

**Work Session Agenda  
Staunton City Council  
Caucus Room  
August 22, 2013  
6:30 p.m.**

**Invocation/Moment of Silence—Dull**

- |                  |           |   |
|------------------|-----------|---|
| <b>6:30 p.m.</b> | <b>1.</b> | <b>Update on stormwater regulations</b>   |
| <b>6:50 p.m.</b> | <b>2.</b> | <b>Discussion of resolution to authorize amendment of the City's financing agreements with Virginia Resources Authority and related documents to refinance the 2008 and 2008B Taxable General Obligation Bonds</b>  |
| <b>7:00 p.m.</b> | <b>3.</b> | <b>Closed session for (1) discussion of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Virginia Code § 2.2-3711(A)(3); and (2) consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, pursuant to Virginia Code § 2.2-3711(A)(7)</b> |
| <b>7:15 PM</b>   |           | <b>Break</b>  |

# CITY COUNCIL



# AGENDA BRIEFING

Staunton, VA

<b>Meeting Date:</b>	<b>August 22, 2013</b>	<b>Staff Members:</b>  <b>James Davis</b> <b>Ray Moyer</b>
<b>Item #</b>	<b>1</b>	
<b>Ordinance #</b>		
<b>Department:</b>	<b>Engineering</b>	
<b>Subject:</b>	<b>New Stormwater Regulations</b>	

**Background:** Staunton is about to be regulated under two new stormwater programs that will have significant impact on the city's current stormwater program. The Virginia Stormwater Management Program (VSMP) goes into effect on July 1, 2014. The Municipal Separate Storm Sewer System (MS4) will take effect six months after formal notification from the Virginia Department of Environmental Quality (DEQ), which is expected in late August 2013.

VSMP mandates that each locality in the Commonwealth operate its own stormwater management program. The program implements a transfer of responsibility for monitoring stormwater permits from the Virginia Department of Conservation and Recreation and DEQ to localities. Stricter technical design criteria will apply with the new regulations. Issues for Staunton and every regulated locality are additional administrative and inspection demands as well as long term tracking and enforcement of maintenance plans for public and private stormwater management facilities.

Based on the 2010 census, Staunton has been designated an MS4 community. What this means is the city has joined larger urban areas, that have been MS4 communities for 10 years, in having stormwater runoff regulated by a permit. MS4 is an EPA program with DEQ oversight. For the most part, the program is in place to aid in the Chesapeake Bay cleanup.

The MS4 program requires Staunton to meet a pre-determined list of minimum control standards. A survey of other MS4 communities has found this is a very intense program that will have significant staff and budget implications.

A PowerPoint presentation, a copy of which is attached, will be presented at the work session in hopes of generating questions and discussion.

**City Manager's Recommendation:** N/A

**Suggested Motion(s):** No action is required at this time. It is anticipated that action by City Council will be required over the course of the next six months, as these programs are implemented.

**City Manager:** Stephen F. Owen

# New Stormwater Management Regulations

Briefing 8-22-2013

- Virginia Stormwater Management Program (VSMP)
- Municipal Separate Storm Sewer System (MS4)

# VSMP requirements:

- Mandate that all localities operate their own stormwater management program
- Transfers responsibility for issuing and monitoring stormwater permits from DCR/DEQ to localities
- Sets stricter technical design criteria

# VSMP Administration Requirements:

- Issue and track permits for DCR/DEQ
- Stormwater management plan review
- Additional site inspections
- Long term tracking and enforcement of maintenance of SWM facilities
- Additional training and certification for staff

# VSMP TIMELINE

- Fall 2013
  - Revisions to Ordinance
  - Develop Staffing and funding plan
  - Staff Training
  - Develop Policies and Procedures
- December 15, 2013
  - Submit Preliminary Application and Ordinance
- March 2014
  - Revised Stormwater Ordinance adopted by City Council
- April 1, 2014
  - Final Package submitted to DEQ
- July 1, 2014
  - VSMP becomes City responsibility for implementation

# MS4

- Based on 2010 Census, Staunton has been designated as a MS4 Community
- This is an EPA program with Virginia DEQ oversight
- The City will be required to obtain a permit for discharge of stormwater
- Develop a program addressing pre determined minimum control standards
- The impact to City staff and budget is much greater for this program than VSMP
- Chesapeake Bay TMDL Action Plan \$\$\$\$\$\$

# MS4 Minimum Controls

- Public Education and Outreach on stormwater impacts
- Public involvement/participation
- Illicit discharge detection and elimination (system mapping)
- Construction site stormwater runoff control
- Post construction stormwater management in new development and development on prior developed lands
- Pollution prevention/good housekeeping for municipal operations

# MS4 Timeline

- Late August 2013 – Receive formal MS4 notification from DEQ
- Fall/Winter 2013-14
  - Develop the Program
  - Determine staffing and budget needs
- Late February 2014 – Submit Permit application to DEQ
- 2014 – Begin staged implementation of the program

# CITY COUNCIL



# AGENDA BRIEFING

Staunton, VA

<b>Meeting Date:</b>	<b>August 22, 2013</b>	<b>Staff Members:</b>  <b>Jeanne Colvin</b>
<b>Item #</b>	<b>2 &amp; B</b>	
<b>Ordinance #</b>		
<b>Department:</b>	<b>Finance</b>	
<b>Subject:</b>	<b>Resolution authorizing amendment of the City's financing agreements with Virginia Resources Authority and related documents to refinance the 2008 and 2008B Taxable General Obligation Bonds</b>  <b>Attachments: 5 PDF documents</b>	

## Background:

The City issued two Taxable General Obligation Public Improvement Bonds in 2008 for the construction of the Middle River Regional Wastewater Treatment Plant upgrade project on behalf of the City and Augusta County Service Authority (ACSA). The twenty year bonds, totaling \$11,597,841, were issued at a 3% interest rate through Virginia Resources Authority (VRA). The annual debt payments total \$773,710 in the Sewer Fund. ACSA reimburses the City 27.9%, or \$215,865, each year for its portion of the annual debt service payment.

VRA has notified the City that the bonds can be re-financed at a lower interest rate of 2.77%, saving the City \$164,580 and saving ACSA \$63,686 over the remaining 16.5 years left on the debt schedule in the Sewer Fund for this project.

Attached is a Resolution Council will need to adopt to finalize the re-financing. The Resolution authorizes amendments to the financing agreements and the bonds to decrease the interest rate and reduce the annual debt service payments. Copies of the draft amendments to financing agreements and allonges (which amend the bonds) referenced in the Resolution are also attached for your review.

## Attachments:

Resolution:



VRA 2008 BONDS  
RESOLUTION RATE RE

Financing Agreement 2008 Bond:



Staunton 2008  
Financing Agreement ,

Allonge 2008 Bond:



Staunton 2008  
Allonge (8 7 13).pdf

Financing Agreement 2008B Bond:



Staunton 2008B  
Financing Agreement ,

Allonge 2008B Bond:



Staunton 2008B  
Allonge (8 7 13).pdf

**City Manager's Recommendation:** I recommend Council approve the Resolution as presented.

**Suggested Motion(s):** I move to adopt a Resolution authorizing the execution of amendments to financing agreements between the City and Virginia Resources Authority and allonges to the City's Taxable General Obligation Public Improvement Bonds, Series 2008 and Series 2008B, for the purpose of decreasing the cost of funds thereon.

**City Manager:** Stephen F. Owen

The undersigned Clerk of the Council of the City of Staunton, Virginia, certifies that:

1. At a regular meeting of the Council of the City of Staunton, Virginia, held on August 22, 2013, at the time and place established by the Council for such meetings, at which the following members were present and absent during the voting on the resolution referred to below:

**PRESENT:**

**ABSENT:**

2. A resolution entitled “**RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO FINANCING AGREEMENT BETWEEN THE CITY OF STAUNTON, VIRGINIA AND THE VIRGINIA RESOURCES AUTHORITY, AS ADMINISTRATOR OF THE VIRGINIA WATER FACILITIES REVOLVING FUND, AND AMENDMENTS TO THE CITY’S TAXABLE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2008, AND TO ITS TAXABLE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2008B, FOR THE PURPOSE OF DECREASING THE COST OF FUNDS THEREON,**” was adopted by a majority of all members of the Council by a roll call vote, the ayes and nays being recorded in the minutes of the meeting as shown below:

**MEMBER**

**VOTE**

3. Attached hereto is a true and correct copy of the foregoing resolution as approved by the Council at a meeting on August 22, 2013.

4. This resolution has not been repealed, revoked, rescinded or amended and is in full force and effect on the date hereof.

WITNESS my signature and the seal of the City of Staunton, Virginia, this \_\_\_\_ day of \_\_\_\_\_, 2013.

(SEAL)

\_\_\_\_\_  
Clerk of the Council, City of Staunton, Virginia

**RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO FINANCING AGREEMENT BETWEEN THE CITY OF STAUNTON, VIRGINIA AND THE VIRGINIA RESOURCES AUTHORITY, AS ADMINISTRATOR OF THE VIRGINIA WATER FACILITIES REVOLVING FUND, AND AMENDMENTS TO THE CITY'S TAXABLE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2008, AND TO ITS TAXABLE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2008B, FOR THE PURPOSE OF DECREASING THE COST OF FUNDS THEREON**

**WHEREAS**, on January 31, 2008, the City of Staunton, Virginia (the "City"), issued its Taxable General Obligation Public Improvement Bond, Series 2008, in the maximum principal amount of \$9,528,519 (the "2008 Bond"), to U.S. Bank National Association, as successor trustee (the "Trustee") for the benefit of the Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund ("VRA"), pursuant to the terms of a Financing Agreement dated as of January 1, 2008 (the "2008 Financing Agreement"), between the City and VRA;

**WHEREAS**, on September 18, 2008, the City issued its Taxable General Obligation Public Improvement Bond, Series 2008B, in the maximum principal amount of \$2,069,322 (the "2008B Bond"), to the Trustee for the benefit of VRA, pursuant to the terms of a Financing Agreement dated as of September 1, 2008 (the "2008B Financing Agreement"), between the City and VRA;

**WHEREAS**, the City, with the consent of VRA and the Virginia Department of Environmental Quality ("DEQ"), proposes to amend the 2008 Financing Agreement and the 2008B Financing Agreement (together, the "Prior Financing Agreements") to decrease the interest rate on the 2008 Bond and the 2008B Bond (together, the "Prior Bonds"), and to reduce the debt service payments thereunder;

**WHEREAS**, there have been presented to this meeting the following documents:

(a) a draft of an Amendment to 2008 Financing Agreement (the "2008 Amendment Agreement") between the City and VRA, which, among other things, amends certain provisions of the 2008 Financing Agreement, including the debt service payments due under the 2008 Bond;

(b) a draft of an Amendment to 2008B Financing Agreement (the "2008B Amendment Agreement" and, together, with the 2008 Amendment Agreement, the "Amendment Agreements") between the City and VRA, which, among other things, amends certain provisions of the 2008B Financing Agreement, including the debt service payments due under the 2008B Bond;

(c) the form of a 2008 Allonge (the "2008 Allonge"), which shall be attached to the 2008 Bond, that evidences the reduction in debt service payments of the 2008 Bond; and

(d) the form of a 2008B Allonge (the “2008B Allonge” and, together with the 2008 Allonge, the “Allonges”), which shall be attached to the 2008B Bond, that evidences the reduction in debt service payments of the 2008B Bond;

**WHEREAS**, it appears to be in the best interests of the City and the residents of its service area to amend the Financing Agreements as set forth in the Amendment Agreements.

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF STAUNTON, VIRGINIA:**

**1. Authorization of Amendment Agreements and Forms of Allonges.** The Council of the City (the “Council”) hereby determines that it is in the best interest of the City to execute and deliver the Amendment Agreements and the Allonges for the Prior Bonds. The Council hereby finds that the reduction of the debt service payments due under the Prior Bonds will promote the health, safety, welfare, morals and prosperity of the residents served by the City and will promote the governmental purposes for which the City was formed.

**2. Approval of Amendment Agreements.** The forms of the Amendment Agreements submitted to the Council at this meeting are hereby approved. The Mayor and City Manager, either of whom may act, are hereby authorized to execute the Amendment Agreements in substantially such forms, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the Mayor or City Manager, whose approval shall be evidenced conclusively by the execution and delivery thereof.

**3. Execution of Allonges.** The forms of the Allonges submitted to the Council at this meeting are hereby approved. The Mayor and Vice Mayor, either of whom may act, are hereby authorized and directed to execute and deliver the Allonges in substantially such forms to reflect the same amended terms as contained in the Amendment Agreements, together with such other completions, omissions, insertions and changes not inconsistent with this Resolution and the Amendment Agreements as may be approved by the Mayor or Vice Mayor, whose approval shall be evidenced conclusively by the execution and delivery thereof. The Clerk of the Council and any Deputy City Clerk, any of whom may act, are hereby authorized to affix the seal of the City on the Allonges and attest thereto.

**4. Tax Documents.** The Mayor and City Manager, either of whom may act, are hereby authorized and directed to execute and deliver a Federal Tax Certificate and Compliance Agreement (the “Tax Documents”), which may contain such covenants as may be necessary in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), including the provisions of Section 148 of the Code and applicable regulations relating to “arbitrage bonds.” The Council hereby covenants on behalf of the City that the City shall comply with the covenants and representations contained in the Tax Documents.

**5. Other Actions.** All other actions of officers of the City in conformity with the purposes and intent of this Resolution and in furtherance of the execution and delivery of the Amendment Agreements and Allonges are ratified, approved and confirmed. The officers of the City are authorized and directed to execute and deliver all certificates and other instruments, including, but not limited to, amendments to or new tax certificates related to the either or both

of the Prior Bonds, that such officer may consider necessary or desirable in connection with the transactions authorized pursuant to this Resolution.

6. **Filing of Resolution.** The Clerk of the Council and any Deputy City Clerk, any of whom may act, are hereby authorized and directed to file a certified copy of this Resolution with the Clerk of the Staunton Circuit Court.

7. **Effective Date.** This Resolution shall become effective immediately.

**AMENDMENT TO FINANCING AGREEMENT**

**Between**

**VIRGINIA RESOURCES AUTHORITY,**

**as Administrator of the  
Virginia Water Facilities Revolving Fund**

**AND**

**CITY OF STAUNTON, VIRGINIA**

**Virginia Resources Authority  
Virginia Water Facilities Revolving Fund**

**Loan No. C-515379-02**

## AMENDMENT TO FINANCING AGREEMENT

**THIS AMENDMENT TO FINANCING AGREEMENT** (this “Amendment”) is made as of \_\_\_\_\_, 1 2013, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the **VIRGINIA WATER FACILITIES REVOLVING FUND**, and the **CITY OF STAUNTON, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Borrower”).

**A.** On January 31, 2008, the Borrower issued its Taxable General Obligation Public Improvement Bond, Series 2008, in the maximum principal amount of \$9,528,519 (the “Local Bond”), and sold the Local Bond to U.S. Bank National Association, as successor trustee (the “Trustee”) for the benefit of the Authority, pursuant to a Financing Agreement dated as of January 1, 2008 (the “Financing Agreement”), between the Authority and the Borrower.

**B.** The Authority and the Borrower desire to amend the Financing Agreement, as set forth herein.

**C.** The Authority and the Borrower, with the consent of the Department of Environmental Quality (the “Department”), hereby set forth certain amendments to the Financing Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Authority and the Borrower, with the consent of the Department, covenant and agree as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.1 Definitions.** The capitalized terms contained in this Amendment shall have the meanings set forth in the Financing Agreement except as defined in the recitals above or unless the context otherwise requires.

### ARTICLE II

#### AMENDMENTS TO FINANCING AGREEMENT

**Section 2.1 Amendments to Section 1.1 of the Financing Agreement.**

(a) Section 1.1 of the Financing Agreement is amended by inserting the following after the definition of “Agreement”:

“Allonge” means that certain Allonge to the Local Bond made by the Borrower in favor of the Trustee, on behalf of the Borrower, and dated as of \_\_\_\_\_, 2013.

(b) Section 1.1 of the Financing Agreement is amended by deleting the definition of “Local Bond” and inserting the following therefor:

“Local Bond” means the bond in substantially the form attached to this Financing Agreement as Exhibit A issued by the Borrower to the Trustee pursuant to this Agreement, as amended by the Allonge.

**Section 2.2 Amendments to Section 6.1 of the Financing Agreement.**

Section 6.1(a) of the Financing Agreement is amended to read as follows:

“(a) (i) The Local Bond shall be dated the date of its delivery to the Trustee. The Cost of Funds of the Local Bond shall be computed on the disbursed principal balance thereof from the date of each disbursement at the rate of three percent (3.00%) per annum from the date of each disbursement until September 1, 2013, and from that date to March 1, 2030, at the rate of two and seventy-seven one-hundredths percent (2.77%) per annum. The Cost of Funds of the Local Bond shall be allocated, until September 1, 2013, in accordance with the following: (i) two and eighty one-hundredths percent (2.80%) per annum payable for the benefit of the Fund, and (ii) twenty one-hundredths percent (0.20%) per annum payable for the benefit of the Authority as an annual administrative fee. From and after September 1, 2013, the Cost of Funds of the Local Bond shall be allocated in accordance with the following (x) two and fifty-seven one-hundredths percent (2.57%) per annum for the benefit of the Fund, and (ii) twenty one-hundredths percent (0.20%) per annum payable for the benefit of the Authority as an annual administrative fee.

(ii) The Cost of Funds only on all amounts disbursed under the Local Bond shall be due and payable on September 1, 2010. Commencing March 1, 2011 and continuing semi-annually thereafter on March 1 and September 1 in each year until September 1, 2013, principal and the Cost of Funds due under the Local Bond shall be payable in equal installments of \$324,490.19. Commencing on March 1, 2014 and continuing semi-annually thereafter on March 1 and September 1 of each year (including, without limitation, September 1, 2014), principal and the Cost of Funds due under the Local Bond shall be payable in equal installments of \$\_\_\_\_\_, with a final installment of \$\_\_\_\_\_ due and payable on March 1, 2030, when, if not sooner paid, all amounts due hereunder and under the Local Bond shall be due and payable in full. Each installment shall be applied first to the payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local

Bond, or change the amount of such installment unless the principal amount due under the Local Bond is less than the amount of such installment.”

**Section 2.3 Amendment to Section 10.8 of the Financing Agreement.**

Section 10.8 of the Financing Agreement is amended to read as follows:

“**Section 10.8. Continuing Disclosure Obligations.** (a) For purposes of this Section, the following terms and phrases shall have the following meaning:

“Annual Financial Information” with respect to any Fiscal Year for the Borrower, means the following:

(i) the financial statements (consisting of at least a balance sheet and statement of revenues and expenses) of the System, or, if not available, the financial statements (consisting of at least a balance sheet and a statement of revenues and expenses) of the Borrower, which financial statements must be (A) prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Borrower after the date of this Agreement from changing such other principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable law) and (B) audited by an independent certified public accountant or firm of such accountants in accordance with generally accepted auditing standards as in effect from time to time (provided that if audited financial statements are not available for filing when required by this Section or the Rule (as defined herein), unaudited financial statements will be filed and audited financial statements will be filed as soon as possible thereafter); and

(ii) operating data of the type set forth in Exhibit F.

“Dissemination Agent” shall mean any person, reasonably acceptable to the Authority, whom the Borrower contracts in writing to perform its obligations as provided in subsection (b) of this Section.

“Leveraging Bonds” means the bonds and other evidences of indebtedness issued and sold by the Authority pursuant to the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Code of Virginia (1950), as amended, the Act, and any successor provisions of law, including without limitation the bonds and other evidences of indebtedness issued by the Authority under the Amended and Restated Master Indenture of Trust dated as of April 1, 2010, between the Authority and U.S. Bank National Association, as trustee, as supplemented and amended.

“Local Government” shall have the meaning set forth in Section 62.1-199 of the Code of Virginia of 1950, as amended.

“Local Obligations” shall mean any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, leases or any other evidences of indebtedness of a Local Government evidencing a loan made by the Authority to a Local Government from the Fund or the proceeds of Leveraging Bonds.

“Make Public” or “Made Public” shall have the meaning set forth in subsection (c) of this Section.

“Material Local Government” shall mean a Local Government that satisfies a set of objective criteria established by the Authority at the time of sale of each series of Leveraging Bonds and based on the level of participation of each Local Government in the aggregate outstanding principal amount of all Local Obligations. For all Leveraging Bonds currently outstanding as of the date of this Agreement, a Material Local Government is any Local Government whose aggregate outstanding principal amount of Local Obligations represents twenty percent (20%) or more of the aggregate outstanding principal amount of all Local Obligations.

“Rule” means Rule 15c2-12, as it may be amended from time to time, under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, all as in effect from time to time.

“SEC” means the U.S. Securities and Exchange Commission.

(b) The Borrower shall Make Public or cause to be Made Public:

(1) Within 270 days after the end of the Borrower’s Fiscal Year (commencing with the Fiscal Year in which the Closing Date occurs), Annual Financial Information for such Fiscal Year as of the end of which the Borrower constitutes a Material Local Government. Annual Financial Information may be set forth in the documents Made Public or may be included by reference in a document Made Public to any document previously filed with the SEC. If the document referred to is a final official statement within the meaning of the Rule, then it must be available from the Municipal Securities Rulemaking Board (“MSRB”).

(2) In a timely manner, notice of any failure by the Borrower to Make Public or cause to be Made Public Annual Financial Information pursuant to the terms of part (1) of this subsection.

(c) For purposes of this Section, information and notices shall be deemed to have been Made Public if transmitted to the Authority and to the

MSRB for publication on its Electronic Municipal Market Access system (“EMMA”).

(d) The Borrower shall also notify the Authority within five (5) business days of becoming aware of any of the following events that may from time to time occur with respect to the Local Bond:

- (1) principal and Cost of Funds payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other notices or determinations with respect to the tax status of the Local Bond, or other events affecting the tax status of the Local Bond;
- (7) modifications to rights of the holders of the Local Bond;
- (8) bond calls and tender offers;
- (9) defeasances of all or any portion of the Local Bond;
- (10) release, substitution, or sale of property securing repayment of the Local Bond;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Borrower<sup>\*</sup>;
- (13) the consummation of a merger, consolidation or acquisition involving the Borrower or the sale of all or substantially all of the assets of

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<sup>\*</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court of governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

(14) appointment of a successor or additional trustee or the change in the name of a trustee.

(e) Notwithstanding anything in this Agreement to the contrary, the Borrower need not comply with the provisions of subsections (a) through (d) above unless and until the Authority has notified the Borrower that it satisfied the objective criteria for a Material Local Government as of the end of the Authority's immediately preceding fiscal year.

(f) The obligations of the Borrower under this Section will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all of the Leveraging Bonds.

(g) The Borrower may modify its continuing disclosure obligations in this Section without the consent of holders of the Leveraging Bonds provided that this Section as so modified complies with the Rule as it exists at the time of modification. The Borrower shall within a reasonable time thereafter send to the Authority and the MSRB through EMMA a description of such modification(s).

(h) (1) If the Borrower fails to comply with any covenant or obligation set forth in this Section, any holder (within the meaning of the Rule) of Leveraging Bonds then Outstanding may, by notice to the Borrower, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Borrower's covenants or obligations set forth in this Section.

(2) Notwithstanding anything herein to the contrary, any failure of the Borrower to comply with any obligation regarding Annual Financial Information specified in this Section (i) shall not be deemed to constitute an Event of Default under this Agreement and (ii) shall not give rise to any right or remedy other than that described in part (h)(1) of this Section.

(i) The Borrower may from time to time disclose certain information and data in addition to that required under this Section. Notwithstanding anything in this Agreement to the contrary, the Borrower shall not incur any obligation to continue to provide, or to update, such additional information or data.

(j) The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation to Make Public the Annual Financial Information, and may discharge any such Agent, with or without appointing a successor Dissemination Agent."

## ARTICLE III

### MISCELLANEOUS

**Section 3.1 Successors and Assigns.** This Amendment shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 3.2 Applicable Law.** This Amendment shall be governed by the laws of the Commonwealth of Virginia.

**Section 3.3 Ratification of Financing Agreement.** All of the representations of the Borrower contained in Article II of the Financing Agreement are true and correct as of the date hereof. All terms of the Financing Agreement except as amended or modified by the terms of this Amendment are hereby reaffirmed, ratified and confirmed. This Amendment shall not be construed as and is not intended as a novation of the Local Bond.

**Section 3.4 Severability.** If any clause, provision or section of this Amendment shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Amendment which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Amendment. If any agreement or obligation contained in this Amendment is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

**Section 3.5 Headings.** The headings of the several articles and sections of this Amendment are inserted for convenience only and do not comprise a part of this Amendment.

**Section 3.6 Term of Amendment.** This Amendment shall be effective upon its execution and delivery, provided that the Local Bond previously or simultaneously has been executed and delivered. Except as otherwise specified, the Borrower's obligations under the Local Bond and this Amendment shall expire upon payment in full of the Local Bond and all other amounts payable by the Borrower under the Financing Agreement.

**Section 3.7 Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WITNESS the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Facilities  
Revolving Fund**

By: \_\_\_\_\_  
Suzanne S. Long, Executive Director

**CITY OF STAUNTON, VIRGINIA**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Pursuant to Section 12.2 of the Financing Agreement, the Department consents to the foregoing amendments to the Financing Agreement.

**DEPARTMENT OF ENVIRONMENTAL  
QUALITY**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

The Trustee hereby acknowledges the aforementioned amendments to the Financing Agreement.

**U.S. BANK NATIONAL ASSOCIATION, as  
Trustee**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ALLONGE DATED AS OF \_\_\_\_\_, 2013, ATTACHED TO  
TAXABLE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2008,  
DATED JANUARY 31, 2008,  
PAYABLE TO U.S. BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE,  
ON BEHALF OF VIRGINIA RESOURCES AUTHORITY, AS ADMINSTRATOR OF THE  
VIRGINIA WATER FACILITIES REVOLVING FUND

Pursuant to a resolution of the Council of the City of Staunton, Virginia (the  
“Borrower”), adopted on \_\_\_\_\_, 2013:

(a) The Cost of Funds on this Bond (R-1) is reduced from 3.00% per annum  
to 2.77% per annum beginning on September 1, 2013.

(b) The semiannual installment payments of principal and Cost of Funds due  
on March 1, 2014 and on each March 1 and September 1 (including, without limitation,  
September 1, 2014) thereafter are changed from \$324,490.19 to \$\_\_\_\_\_, and the final installment  
due on March 1, 2030 is changed from \$324,490.05 to \$\_\_\_\_\_, when, if not sooner paid, all  
amounts due hereunder and under this Bond shall be due and payable in full.

**IN WITNESS WHEREOF**, the Council of the City of Staunton, Virginia, has caused this Allonge to be signed by the manual signatures of \_\_\_\_\_, the seal of the Borrower to be affixed hereon and attested by the manual signature of the \_\_\_\_\_, as of the date set forth above.

**CITY OF STAUNTON, VIRGINIA**

By: \_\_\_\_\_  
[NAME AND TITLE]

[SEAL]

ATTEST:

\_\_\_\_\_  
[NAME AND TITLE]

[Signature page to Allonge  
(Taxable General Obligation Public Improvement Bond, Series 2008)]

Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund, and the Department of Environmental Quality hereby agree to the aforementioned amendments set forth in this Allonge.

APPROVED:

VIRGINIA RESOURCES AUTHORITY,  
as Administrator for the Virginia Water  
Facilities Revolving Fund

By \_\_\_\_\_

Title \_\_\_\_\_

DEPARTMENT OF ENVIRONMENTAL QUALITY

By \_\_\_\_\_

Title \_\_\_\_\_

U.S. Bank National Association, as Trustee, hereby acknowledges the aforementioned amendments set forth in this Allonge.

ACKNOWLEDGED:

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_

Title \_\_\_\_\_

[Signature page to Allonge  
(Taxable General Obligation Public Improvement Bond, Series 2008)]

**AMENDMENT TO FINANCING AGREEMENT**

**Between**

**VIRGINIA RESOURCES AUTHORITY,**

**as Administrator of the  
Virginia Water Facilities Revolving Fund**

**AND**

**CITY OF STAUNTON, VIRGINIA**

**Virginia Resources Authority  
Virginia Water Facilities Revolving Fund**

**Loan No. C-515379-02**

## AMENDMENT TO FINANCING AGREEMENT

**THIS AMENDMENT TO FINANCING AGREEMENT** (this “Amendment”) is made as of \_\_\_\_\_, 1 2013, between the **VIRGINIA RESOURCES AUTHORITY**, a public body corporate and a political subdivision of the Commonwealth of Virginia (the “Authority”), as Administrator of the **VIRGINIA WATER FACILITIES REVOLVING FUND**, and the **CITY OF STAUNTON, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Borrower”).

**A.** On September 18, 2008, the Borrower issued its Taxable General Obligation Public Improvement Bond, Series 2008B, in the maximum principal amount of \$2,069,322 (the “Local Bond”), and sold the Local Bond to U.S. Bank National Association, as successor trustee (the “Trustee”) for the benefit of the Authority, pursuant to a Financing Agreement dated as of September 1, 2008 (the “Financing Agreement”), between the Authority and the Borrower.

**B.** The Authority and the Borrower desire to amend the Financing Agreement, as set forth herein.

**C.** The Authority and the Borrower, with the consent of the Department of Environmental Quality (the “Department”), hereby set forth certain amendments to the Financing Agreement.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the Authority and the Borrower, with the consent of the Department, covenant and agree as follows:

### ARTICLE I

#### DEFINITIONS

**Section 1.1 Definitions.** The capitalized terms contained in this Amendment shall have the meanings set forth in the Financing Agreement except as defined in the recitals above or unless the context otherwise requires.

### ARTICLE II

#### AMENDMENTS TO FINANCING AGREEMENT

**Section 2.1 Amendments to Section 1.1 of the Financing Agreement.**

(a) Section 1.1 of the Financing Agreement is amended by inserting the following after the definition of “Agreement”:

“Allonge” means that certain Allonge to the Local Bond made by the Borrower in favor of the Trustee, on behalf of the Borrower, and dated as of \_\_\_\_\_, 2013.

(b) Section 1.1 of the Financing Agreement is amended by deleting the definition of “Local Bond” and inserting the following therefor:

“Local Bond” means the bond in substantially the form attached to this Financing Agreement as Exhibit A issued by the Borrower to the Trustee pursuant to this Agreement, as amended by the Allonge.

**Section 2.2 Amendments to Section 6.1 of the Financing Agreement.**

Section 6.1(a) of the Financing Agreement is amended to read as follows:

“(a) (i) The Local Bond shall be dated the date of its delivery to the Trustee. The Cost of Funds of the Local Bond shall be computed on the disbursed principal balance thereof from the date of each disbursement at the rate of three percent (3.00%) per annum from the date of each disbursement until September 1, 2013, and from that date to March 1, 2030, at the rate of two and seventy-seven one-hundredths percent (2.77%) per annum. The Cost of Funds of the Local Bond shall be allocated, until September 1, 2013, in accordance with the following: (i) two and eighty one-hundredths percent (2.80%) per annum payable for the benefit of the Fund, and (ii) twenty one-hundredths percent (0.20%) per annum payable for the benefit of the Authority as an annual administrative fee. From and after September 1, 2013, the Cost of Funds of the Local Bond shall be allocated in accordance with the following (x) two and fifty-seven one-hundredths percent (2.57%) per annum for the benefit of the Fund, and (ii) twenty one-hundredths percent (0.20%) per annum payable for the benefit of the Authority as an annual administrative fee.

(ii) The Cost of Funds only on all amounts disbursed under the Local Bond shall be due and payable on September 1, 2010. Commencing March 1, 2011 and continuing semi-annually thereafter on March 1 and September 1 in each year until September 1, 2013, principal and the Cost of Funds due under the Local Bond shall be payable in equal installments of \$70,469.99. Commencing on March 1, 2014 and continuing semi-annually thereafter on March 1 and September 1 of each year (including, without limitation, September 1, 2014), principal and the Cost of Funds due under the Local Bond shall be payable in equal installments of \$\_\_\_\_\_, with a final installment of \$\_\_\_\_\_ due and payable on March 1, 2030, when, if not sooner paid, all amounts due hereunder and under the Local Bond shall be due and payable in full. Each installment shall be applied first to the payment of the Cost of Funds accrued and unpaid to the payment date and then to principal. If principal disbursements up to the maximum authorized amount of the Local Bond are not made, the principal amount due on the Local Bond shall not include such undisbursed amount. However, unless the Borrower and the Authority agree otherwise in writing, until all amounts due hereunder and under the Local Bond shall have been paid in full, less than full disbursement of the maximum authorized amount of the Local Bond shall not postpone the due date of any semi-annual installment due on the Local

Bond, or change the amount of such installment unless the principal amount due under the Local Bond is less than the amount of such installment.”

**Section 2.3 Amendment to Section 10.8 of the Financing Agreement.**

Section 10.8 of the Financing Agreement is amended to read as follows:

“**Section 10.8. Continuing Disclosure Obligations.** (a) For purposes of this Section, the following terms and phrases shall have the following meaning:

“Annual Financial Information” with respect to any Fiscal Year for the Borrower, means the following:

(i) the financial statements (consisting of at least a balance sheet and statement of revenues and expenses) of the System, or, if not available, the financial statements (consisting of at least a balance sheet and a statement of revenues and expenses) of the Borrower, which financial statements must be (A) prepared annually in accordance with generally accepted accounting principles in effect from time to time consistently applied (provided that nothing in this clause (A) will prohibit the Borrower after the date of this Agreement from changing such other principles so as to comply with generally accepted accounting principles as then in effect or to comply with a change in applicable law) and (B) audited by an independent certified public accountant or firm of such accountants in accordance with generally accepted auditing standards as in effect from time to time (provided that if audited financial statements are not available for filing when required by this Section or the Rule (as defined herein), unaudited financial statements will be filed and audited financial statements will be filed as soon as possible thereafter); and

(ii) operating data of the type set forth in Exhibit F.

“Dissemination Agent” shall mean any person, reasonably acceptable to the Authority, whom the Borrower contracts in writing to perform its obligations as provided in subsection (b) of this Section.

“Leveraging Bonds” means the bonds and other evidences of indebtedness issued and sold by the Authority pursuant to the Virginia Resources Authority Act, Chapter 21, Title 62.1 of the Code of Virginia (1950), as amended, the Act, and any successor provisions of law, including without limitation the bonds and other evidences of indebtedness issued by the Authority under the Amended and Restated Master Indenture of Trust dated as of April 1, 2010, between the Authority and U.S. Bank National Association, as trustee, as supplemented and amended.

“Local Government” shall have the meaning set forth in Section 62.1-199 of the Code of Virginia of 1950, as amended.

“Local Obligations” shall mean any bonds, notes, debentures, interim certificates, bond, grant or revenue anticipation notes, leases or any other evidences of indebtedness of a Local Government evidencing a loan made by the Authority to a Local Government from the Fund or the proceeds of Leveraging Bonds.

“Make Public” or “Made Public” shall have the meaning set forth in subsection (c) of this Section.

“Material Local Government” shall mean a Local Government that satisfies a set of objective criteria established by the Authority at the time of sale of each series of Leveraging Bonds and based on the level of participation of each Local Government in the aggregate outstanding principal amount of all Local Obligations. For all Leveraging Bonds currently outstanding as of the date of this Agreement, a Material Local Government is any Local Government whose aggregate outstanding principal amount of Local Obligations represents twenty percent (20%) or more of the aggregate outstanding principal amount of all Local Obligations.

“Rule” means Rule 15c2-12, as it may be amended from time to time, under the Securities Exchange Act of 1934 and any similar rules of the SEC relating to disclosure requirements in the offering and sale of municipal securities, all as in effect from time to time.

“SEC” means the U.S. Securities and Exchange Commission.

(b) The Borrower shall Make Public or cause to be Made Public:

(1) Within 270 days after the end of the Borrower’s Fiscal Year (commencing with the Fiscal Year in which the Closing Date occurs), Annual Financial Information for such Fiscal Year as of the end of which the Borrower constitutes a Material Local Government. Annual Financial Information may be set forth in the documents Made Public or may be included by reference in a document Made Public to any document previously filed with the SEC. If the document referred to is a final official statement within the meaning of the Rule, then it must be available from the Municipal Securities Rulemaking Board (“MSRB”).

(2) In a timely manner, notice of any failure by the Borrower to Make Public or cause to be Made Public Annual Financial Information pursuant to the terms of part (1) of this subsection.

(c) For purposes of this Section, information and notices shall be deemed to have been Made Public if transmitted to the Authority and to the

MSRB for publication on its Electronic Municipal Market Access system (“EMMA”).

(d) The Borrower shall also notify the Authority within five (5) business days of becoming aware of any of the following events that may from time to time occur with respect to the Local Bond:

- (1) principal and Cost of Funds payment delinquencies;
- (2) non-payment related defaults;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other notices or determinations with respect to the tax status of the Local Bond, or other events affecting the tax status of the Local Bond;
- (7) modifications to rights of the holders of the Local Bond;
- (8) bond calls and tender offers;
- (9) defeasances of all or any portion of the Local Bond;
- (10) release, substitution, or sale of property securing repayment of the Local Bond;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Borrower<sup>\*</sup>;
- (13) the consummation of a merger, consolidation or acquisition involving the Borrower or the sale of all or substantially all of the assets of

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<sup>\*</sup> This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court of governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

(14) appointment of a successor or additional trustee or the change in the name of a trustee.

(e) Notwithstanding anything in this Agreement to the contrary, the Borrower need not comply with the provisions of subsections (a) through (d) above unless and until the Authority has notified the Borrower that it satisfied the objective criteria for a Material Local Government as of the end of the Authority's immediately preceding fiscal year.

(f) The obligations of the Borrower under this Section will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all of the Leveraging Bonds.

(g) The Borrower may modify its continuing disclosure obligations in this Section without the consent of holders of the Leveraging Bonds provided that this Section as so modified complies with the Rule as it exists at the time of modification. The Borrower shall within a reasonable time thereafter send to the Authority and the MSRB through EMMA a description of such modification(s).

(h) (1) If the Borrower fails to comply with any covenant or obligation set forth in this Section, any holder (within the meaning of the Rule) of Leveraging Bonds then Outstanding may, by notice to the Borrower, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Borrower's covenants or obligations set forth in this Section.

(2) Notwithstanding anything herein to the contrary, any failure of the Borrower to comply with any obligation regarding Annual Financial Information specified in this Section (i) shall not be deemed to constitute an Event of Default under this Agreement and (ii) shall not give rise to any right or remedy other than that described in part (h)(1) of this Section.

(i) The Borrower may from time to time disclose certain information and data in addition to that required under this Section. Notwithstanding anything in this Agreement to the contrary, the Borrower shall not incur any obligation to continue to provide, or to update, such additional information or data.

(j) The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligation to Make Public the Annual Financial Information, and may discharge any such Agent, with or without appointing a successor Dissemination Agent."

## ARTICLE III

### MISCELLANEOUS

**Section 3.1 Successors and Assigns.** This Amendment shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 3.2 Applicable Law.** This Amendment shall be governed by the laws of the Commonwealth of Virginia.

**Section 3.3 Ratification of Financing Agreement.** All of the representations of the Borrower contained in Article II of the Financing Agreement are true and correct as of the date hereof. All terms of the Financing Agreement except as amended or modified by the terms of this Amendment are hereby reaffirmed, ratified and confirmed. This Amendment shall not be construed as and is not intended as a novation of the Local Bond.

**Section 3.4 Severability.** If any clause, provision or section of this Amendment shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Amendment which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Amendment. If any agreement or obligation contained in this Amendment is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Authority and the Borrower, as the case may be, only to the extent permitted by law.

**Section 3.5 Headings.** The headings of the several articles and sections of this Amendment are inserted for convenience only and do not comprise a part of this Amendment.

**Section 3.6 Term of Amendment.** This Amendment shall be effective upon its execution and delivery, provided that the Local Bond previously or simultaneously has been executed and delivered. Except as otherwise specified, the Borrower's obligations under the Local Bond and this Amendment shall expire upon payment in full of the Local Bond and all other amounts payable by the Borrower under the Financing Agreement.

**Section 3.7 Counterparts.** This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WITNESS the following signatures, all duly authorized.

**VIRGINIA RESOURCES AUTHORITY, as  
Administrator of the Virginia Water Facilities  
Revolving Fund**

By: \_\_\_\_\_  
Suzanne S. Long, Executive Director

**CITY OF STAUNTON, VIRGINIA**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

Pursuant to Section 12.2 of the Financing Agreement, the Department consents to the foregoing amendments to the Financing Agreement.

**DEPARTMENT OF ENVIRONMENTAL  
QUALITY**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

The Trustee hereby acknowledges the aforementioned amendments to the Financing Agreement.

**U.S. BANK NATIONAL ASSOCIATION, as  
Trustee**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ALLONGE DATED AS OF \_\_\_\_\_, 2013, ATTACHED TO  
TAXABLE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2008B,  
DATED SEPTEMBER 18, 2008,  
PAYABLE TO U.S. BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE,  
ON BEHALF OF VIRGINIA RESOURCES AUTHORITY, AS ADMINSTRATOR OF THE  
VIRGINIA WATER FACILITIES REVOLVING FUND

Pursuant to a resolution of the Council of the City of Staunton, Virginia (the  
“Borrower”), adopted on \_\_\_\_\_, 2013:

(a) The Cost of Funds on this Bond (R-1) is reduced from 3.00% per annum  
to 2.77% per annum beginning on September 1, 2013.

(b) The semiannual installment payments of principal and Cost of Funds due  
on March 1, 2014 and on each March 1 and September 1 (including, without limitation,  
September 1, 2014) thereafter are changed from \$70,469.99 to \$\_\_\_\_\_, and the final installment  
due on March 1, 2030 is changed from \$70,470.24 to \$\_\_\_\_\_, when, if not sooner paid, all  
amounts due hereunder and under this Bond shall be due and payable in full.

**IN WITNESS WHEREOF**, the Council of the City of Staunton, Virginia, has caused this Allonge to be signed by the manual signatures of \_\_\_\_\_, the seal of the Borrower to be affixed hereon and attested by the manual signature of the \_\_\_\_\_, as of the date set forth above.

**CITY OF STAUNTON, VIRGINIA**

By: \_\_\_\_\_  
[NAME AND TITLE]

[SEAL]

ATTEST:

\_\_\_\_\_  
[NAME AND TITLE]

[Signature page to Allonge  
(Taxable General Obligation Public Improvement Bond, Series 2008B)]

Virginia Resources Authority, as Administrator of the Virginia Water Facilities Revolving Fund, and the Department of Environmental Quality hereby agree to the aforementioned amendments set forth in this Allonge.

APPROVED:

VIRGINIA RESOURCES AUTHORITY,  
as Administrator for the Virginia Water  
Facilities Revolving Fund

By \_\_\_\_\_

Title \_\_\_\_\_

DEPARTMENT OF ENVIRONMENTAL QUALITY

By \_\_\_\_\_

Title \_\_\_\_\_

U.S. Bank National Association, as Trustee, hereby acknowledges the aforementioned amendments set forth in this Allonge.

ACKNOWLEDGED:

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_

Title \_\_\_\_\_

[Signature page to Allonge  
(Taxable General Obligation Public Improvement Bond, Series 2008B)]

**CITY COUNCIL**



**AGENDA BRIEFING**

Staunton, VA

<b>Meeting Date:</b>	<b>August 22, 2013</b>	<b>Steve Rosenberg Doug Guynn</b>
<b>Item #</b>	<b>3</b>	
<b>Ordinance #</b>	<b>N/A</b>	
<b>Department:</b>	<b>City Manager's Office and City Attorney's Office</b>	
<b>Subject:</b>	<b>Closed session for (1) discussion of the possible disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Virginia Code § 2.2-3711(A)(3); and (2) consultation with legal counsel employed or retained by a public body regarding specific legal matters related to real property issues and possible disposition, requiring the provision of legal advice by such counsel, pursuant to Virginia Code § 2.2-3711(A)(7)</b>	

**City Manager's Recommendation:** Move into closed meeting.

**Suggested Motion:**

**Before the closed meeting:** I move to enter a closed meeting for (1) discussion of the possible disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Virginia Code § 2.2-3711(A)(3); and (2) consultation with legal counsel employed or retained by a public body regarding specific legal matters related to real property issues and possible disposition requiring the provision of legal advice by such counsel, pursuant to Virginia Code § 2.2-3711(A)(7).

Second. Discussion. Vote – Clerk of Council to poll members of Council.

**After the closed meeting:** I move that Council reconvene in an open meeting and

certify to the best of each member's knowledge that only lawfully exempted public business matters were discussed and that only public business matters as identified in the closed meeting motion were heard, discussed or considered in the meeting.

Second. Discussion. Vote – Ask Clerk of Council to poll members of Council.

**City Manager:** Stephen F. Owen

**Regular Meeting Agenda  
Staunton City Council  
Council Chambers  
August 22, 2013  
7:30 p.m.**

**Call to Order**

**Pledge of Allegiance**

**Mayor's Report**

**Additional Items by Members of Council**

**Approval of Minutes**

**Work Session and Regular Meeting of July 25, 2013**

**REGULAR MEETING**

- A. Oaths of Office for Fire and Rescue Department**
  
- B. Consideration of adoption of resolution authorizing amend of the City's financing agreements with Virginia Resources Authority and related documents to refinance the 2008 and 2008B Taxable General Obligation Bonds**

**Matters from the City Manager**

**Matters from the Public**

**Adjournment**

City Council  
WORK SESSION  
July 25, 2013  
6:30 p.m.

Present: Mayor King, Vice Mayor Dull, Council Members Curren, Harrington, Kier, Oakes and Elder

Mayor King called the work session to order and the invocation/moment of silence was given by Dr. Curren.

**1. Discussion of resolution canceling August 8, 2013 City Council meeting.**

Steve Owen, City Manager, stated that his office has been polling department heads to see if they had anything for the August 8, 2013, Council meeting and have not received anything to date. He noted that by resolution dated July 1, 2012, City Council established its meeting schedule for July 2012 through June 2014. He noted that the schedule included a meeting on Thursday, August 8, 2013. He stated that City Council may desire to cancel the meeting and if they so desired, state law requires the adoption of a Resolution to cancel the meeting.

It was the consensus of Council to cancel the August 8, 2013 meeting.

**2. Closed session for (1) discussion of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, pursuant to Virginia Code § 2.2-3711(A)(3); and (2) discussion or consideration of information regarding one or more prospective businesses or industries where no previous announcement has been made of the business' or industry's interest in locating its facilities in the community, specifically including but not limited to a review of the businesses or industries and the considerations that may affect location in the City of Staunton and/or selection of any available properties in the City of Staunton as suitable sites, pursuant to Virginia Code § 2.2-3711(A)(5)**

Mr. Elder moved to go into the above stated closed session. Seconded by Dr. Harrington, the motion carried as follows:

Harrington	aye	Curren	aye
Oakes	aye	King	aye
Kier	aye	Dull	aye
Elder	aye		

Ms. Oakes moved that Council reconvene in an open meeting and certify to the best of each member's knowledge that only lawfully exempted public business matters were discussed and that only public business matters as identified in the closed meeting motion were heard, discussed or considered in the meeting. Seconded by Dr. Harrington, the motion carried as follows:

Oakes	aye	King	aye
Kier	aye	Dull	aye

Harrington aye Curren aye  
Elder aye

**3. Valley Community Services Board Performance Contract Update.**

Mr. David Deering, Executive Director of Valley Community Services Board (VCSB), made a presentation concerning VCSB’s performance contract with the Commonwealth of Virginia Department of Behavioral Health and Developmental Services. Mr. Deering provided an overview of the anticipated services of VCSB to be performed under the performance contract during the second year of the term.

The work session adjourned at 7:20 p.m.

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Linda L. Little, Clerk of Council

DRAFT

**REGULAR MEETING OF STAUNTON CITY COUNCIL**  
**Thursday, July 25, 2013**  
**7:30 p.m.**  
**Council Chambers**

**PRESENT:**            **Lacy B. King, Jr., Mayor**  
                         **Carolyn W. Dull, Vice Mayor**  
                         **Erik D. Curren**  
                         **Bruce A. Elder**  
                         **James J. Harrington**  
                         **Ophie A. Kier**  
                         **Andrea W. Oakes**

**ABSENT:**

**ALSO PRESENT:**   **Stephen F. Owen, City Manager**  
                         **Steven L. Rosenberg, Assistant City Manager**  
                         **Douglas L. Guynn, City Attorney**  
                         **Linda Little, Clerk of Council**

Mayor King called the meeting to order.

The Pledge of Allegiance was recited in unison.

**MAYOR'S REPORT**

The Mayor stated that besides some ribbon cutting ceremonies he attended, he had nothing to report.

**ADDITIONAL ITEMS BY COUNCIL**

Mrs. Oakes made a motion to include in the agenda the discussion of resolution cancelling the August 8, 2013, City Council meeting, which will be item B on the agenda.

The motion was properly seconded and carried unanimously as follows:

Vice Mayor Dull	aye
Mayor King	aye
Mr. Kier	aye
Dr. Curren	aye
Dr. Harrington	aye
Mr. Elder	aye
Mrs. Oakes	aye

Mrs. Oakes further stated that the NAACP has asked her to announce that Saturday, July 27, 2013 at 6:00 pm at the Gazebo in Gypsy Hill Park, there will be a peace march to promote peace and harmony in Staunton.

Mr. Kier stated that two Saturday's ago there was a homecoming held at Montgomery Hall Park, which he believed turned out to be excellent. He noted that there were other members of council present also. He further stated that he owed tremendous gratitude to the employees of Parks and Recreation for having the area in a pristine condition for this event.

Mr. Kier stated that another item he wanted to mention was that there will be a public forum on August 7, 2013, at 6:30 pm, in Council Chambers. He noted that he would like to commend his colleagues for their support. He stated that this would be an opportunity to state where each individual is and what they think of our society and what needs to be done to heal.

Mr. Elder noted that a number of members of the Council were in Richmond today to attend the Virginia Municipal League (VML) legislative form and felt that each should express what their committee worked on.

Mr. Elder stated that he was on the VML Transportation Committee and they discussed the challenges to make our highways safer, to better education children in driver's safety, and a number of other items that will go before the General Assembly next year.

Mrs. Oakes stated that she attended the committee for the Human Development and Education. She noted that they discussed the state takeover of the persistently failing schools in the state. She noted that this was a very serious issue. She further noted that the Governor will appoint a nine member board that will oversee the individual school boards throughout the state. She stated that VML was pushing that one of the nine representatives is from VML with an education background. She stated that they also discussed different policies and actions affecting the Comprehensive Service Act for At Risk Youth and Families.

Vice Mayor Dull stated that she attended the VML Finance Committee meeting as always. She noted that there were three overriding issues. She stated that one was that both candidates for Governor are speaking about removing the business taxes which is a great concern for localities because that is a local tax. She further noted that another item that was of concern to the Schools, and therefore the City, was the Governmental Accounting Standards Board change that is coming into affect where the school, and ultimately the City, will have to show in their financial statements, their unfunded pension liability for teachers and the State has decided that it is not their obligation at all and the localities can take the entire liability. She noted that this could have a negative effect on the bond or credit rating. Vice Mayor Dull stated that the final concern is that the transportation bill that was just passed, there is only enough money to provide maintenance and not for new construction, and that localities would have no say on how it is used.

Mr. Kier stated that he was on the Economic Development Committee and the primary focus of the meeting was on Community Development Block Grants, which are beginning to dwindle. He stated that these funds are used for a number of different things in our City, such as bridges, road repairs, and low to moderate income housing.

Dr. Curren stated that he attended the Environmental Quality Committee meeting and they discussed water. He noted that the spoke about the Chesapeake Bay, VML supporting legislative that would require more accountability on how funds are spend to clean up the Chesapeake Bay. He noted that storm water was also mentioned and how every locality will be required to submit a plan in December on how they deal with storm water. He also mentioned hydro-fracking and how VML is expressing it opposition to hydro-fracking in the state and they hope that localities

will continue to have control over whether they allow hydro-fracking in their areas. He noted that VML is also expressing its opposition to uranium mining and any action taken by the state without the concurrence of the localities.

Dr. Harrington stated that he represents the city on the General Laws Committee and the meeting today was occupied by the discussion of what localities should do, can do, and must do with dead bodies in the case of a person who passes away with no next of kin and no one to take care of the burial. He mentioned the other topic was concerning feral cats. He noted that, in the Attorney General's opinion, it is permitted to capture these cats, to nurture them, but not to release them back once they have been nurtured.

Dr. Curren stated that the Food Policy Task Force has had a few public meetings and would like to bring to City Council in fall ideas to make healthy food more widely available to citizens of Staunton. He stated that this was about leveling the playing field for healthy local food. He stated that he would like to invite the public to two public input sessions. He stated the first was Tuesday, July 30, 2013, 7:00 pm, at Allen Chapel AME Church, and the second session will be August 7, 2013, at 7:00 pm at George Bowers Grocery.

Mr. Elder stated that he would like to make one additional comment regarding how our city workers step up. He mentioned the intense heat we have been having and the employees who have to work outside, such as law enforcement, trash pickup and fire fighters. He noted that he wanted to express his pride in them and his thanks.

### **APPROVAL OF MINUTES**

Mrs. Oakes moved that the minutes of the work session and the City Council meeting of July 11, 2013, be approved as presented. With Mr. Elder abstaining due to his absence from the meeting, the motion was seconded and carried unanimously as follows:

Vice Mayor Dull	aye
Mayor King	aye
Mr. Kier	aye
Dr. Curren	aye
Dr. Harrington	aye
Mrs. Oakes	aye

### **AGENDA**

#### **A. PUBLIC HEARING: A request by Will Wright for a Special Use Permit to allow residential use on the ground and first floors of 621 North Augusta Street**

Ms. Angle, City Planner, stated that this was a public hearing for a Special Use Permit at 651 North Augusta Street to be allowed to use the ground and first floors as residential use. She noted that the property is currently zoned B-2 General Business, which allows this non-conforming use be continued. She further noted that this was in compliance with the city's Comprehensive Plan. She stated that this was in one of Staunton's historic districts, and Mr. Wright has received several approvals from the Historic Preservation Commission for Certificates of Appropriateness for improvement to the house and for his proposed parking area.

Ms. Angle noted that the Planning Commission reviewed this at their July 18, 2013 meeting and there was no one to speak in opposition, and the Commission unanimously voted to recommend to Staunton City Council approval of the Special Use Permit allowing for the use on the ground and first floor for a maximum of two residential units with the minimum setbacks for the property being consistent with R-3 and R-4 Residential Districts.

The public hearing was opened.

Mr. Clinton Davis stated that he was at the July 18, 2013 Planning Commission meeting and he had one question concerning the driveway. He stated that area was hilly and there was no signage regarding a hidden driveway.

Discussion ensued and the Mayor asked the City Manager to look into this matter.

The public hearing was closed.

Vice Mayor Dull made a motion to approve the Special Use Permit, as recommended by the City Manager.

The motion was properly seconded and carried as follows:

Mayor King	aye
Mr. Kier	aye
Dr. Curren	aye
Dr. Harrington	aye
Mr. Elder	aye
Mrs. Oakes	aye
Vice Mayor Dull	aye

**B. Consideration of adoption of a Resolution cancelling August 8, 2013, City Council meeting**

Mr. Owen stated that City Council set its meetings for the year in July of 2012 and in order to cancel a meeting a resolution needs to be adopted. He indicated that staff has proposed cancelling the August 8, 2013 meeting.

Ms. Oakes made a motion to adopt the proposed Resolution cancelling City Council's August 8, 2013, meeting. The motion was properly seconded and carried unanimously as follows:

Vice Mayor Dull	aye
Mayor King	aye
Mr. Kier	aye
Dr. Curren	aye
Dr. Harrington	aye
Mr. Elder	aye
Mrs. Oakes	aye

**RESOLUTION  
CANCELLING THE AUGUST 8, 2013  
CITY COUNCIL MEETING**

WHEREAS, according to its July 1, 2012 resolution, Council established its regular meeting schedule for the period of July 2012 through June 2014;

WHEREAS, Section 6 of Chapter II of the Charter for the City of Staunton provides that Council shall meet at such times as may be prescribed by ordinance or resolution provided that it hold at least one regular meeting each month;

WHEREAS, Section 2.10.070 of the Staunton City Code provides that Council will hold regular meetings on the second and fourth Thursday of each month and at any other time to which it may be regularly adjourned or postponed; and

WHEREAS, Council had determined that it would serve the best interests of the City to cancel its August 8, 2013 meeting and to reconvene and resume its regular monthly schedule next on August 22, 2013;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Staunton, Virginia that its regularly scheduled August 8, 2013 meeting shall be and hereby is cancelled, with Council next reconvening at its regularly scheduled meeting on August 22, 2013 at 7:30 p.m., or at such earlier time as may be designated by published agenda for such meeting, to be held at City Hall, 116 West Beverley Street, Staunton, Virginia; and that the Clerk of Council is directed to post an attested copy of this resolution at such location in City Hall where official notices are posted and to take such further actions as deemed appropriate to give notice of this change.

Adopted this 25<sup>th</sup> day of July, 2013.

s/Lacy B. King, Jr.

Lacy B. King, Jr., Mayor

ATTEST: s/Linda L. Little  
Linda L. Little, Clerk of Council

C.

**Matters from the City Manager**

Mr. Owen, City Manager, stated that he, Mr. Rosenberg, Dr. Harrington, along with Tom Sliwoski and James Davis, toured the waste water treatment plant. He noted that we often take for granted the services the City provides and those facilities where we have a substantial investment.

**Matters from the Public**

Kimberly Zelena, Chairperson for America's Birthday Celebration updated Council on this year's Fourth of July celebration and what a success it was. She noted that the same concession vendors returned and the exhibitor/crafters slots were full. She further noted that they estimated approximately ten to twelve thousand people attended.

**Adjournment**

There being no further business to come before Council, the meeting adjourned at 8:01 p.m.

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Linda L. Little, Clerk of Council

DRAFT

# CITY COUNCIL



# AGENDA BRIEFING

Staunton, VA

<b>Meeting Date:</b>	<b>August 22, 2013</b>	<b>Staff Members:</b>  <b>Steve Owen</b> <b>Scott Garber</b>
<b>Item #</b>	<b>A</b>	
<b>Ordinance #</b>		
<b>Department:</b>	<b>Fire and Rescue Department</b>	
<b>Subject:</b>	<b>Oaths of Office</b>	

**Background:** Deputy Fire Marshal Perry Weller, Captain George Fitzgerald, Lieutenant John Humes and Lieutenant Justin Siron have been promoted and will be sworn to their new promoted positions. To increase public awareness and recognize the continuing highly professional service provided by the Fire and Rescue Department, their oaths of office will be administered publicly at the Council meeting.

**Oath of Office:** "I, name, do solemnly swear that I will support the Constitution of the United States and the Constitution of the Commonwealth of Virginia; and that I will faithfully and impartially discharge and perform all the duties incumbent upon me as position for the City of Staunton Fire and Rescue Department, according to the best of my ability, so help me God."

**City Manager's Recommendation:** Mayor and City Manager to administer oaths of office to personnel and have their badges pinned by family members.

**Suggested Motion:** None required.

**City Manager:** Stephen F. Owen