Title Insurance: TBD
10 Credit Approval	Subject to Final Credit & Documentation Approval	Subject to Final Credit Approval
11 Lender's Counsel	TBD (Fees Covered by Bank)	Gilmore & Bell



Appendix B

School Sales Tax Affordability Details

Debt Affordability Analysis | School Sales Tax Fund

Existing Debt + HVAC Financing | BAPCC 15-Year Proposal



- The affordability analysis shown here contemplates in column C the \$66.3 million of Eligible Schools Projects previously funded in the 2020 VPSA Fall Pool, 2022 VPSA Spring Pool, and 2023 VPSA Fall Pool.
- HVAC Financing debt service is shown in column D for based on the BAPCC 15-Year Proposal.
- The Additional Local Sales & Use Tax is assumed to be collected from July 1, 2021, through July 31, 2040.
 - Due to the timing difference between revenue collection and debt service payments, the County will need to fund a reserve to pay the estimated debt service in FY 2041-44 (see columns G & I).
- Based on these projections, additional capacity may exist to fund future projects over and above the amounts already funded (\$66.3 million) and the School HVAC Improvements (\$5.8 million) included here.

Actual Results								
A	B	C	D	E	F	G	H	I
	Revenues	Debt Service Requirements						
Fiscal Year	School Sales Tax Fund Revenues ⁽¹⁾	Existing Eligible Debt Service ⁽²⁾	Sales Tax Eligible New CIP Debt Service ⁽³⁾	Total Requirements	Surplus/ (Deficit) B - E	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Capital Reserve Fund Balance
2022	5,487,142	289,826	-	289,826	5,197,316	-	5,197,316	5,197,316
2023	5,984,067	1,144,154	-	1,144,154	4,839,913	-	4,839,913	10,037,229
2024	6,407,145	2,292,105	-	2,292,105	4,115,040	-	4,115,040	14,152,269
2025	5,928,029	4,771,448	-	4,771,448	1,156,581	-	1,156,581	15,308,850
2026	5,928,029	4,775,766	-	4,775,766	1,152,263	-	1,152,263	16,461,113
2027	5,928,029	4,770,797	547,385	5,318,182	609,847	-	609,847	17,070,960
2028	5,928,029	4,769,794	546,658	5,316,452	611,577	-	611,577	17,682,537
2029	5,928,029	4,775,720	546,988	5,322,709	605,320	-	605,320	18,287,857
2030	5,928,029	4,776,090	546,794	5,322,884	605,145	-	605,145	18,893,002
2031	5,928,029	4,770,197	547,075	5,317,272	610,757	-	610,757	19,503,759
2032	5,928,029	4,771,271	546,791	5,318,062	609,967	-	609,967	20,113,726
2033	5,928,029	4,771,364	546,942	5,318,306	609,723	-	609,723	20,723,449
2034	5,928,029	4,769,597	547,488	5,317,085	610,944	-	610,944	21,334,393
2035	5,928,029	4,769,602	547,388	5,316,990	611,039	-	611,039	21,945,432
2036	5,928,029	4,767,853	547,643	5,315,496	612,533	-	612,533	22,557,965
2037	5,928,029	4,773,683	547,212	5,320,895	607,134	-	607,134	23,165,099
2038	5,928,029	4,773,854	547,095	5,320,948	607,081	-	607,081	23,772,180
2039	5,928,029	4,767,283	547,251	5,314,534	613,495	-	613,495	24,385,675
2040	5,928,029	4,775,504	547,641	5,323,145	604,884	-	604,884	24,990,559
2041	494,002	4,771,641	547,224	5,318,865	(4,824,862)	(4,824,862)	-	20,165,697
2042	-	4,482,422	-	4,482,422	(4,482,422)	(4,482,422)	-	15,683,275
2043	-	4,480,374	-	4,480,374	(4,480,374)	(4,480,374)	-	11,202,901
2044	-	2,478,080	-	2,478,080	(2,478,080)	(2,478,080)	-	8,724,821
2045	-	-	-	-	-	-	-	8,724,821
2046	-	-	-	-	-	-	-	8,724,821
Total	113,220,820	96,288,423	8,207,575	104,495,999	(16,265,738)			

(1) FY 2022 through FY 2024 per the Audit (Exhibit 13 – School Sales Tax Fund) and includes interest earnings.

(2) Includes the debt service associated with Eligible Projects funded in the 2020 VPSA Fall Pool, 2022 VPSA Spring Pool, and 2023 VPSA Fall Pool.

(3) Reflects estimated debt service for the \$5,800,000 School HVAC Improvements based on the BAPCC 15-Year Proposal.

Note: the revenues shown here do not take into account any interest earnings in the Schools Sales Tax Fund in FY 2025 and beyond.

Debt Affordability Analysis | School Sales Tax Fund

Existing Debt + HVAC Financing | BAPCC 20-Year Proposal



- The affordability analysis shown here contemplates in column C the \$66.3 million of Eligible Schools Projects previously funded in the 2020 VPSA Fall Pool, 2022 VPSA Spring Pool, and 2023 VPSA Fall Pool.
- HVAC Financing debt service is shown in column D for based on the BAPCC 20-Year Proposal.
- The Additional Local Sales & Use Tax is assumed to be collected from July 1, 2021, through July 31, 2040.
 - Due to the timing difference between revenue collection and debt service payments, the County will need to fund a reserve to pay the estimated debt service in FY 2041-46 (see columns G & I).
- Based on these projections, additional capacity may exist to fund future projects over and above the amounts already funded (\$66.3 million) and the School HVAC Improvements (\$5.8 million) included here.

Actual Results								
A	B	C	D	E	F	G	H	I
	Revenues	Debt Service Requirements						
Fiscal Year	School Sales Tax Fund Revenues ⁽¹⁾	Existing Eligible Debt Service ⁽²⁾	Sales Tax Eligible New CIP Debt Service ⁽³⁾	Total Requirements	Surplus/ (Deficit) B - E	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Capital Reserve Fund Balance
2022	5,487,142	289,826	-	289,826	5,197,316	-	5,197,316	5,197,316
2023	5,984,067	1,144,154	-	1,144,154	4,839,913	-	4,839,913	10,037,229
2024	6,407,145	2,292,105	-	2,292,105	4,115,040	-	4,115,040	14,152,269
2025	5,928,029	4,771,448	-	4,771,448	1,156,581	-	1,156,581	15,308,850
2026	5,928,029	4,775,766	-	4,775,766	1,152,263	-	1,152,263	16,461,113
2027	5,928,029	4,770,797	459,743	5,230,540	697,489	-	697,489	17,158,602
2028	5,928,029	4,769,794	459,213	5,229,007	699,022	-	699,022	17,857,624
2029	5,928,029	4,775,720	459,334	5,235,054	692,975	-	692,975	18,550,599
2030	5,928,029	4,776,090	459,067	5,235,157	692,872	-	692,872	19,243,471
2031	5,928,029	4,770,197	459,413	5,229,610	698,419	-	698,419	19,941,890
2032	5,928,029	4,771,271	459,328	5,230,599	697,430	-	697,430	20,639,320
2033	5,928,029	4,771,364	458,811	5,230,175	697,854	-	697,854	21,337,174
2034	5,928,029	4,769,597	458,864	5,228,461	699,568	-	699,568	22,036,742
2035	5,928,029	4,769,602	459,442	5,229,044	698,985	-	698,985	22,735,727
2036	5,928,029	4,767,853	459,504	5,227,356	700,673	-	700,673	23,436,400
2037	5,928,029	4,773,683	459,048	5,232,731	695,298	-	695,298	24,131,698
2038	5,928,029	4,773,854	459,075	5,232,928	695,101	-	695,101	24,826,799
2039	5,928,029	4,767,283	459,541	5,226,824	701,205	-	701,205	25,528,004
2040	5,928,029	4,775,504	459,404	5,234,908	693,121	-	693,121	26,221,125
2041	494,002	4,771,641	458,664	5,230,305	(4,736,302)	(4,736,302)	-	21,484,823
2042	-	4,482,422	459,321	4,941,742	(4,941,742)	(4,941,742)	-	16,543,081
2043	-	4,480,374	459,287	4,939,662	(4,939,662)	(4,939,662)	-	11,603,419
2044	-	2,478,080	458,565	2,936,645	(2,936,645)	(2,936,645)	-	8,666,774
2045	-	-	459,152	459,152	(459,152)	(459,152)	-	8,207,622
2046	-	-	458,964	458,964	(458,964)	(458,964)	-	7,748,658
Total	113,220,820	96,288,423	9,183,740	105,472,163	(18,472,467)			

(1) FY 2022 through FY 2024 per the Audit (Exhibit 13 – School Sales Tax Fund) and includes interest earnings.

(2) Includes the debt service associated with Eligible Projects funded in the 2020 VPSA Fall Pool, 2022 VPSA Spring Pool, and 2023 VPSA Fall Pool.

(3) Reflects estimated debt service for the \$5,800,000 School HVAC Improvements based on the BAPCC 20-Year Proposal.

Note: the revenues shown here do not take into account any interest earnings in the Schools Sales Tax Fund in FY 2025 and beyond.

Debt Affordability Analysis | School Sales Tax Fund

Existing Debt + HVAC Financing | Webster Bank 15-Year Proposal



- The affordability analysis shown here contemplates in column C the \$66.3 million of Eligible Schools Projects previously funded in the 2020 VPSA Fall Pool, 2022 VPSA Spring Pool, and 2023 VPSA Fall Pool.
- HVAC Financing debt service is shown in column D for based on the Webster Bank 15-Year Proposal.
- The Additional Local Sales & Use Tax is assumed to be collected from July 1, 2021, through July 31, 2040.
 - Due to the timing difference between revenue collection and debt service payments, the County will need to fund a reserve to pay the estimated debt service in FY 2041-44 (see columns G & I).
- Based on these projections, additional capacity may exist to fund future projects over and above the amounts already funded (\$66.3 million) and the School HVAC Improvements (\$5.8 million) included here.

Actual Results

A	B	C	D	E	F	G	H	I
	Revenues	Debt Service Requirements						
Fiscal Year	School Sales Tax Fund Revenues ⁽¹⁾	Existing Eligible Debt Service ⁽²⁾	Sales Tax Eligible New CIP Debt Service ⁽³⁾	Total Requirements	Surplus/ (Deficit) B - E	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Capital Reserve Fund Balance
2022	5,487,142	289,826	-	289,826	5,197,316	-	5,197,316	5,197,316
2023	5,984,067	1,144,154	-	1,144,154	4,839,913	-	4,839,913	10,037,229
2024	6,407,145	2,292,105	-	2,292,105	4,115,040	-	4,115,040	14,152,269
2025	5,928,029	4,771,448	-	4,771,448	1,156,581	-	1,156,581	15,308,850
2026	5,928,029	4,775,766	-	4,775,766	1,152,263	-	1,152,263	16,461,113
2027	5,928,029	4,770,797	560,131	5,330,928	597,101	-	597,101	17,058,214
2028	5,928,029	4,769,794	559,454	5,329,248	598,781	-	598,781	17,656,995
2029	5,928,029	4,775,720	560,143	5,335,864	592,165	-	592,165	18,249,160
2030	5,928,029	4,776,090	560,233	5,336,323	591,706	-	591,706	18,840,866
2031	5,928,029	4,770,197	559,724	5,329,921	598,108	-	598,108	19,438,974
2032	5,928,029	4,771,271	559,616	5,330,887	597,142	-	597,142	20,036,116
2033	5,928,029	4,771,364	559,865	5,331,229	596,800	-	596,800	20,632,916
2034	5,928,029	4,769,597	559,430	5,329,027	599,002	-	599,002	21,231,918
2035	5,928,029	4,769,602	559,310	5,328,912	599,117	-	599,117	21,831,035
2036	5,928,029	4,767,853	559,462	5,327,315	600,714	-	600,714	22,431,749
2037	5,928,029	4,773,683	559,844	5,333,527	594,502	-	594,502	23,026,251
2038	5,928,029	4,773,854	559,413	5,333,267	594,762	-	594,762	23,621,013
2039	5,928,029	4,767,283	560,169	5,327,452	600,577	-	600,577	24,221,590
2040	5,928,029	4,775,504	560,026	5,335,529	592,500	-	592,500	24,814,090
2041	494,002	4,771,641	559,984	5,331,624	(4,837,622)	(4,837,622)	-	19,976,468
2042	-	4,482,422	-	4,482,422	(4,482,422)	(4,482,422)	-	15,494,046
2043	-	4,480,374	-	4,480,374	(4,480,374)	(4,480,374)	-	11,013,672
2044	-	2,478,080	-	2,478,080	(2,478,080)	(2,478,080)	-	8,535,592
2045	-	-	-	-	-	-	-	8,535,592
2046	-	-	-	-	-	-	-	8,535,592
Total	113,220,820	96,288,423	8,396,804	104,685,227	(16,278,498)			

(1) FY 2022 through FY 2024 per the Audit (Exhibit 13 – School Sales Tax Fund) and includes interest earnings.

(2) Includes the debt service associated with Eligible Projects funded in the 2020 VPSA Fall Pool, 2022 VPSA Spring Pool, and 2023 VPSA Fall Pool.

(3) Reflects estimated debt service for the \$5,800,000 School HVAC Improvements based on the Webster Bank 15-Year Proposal.

Note: the revenues shown here do not take into account any interest earnings in the Schools Sales Tax Fund in FY 2025 and beyond.

Debt Affordability Analysis | School Sales Tax Fund

Existing Debt + HVAC Financing | Webster Bank 20-Year Proposal



- The affordability analysis shown here contemplates in column C the \$66.3 million of Eligible Schools Projects previously funded in the 2020 VPSA Fall Pool, 2022 VPSA Spring Pool, and 2023 VPSA Fall Pool.
- HVAC Financing debt service is shown in column D for based on the Webster Bank 20-Year Proposal.
- The Additional Local Sales & Use Tax is assumed to be collected from July 1, 2021, through July 31, 2040.
 - Due to the timing difference between revenue collection and debt service payments, the County will need to fund a reserve to pay the estimated debt service in FY 2041-46 (see columns G & I).
- Based on these projections, additional capacity may exist to fund future projects over and above the amounts already funded (\$66.3 million) and the School HVAC Improvements (\$5.8 million) included here.

Actual Results

A	B	C	D	E	F	G	H	I
	Revenues	Debt Service Requirements						
Fiscal Year	School Sales Tax Fund Revenues ⁽¹⁾	Existing Eligible Debt Service ⁽²⁾	Sales Tax Eligible New CIP Debt Service ⁽³⁾	Total Requirements	Surplus/ (Deficit) B - E	Capital Reserve Utilized	Adjusted Surplus/ (Deficit)	Capital Reserve Fund Balance
2022	5,487,142	289,826	-	289,826	5,197,316	-	5,197,316	5,197,316
2023	5,984,067	1,144,154	-	1,144,154	4,839,913	-	4,839,913	10,037,229
2024	6,407,145	2,292,105	-	2,292,105	4,115,040	-	4,115,040	14,152,269
2025	5,928,029	4,771,448	-	4,771,448	1,156,581	-	1,156,581	15,308,850
2026	5,928,029	4,775,766	-	4,775,766	1,152,263	-	1,152,263	16,461,113
2027	5,928,029	4,770,797	472,551	5,243,348	684,681	-	684,681	17,145,794
2028	5,928,029	4,769,794	472,953	5,242,747	685,282	-	685,282	17,831,076
2029	5,928,029	4,775,720	472,701	5,248,422	679,607	-	679,607	18,510,683
2030	5,928,029	4,776,090	473,037	5,249,127	678,902	-	678,902	19,189,585
2031	5,928,029	4,770,197	472,916	5,243,113	684,916	-	684,916	19,874,501
2032	5,928,029	4,771,271	473,336	5,244,607	683,422	-	683,422	20,557,923
2033	5,928,029	4,771,364	473,252	5,244,616	683,413	-	683,413	21,241,336
2034	5,928,029	4,769,597	472,665	5,242,262	685,767	-	685,767	21,927,103
2035	5,928,029	4,769,602	472,574	5,242,175	685,854	-	685,854	22,612,957
2036	5,928,029	4,767,853	472,933	5,240,786	687,243	-	687,243	23,300,200
2037	5,928,029	4,773,683	472,697	5,246,380	681,649	-	681,649	23,981,849
2038	5,928,029	4,773,854	472,865	5,246,719	681,310	-	681,310	24,663,159
2039	5,928,029	4,767,283	473,392	5,240,675	687,354	-	687,354	25,350,513
2040	5,928,029	4,775,504	473,232	5,248,736	679,293	-	679,293	26,029,806
2041	494,002	4,771,641	473,386	5,245,026	(4,751,024)	(4,751,024)	-	21,278,782
2042	-	4,482,422	472,806	4,955,228	(4,955,228)	(4,955,228)	-	16,323,554
2043	-	4,480,374	472,494	4,952,868	(4,952,868)	(4,952,868)	-	11,370,686
2044	-	2,478,080	472,403	2,950,483	(2,950,483)	(2,950,483)	-	8,420,203
2045	-	-	472,487	472,487	(472,487)	(472,487)	-	7,947,716
2046	-	-	472,702	472,702	(472,702)	(472,702)	-	7,475,014
Total	113,220,820	96,288,423	9,457,380	105,745,803	(18,554,792)			

(1) FY 2022 through FY 2024 per the Audit (Exhibit 13 – School Sales Tax Fund) and includes interest earnings.

(2) Includes the debt service associated with Eligible Projects funded in the 2020 VPSA Fall Pool, 2022 VPSA Spring Pool, and 2023 VPSA Fall Pool.

(3) Reflects estimated debt service for the \$5,800,000 School HVAC Improvements based on the Webster Bank 20-Year Proposal.

Note: the revenues shown here do not take into account any interest earnings in the Schools Sales Tax Fund in FY 2025 and beyond.



Appendix C

Collateral Options for Lease Revenue Bond

Collateral Options for Lease Revenue Bond



- As described previously, the RFP requested proposals for a Lease Revenue Bond secured by one or more County or School facilities.
 - The Webster Bank proposal requires that the value of the collateral be “close to 100% of the loan amount”.
- A listing of the County and School facilities with an insured value of more than \$750,000 is shown here.
 - Noted in blue are the facilities that equipment funded by the HVAC Financing will be installed on.
- The BAPCC proposal contemplated an Equipment Lease Purchase Agreement, in which the HVAC equipment itself would serve as collateral.

A	B	C	D
County & School-Owned Facilities ⁽¹⁾		County or Schools	Insured Building Value
1	Gloucester High School	Schools	\$ 61,039,000
2	Page Middle School	Schools	25,631,000
3	Peasley Middle School	Schools	25,528,000
4	Abingdon Elementary School	Schools	22,164,000
5	Botetourt Elementary School	Schools	20,225,500
6	Bethel Elementary School	Schools	18,404,000
7	Achilles Elementary School	Schools	17,031,000
8	T.C. Walker Education Center	Schools	14,194,000
9	2002 County Courthouse	County	13,170,000
10	Petsworth Elementary School	Schools	12,369,000
11	County Jail	County	6,898,500
12	County Office Building #2	County	4,391,000
13	Water Treatment Plant	County	3,874,000
14	Reverse Osmosis Water Plant	County	3,625,500
15	Emergency Communications Center	County	2,754,500
16	Social Services	County	2,714,000
17	GCPS Transportation Facility	Schools	2,438,500
18	Courthouse Office Building #1	County	2,322,500
19	Maintenance Building (6097 T.C. Walker Road)	Schools	1,527,000
20	Botetourt Building	County	1,478,500
21	Reverse Osmosis Plant Well 1	County	1,350,000
22	Reverse Osmosis Plant Well 2	County	1,350,000
23	Historic Courthouse	County	1,337,000
24	Garage (5644 George Washington Mem. Hwy.)	County	1,249,000
25	GCHS Field House	Schools	1,221,500
26	Page Water Tower	County	1,134,453
27	Parks & Recreation Office	County	992,500
28	Mobile Trailer 5	Schools	930,265
29	Home Grandstand	Schools	811,771
30	Totals		\$ 272,155,989

(1) Source: VACORP Listings provided by County Staff (2024 - 2025 for Schools and 2025 - 2026 for County).
Excludes all Facilities with an Insured Building Value of less than \$750,000.

Collateral Requirement			Maximum Par Amount
	% of Par	Necessary Value	
1	50%	3,000,000	\$6,000,000
2	60%	3,600,000	
3	70%	4,200,000	
4	80%	4,800,000	HVAC Project Locations
5	90%	5,400,000	
6	100%	6,000,000	Secures 2021 VRA Loan
			Part of Utility System

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