

MEMORANDUM

DATE: August 8, 2006

TO: The Board of Supervisors

FROM: John E. McDonald, Manager, Financial and Management Services

SUBJECT: Resolution Authorizing the Execution and Delivery of a Continuing Disclosure Agreement in Connection with the Issuance by the Virginia Public School Authority of its School Financing Bonds (1997 Resolution) Refunding Series 2003 D, a Portion of the Proceeds of which Refunded the James City County General Obligation School Bonds, Refunding Series 1994 A; and Authorizing Any Other Actions Necessary to Achieve the Objectives Contemplated Hereby

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The Virginia Public School Authority (VPSA) has identified a return of savings of \$516,817 from the VPSA's 2003D refunding of bond issues from 1991 and 1993.

The attached resolution, if adopted by the Board of Supervisors, authorizes the acceptance of the refunding and the return of savings. Should the Board adopt this resolution and the Continuing Disclosure Agreement and Use of Proceeds Certificate have been executed by the County Administrator, then the funds will be released to an account the County will need to establish with the State Non-Arbitrage Program (SNAP) to receive the funds.

This refinancing was done prior to State legislative changes that permit the use of the debt service credit. The main difference is that the funds received by the County in connection with the return of savings must be used for the same purposes as the proceeds of the original bonds, namely, school capital projects. In addition, once deposited in the SNAP account, the return of savings must be spent down within six months.

To that end, a separate resolution will be presented that amends the current Capital Budget by appropriating the \$516,817 in proceeds from the VPSA refinancing. The spending authority adds \$300,000 to the school site account and \$216,817 to the capital construction program for Matoaka Elementary School. A public hearing is necessary on the budget amendment because the total exceeds \$500,000.

Staff recommends approval of the attached resolution authorizing an application to VPSA for the return of savings.

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John E. McDonald

JEM/nb  
VPSArefund.mem

Attachment