



County of King William, Virginia
Est. 1702

**BOARD OF SUPERVISORS
WORK SESSION MEETING OF JUNE 8, 2020 – 7:00 P.M.
KING WILLIAM COUNTY ADMINISTRATION BUILDING
KING WILLIAM, VIRGINIA**

A G E N D A

- 1. Call to Order**
- 2. Roll Call**
- 3. Review and Adoption of Meeting Agenda**
- 4. Work Session Matters:**
 - a. Update from the Virginia Peninsulas Public Service Authority (VPPSA) – *David Magnant, Executive Director*
 - b. Update on County Utilities, Facilities and Building Inspections Departments – *Steve Hudgins, Director of Operations*
 - c. Update on Fire and Emergency Medical Services – *Interim Chief Laura Nunnally*
 - d. Recommended Revisions to the King William County Procurement Manual – *Julie Mills, Fiscal Specialist AP*
 - e. Recommended Financial Policies for the County – *Natasha Joranlien, Director of Financial Services*
 - f. Bond Series 2002A and 2002B Escrow Agreement Relating to the Defeasance of the General Obligation School Bonds – *Natasha Joranlien, Director of Financial Services*
 - g. CARES Relief Funds – *Bobbie H. Tassinari, County Administrator*
- 5. Board of Supervisors' Requests**
- 6. Adjourn or Recess**

AGENDA ITEM 4.a.

VPPSA COVID-19 Pandemic

On March 12, 2020 Governor Northam issued Executive Order (EO) Number Fifty-One, and subsequent additional Executive Orders, as well as a Declaration of a State of Emergency due to Novel Coronavirus (COVID-19).

The State of Emergency included social distancing, placing restrictions on certain businesses, and eventually spelled out what were essential businesses and who were essential employees.

The immediate issue resulting from residents of the region working from home were an increase in the number of vehicles and an increase in the amount of materials received at VPPSA and community sites. Staying at home inspired projects, including yard work, home construction, garage, basement and shed cleanouts, and the generation of additional household waste. Commercial waste quantities fell as restaurants, hotels, businesses and many governmental agencies and offices closed.

Middle Peninsula Solid Waste System:

The incoming volume and variety of material overwhelmed the solid waste convenience centers. The issue was not just specific to our region. Similar scenarios from all over the state were being reported. Sites from all corners of the Commonwealth were closing or limiting volume and types of material that they were able to accept.

Our sites were experiencing the same issues. Our first plan was to reduce the days of operation at all sites. We put a plan together that would limit the days of operation. We believed that modified schedule would allow for reduced employee capacity, should that become necessary. It also allowed us to better move the materials delivered to their offsite destination.

The plan was reconsidered. We instead requested that residents self-limit the material that they bring to all the sites. We needed to prioritize the food waste and other household trash over that of yard waste and other debris. We asked the residents to work with us to keep space available for the critical material by holding on to that old appliance for a few weeks, finding a place on their property to keep tree or shrub cuttings until we work our way through the crisis. This approach helped by allowing us to catch our breath.

What we did:

- Posted signs about social distancing.
- Posted signs about limitations of incoming materials.
- Social distancing was explained to staff and how to assist without contact.
- Purchased paper and cloth masks, face shields, vinyl and latex gloves.
- Installed wall mounted soap dispensers with alcohol-based disinfectant.
- Instructed staff about updated safety procedures because of the COVID-19 virus.
- Wiped down surfaces, handles, any potential points of contact in our buildings and vehicles.
- Created SOP's for COVID-19 related issues and concerns.

What we Learned

- Supplies were difficult to secure.
- Get the word out quickly to residents if there must be any limitations.
- Brush sites could alleviate some of the strain; unfortunately, they come with cost related issues.
 - We should consider one or two sites in each community for brush.
- Temporarily find additional sources for disposal/acceptance of non-essential materials, if available. (paper, cardboard, tires, scrap metal, other recyclables)
 - Work with vendors when contracts are in place.
- Look for additional source of equipment that is specific to drivers.
- We were able to bring a driver out of retirement on a temporary basis.
- Update website with every change immediately, create employee portal for direct communication with all employees.
- Make sure all updates get out to and are posted for all employees.
- Electronic meetings are an effective means for communication.
 - Provided the appropriate equipment is available.
- Many of these new practices are going to continue for a long time or potentially indefinitely.
- We found it difficult to impossible to find testing.
- We find a need to constantly remind staff about social distancing both at work and at home
- We informed staff to notify us immediately if they have been or believe they have been exposed.
- Teach staff that they should keep a note pad and identify people that they could potentially have exposed or been exposed by.
 - Reminding them of social distancing.
 - One test positive could cripple our organization.
- Our employees are most definitely ESSENTIAL.

Compost Facility:

Residential use of the facility increased significantly when the order was given for people to stay home. Staff attempted to maintain social distancing requirements. We determined that with the volume of people coming to the facility, we would likely end up with a potential exposure related sickness. The facility is primarily a production facility. It receives material from Hampton, York and Poquoson, as well as commercial customers.

In review of operations, it was determined that the facility should close so we can continue to process the volume on site. The equipment operators possess a skillset that is not readily available through temporary agencies. The equipment used in the composting process is somewhat unique. It was decided to close the facility to the public so that staff could continue to process the material with limited exposure to the virus.

On April 2, 2020, the facility was closed to the public. We continued to accept material from our community partners. We continued to process the incoming material and started to formulate a plan to reopen. In review of the potential exposure points, it was decided to minimize any contact with cash,

checks or credit cards. We installed an external window for sales transactions and installed an exterior credit card machine.

Meanwhile staff continued to process the large volumes of material coming to the site and prepare to reopen. New PPE was issued, and staff was instructed on continued social distancing practices and shown how best to use the provided PPE to minimize exposure. We reopened the Site on May 4, 2020 with restrictions. We accepted incoming material and would sell material to commercial account customers or any material purchased with a credit card. (No cash and no checks)

What we did:

- Provided PPE, explained new COVID-19 virus related practices.
- Social distancing was explained to staff, how to assist without contact.
- Purchased paper and cloth masks, face shields, vinyl and latex gloves.
- Installed wall mounted soap dispensers with alcohol-based disinfectant.
- Instructed staff about updated safety procedures because of the COVID-19 virus.
- Eventually closed the site.
- Added a sheltered outside payment window.
- Limited the payment options to minimize exposure.
- Posted signs for residents entering the facility.
- Wiped down surfaces, handles, any potential points of contact in our buildings and equipment.

What we learned:

- During these events people still want to drop off and pick up material.
- Our equipment is unique and finding temporary employees would be very difficult.
- We must consider the consequences to the production aspect of facility operations should there be a reoccurrence of this virus. Especially in the fall for hurricane season.
- The material we provide for sale is available commercially to each resident.
- Update the website with every change immediately, create an employee portal for direct communication with all employees.
- Make sure all updates get out to and are posted for all employees.
- Additional signage is important and needs to be moved around to catch the attention of customers.
- We found it difficult to impossible to find testing.
- Need to constantly remind staff about social distancing both at work and at home.
- We need to find out if someone has been exposed.
- Teach staff that they should keep a note pad and identify people that they could potentially have exposed or been exposed by.
 - Reminding them of social distancing.
 - One test positive could cripple our organization.

Household Chemical Collection Events:

The household chemical collection events are conducted using both VPPSA staff and staff from our partnering contractor, MXI. We cancelled the March 21, 2020 Hampton event, the April 11, 2020 James City/Williamsburg event and the April 18, 2020 Middle Peninsula event. We asked our contractor for additional safety procedures for when we move forward with future events.

Typically, the VPPSA employees work side-by-side with the contractor at these events. We felt it best to separate the workforce into two groups for the May events to minimize the risk of exposure being in such proximity. The York event and the Hampton event were both held with modified procedures to protect employees, contractor staff, and residents.

What we did:

- Provided PPE, explained new COVID-19 virus related practices.
- Separated the two workforces, ours and the contractor that is based in Abingdon, Virginia.
- Posted additional signs explaining what our survey person normally asks for and emphasizing the need for consistent social distancing.
- Put the survey person in a vehicle that sits up high, to interact with the public, again from a distance. (also keep them warm and dry in the rain events, cool and out of the sun in warm events).

What we learned:

- Signs did help with the 30+ percent that read them.
- The survey person in a truck is a good idea from many aspects.
- Just like our other sites, the number of residents coming, and the amount of materials brought to HHC events has not been reduced due to the COVID-19 virus.

Administrative Office

What we did

- We were able to have staff work from home.
 - We recently installed VOIP service which allowed for easier remote phone answering.
- Mail and packages were received in a specific area. Moved to a holding area for a three-day period and the surfaces cleaned after each placement.
- Surfaces were wiped down after each delivery or removal of material from the waiting room.
- Staff was social distanced that still worked from the office. Masks were provided.
- As offices start to reopen, we will operate a reduced office staff. Continuing to provide staff a mix of working from home and the office.
- Created SOP's for "How to return to work after COVID-19 exposure.
- Created additional COVID-19 related SOP's.

What we learned:

- Childcare will be a challenge.
- Affording employees in an office environment the option of working from home during a crisis will allow us to continue to operate while allowing the employee the ability to keep their children safe.
- Good internet service is critical for today's high usage needs.
- We learn something new daily.

David Magnant – VPPSA

May 26, 2020

AGENDA ITEM 4.b.



King William County
Est. 1702

Board of Supervisors

Director of Operations

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
C. Stewart Garber, Jr., Fourth District
Edwin H. Moren, Jr., Fifth District

MEMO

DATE: June 8, 2020
TO: King William County Board of Supervisors
FROM: Steve Hudgins, Director of Operations
RE: Facilities, Utilities, and Building Inspections Departments

I am presenting for your information the status and recent activities of the Facilities, Utilities, and Building Inspections departments. Subject matter to be included in the presentation is as follows:

Facilities

- Rec Park improvements
- 360 Complex buildout
- Administrative Complex improvements

Utilities

- Central Crossing Section 2A utilities installation
- McCauley Park Section 2 utilities installation
- Master Utility Plan (draft)
- Industrial Park Water System Evaluation

Building Inspections

- Building permit and inspection numbers and trends
- Major projects and developments under construction

AGENDA ITEM 4.c.



Laura Nunnally, Interim Fire Chief

King William Fire & Emergency Services Department Report May 5th- May 29th, 2020

Staffing

- Hanover has lifted the ban on part-time employment.
- Twice over the past two months we have gone under minimum staffing with only two on duty.
- With the Governor reopening in Phase I, aggressive advertising for the full-time positions will begin.
- One full-time firefighter has returned to Caroline County but will stay with KWF&EMS part-time.
- New full-time fire-fighter starts June 1, 2020.

Apparatus

- The new ambulance has the radios installed and is having lights replaced prior to delivery to the County the week of June 1st.
- Engine 1 will go to AES for mechanical and electrical repairs. It is expected to be Out of Service for at least 30 days. During this time King William will be renting a Fire Engine from AES for \$125.00 a day. This will allow for fire suppression to continue for the county without interruption in service.

Station 1

- Broadband contract is signed and installation should begin shortly.
- Station 1 is still closed to the public due to the COVID-19 Pandemic. This will be reevaluated when the Governor begins Phase II.

Equipment

- PPE is in supply for our responders.
- All personnel have been instructed that they must wear a mask in public if they are in King William County uniform.
- The beginning stages of the demobilization for COVID-19 state of emergency is being put together. However, many of the practices put in place during this time may become common practice to ensure safety of personnel and citizens.
- Half of the department personnel has been Fit tested for N95 and SCBA. There will be more dates available to complete this process in June.
- New hose and nozzles are being ordered for the apparatus (\$20,000)
- The extraction equipment will be converted and updated by ACI. This will be done using the Four-for-Four-Life grant funds for this year. (\$16,000.)



Laura Nunnally, Interim Fire Chief

Noteworthy

- Interim Fire Chief Nunnally has been selected as a Subject Matter Expert (SME) Reviewer for 2020 VDEM State Homeland Security Grant Program.
- Mask were distributed from the fire department supply to all county staff at the administration building.

AGENDA ITEM 4.d.



King William County
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Board of Supervisors

Natasha L. Joranlien
Director of Financial Services

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
C. Steward Garber, Jr., Fourth District
Edwin H. Moren, Jr., Fifth District

MEMO

DATE: June 8, 2020
TO: King William County Board of Supervisors
FROM: Julie Mills, Fiscal Specialist Senior/Procurement & Accounts Payable
SUBJECT: Addendum to King William County Procurement Policy

SUMMARY

King William County Procurement Policy was adopted on January 26, 2015. The Finance staff is recommending the following amendments to the King William County Procurement Policy. The recommendations will streamline handling and review of purchase contracts, improve the effectiveness of the County's purchasing efforts, reduce expenditures related to procurement, and avoid unnecessary delays in purchases of routine supplies, materials, services, vehicles, machinery, equipment apparatus, construction, repair, and maintenance.

- Removal of requirement to advertise public notice for invitation to bid. Due to the cost associated with the cost of print advertisement, this will reduce the County's expense for procurement. The language has been updated to "may be" advertised.
Per Virginia Public Procurement Act § 2.2-4302.1. Item 2
"In addition, public bodies may publish in a newspaper of general circulation. Posting on the Department of General Services' central electronic procurement website shall be required of any state public body."
- Request to increase the threshold of purchase order completion requirement from \$1,000 to \$5,000. Staff continues to show their diligence in seeking out multiple sources for the best price and quality products whatever the product costs. Increasing the maximum allowed to \$5,000 would allow improved efficiency in procurement as well as continue to provide the oversight needed to ensure the County is receiving the best purchase option.

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King William County
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Board of Supervisors

Natasha L. Joranlien
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- Competition requirement amendments:
 1. For purchases in excess of \$1,000 to \$3,000 changed to \$ 1,000 to \$ 5,000 (Departments will be required to keep documentation of quotes for audit trail purposes)
 2. For purchases in excess of \$3,000 to \$10,000 changed to \$5,000 to \$30,000
 3. For purchases in excess of \$10,000 to \$60,000 changed to \$30,000 to \$100,000Additional language added requiring purchase order to be approved prior to expending the funds.
- Language removed and updated regarding Construction Procurement based on Virginia Public Procurement Act § 2.2-4303 Methods of Procurement.
- Request to increase the amount from \$25,000 to \$ 100,000 for contract review and approval by County Attorney. Financial Services Department has reached out to County Attorney to receive standard terms and conditions to be used for contract less than \$100,000. Currently using the standard templates for bid documents and contracts created by previous County Attorney.

RECOMMENDATION(S)

Staff recommends approval of Resolution 20-XX at the June 22, 2020 Regular Board of Supervisors meeting.

ATTACHMENT(S)

Resolution 20-XX

180 Horse Landing Road #4 • King William, Virginia 23086

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RESOLUTION 20-XX

**REVISIONS AND UPDATES TO THE
KING WILLIAM COUNTY PROCURMENT POLICY**

WHEREAS, King William County is required to follow the provisions of the Virginia Public Procurement Act as it applies to purchases made by the officers, departments and agencies of the County; and

WHEREAS, §§ 2.2-4343 and 15.2-1231 of the Code of Virginia authorize local governments to establish centralized purchasing systems and, by adoption of a qualifying purchasing policy, supersede many of the requirements of the Virginia Public Procurement Act; and

WHEREAS, the Board adopted the King William County Procurement Policy on January 26, 2015, by Resolution 15-04 and updated the Policy on August 8, 2016 and September 24, 2018; and

WHEREAS, the County continues to grow and the number of purchases of supplies, materials, services, vehicles, machinery, equipment, apparatus, construction, repair and maintenance required for municipal government operations continue to increase, and it is prudent and desirable for the County to become more efficient by streamlining organization processes; and

WHEREAS, the Financial Services Department has recommended changes to incorporate into the Procurement Policy to streamline handling and review of purchase contracts, improve the effectiveness of the County's purchasing efforts, reduce expenditures related to procurement, and avoid unnecessary delays in purchases of routine supplies, materials, services, vehicles, machinery, equipment, apparatus, construction, repair, and maintenance necessary to provide public service to its citizens.

NOW, THEREFORE, BE IT RESOLVED that the King William Board of Supervisors does hereby approves and adopt the following amendments to the King William County Procurement Policy (deletions strike through; amendatory language appearing in ***italicized/underlined*** font):

Article I. Purpose, Application, General Provision and Definitions

1-4 Definitions

(h) Competitive Sealed Bidding

2. Public notice of the invitation to bid at least ten (10) calendar days prior to the dates set for receipt of bids by posting on the King William County website and ***maybe advertised*** in at least one ***a*** newspaper of general circulation in King William County.

Article II. Purchasing Agent: Competition Requirements

2-1 Delegation of authority

46 The Purchasing Agent shall serve as the principal public purchasing official for the
47 County and shall be responsible, under the supervision of the Board, for the procedures
48 and methods used in the procurement of all goods, services, insurance, and construction
49 as well as the management and disposal of surplus materials. The authority of the
50 Purchasing Agent shall specifically, but without limitation, include the authority to select
51 the method of procurement to be used and the authority to negotiate and execute
52 contracts on behalf of the County for any and all procurements or for the disposition of
53 materials. The Purchasing Agent shall ensure that all purchasing activities are conducted
54 in accordance with the provisions of this policy. The Purchasing Agent may not delegate
55 approval of the use of competitive negotiation instead of competitive sealed bidding as
56 required by Subparagraph (h) of Section 2-3 of this policy, the declaration of a purchase
57 as sole source as provided in Subparagraph (e) of Section 2-4 of this policy, nor the
58 signing of purchase orders for amounts greater than ~~\$3,000~~ **\$5,000**. In other matters the
59 Purchasing Agent may delegate his authority to a duly authorized agent or agents.

60 Unless the Purchasing Agent specifically provides to the contrary, each
61 administrator, as defined in this policy, is authorized and shall be responsible for
62 initiating purchases in accordance with this policy for all goods and services to be used
63 by the agency under such administrator. Such administrator may delegate the authority
64 to make purchases to an agent or agents under his control, but every purchase in excess
65 of ~~\$1,000~~ **\$5,000** shall be approved by the administrator. Any purchase in excess of
66 ~~\$1,000~~ **\$5,000** shall require a request for purchase from the using agency and a
67 corresponding purchase order issued by the Purchasing Agent. Every formal contract and
68 purchase order shall be executed by the Purchasing Agent. The administrator shall
69 indicate approval of any purchase requiring the same by signing the request for the
70 purchase. The authority of the Purchasing Agent does not include approval of specific
71 items to be procured by the Department of Social Services, the Constitutional Officers, or
72 other public bodies who have by agreement become subject to this policy, when sufficient
73 funds have been appropriated to such entity or officer for the purpose of the procurement
74 and this policy has been followed. The Purchasing Agent with regard to such entities and
75 officers shall, however, by signing all purchase orders for such procurements prior to the
76 placement of a firm order, certify compliance with this policy and any procedures issued
77 pursuant to it. The Purchasing Agent shall not execute a purchase order if such
78 procurement has not been in compliance with this policy and any procedures developed
79 pursuant to it.

80

81 Article II. Purchasing Agent: Competition Requirements
82 2-3 Competition requirements

83 Prior to any purchase of goods or services, reasonable price competition is desired.
84 Reasonable price competition shall depend on the amount of the purchase and is defined
85 in the following circumstances:

86 (a) For purchases in the amount of \$1,000 or less, no permanent
87 documentation of solicitation of prices is required. The individual making the purchase is
88 expected to compare prices by telephone, catalog or other appropriate means.

89 (b) For purchases in excess of \$1,000 and not greater than ~~\$3,000~~
90 **\$5,000**, telephone calls shall be placed to at least two suppliers of the item. Oral quotes
91 shall be obtained from the suppliers and a memo of the telephone conversation shall be
92 made showing the item requested, date, time, company name, and price quoted. **The**
93 **Department will be required to keep documentation of quotes to be used in audit trail.**

94 (c) For purchases in excess of ~~\$3,000~~ **\$5,000** but not greater than
95 ~~\$10,000~~ **\$30,000** at least three (3) suppliers shall be contacted. Telephone (provided a
96 memorandum is made of the supplier called and the item on which the quote is requested)
97 or written contacts are acceptable. Documentation is required. Requests for quotation
98 may also be posted on the County's web site and on the purchasing web site maintained
99 by the Virginia Department of General Services if deemed appropriate by the Purchasing
100 Agent. Prospective suppliers shall be required to submit a written quote within a specific
101 time stated in the solicitation in order to receive further consideration. **A Purchase Order**
102 **is required before the funds may be committed and been expended.**

103 (d) For purchases in excess of ~~\$10,000~~ **\$30,000** but not greater
104 than ~~\$60,000~~ **\$100,000**, written solicitations and quotes are required and at least four (4)
105 suppliers shall be contacted. Telephone solicitations for purchases less than \$20,000
106 (provided a written memorandum is made of the supplier contacted and the item on
107 which the quote is requested) are acceptable. The supplier shall be required to submit a
108 written quote within the specified time to be further considered. Requests for quotation
109 shall be posted, at least ~~fifteen (15)~~ **ten (10)** days prior to the due date, on the County's
110 web site and on the purchasing web site maintained by the Virginia Department of General
111 Services and, if deemed appropriate by the Purchasing Agent, may be published in a
112 newspaper of general circulation in King William County. **A Purchase Order is required**
113 **before the funds may be committed and been expended.**

114 (e) When a procurement transaction is made under (a), (b), (c) or
115 (d) above the purchase shall be made from the offeror quoting the lowest price or best
116 value unless the Administrator, using the evaluation factors in this policy for competitive
117 negotiation or competitive sealed bidding as the case may be, documents in writing the
118 reason for the determination that in the best interest of the county such purchase should
119 be made from another offeror quoting a higher price. Such determination for purchases
120 in excess of ~~\$3,000~~ **\$5,000** shall be approved by the Purchasing Agent.

121 (f) Purchases other than those set out in the following
122 subparagraph (g) that in the aggregate or in the sum of all phases are expected to be in
123 excess of ~~\$60,000~~ **\$100,000** shall be made by either competitive sealed bidding or
124 competitive negotiation as defined in this policy.

125 (g) Purchases of professional services as that term is defined in
126 §2.2- 4301 of the Code of Virginia, when the cost of such services is expected to exceed

127 \$60,000.00, shall be made in accordance with the process set forth in § 2.2- 4302.2 of the
128 Code of Virginia.

129 (h) The Purchasing Agent shall have the authority to use
130 competitive negotiation in the place of competitive sealed bidding (when those methods
131 are required) to procure any goods, services or insurance, after documenting in advance
132 the basis therefore in writing, as required by § 2.2-4303(C), Code of Virginia. Insurance
133 may be procured through a licensed agent or broker selected in the manner provided for
134 the procurement of things other than professional services set forth in § 2.2-4302.2, Code
135 of Virginia, if the basis for doing so is approved by the Board. Construction in excess of the
136 amount listed in subparagraph (f) of this section may be procured only by competitive
137 sealed bidding, except that competitive negotiation may be used, upon a determination
138 made in advance by the Purchasing Agent in writing, after making the findings required
139 by § 2.2- 4303(D), Code of Virginia, to procure contracts for the construction of highways
140 and any draining, dredging, excavation, grading or similar work upon real property.

141 (i) The purchase of goods or nonprofessional services, but not
142 construction or professional services, may be made by reverse auctioning. However, bulk
143 purchases of commodities used in road and highway construction and maintenance, and
144 aggregates shall not be made by reverse auctioning.

145 (j) ~~Construction may be procured under a 'cooperative contract'~~
146 ~~made available by another public body provided the public body is less than a straight line~~
147 ~~distance of 75 miles from the territorial limits of King William County. The installation of~~
148 ~~artificial turf or other athletic surfaces shall not be subject to the limitations prescribed in~~
149 ~~this subdivision.~~ **Construction may be procured only by competitive sealed bid, except**
150 **that competitive negotiation may be used in the following instances:**

151 **(j) By any public body on a fixed price design -build basis or**
152 **construction management basis as provided in Chapter 43.1 of the VPPA.**

153 **(k) By any public body for the construction of highways and**
154 **any draining, dredging, excavation, grading or similar work upon real property**
155 **upon a determination made in advance by the public body and set forth in writing**
156 **that competitive sealed bidding is either not practicable or not fiscally advantageous**
157 **to the public, which writing shall document the basis for this determination.**

158 Nothing in this section shall prevent the use of competitive sealed bidding or
159 competitive negotiation in procurements under \$60,000 **\$100,000**, if deemed
160 appropriate by the Purchasing Agent.

161 Article III. Administrative Provisions
162 3-18 Approval of certain purchases required
163

164 Except as provided for emergency purchases, all purchases in excess of \$3,000
165 **\$5,000** shall be specifically approved by the County Administrator for the Board, or by
166 the appropriate approving authority, prior to the issuance of a purchase order.

167 Emergency purchases may be approved after the fact. The request for approval shall
168 identify the method of price competition used in the procurement.

169 3-19. Contract requirements and legal review.

170 The terms and conditions of procurements in excess of ~~\$25,000~~ **\$100,000** shall be
171 reviewed and approved by the County Attorney prior to solicitation. Advertisements for
172 Formal Invitations for Bids (IFB) and Requests for Proposals (RFP) for procurement of
173 construction or services in excess of ~~\$25,000~~ **\$100,000** shall be reviewed by the County
174 Attorney prior to advertising. Contracts signed by all parties and containing, or incorporating
175 by reference, all applicable terms and conditions shall be required for procurements of
176 services or construction in excess of \$25,000. Such contracts and all amendments and
177 changes thereto shall be approved as to form by the County Attorney.

178

179 APPENDIX 1

180 2. Public notice of the Request for Proposal at least 10 days prior to the date set for
181 receipt of proposals by posting on the Department of General Services' central
182 electronic procurement website or other appropriate websites. Additionally, public
183 bodies shall **may** publish in a newspaper of general circulation in the area in which
184 the contract is to be performed so as to provide reasonable notice to the maximum
185 number of offerors that can be reasonably anticipated to submit proposals in
186 response to the particular request. Posting on the Department of General Services'
187 central electronic procurement website shall be required of any state public body.
188 Local public bodies are encouraged to utilize the Department of General Services'
189 central electronic procurement website to provide the public with centralized
190 visibility and access to the Commonwealth's procurement opportunities. In addition,
191 proposals may be solicited directly from potential contractors. Any additional
192 solicitations shall include certified businesses selected from a list made available by
193 the Department of Small Business and Supplier Diversity; and

AGENDA ITEM 4.e.



King William County
Est. 1702

Board of Supervisors

Director of Financial Services

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
David E. Hansen, Fourth District
Robert W. Ehrhart, Fifth District

DATE: June 8, 2020
TO: King William County Board of Supervisors
FROM: Natasha Langston, Director of Financial Services
SUBJECT: Resolution 20-xx – Financial Policies Adoption

Summary

Background

Financial policies provide written guidance for how local government officials and staff should approach fiscal issues and core financial areas.

Most local government decisions are driven by fiscal health. Citizens expect our county to deliver essential services. To fulfill those expectations, the county must invest in infrastructure, reserve funds for pension obligations, and take steps to assure their financial wellbeing for years to come.

Effective financial policies are essential to the county's fiscal health and can help the Board, management, and staff make the right decisions for the citizens now and in the future. They provide stability and continuity over the years as staff and elected officials turn over by establishing what actions are acceptable and unacceptable, identifying who is responsible for taking certain actions, and providing standards to measure the county's performance.

Recommendation(s)

Staff recommends approval of proposed Financial Policies

Attachment

- Resolution 20-xx
- Attachment A



KING WILLIAM COUNTY, VIRGINIA

FINANCIAL POLICIES

King William County has a responsibility to carefully account for public funds, to manage its finances prudently, and to diligently and effectively allocate its resources to provide the citizens the governmental services they desire. Fiscal integrity is critical and should form the basis of the County's management and decision-making processes of its fiscal affairs. The primary objective of establishing Financial Policies is to provide a framework within which sound financial decisions may be made for the long-term betterment and stability of the County. The County's financial policies will provide guidelines and goals to guide its financial practices.

The goals of the Financial Policies are to:

- Guide King William County Board of Supervisors in reaching a consensus on the financial condition desired for the County.
- Provide a link between long-range financial planning and current operations.
- Promote long-term financial stability by establishing clear and consistent guidelines.
- Provide a framework for evaluating the fiscal impact of budgetary decisions related to providing government services and programs.
- Reduce the risks to the County of experiencing fiscal crises.

1.0 Operating Budget Policy

1. King William County will prepare and approve an annual budget per Code of Virginia, Title 15.2-2503. The County will annually adopt and execute a budget for such funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budget shall control the levy of taxes and the expenditure of money for all County purposes during the ensuing fiscal year. The County budget shall be balanced within all available operating revenues, including fund balance, and adopted by the Board of Supervisors.
 - King William County does not intend to issue tax or revenue anticipation notes to fund operations. The County's intent is to manage cash to prevent cash flow needs.
2. Revenues will be projected conservatively, but realistically, considering:
 - Historical trends;
 - The volatility of the revenue sources;
 - Inflation and other economic conditions; and
 - The costs of providing directly associated services.
3. Expenditures will be projected conservatively considering:
 - A conservative, but likely, scenario of events (versus "worst case scenario");
 - Specific, identified needs of programs and services;
 - Historical consumption and trends; and
 - Inflation and other economic conditions.
4. An unplanned operating contingency line item shall be included in the annual operating budget to provide for the ability to react to unforeseen circumstances in operations that arise during the fiscal year. An amount equivalent to 0.005% of general government expenses will be set aside for the operating budget contingency reserve. The contingency line item shall be an annual appropriation that will not accumulate or carry forward from fiscal year to fiscal year.
5. The County will prepare the capital improvement budget in conjunction with estimates of available revenues in order to assure that the estimated costs and future impact of capital projects on the operating budget will be considered prior to its inclusion in the Capital Improvements Plan.
6. The operating budget preparation process will be conducted in such a manner as to allow decisions to be made regarding anticipated resource levels and expenditure requirements for the levels and types of services to be provided in the upcoming fiscal year. The following budget procedures will ensure the orderly and equitable appropriation of those resources:
 - Operating budget requests are initiated at the department level within targeted guidelines set by the County Administrator.

7. Budget adjustments within a department involving transfers from one category – i.e., personnel (pay and benefits), capital and operations - to another shall be approved by the County Administrator.
8. Beginning in the first year subsequent to the adoption of these policies, quarterly cash basis actual-to-budget financial reports prepared after bank statement reconciliation will be provided to the Board of Supervisors. The reports will be provided within 45 days after the end of the quarter to enable the Board of Supervisors to monitor the budget.
9. Any amendments to the budget “which exceed one percent of total expenditures shown in the current adopted budget or the sum of \$500,000, whichever is lesser, and be accomplished by publishing a notice of the meeting and a public hearing once in a newspaper having general circulation” at least seven days prior to the meeting date (Code of Virginia, Title 15.2-2507).

2.0 Capital Budget Policy

1. The County will approve an annual capital budget as an integral part of its total County budget. The capital budget will align with a 5-year Capital Improvements Plan (CIP).
2. The County will coordinate the development of the capital budget with the development of the operating budget so that future operating costs, including annual debt service, associated with the new capital projects will be projected and included in operating budget forecasts.
3. The 5-year Capital Improvements Plan will include all new facilities and major improvements to buildings and real estate as well as all projects requiring debt financing. The CIP will include sources of funding for the capital projects, including operating revenues, Restricted General Fund balances, non-General Fund departmental reserves, grants, capital leases, and debt financing.
4. Emphasis will continue to be placed upon a viable level of “pay-as-you-go” capital construction to fulfill needs in the Board’s approved Capital Improvements Plan.
5. The acquisition of vehicles, IT hardware and software, and other depreciable equipment and machinery shall be considered in the capital budget in addition to the Capital Improvements Plan and shall reflect the departments to which they should be charged.
6. Upon completion of a capital project, any remaining appropriated funds in that project will be returned to the original appropriating fund. Any transfer of remaining funds from one project to another must be approved by the Board of Supervisors.
7. The County shall maintain a capital budget that includes the Capital Improvements Plan and a plan for the acquisition and replacement of vehicles, IT hardware and software, and depreciable equipment and machinery.

- The County will provide funding for vehicles, IT hardware and software, equipment and machinery as part of the annual budget to replace assets at the end of their useful life, or to upgrade capital assets as appropriate.
- The County's objective is to use pay-as-you-go funding (using cash resources) to acquire those items. Other sources will supplement cash funding such as lease purchase agreements, bonds, General Fund Balance, reserves and grants, when available.
- The County shall conduct a periodic physical inventory annually of all vehicles, computers, and depreciable equipment and machinery.

3.0 Debt Management Policy

1. Introduction

King William County recognizes that a formal debt policy is essential to effective financial management. Adherence to a debt management policy signals that a locality is well managed and, therefore, is likely to meet its debt obligations in a timely manner and is also a recommended practice of the Government Finance Officers Association. Debt management policies are written guidelines, allowances, and restrictions that guide the debt issuance practices. Adherence to a debt policy helps to ensure the County maintains a sound financial position.

The debt policy is to be used in conjunction with applicable laws and regulations and with the operating and capital budgets and other financial policies of the County. Objectives of the debt policy have been set to assist the County in:

- Funding a Capital Improvement Plan
- Maintaining an appropriate mix of pay-as-you-go and debt funding
- Maintaining an adequate fund balance, including an appropriate amount of unassigned fund balance
- Structuring debt repayment schedules that provide for reasonable and equitable annual payments

2. Debt Instruments

The County will use appropriate debt instruments to provide funding for capital assets at the lowest cost with minimal risk:

General Obligation Bonds:

General obligation bonds are bonds secured by a promise to levy taxes in an amount necessary to pay debt service, principal and interest, coming due each fiscal year. General obligation bonds are backed by the full faith and credit of the County. These bonds are authorized by a referendum or by non-voted (2/3's) authorization by the governing body. The non-voted authorization allows

governments to issue up to two-thirds of the previous year's net debt reduction without a

referendum.

Revenue and Special Obligation Bonds:

Revenue bonds are bonds that pledge revenues generated by the debt-financed asset or by the operating system of which that asset is a part. Special obligation bonds are bonds that are payable from the pledge of revenues other than locally levied taxes.

Other Financing Arrangements:

Installment financings are an alternative financing method that does not require voter approval. Certificates of participation or limited obligation bonds represent an undivided interest in the payments made by a public agency pursuant to a financing lease or an installment purchase agreement. The security for this financing is represented by a lien on the property acquired or constructed.

An Installment Purchase Contract is an agreement in which the equipment or property is acquired and periodic payments, which are sufficient to pay debt service, are made. The County will use this type of financing for short-term equipment purchases of 3 to 5 years.

The County will use pay-as-you-go funding for capital improvements or capital assets having a cost of less than \$250,000 or assets having a useful life of less than 10 years unless budgetary restraints require the use of financing to acquire the necessary funding for those capital improvement or capital assets.

3. Purposes for Debt Issuance

The County may issue debt for the purpose of acquiring or constructing capital assets including land, buildings, machinery, equipment, fixtures and any other eligible expenses of the project and for making major renovations to existing capital improvements, for the good of the public. Exceptions to this rule will be considered on a case-by-case basis to determine if the contemplated debt is in the best interests of the County. Long-term debt shall not be used to finance ongoing operational expenses. When applicable, debt issuance will be pooled together to minimize issuance expense.

Before issuing any new debt, the County will consider the following factors:

- Global, national and local financial environment and economy
- Current interest rates and expected interest rate changes
- Cash position and current debt position
- Availability of funds to repay
- Urgency of current capital needs and flexibility to cover future needs
- Appropriate debt issuance practices and debt structuring

4. Debt Structure

The debt structure is made up of the life of the debt, interest rate and principal maturity schedule.

This debt could be general obligation, revenue or special obligation bonds, or other installment financings. The cost of taxable debt is higher than the cost of tax-exempt debt. However, the issuance of taxable debt is mandated in some circumstances, and may allow flexibility in subsequent contracts with users or managers of the improvements constructed with the bond proceeds. The County will usually issue obligations on a tax-exempt basis, but may occasionally issue taxable obligations when there is an expected benefit from doing so. The County shall establish an affordable debt level to ensure sufficient revenue is available to pay annual debt service.

General obligation bonds will generally be competitively bid with no more than a 20-year life unless there are compelling factors which make it necessary to extend beyond this point and applicable law allows a longer term. In a competitive sale, the County may sell its debt obligations in which any interested underwriter or syndicate is invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the underwriter presenting the best bid according to stipulated criteria set forth in the notice of sale.

Negotiated sales or private placements, however, may be used where allowed when complex financing or sales structure is a concern with regard to marketability. In a negotiated sale, the bonds may be sold through an exclusive arrangement between the County and an underwriter or underwriting syndicate. At the end of successful negotiations, the issue is awarded to the underwriters. This method offers flexibility for the County. The criteria used to select an underwriter or syndicate in negotiated sales should include, but not be limited to the following: overall experience, marketing philosophy, capability, previous experience, underwriter's discount, and expenses.

Debt service for each issue will be structured in an attempt to minimize the County's interest payments over the life of the issue while taking into account the existing debt obligations of the County. Any debt issued shall not have a maturity date beyond the useful life of the asset being acquired or constructed by the debt proceeds.

5. Debt Ratios

The County will use an objective, analytical approach to determine the amount of debt to be considered for authorization and issuance. This process involves the comparison of generally accepted debt ratios from comparable counties to the current County ratios. The ratios will be re-evaluated every five (5) years or sooner as market conditions dictate.

The County shall adhere to the following:

Net Direct Debt per Capita

This ratio measures the burden of direct debt placed on the population supporting the debt. This ratio is widely used as a measure of an issuer's ability to repay debt. The County's general obligation debt as a percentage of the assessed value of real taxable property.

Net Direct Debt as a Percentage of Assessed Valuation

This ratio measures debt levels against the property tax base that generates the tax revenues, which are the main source of debt repayment. The County will maintain its debt at no more than 3% of the countywide assessed value.

Net Direct Debt Service as Percentage of Operational Budget

This ratio reflects the County's budgetary flexibility to adapt spending levels and respond to economic condition changes. The County will maintain its net debt service at no more than 10% of the operational budget.

6. Refinancing of Outstanding Debt

The County will continually review the County's outstanding debt and recommend issues for refunding as market opportunities arise. Debt shall be refinanced only for the purpose of achieving debt service savings, unless required to achieve specific debt management goals of the County. The estimation of net present savings should be, at a minimum, in the range of 4% of the refunded maturities before a refunding process would be considered unless the County otherwise determines the annual savings warrants the refunding. The County will not refinance debt for the purpose of deferring scheduled debt service, unless unique circumstances are present.

The County may issue advance refunding bonds when advantageous, legally permissible, and prudent and a net present value savings is achieved. Advance refunding transactions are those undertaken in advance of the first date the refunded debt can be called for optional redemption, and will require an establishment of an escrow account for the defeasance of the refunded debt. All costs incurred in completing the refunding shall be taken into account when determining the net present value savings.

7. Pay-As-You-Go Funding

The County shall use pay-as-you-go and other alternative sources of funding for capital projects to minimize debt levels. To have an effective pay-as-you-go program, at least one funding source must be identified that is consistent, reliable and large enough to provide for capital needs in an amount that reduces dependency on debt. In order to reduce the impact of capital programs on future years, the County will annually appropriate funds for its capital improvement plan. The County will also appropriate proceeds from all county land sales and other capital assets as deemed appropriate for capital projects. This practice will allow additional funding of capital improvement projects and reduce the County's dependence on borrowing. Pay-as-you-go funding will save money by eliminating interest expense on the funded projects and will improve financial flexibility in the event of sudden revenue shortfalls or emergency spending.

8. Issuance of Debt

The scheduling and amount of bond sales and installment purchase transactions will be recommended by the Finance Director and the County Administrator. The Board of Supervisors must approve the sale. These decisions will be based upon the identified cash flow requirements for each project to be financed, market conditions, and other relevant factors including debt ratios.

9. Arbitrage Liability Management

The County will maintain a system of record keeping and reporting to meet the arbitrage and rebate compliance requirements of the federal tax code. This effort includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the County's outstanding debt issues.

It is the County's policy to minimize the cost of arbitrage rebate and yield restriction while strictly complying with the applicable laws. Because of the complexity of arbitrage rebate regulations and the severity of non-compliance penalties, arbitrage calculation will be performed by qualified arbitrage professionals in strict adherence to applicable laws and regulations. These calculations will be done in accordance with required Internal Revenue Service reporting dates.

10. Financing Team

The County will provide for a solicitation and selection process for securing all professional services required in connection with any debt issues. The service professionals selected will be required to develop and implement the County's debt management policy with the goal of continuity, quality service and competitive prices.

11. Administration and Implementation

The County Administrator and the Finance Director are responsible for the administration and issuance of debt including the completion of specific tasks and responsibilities included in this policy with approval of the Board of Supervisors.

4.0 Fund Balance Policy

1. Purpose

Establish key elements of the financial stability of the County by setting guidelines for the General Fund balance. Available fund balance is an important measure of economic stability. It is essential that the County maintain adequate levels of available fund balance in order to ensure against unanticipated events that would adversely affect the financial condition of the County and jeopardize the continuation of County services and/or activities and to provide the capacity to:

- Provide sufficient cash flow for daily financial needs;
- Offset significant economic downturns or revenue shortfalls;
- Provide funds for unforeseen expenditures related to emergencies;
- Adhere to Local Government Finance Officers Association minimum fund balance recommendations
- Provide citizens with a stable property tax rate

This policy will also establish guidelines for the replenishment of the County's fund balance in

the event that the fund balance falls below the required levels set forth herein.

2. Definition

- a. Fund balance. Fund balance is the difference between assets and liabilities reported in a governmental fund. An accounting distinction is made between classifications of fund balance based on restrictions on the use of fund balance. These classifications as defined by the Government Finance Officers Association are (1) Non-spendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned.
- b. Non-spendable fund balance: Non-spendable fund balance are the components of fund balance that cannot be spent because they are either (a) not in a spendable form or (b) contractually required to be maintained intact.
- c. Restricted fund balance: Restricted fund balance are the components of fund balance that have constraints placed on the use of resources either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Example, Split Levy legislation.
- d. Committed fund balance: Committed fund balance are the components of fund balance that are used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. In King William County, the highest level of decision-making authority would be considered the Board of Supervisors. These self-imposed limitations must be set in place prior to year-end, but can be calculated after year-end to be considered committed for that fiscal year end. In addition, to be considered committed, the limitations that were imposed at the highest level of decision-making authority must also require the same action to remove or modify the limitations.
- e. Assigned fund balance: Assigned fund balance are the components of fund balance that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. These assignments can occur any time before the issuance of financial statements to be considered assigned for that fiscal year end. Further, this assignment ability can be delegated by the Board of Supervisors to an appropriate person (i.e. County Administrator or Director of Finance).
- f. Unassigned fund balance: Unassigned fund balance is the remainder of fund balance that has not been reported in another classification and represents assets that are available to appropriate for future purposes.
- g. Available fund balance: Available fund balance is the total fund balance less the total of

non-spendable fund balance and fund balance restricted for stabilization by state statute.

3. Policy

- a. The King William County Board of Supervisors formally establishes the goal of maintaining unassigned fund balance in the General Fund in an amount of twenty (20) percent (approximately 2-3 months) of the General Fund expenditures and outflows at the end of each fiscal year. It is the duty of the Director of Finance to ensure the Board of Supervisors is informed on the annual unassigned fund balance level. If the level nears the allowed range, the Director of Finance will make recommendations on where that level should be. If any significant event or change occurs during a fiscal year which the Director of Finance believes will lead to the County being below the allowed range, the Director of Finance will notify the Board of Supervisors.
- b. If the unassigned fund balance level exceeds the twenty (20) percent ceiling in a given year, the Board of Supervisors delegates authority to assign the funds for the purpose of paying for future capital and capital project needs to the Director of Finance. Alternatively, Director of Finance may recommend to the Board of Supervisors that a budget amendment be adopted to move the amount above the ceiling to a capital project fund.
- c. The County's budget and revenue spending policy provides for programs with multiple revenue sources. The Director of Finance will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local funds and county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Director of Finance has the authority to deviate from this practice if it is in the best interest of the County.
- d. The independent auditor of the County shall monitor the County's compliance with this established Fund Balance Policy. The auditor shall report related findings and recommendations annually as part of the County audit.

4. Replenishment of Fund Balance

- a. If it is anticipated at the completion of any fiscal year that the projected or estimated amount of fund balance falls below the required levels set forth in section 3, the County Administrator shall prepare and submit in conjunction with the proposed budget a plan for the expenditure reductions and/or revenue increases necessary to restore the amount of fund balance to the minimum requirements within two (2) fiscal years.

RESOLUTION XX-XX

A RESOLUTION ADOPTING KING WILLIAM COUNTY FINANCIAL POLICIES

WHEREAS, the King William County has a responsibility to ensure it handles public funds appropriately; and

WHEREAS, written, adopted financial policies have many benefits in assisting the Board with financial management of the County; and

WHEREAS, the Finance Department recommends that Board adopt financial policies that promote sound financial management practices designed to meet the Board's goals and objectives; and

WHEREAS, staff has prepared King William County Financial Policies document that outlines procedures and safeguards for public fund management; and

NOW, THEREFORE, BE IT RESOLVED that the King William County Financial Policies, attached hereto as Attachment A is hereby adopted.

DRAFT

AGENDA ITEM 4.f.



King William County
Est. 1702

Board of Supervisors

Natasha L. Joranlien
Director of Financial Services

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
C. Steward Garber, Jr., Fourth District
Edwin H. Moren, Jr., Fifth District

MEMO

DATE: June 8, 2020

TO: King William County Board of Supervisors

FROM: Natasha Joranlien, Director of Financial Services

RE: Escrow Agreement Amendment Relating to the Defeasance of a General Obligation School Bond, Series 2002B

SUMMARY

General Obligation School Bond, Series 2002A:

The Board of Supervisors through Resolution 18-64 approved the creation of an escrow agreement relating to the defeasance of General Obligation School Bond, Series 2002A. The escrow agreement to fulfill the debt service funding was approved to come from the Unassigned General Fund balance. The 2002A bond was selected by the County to pay off early thus reducing the annual debt service payment. Because the bond was not eligible to be paid off early, the County elected to work with the Virginia Public School Authority to create an escrow account to allow defeasance of the debt.

General Obligation School Bond, Series 2002B:

The Board of Supervisors, as part of the FY 2019 budget, agreed to support utilizing current year funds to defease the General Obligation School Bond, Series 2002B. The original plan was to create an escrow account to defease the balance of the debt service. In April 2019, the County was notified by VPSA that the 2002B bond was eligible to be refinanced. At that juncture, the decision was made to pay off the balance of the debt service rather than escrow the funds. With the pre-payment of the 2002B bond the County was also eligible as part of the overall refunding 4-years to receive \$52,152.77 over a 4-year period.

The funding method proposed to pay off the 2002B bond included \$907,328.32 reimbursed to the County for prepayment of specific expenditures related to the Hamilton Holmes Middle School Renovation Project prior to the bond sale. In addition, as part of the FY2019 budget, the Board approved

180 Horse Landing Road #4 • King William, Virginia 23086

Phone: 804-769-4929 • Fax: 804-769-4964

www.kingwilliamcounty.us



King William County
Est. 1702

Board of Supervisors

Natasha L. Joranlien
Director of Financial Services

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
C. Steward Garber, Jr., Fourth District
Edwin H. Moren, Jr., Fifth District

utilizing operational revenues in the amount of \$546,416. These two funding sources would provide enough revenue to pay off the 2002B bond.

ACTION REQUESTED

The County was notified in June 2019 of the following:

The County issued two series of bonds in 2002 through VPSA as part of the VPSA 2002B Bond series. One was called Series A and the other Series B. In 2018, the County set up an escrow to pay off the 2002A VPSA bonds. In addition, the County took the opportunity in 2019 to pay off the 2002B VPSA bonds that were not previously defeased. Due to the terms used to name the bond issues (Series A and B of Series 2002B), VPSA used the funds provided in 2019 to pay off the 2002A portion of the bonds. The County was under the impression and had directed VPSA to pay off the 2002B portion. The County is now revising the 2018 escrow agreement to make it applicable and sufficient to pay off the Series B portion of the 2002B Bonds instead of the Series A portion. The County is not paying any additional amounts on either bond to pay them off. The 2002A bonds have been paid in full, and the 2002B bonds will be paid in full from the amended escrow at maturity in 2022.

On May 20, 2020, the County received the attached Resolution and Escrow Agreement to clean up the error. The balance of principal and interest due is \$ 97,931.00 which will be funding from FY 2020 year end reconciliation.

The staff recommends the Board of Supervisors approve Resolution 20-XX and authorize the County Administrator to sign the Escrow Agreement.

ATTACHMENTS

- E-mail dated May 20, 2020 from Megan Gilliland, Kaufman & Canoles, P.C. and backup documentation
- Resolution 20-XX Providing for the Execution and Delivery of an Escrow Agreement Relating to the Defeasance of a General Obligation School Bond, Series 2002B, of the County of King William, Virginia and Approving Other Matters in Connection Therewith.
- Escrow Agreement

180 Horse Landing Road #4 • King William, Virginia 23086

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County Administrator

From: Gilliland, Megan M. <mmgilliland@kaufcan.com>
Sent: Wednesday, May 20, 2020 6:26 PM
To: Natasha Langston; County Administrator
Cc: Patrick Bainter; Ballou, Eric E.; Sanderson, James; Burton, Becky D
Subject: King William County - defeasance of 2002B VPSA Local Bond
Attachments: King William County Escrow Agreement_18420398(1).DOCX; King William Resolution for Escrow Agreement_18441431(1).DOCX

Bobbi and Natasha,

Please find attached a draft escrow agreement and related resolution to clean-up the defeasance of the 2002B VPSA bond. In addition to copying Jimmy Sanderson, I have also copied Patrick Bainter at Bingham and Becky Burton at USBank so that folks can respond back to entire working group with comments or requested items to finalize the attached.

Let me know if you have a scheduled meeting in June you would like to target for approval of the materials. We can work from there to determine the most efficient way to select a closing date and finalize the numbers.

One requested item for now: Bingham had a scanned copy of the 2002A local bond transcript that we think came from your office. It would be very helpful if we could also get a copy of the 2002B local bond transcript. Would you be able to check your files to see if you have a copy and would be able to send to us?

Many thanks!

Megan

Megan Martz Gilliland
Kaufman & Canoles, P.C.
Two James Center
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County of King William, Virginia

Board of Supervisors

RESOLUTION 18-64

RESOLUTION PROVIDING FOR THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT RELATING TO THE DEFEASANCE OF A GENERAL OBLIGATION SCHOOL BOND, SERIES 2002A, OF THE COUNTY OF KING WILLIAM, VIRGINIA AND APPROVING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the County of King William, Virginia (the "County") is a political subdivision of the Commonwealth of Virginia (the "Commonwealth") with the power to issue school bonds for the purpose of, among other things, designing, acquiring, constructing, and equipping school facilities; and

WHEREAS, the County issued in 2002 its General Obligation School Bond, Series 2002A (the "Local Bond"), which was sold to the Virginia Public School Authority; and **WHEREAS**, the County has decided to defease the Local Bond to the maturity thereof pursuant to an Escrow Agreement, dated as of the date of its execution and delivery (the "Escrow Agreement"), by and between the County and U.S. Bank National Association, as Escrow Agent (the "Escrow Agent"); and

WHEREAS, the form of the Escrow Agreement has been made available to the members of the Board of Supervisors of the County (the "Board") and filed in the County's records;

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF KING WILLIAM, VIRGINIA:

1. **Approval of Escrow Agreement.** The Escrow Agreement shall be in substantially the form made available at this meeting, which is hereby approved, with such completions, omissions, insertions and changes (including a change of the date thereof) as may be approved by the Chairman and the Vice Chairman of the Board and the County Administrator, any of whom may act, which approval shall be evidenced conclusively by the execution and delivery of the Escrow Agreement.

2. **Execution and Delivery of Escrow Agreement.** The Chairman and the Vice Chairman of the Board and the County Administrator, any of whom may act, are each hereby authorized and directed to execute the Escrow Agreement on behalf of the County and to deliver it to the Escrow Agent.

3. **Authorization of Execution and Delivery of Other Documents.** The Chairman and the Vice Chairman of the Board, the County Administrator and other appropriate

officials of the County are each hereby authorized to execute and deliver all other certificates, instruments and documents in the name and on behalf of the County and to take all such further action (a) as they may consider necessary or desirable to carry out the intent and purpose of this Resolution and the defeasance of the Local Bond, or the execution, delivery and performance of the Escrow Agreement, or (b) as may be reasonably requested by the Escrow Agent in connection with any of the foregoing.

4. Investment Authorization. The County hereby authorizes the Chairman and the Vice Chairman of the Board and the County Administrator, any of whom may act, and the Escrow Agent to (i) submit a subscription for the purchase and issue of United States Treasury Securities - State and Local Government Series, (ii) obtain competitively a portfolio of securities and/or (iii) invest the funds deposited with the Escrow Agent as otherwise permitted by the Escrow Agreement and by law until the final maturity date of the Local Bond.

5. Other Actions. All other actions of County officials taken heretofore or hereafter in conformity with the purposes and intent of this Resolution and in furtherance of the defeasance of the Local Bond are ratified, approved and confirmed.

6. Limitation of Liability of Officials of the County. No covenant, condition, agreement or obligation contained herein shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the County in his or her individual capacity, and no officer of the County executing the Escrow Agreement shall be liable personally on the Escrow Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof. No officer, employee or agent of the County shall incur any personal liability with respect to any other action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

7. Costs and Expenses. The County agrees to pay all costs and expenses in connection with the defeasance of the Local Bond, including the fees and expenses of the County Attorney, bond counsel to the County, the County's financial advisor, the Escrow Agent and the verification agent.

8. Repeal of Conflicting Actions. All resolutions, ordinances or parts thereof in conflict herewith are repealed.

9. Effective Date. This Resolution and the provisions contained herein shall become effective immediately upon enactment.

DONE this the 22nd day of October, 2018.

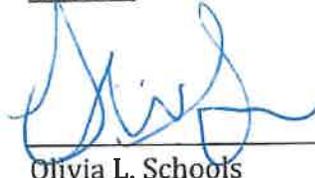
The vote on the foregoing was as follows:

Supervisor, Fifth District: Robert W. Ehrhart II – Vice Chair	Aye
Supervisor, Second District: Travis J. Moskalski	Aye
Supervisor, Third District: Stephen K. Greenwood	Aye
Supervisor, Fourth District: David E. Hansen	Aye
Supervisor, First District: William L. Hodges – Chairman	Aye

ATTEST:



William L. Hodges, Chairman
King William County Board of Supervisors



Olivia L. Schools
Deputy Clerk of the Board of Supervisors



3600 LaGrange Parkway
Toano VA 23168
(804) 843-2360

Your wire request for \$1,372,495.00 will be debited from account [REDACTED]

*** WIRE DETAILS ***

Wire Sequence
78046
Business Code / Wire Type
CTR-Customer Transfer
1000-Basic Funds Transfer

Entered Date
04/24/2019 03:42 PM Eastern Time
Effective Date
04/29/2019
Receiving Financial Institution
[REDACTED] BK AMER NYC
Beneficiary Information
Beneficiary
Virginia Public School Authority
[REDACTED]

Originator Information
Originator
KING WILLIAM COUNTY
[REDACTED]
[REDACTED]
[REDACTED]
Originator To Beneficiary
Attn: Kenneth Van Auken
Phone: [REDACTED]

SIGNATURE
DATE 04/24/2019

The undersigned originator requests payment to be made to the beneficiary or account number named above. To the extent not prohibited by law, the undersigned agrees that this wire transfer is irrevocable and that the sole obligation of Citizens & Farmers Bank is to exercise ordinary care in processing this wire transfer and that it is not responsible for any losses or delays which occur as a result of any other party's involvement in processing this transfer.

Initiated by: [Signature] (Signature)
Reviewed by: [Signature] (Signature)
Approved by: _____ (Signature)

Verified/Reviewed:
ID Balance Account Title Account Number

Purpose -
Paying off
Bond 2002B
(a debt)

		IssueDate	Series	Bond Series	Borrower	Semi-A Date	Fiscal Year	Datedue	Principal	Interest	Payment	Coupon+Fee Hard Wired	Coupon+Fee Formula
Closing Date	11/7/2002	2002	A	2002B	King William County	2/1/2019	2019	1/15/19	-	32,495.00	32,495.00		
1st Interest	8/1/2003	2002	A	2002B	King William County	8/1/2019	2019	7/15/19	335,000.00	32,495.00	367,495.00	5.100%	19.400%
		2002	A	2002B	King William County	2/1/2020	2020	1/15/20	-	23,952.50	23,952.50		
		2002	A	2002B	King William County	8/1/2020	2020	7/15/20	335,000.00	23,952.50	358,952.50	4.600%	14.300%
		2002	A	2002B	King William County	2/1/2021	2021	1/15/21	-	16,247.50	16,247.50		
		2002	A	2002B	King William County	8/1/2021	2021	7/15/21	335,000.00	16,247.50	351,247.50	4.850%	9.700%
		2002	A	2002B	King William County	2/1/2022	2022	1/15/22	-	8,123.75	8,123.75		
		2002	A	2002B	King William County	8/1/2022	2022	7/15/22	335,000.00	8,123.75	343,123.75	4.850%	4.850%
Closing Date	11/7/2002	2002	B	2002B	King William County	2/1/2019	2019	1/15/19	-	35,127.75	35,127.75		
1st Interest	8/1/2003	2002	B	2002B	King William County	8/1/2019	2019	7/15/19	353,124.00	35,127.75	388,251.75	5.100%	19.895%
		2002	B	2002B	King William County	2/1/2020	2020	1/15/20	-	26,123.09	26,123.09		
		2002	B	2002B	King William County	8/1/2020	2020	7/15/20	359,139.00	26,123.09	385,262.09	4.600%	14.548%
		2002	B	2002B	King William County	2/1/2021	2021	1/15/21	-	17,862.89	17,862.89		
		2002	B	2002B	King William County	8/1/2021	2021	7/15/21	365,001.00	17,862.89	382,863.89	4.850%	9.788%
		2002	B	2002B	King William County	2/1/2022	2022	1/15/22	-	9,011.62	9,011.62		
		2002	B	2002B	King William County	8/1/2022	2022	7/15/22	371,613.00	9,011.62	380,624.62	4.850%	4.850%

DIFFERENCE

8/1/2020	(26,309.59)
2/1/2021	(1,615.39)
8/1/2021	(31,616.39)
2/1/2022	(887.87)
8/1/2022	(37,500.86)
	<u>(97,930.10)</u>



\$6,513,732
County of King William, Virginia
General Obligation School Bonds
Series 2002B
(Cash Defeasance)

Independent Verification Report
Closing Date: February 27, 2020
(Draft Report: February 14, 2020)



Bingham Arbitrage Rebate Services, Inc.
 1506 West Main Street
 Richmond, Virginia 23220
 Telephone: (804) 288-5312
 Facsimile: (804) 288-5020
 www.bingham-ars.com

[Independent Verification Report]

February 27, 2020

King William County
 King William, Virginia

Kaufman & Canoles, P.C.
 Richmond, Virginia

Davenport & Company LLC
 Richmond, Virginia

U.S. Bank National Association
 Richmond, Virginia

\$6,513,732
County of King William, Virginia
General Obligation School Bonds
Series 2002B
(Cash Defeasance)

On February 27, 2020, the County of King William, Virginia (herein referred to as the “County”) proposes to defease the County’s outstanding General Obligation School Bonds, Series 2002B (the “Defeased 2002B Bonds”), which were purchased by the Virginia Public School Authority (the “Authority”) through the issuance of the Authority’s School Financing Bonds (1997 Resolution), Series 2002B (the “VPSA Bonds”) as described below:

<u>Series</u> <u>Defeased</u>	<u>Original</u> <u>Issue</u> <u>Amount</u>	<u>Dated</u> <u>Date</u>	<u>Defeased</u> <u>Amount</u>	<u>Defeased</u> <u>Maturities</u>	<u>Optional</u> <u>Redemption</u> <u>Date & Price</u>
Series 2002B	\$6,513,732	11/01/2002	\$1,095,753	7/15/2020 through 7/15/2022	N/A (*)

(*) The Defeased 2002B Bonds maturing July 15, 2020 through and including July 15, 2022 will be paid as scheduled on their respective maturity dates at 100% of par without early redemption.

At your request, Bingham Arbitrage Rebate Services, Inc. (“Bingham”) has independently verified the mathematical accuracy of the computations provided by Davenport & Company LLC (herein referred to as the “Financial Advisor”) relating to: (1) the sufficiency of cash and other amounts to be received from the United States Treasury Securities – State and Local Government Series (herein referred to as the “Restricted Escrow Fund Securities” or the “SLGS”) to pay the principal of and interest on the Defeased 2002B Bonds; and (2) the “yields” supporting the conclusion of Kaufman & Canoles, P.C. (“Bond Counsel”) that the Defeased 2002B Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Bingham's verification reporting is prepared exclusively on the information contained in certain schedules of proposed transactions provided by the Financial Advisor. Exhibits A through I attached hereto and made a part hereof, substantiate the mathematical accuracy of those computations provided to us.

PURPOSE OF THIS TRANSACTION

The VPSA Bonds were issued for the purpose of producing debt service savings and other benefits for the Authority and certain Virginia localities (the "Related Local Issuers"). The proceeds of the VPSA Bonds were used to provide funds for the purchase by the Authority of certain general obligation school bonds (the "Related Local Bonds") issued by the Related Local Issuers.

The County, with the concurrence of the Authority, will cause **\$95,889.98** (the "Cash Adjustment") to be deposited into an irrevocable escrow fund (the "Escrow Fund") and used to purchase additional Restricted Escrow Fund Securities (hereafter referred to as the "Adjusted Escrow Fund Securities") and provide for additional cash needed to defease the Defeased 2002B Bonds. The Cash Adjustment will transfer from the County on **February 27, 2020** (the "Defeasance Date") to U.S. Bank National Association (the "Escrow Agent").

The Cash Adjustment, together with \$1,032,900.00 of existing Restricted Escrow Fund Securities (hereafter referred to as the "Initial Escrow Fund Securities") and \$0.81 in cash already held in the Escrow Fund (collectively the "Defeasance Amount"), will be used to fully defease the Defeased 2002B Bonds.

The Escrow Agent will pay the scheduled debt service requirements of the Defeased 2002B Bonds on each scheduled payment date through and including July 15, 2022 at 100% of par. The Defeased 2002B Bonds will not be redeemed prior to their stated maturity dates.

ESCROW FUND TRANSACTION

Bingham verified the mathematical accuracy of the accompanying calculations of the Escrow Fund transaction proposed to defease the Defeased 2002B Bonds.

The outstanding debt service requirements of the Defeased 2002B Bonds will be satisfied by the purchase of the Adjusted Escrow Fund Securities, the Initial Escrow Fund Securities already held in the Escrow Fund, plus **\$1.79** in the required cash balance as described in Exhibits C and E. The Adjusted Escrow Fund Securities, the Initial Escrow Fund Securities, and the required cash balance will be held in the Escrow Fund and will be used to pay the debt service requirements with respect to the Defeased 2002B Bonds through and including the July 15, 2022 scheduled maturity date.

We have reviewed the Official Statement and Tax Certificate for the VPSA Bonds and the County's Local Bond Sale Agreement for the Defeased 2002B Bonds to the extent these obligations are each described with respect to principal amounts, maturity dates, interest rates, yields, and redemption provisions. We assumed these documents to be accurate and reliable and all debt service payments with respect to the Defeased 2002B Bonds to be current as of February 27, 2020.

We compared the subscribed interest rates of the Initial Escrow Fund Securities, which were already purchased and placed in the Escrow Fund with the maximum allowable interest rates published in the SLGS Daily Rate Table by the Bureau of the Public Debt for October 25, 2018 and found the subscribed rates to be less than or equal to the maximum allowable rates that were in effect on the subscription date for each applicable SLGS maturity date.

We also compared the subscribed interest rates of the Adjusted Escrow Fund Securities to be purchased and placed in the Escrow Fund with the maximum allowable interest rates published in the SLGS Daily Rate Table by the Bureau of the Public Debt for **February 21, 2020** and found the subscribed rates to be less than or equal to the maximum allowable rates that were in effect on the subscription date for each applicable SLGS maturity date.

As part of our engagement, we have verified that the computations provided by the Financial Advisor and as represented within this verification report, which indicate that the required cash balance, the Adjusted Escrow Fund Securities, and the Initial Escrow Fund Securities are sufficient to provide for the timely payment of the proposed debt service payment schedule with respect to the Defeased 2002B Bonds through and including the July 15, 2022 scheduled maturity date.

YIELD ON THE INITIAL ESCROW FUND SECURITIES (SLGS PURCHASED ON NOVEMBER 1, 2018)

As reflected in Exhibit G, Bingham has verified the mathematical accuracy of the accompanying computation of the yield on the Initial Escrow Fund Securities based on an assumed settlement date of November 1, 2018 and a purchase price of \$1,414,497.00. For purposes of this yield calculation, yield is defined as the rate of interest, which using the assumptions and procedures set forth herein, discounts the cash receipts from the Initial Escrow Fund Securities to an amount equal to the purchase price of the Initial Escrow Fund Securities.

These computations were made using a 30/360-day year basis with interest compounded semi-annually and were based on the dates the funds are to be received in the Escrow Fund and assume that all cash balances are not reinvested.

The amounts deposited into the Escrow Fund will consist solely of equity contributed by the County and no portion of the Escrow Fund will contain other available funds of the Authority or from proceeds of the Defeased 2002B Bonds. Therefore, the mixed escrow rules will not apply towards the allocation of the Escrow Fund (U.S. Treasury Regulations Section 1.148-9(c)(2)).

As evidenced by the above procedures and information, Bingham concludes that the yield on the Initial Escrow Fund Securities to be held in the Escrow Fund is 2.8580535%, which is less than the yield on the VPSA Bonds. It is our opinion that this yield is mathematically accurate.

YIELD ON THE ADJUSTED ESCROW FUND SECURITIES (SLGS PURCHASED ON FEBRUARY 27, 2020)

As reflected in Exhibit H, Bingham has verified the mathematical accuracy of the accompanying computation of the yield on the Adjusted Escrow Fund Securities based on an assumed settlement date of **February 27, 2020** and a purchase price of **\$95,889.00**. For purposes of this yield calculation, yield is defined as the rate of interest, which using the assumptions and procedures set forth herein, discounts the cash receipts from the Adjusted Escrow Fund Securities to an amount equal to the purchase price of the Adjusted Escrow Fund Securities.

These computations were made using a 30/360-day year basis with interest compounded semi-annually and were based on the dates the funds are to be received in the Escrow Fund and assume that all cash balances are not reinvested.

The amounts deposited into the Escrow Fund will consist solely of equity contributed by the County and no portion of the Escrow Fund will contain other available funds of the Authority or from proceeds of the Defeased 2002B Bonds. Therefore, the mixed escrow rules will not apply towards the allocation of the Escrow Fund (U.S. Treasury Regulations Section 1.148-9(c)(2)).

As evidenced by the above procedures and information, Bingham concludes that the yield on the Adjusted Escrow Fund Securities to be held in the Escrow Fund is **1.4222120%**, which is less than the yield on the VPSA Bonds. It is our opinion that this yield is mathematically accurate.

**YIELD ON THE RESTRICTED ESCROW FUND SECURITIES
(AGGREGATE SLGS HELD IN THE ESCROW FUND)**

As reflected in Exhibit I, Bingham has verified the mathematical accuracy of the accompanying computation of the aggregate yield on the Initial Escrow Fund Securities and the Adjusted Escrow Fund Securities based on an assumed settlement date of November 1, 2018 and a purchase price of \$1,414,497.00. For purposes of this yield calculation, yield is defined as the rate of interest, which using the assumptions and procedures set forth herein, discounts the cash receipts from the Adjusted Escrow Fund Securities and the Initial Escrow Fund Securities to an amount equal to the purchase price of the Initial Escrow Fund Securities.

These computations were made using a 30/360-day year basis with interest compounded semi-annually and were based on the dates the funds are to be received in the Escrow Fund and assume that all cash balances are not reinvested.

The amounts deposited into the Escrow Fund will consist solely of equity contributed by the County and no portion of the Escrow Fund will contain other available funds of the Authority or from proceeds of the Defeased 2002B Bonds. Therefore, the mixed escrow rules will not apply towards the allocation of the Escrow Fund (U.S. Treasury Regulations Section 1.148-9(c)(2)).

As evidenced by the above procedures and information, Bingham concludes that the aggregate yield on the Initial Escrow Fund Securities and the Adjusted Escrow Fund to be held in the Escrow Fund is **2.7950611%**, which is less than the yield on the VPSA Bonds. It is our opinion that this yield is mathematically accurate.

SUMMARY OF YIELDS

	<u>Yield</u>	<u>Exhibits</u>
➤ Yield on the Initial Escrow Fund Securities (SLGS purchased on November 1, 2018)	2.8580535%	G
➤ Yield on the Adjusted Escrow Fund Securities (SLGS purchased on February 27, 2020)	1.4222120%	H
➤ Adjusted Yield on the Restricted Escrow Fund Securities (Aggregate SLGS held in the Escrow Fund)	2.7950611%	I
➤ Yield on the VPSA Bonds	3.9709706%	(*)

(*) For purposes of this verification report, Bingham has not re-verified the yield on the VPSA Bonds. Bingham relied on the closing documents for the VPSA Bonds for such yields.

USE OF THIS REPORT

It is understood that this verification report is solely for the parties involved with the defeasance of the Defeased 2002B Bonds and is not to be used, quoted, circulated, relied upon or referred to for any other purpose without consent, except that (a) reference may be made to this verification report in the closing documents pertaining to this defeasance; (b) this verification report may be used and included in its entirety as an exhibit to the Escrow Agreement and relied upon by the Escrow Agent; (c) this verification report may be relied upon by Bond Counsel in its determination that the Defeased 2002B Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended; and (d) this verification report may be relied upon by any rating agency or bond insurer that shall have rated or insured or that will rate or insure the Defeased 2002B Bonds.

This engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants (the “AICPA”). However, we were not engaged to, and did not, perform an examination or a review in accordance with Statements on Standards for Attestation Engagements established by the AICPA, the objective of which would be to provide an opinion or limited assurance on the items stated within this verification report. Accordingly, we do not express such an opinion. Had Bingham performed additional agreed upon procedures, other matters might have come to our attention that would have otherwise been stated within this verification report.

In preparing this verification report, Bingham is not acting as a municipal advisor or fiduciary. Nothing herein is intended to be, and nothing herein should be construed as, advice within the meaning of Section 15B of the Securities Exchange Act of 1934.

By acceptance of this verification report, the scope of our engagement is considered by the parties involved in the defeasance of the Defeased 2002B Bonds to be sufficient in assisting such parties in evaluating the accuracy of the various computations included within this verification report. The sufficiency of this scope is exclusively the responsibility of the parties involved in this transaction and should not be taken to supersede any additional inquiries or procedures that the users would undertake in their consideration of the defeasance of the Defeased 2002B Bonds. Bingham makes no representation regarding the sufficiency of the scope of this engagement or for any other purpose.

The terms of our engagement are such that we have no obligation to update this verification report or to verify any revised computation because of events and transactions occurring subsequent to the Defeasance Date of the Defeased 2002B Bonds. This verification report is issued solely for your information and assistance in connection with the defeasance of the Defeased 2002B Bonds.

Very truly yours,

Exhibits

- A Schedule of Estimated Sources and Uses of Funds
- B Summary of the Defeased 2002B Bonds
- C Escrow Fund Cash Flow and Sufficiency
- D Debt Service Requirements of the Defeased 2002B Bonds to Maturity
- E1-2 Description and Costs of the Restricted Escrow Fund Securities
- F1-2 Cash Receipts from the Restricted Escrow Fund Securities
- G Proof of Yield on the Initial Escrow Fund Securities
(SLGS purchased on November 1, 2018)
- H Proof of Yield on the Adjusted Escrow Fund Securities
(SLGS purchased on February 27, 2020)
- I Adjusted Proof of Yield on the Restricted Escrow Fund Securities
(Aggregate SLGS held in the Escrow Fund)

Virginia Public School Authority
Local School Bonds
King William County, Virginia - Defeasance of the Series 2002B

Schedule of Estimated Sources and Uses of Funds

Dated 02/27/2020 | Delivered 02/27/2020

Sources Of Funds

Existing SLGS & Cash already held in Escrow Fund	1,032,900.81
Planned Equity Contribution	95,889.98

Total Sources	\$1,128,790.79
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Uses Of Funds

Deposit to Escrow Fund	1,128,790.79
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Total Uses	\$1,128,790.79
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Virginia Public School Authority
 Local School Bonds
 King William County, Virginia - Defeasance of the Series 2002B

Summary of the Defeased 2002B Bonds

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
Dated 11/01/2002 Delivered 11/01/2002							
Series 2002B	07/15/2020	Serial	Coupon	4.600%	359,139	-	-
Series 2002B	07/15/2021	Serial	Coupon	4.850%	365,001	-	-
Series 2002B	07/15/2022	Serial	Coupon	4.850%	371,613	-	-
Total					\$1,095,753		

Virginia Public School Authority
 Local School Bonds
 King William County, Virginia - Defeasance of the Series 2002B

Escrow Fund Cash Flow and Sufficiency

Date	Principal	Rate	Interest	Deposits	Receipts	Disbursements	Cash Balance
02/27/2020	-	-	-	-	1.79	-	1.79
07/15/2020	25,783.00	1.560%	526.45	358,952.64	385,262.09	385,262.09	1.79
01/15/2021	1,111.00	1.480%	503.82	16,247.27	17,862.09	17,862.89	0.99
07/15/2021	31,755.00	1.440%	489.31	351,247.47	383,491.78	382,863.89	628.88
01/15/2022	-	-	260.68	8,123.63	8,384.31	9,011.62	1.57
07/15/2022	37,240.00	1.400%	260.68	343,123.18	380,623.86	380,624.62	0.81
Total	\$95,889.00		\$2,040.94	\$1,077,694.19	\$1,175,625.92	\$1,175,625.11	

Investment Parameters

Cash Deposit	0.98
Cost of Investments Purchased with Equity Contribution	95,889.00
Total Cost of Investments	\$95,889.98
Yield to Receipt	1.4222120%
State and Local Government Series (SLGS) rates for	2/14/2020

Virginia Public School Authority
 Local School Bonds
 King William County, Virginia - Series 2002B

Debt Service Requirements of the Defeased 2002B Bonds to Maturity

Date	Defeased Bonds	Defeased Interest	D/S To Call	Principal	Coupon	Interest	Defeased D/S
02/27/2020	-	-	-	-	-	-	-
07/15/2020	359,139.00	26,123.09	385,262.09	359,139.00	4.600%	26,123.09	385,262.09
01/15/2021	-	17,862.89	17,862.89	-	-	17,862.89	17,862.89
07/15/2021	365,001.00	17,862.89	382,863.89	365,001.00	4.850%	17,862.89	382,863.89
01/15/2022	-	9,011.62	9,011.62	-	-	9,011.62	9,011.62
07/15/2022	371,613.00	9,011.62	380,624.62	371,613.00	4.850%	9,011.62	380,624.62
Total	\$1,095,753.00	\$79,872.11	\$1,175,625.11	\$1,095,753.00		\$79,872.11	\$1,175,625.11

\$6,750,000

County of King William, Virginia
 General Obligation School Bonds
 Series 2002A (Cash Defeasance)

Description and Costs of the Initial Escrow Fund Securities (SLGS Purchased on November 1, 2018)

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow Fund								
01/15/2019	SLGS-CI	2.240%	2.240%	100.0000000%	26,270	26,270.00	-	26,270.00
07/15/2019	SLGS-CI	2.540%	2.540%	100.0000000%	346,350	346,350.00	-	346,350.00
01/15/2020	SLGS-NT	2.690%	2.690%	100.0000000%	8,977	8,977.00	-	8,977.00
07/15/2020	SLGS-NT	2.800%	2.800%	100.0000000%	344,098	344,098.00	-	344,098.00
01/15/2021	SLGS-NT	2.860%	2.860%	100.0000000%	6,210	6,210.00	-	6,210.00
07/15/2021	SLGS-NT	2.900%	2.900%	100.0000000%	341,299	341,299.00	-	341,299.00
01/15/2022	SLGS-NT	2.910%	2.910%	100.0000000%	3,124	3,124.00	-	3,124.00
07/15/2022	SLGS-NT	2.930%	2.930%	100.0000000%	338,169	338,169.00	-	338,169.00
Total					\$1,414,497	\$1,414,497.00		\$1,414,497.00

Escrow Fund

Cash Deposit	0.39
Cost of Investments Purchased with Equity Contribution	1,414,497.00
Total Cost of Investments	\$1,414,497.39
Delivery Date	11/01/2018

Virginia Public School Authority
 Local School Bonds
 King William County, Virginia - Defeasance of the Series 2002B

Description and Costs of the Adjusted Escrow Fund Securities (SLGS Purchased on February 27, 2020)

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
Escrow Fund								
07/15/2020	SLGS-CI	1.560%	1.560%	100.0000000%	25,783	25,783.00	-	25,783.00
01/15/2021	SLGS-CI	1.480%	1.480%	100.0000000%	1,111	1,111.00	-	1,111.00
07/15/2021	SLGS-NT	1.440%	1.440%	100.0000000%	31,755	31,755.00	-	31,755.00
07/15/2022	SLGS-NT	1.400%	1.400%	100.0000000%	37,240	37,240.00	-	37,240.00
Total					\$95,889	\$95,889.00		\$95,889.00

Escrow Fund

Cash Deposit	0.98
Cost of Investments Purchased with Equity Contribution	95,889.00
Total Cost of Investments	\$95,889.98

Delivery Date 2/27/2020

\$6,750,000

County of King William, Virginia
 General Obligation School Bonds
 Series 2002A (Cash Defeasance)

Cash Receipts from the Initial Escrow Fund Securities

DATE	2.240% SLGS	2.540% SLGS	2.690% SLGS	2.800% SLGS	2.860% SLGS	2.900% SLGS	2.910% SLGS	2.930% SLGS	TOTAL
01/15/2019	26,390.91	-	49.21	1,963.60	36.20	2,017.19	18.53	2,019.37	32,495.01
07/15/2019	-	352,520.15	120.74	4,817.37	88.80	4,948.84	45.45	4,954.18	367,495.53
01/15/2020	-	-	9,097.74	4,817.37	88.80	4,948.84	45.45	4,954.18	23,952.38
07/15/2020	-	-	-	348,915.37	88.80	4,948.84	45.45	4,954.18	358,952.64
01/15/2021	-	-	-	-	6,298.80	4,948.84	45.45	4,954.18	16,247.27
07/15/2021	-	-	-	-	-	346,247.84	45.45	4,954.18	351,247.47
01/15/2022	-	-	-	-	-	-	3,169.45	4,954.18	8,123.63
07/15/2022	-	-	-	-	-	-	-	343,123.18	343,123.18
Total	26,390.91	352,520.15	9,267.69	360,513.71	6,601.40	368,060.39	3,415.23	374,867.63	1,501,637.11

 Virginia Public School Authority

Local School Bonds

King William County, Virginia - Defeasance of the Series 2002B

Cash Receipts from the Adjusted Escrow Fund Securities

DATE	1.560% SLGS	1.480% SLGS	1.440% SLGS	1.400% SLGS	TOTAL
07/15/2020	25,935.75	-	174.61	199.09	26,309.45
01/15/2021	-	1,125.51	228.63	260.68	1,614.82
07/15/2021	-	-	31,983.63	260.68	32,244.31
01/15/2022	-	-	-	260.68	260.68
07/15/2022	-	-	-	37,500.68	37,500.68
Total	25,935.75	1,125.51	32,386.87	38,481.81	97,929.94

\$6,750,000

County of King William, Virginia
 General Obligation School Bonds
 Series 2002A (Cash Defeasance)

Proof of Yield on the Initial Escrow Fund Securities @ 2.8580535%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/01/2018	-	1.0000000x	-	-
01/15/2019	32,495.01	0.9941837x	32,306.01	32,306.01
07/15/2019	367,495.53	0.9801767x	360,210.55	392,516.56
01/15/2020	23,952.38	0.9663670x	23,146.79	415,663.35
07/15/2020	358,952.64	0.9527520x	341,992.83	757,656.18
01/15/2021	16,247.27	0.9393287x	15,261.53	772,917.71
07/15/2021	351,247.47	0.9260946x	325,288.37	1,098,206.08
01/15/2022	8,123.63	0.9130469x	7,417.26	1,105,623.34
07/15/2022	343,123.18	0.9001830x	308,873.66	1,414,497.00
Total	\$1,501,637.11		\$1,414,497.00	

Composition Of Initial Deposit

Cost of Investments Purchased with Equity Contribution	1,414,497.00
--------------------------------------------------------	--------------

Virginia Public School Authority
 Local School Bonds
 King William County, Virginia - Defeasance of the Series 2002B

Proof of Yield on the Adjusted Escrow Fund Securities @ 1.4222120%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
02/27/2020	-	1.0000000x	-	-
07/15/2020	26,309.45	0.9945822x	26,166.91	26,166.91
01/15/2021	1,614.82	0.9875596x	1,594.73	27,761.64
07/15/2021	32,244.31	0.9805866x	31,618.34	59,379.98
01/15/2022	260.68	0.9736628x	253.81	59,633.79
07/15/2022	37,500.68	0.9667879x	36,255.21	95,889.00
Total	\$97,929.94		95,889.00	

Composition Of Initial Deposit

Cost of Investments Purchased with Equity Contribution	95,889.00
--------------------------------------------------------	-----------

Virginia Public School Authority
 Local School Bonds
 King William County, Virginia - Defeasance of the Series 2002B

**Proof of Yield on the Restricted Escrow Fund Securities @ 2.7950611%
 (Aggregate SLGS held in the Escrow Fund)**

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/01/2018	-	1.0000000x	-	-
01/15/2019	32,495.01	0.9943106x	32,310.13	32,310.13
07/15/2019	367,495.53	0.9806063x	360,368.45	392,678.58
01/15/2020	23,952.38	0.9670910x	23,164.13	415,842.71
02/27/2020	(95,889.00)	0.9639643x	(92,433.57)	323,409.14
07/15/2020	385,262.09	0.9537618x	367,448.28	690,857.42
01/15/2021	17,862.09	0.9406164x	16,801.38	707,658.80
07/15/2021	383,491.78	0.9276522x	355,747.00	1,063,405.80
01/15/2022	8,384.31	0.9148667x	7,670.53	1,071,076.32
07/15/2022	380,623.86	0.9022574x	343,420.68	1,414,497.00
Total	\$1,503,678.05		\$1,414,497.00	

Composition Of Initial Deposit

Cost of Investments Purchased with Equity Contribution	1,414,497.00
--------------------------------------------------------	--------------

SOURCES AND USES OF FUNDS

King William County, Virginia
Defeasance of Series 2002B Bonds (Subsidized)
FINAL NUMBERS

Sources:

Other Sources of Funds:	
Defeasance	1,137,115.66
	<hr/>
	1,137,115.66

Uses:

Refunding Escrow Deposits:	
Cash Deposit	97,931.00
SLGS Purchases	1,039,184.66
	<hr/>
	1,137,115.66

BOND SUMMARY STATISTICS

King William County, Virginia
 Defeasance of Series 2002B Bonds (Subsidized)
 FINAL NUMBERS

Dated Date 04/01/2020
 Delivery Date 04/01/2020
 Last Maturity

Arbitrage Yield
 True Interest Cost (TIC)
 Net Interest Cost (NIC)
 All-In TIC
 Average Coupon

Average Life (years)
 Weighted Average Maturity (years)
 Duration of Issue (years)

Par Amount
 Bond Proceeds
 Total Interest
 Net Interest
 Total Debt Service
 Maximum Annual Debt Service
 Average Annual Debt Service

Underwriter's Fees (per \$1000)
 Average Takedown
 Other Fee

Total Underwriter's Discount

Bid Price

	TIC	All-In TIC	Arbitrage Yield
Par Value			
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value			
Target Date	04/01/2020	04/01/2020	04/01/2020
Yield			

SUMMARY OF REFUNDING RESULTS

King William County, Virginia
Defeasance of Series 2002B Bonds (Subsidized)
FINAL NUMBERS

Dated Date	04/01/2020
Delivery Date	04/01/2020
Arbitrage yield	
Escrow yield	2.906605%
Value of Negative Arbitrage	(38,509.53)
Bond Par Amount	
Par amount of refunded bonds	1,095,753.00
Average coupon of refunded bonds	4.831795%
Average life of refunded bonds	1.300
PV of prior debt to 04/01/2020	1,175,625.11
Net PV Savings	38,509.45
Percentage savings of refunded bonds	3.514428%

SAVINGS

King William County, Virginia
 Defeasance of Series 2002B Bonds (Subsidized)
 FINAL NUMBERS

Date	Prior Debt Service	Refunding Net Cash Flow	Savings	Present Value to 04/01/2020 @ 0.0000000%
06/30/2021	403,124.98		403,124.98	403,124.98
06/30/2022	391,875.51		391,875.51	391,875.51
06/30/2023	380,624.62		380,624.62	380,624.62
	1,175,625.11	0.00	1,175,625.11	1,175,625.11

Savings Summary

PV of savings from cash flow	1,175,625.11
Less: Prior funds on hand	(1,137,115.66)
Net PV Savings	<u>38,509.45</u>

SUMMARY OF BONDS REFUNDED

King William County, Virginia
Defeasance of Series 2002B Bonds (Subsidized)
FINAL NUMBERS

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
VPSA Pool Bonds, Series 2002B, 2002B, BOND:					
	07/15/2020	4.600%	359,139.00		
	07/15/2021	4.850%	365,001.00		
	07/15/2022	4.850%	371,613.00		
			1,095,753.00		

PRIOR BOND DEBT SERVICE

King William County, Virginia
 Defeasance of Series 2002B Bonds (Subsidized)
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/15/2020	359,139	4.600%	26,123.09	385,262.09	
01/15/2021			17,862.89	17,862.89	
06/30/2021					403,124.98
07/15/2021	365,001	4.850%	17,862.89	382,863.89	
01/15/2022			9,011.62	9,011.62	
06/30/2022					391,875.51
07/15/2022	371,613	4.850%	9,011.62	380,624.62	
06/30/2023					380,624.62
	1,095,753		79,872.11	1,175,625.11	1,175,625.11

ESCROW REQUIREMENTS

King William County, Virginia
Defeasance of Series 2002B Bonds (Subsidized)
FINAL NUMBERSDated Date 04/01/2020
Delivery Date 04/01/2020

Period Ending	Principal	Interest	Total
07/15/2020	359,139.00	26,123.09	385,262.09
01/15/2021		17,862.89	17,862.89
07/15/2021	365,001.00	17,862.89	382,863.89
01/15/2022		9,011.62	9,011.62
07/15/2022	371,613.00	9,011.62	380,624.62
	1,095,753.00	79,872.11	1,175,625.11

ESCROW COST

King William County, Virginia
 Defeasance of Series 2002B Bonds (Subsidized)
 FINAL NUMBERS

Type of Security	Maturity Date	Par Amount	Rate	Accrued Interest	Total Cost
SLGS	07/15/2020	344,098	2.800%	2,038.12	346,136.12
SLGS	01/15/2021	6,210	2.860%	37.57	6,247.57
SLGS	07/15/2021	341,299	2.900%	2,093.74	343,392.74
SLGS	01/15/2022	3,124	2.910%	19.23	3,143.23
SLGS	07/15/2022	338,169	2.930%	2,096.00	340,265.00
		1,032,900		6,284.66	1,039,184.66

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
04/01/2020	1,039,184.66	97,931.00	1,137,115.66	2.906605%
	1,039,184.66	97,931.00	1,137,115.66	

ESCROW DESCRIPTIONS

King William County, Virginia
 Defeasance of Series 2002B Bonds (Subsidized)
 FINAL NUMBERS

Type of Security	Type of SLGS	Maturity Date	Par Amount	Rate	Dated Date
Apr 1, 2020:					
SLGS	Certificate	07/15/2020	344,098	2.800%	01/15/2020
SLGS	Certificate	01/15/2021	6,210	2.860%	01/15/2020
SLGS	Note	07/15/2021	341,299	2.900%	01/15/2020
SLGS	Note	01/15/2022	3,124	2.910%	01/15/2020
SLGS	Note	07/15/2022	338,169	2.930%	01/15/2020
			1,032,900		

SLGS Summary

Total Certificates of Indebtedness	350,308.00
Total Notes	682,592.00
Total original SLGS	1,032,900.00

ESCROW CASH FLOW

King William County, Virginia
 Defeasance of Series 2002B Bonds (Subsidized)
 FINAL NUMBERS

Date	Principal	Interest	Net Escrow Receipts	Present Value to 04/01/2020 @ 2.9066052%
07/15/2020	344,098.00	14,854.64	358,952.64	355,972.70
01/15/2021	6,210.00	10,037.27	16,247.27	15,881.58
07/15/2021	341,299.00	9,948.47	351,247.47	338,423.38
01/15/2022	3,124.00	4,999.63	8,123.63	7,714.91
07/15/2022	338,169.00	4,954.18	343,123.18	321,192.09
	1,032,900.00	44,794.19	1,077,694.19	1,039,184.66

Escrow Cost Summary

Purchase date	04/01/2020
Purchase cost of securities	1,039,184.66
Target for yield calculation	1,039,184.66

ESCROW SUFFICIENCY

King William County, Virginia
 Defeasance of Series 2002B Bonds (Subsidized)
 FINAL NUMBERS

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
04/01/2020		97,931.00	97,931.00	97,931.00
07/15/2020	385,262.09	358,952.64	(26,309.45)	71,621.55
01/15/2021	17,862.89	16,247.27	(1,615.62)	70,005.93
07/15/2021	382,863.89	351,247.47	(31,616.42)	38,389.51
01/15/2022	9,011.62	8,123.63	(887.99)	37,501.52
07/15/2022	380,624.62	343,123.18	(37,501.44)	0.08
	1,175,625.11	1,175,625.19	0.08	

ESCROW STATISTICS

King William County, Virginia
 Defeasance of Series 2002B Bonds (Subsidized)
 FINAL NUMBERS

Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
1,137,115.66	1.234	128.18	2.906605%	2.687394%	1,175,625.19	(38,509.53)	
1,137,115.66		128.18			1,175,625.19	(38,509.53)	0.00

Delivery date 04/01/2020

34 completions, omissions, insertions and changes (including a change of the date thereof) as
35 may be approved by the Chairman and the Vice Chairman of the Board and the County
36 Administrator, any of whom may act, which approval shall be evidenced conclusively by the
37 execution and delivery of the 2002B Escrow Agreement.

38 **2. Execution and Delivery of Escrow Agreement.** The Chairman and the Vice
39 Chairman of the Board and the County Administrator, any of whom may act, are each hereby
40 authorized and directed to execute the 2002B Escrow Agreement on behalf of the County
41 and to deliver it to the Escrow Agent.

42 **3. Authorization of Execution and Delivery of Other Documents.** The
43 Chairman and the Vice Chairman of the Board, the County Administrator and other
44 appropriate officials of the County are each hereby authorized to execute and deliver all
45 other certificates, instruments and documents in the name and on behalf of the County and
46 to take all such further action (a) as they may consider necessary or desirable to carry out
47 the intent and purpose of this Resolution and the defeasance of the 2002B Bond, or the
48 execution, delivery and performance of the 2002B Escrow Agreement, or (b) as may be
49 reasonably requested by the Escrow Agent in connection with any of the foregoing.

50 **4. Investment Authorization.** The County hereby authorizes the Chairman and
51 the Vice Chairman of the Board and the County Administrator, any of whom may act, and the
52 Escrow Agent to (i) submit a subscription for the purchase and issue of United States
53 Treasury Securities - State and Local Government Series, (ii) obtain competitively a portfolio
54 of securities and/or (iii) invest the funds deposited with the Escrow Agent as otherwise
55 permitted by the 2002B Escrow Agreement and by law until the final maturity date of the
56 2002B Bond. Furthermore, the County hereby authorizes the Escrow Agent to transfer the
57 funds currently held in the escrow fund under the 2002A Escrow Agreement to fund, in part,
58 the escrow fund established under the 2002B Escrow Agreement for the defeasance of the
59 2002B Bond.

60 **5. Other Actions.** All other actions of County officials taken heretofore or
61 hereafter in conformity with the purposes and intent of this Resolution and in furtherance of
62 the defeasance of the 2002B Bond are ratified, approved and confirmed.

63 **6. Limitation of Liability of Officials of the County.** No covenant, condition,
64 agreement or obligation contained herein shall be deemed to be a covenant, condition,
65 agreement or obligation of any officer, employee or agent of the County in his or her
66 individual capacity, and no officer of the County executing the 2002B Escrow Agreement
67 shall be liable personally on the 2002B Escrow Agreement or be subject to any personal
68 liability or accountability by reason of the execution and delivery thereof. No officer,
69 employee or agent of the County shall incur any personal liability with respect to any other
70 action taken by him or her pursuant to this Resolution, provided he or she acts in good faith.

71 **7. Costs and Expenses.** The County agrees to pay all costs and expenses in
72 connection with the defeasance of the 2002B Bond, including the fees and expenses of the
73 County Attorney, bond counsel to the County, the County's financial advisor, the Escrow
74 Agent and the verification agent.

75 **8. Repeal of Conflicting Actions.** All resolutions, ordinances or parts thereof in
76 conflict herewith are repealed.

77 **9. Effective Date.** This Resolution and the provisions contained herein shall
78 become effective immediately upon enactment.

79

80

CERTIFICATION

81 The undersigned Clerk of the Board of Supervisors of the County of King William,
82 Virginia hereby certifies (1) that the foregoing constitutes a true, correct and complete copy
83 of a Resolution adopted by the Board of Supervisors of the County of King William, Virginia
84 at a meeting duly called and held on June 22, 2020, with the members present and absent
85 and voting on the Resolution as set forth below; (2) that such meeting was duly convened
86 and held in all respects in accordance with law; and (3) that the foregoing Resolution has not
87 been repealed, revoked, rescinded or amended.

DRAFT

ESCROW AGREEMENT

This **ESCROW AGREEMENT** is dated _____, 2020 (this “Agreement”), by and between the **COUNTY OF KING WILLIAM, VIRGINIA** (the “County”), and **U.S. BANK NATIONAL ASSOCIATION**, as escrow agent, and its successors (the “Escrow Agent”):

RECITALS

The County in 2002 issued \$6,513,732 in original aggregate principal amount of its General Obligation School Bonds, Series 2002B (the “2002B Bonds”) and sold the same to the Virginia Public School Authority (“VPSA”).

The County desires to establish a defeasance escrow to defease to maturity the \$1,095,753 outstanding aggregate principal amount of the 2002B Bonds (the “Defeased Bonds”).

NOW, THEREFORE, the parties to this Agreement, for and in consideration of the mutual promises, covenants and agreements set forth in this Agreement and other good and valuable consideration, agree as follows:

ARTICLE I DEFINITIONS

Each of the following capitalized words and terms used in this Agreement shall have the meaning given it below unless the context or use clearly indicates another or different meaning:

“2002A Escrow Agreement” means the Escrow Agreement between the County and the Escrow Agent, dated November 1, 2018, which established and directed the use of an escrow fund for the defeasance of the then outstanding 2002A Bonds.

“2002A Bonds” means the \$6,750,000 in original aggregate principal amount of the County’s General Obligation School Bonds, Series 2002A.

“**Agreement**” means this Escrow Agreement between the County and the Escrow Agent, dated _____, 2020, as it may be amended or supplemented.

“**Board**” means the Board of Supervisors of the County of King William, Virginia.

“**Code**” means the Internal Revenue Code of 1986, as amended, including all applicable regulations and revenue rulings.

“**County**” means the County of King William, Virginia.

“**Defeased Bonds**” means the \$1,095,753 outstanding aggregate principal amount of the 2002B Bonds being defeased to their July 15, 2022 maturity.

“**Escrow Agent**” means U.S. Bank National Association, a national banking association, with a corporate trust office located in Richmond, Virginia, or any successor thereto, in its capacity as escrow agent under this Agreement.

“**Government Securities**” means direct noncallable, nonprepayable full faith and credit obligations of the United States of America (excluding any investments in unit investment trusts and mutual funds), and REFCORP interest strips, which are guaranteed by the United States of America.

“**Escrow Fund**” means the irrevocable escrow fund established under Section 2.1.

“**Initial Cash Balance**” shall have the meaning set forth in Section 2.3.

“**Initial Government Securities**” means, collectively, the Purchased Government Securities and Transferred Government Securities.

“**Purchased Government Securities**” means the Purchased Government Securities described in Exhibit A.

“**Resolution**” means the resolution duly adopted by the Board at a meeting duly called and held on **June 22**, 2020.

“**Substitute Government Securities**” shall have the meaning set forth in Section 3.2.

“**2002B Bonds**” means the County’s \$6,513,732 General Obligation School Bonds, Series 2002B.

“**Transferred Cash Balance**” means the amount of \$_____ held as of the date hereof by the Escrow Agent pursuant to the 2002A Escrow Agreement.

“**Transferred Government Securities**” means the Transferred Government Securities described in Exhibit A held as of the date hereby by the Escrow Agent pursuant to the 2002A Escrow Agreement.

“**Verification Report**” means the report of Bingham Arbitrage Rebate Services Incorporated, attached as **Exhibit B**, concluding among other things that the Initial Cash Balance and the principal of and interest on the Initial Government Securities, when received, will be sufficient at all times, without reinvestment, to pay through maturity (i) the principal of the Defeased Bonds when due and (ii) interest on the Defeased Bonds when due.

“**VPSA**” means the Virginia Public School Authority.

ARTICLE II ESTABLISHMENT OF ESCROW FUND

Section 2.1 Establishment of Escrow Funds. There is hereby established with the Escrow Agent a special, segregated and irrevocable escrow fund designated the “County of King William, Virginia, Escrow Fund for Defeased Bonds” (the “Escrow Fund”). The Escrow Agent

shall hold the Escrow Fund in its custody as a trust fund for the benefit of the holders of the Defeased Bonds, and separate and apart from other funds of the County and the Escrow Agent. The Escrow Fund and all amounts in it are irrevocably pledged to the payment of the Defeased Bonds.

Section 2.2 Sufficiency. In reliance upon the Verification Report, the County represents and warrants that the interest on and the successively maturing principal amounts of the Initial Government Securities in accordance with their terms (without consideration of any reinvestment of such maturing principal and interest), together with the Initial Cash Balance, are sufficient to assure that moneys will be available to the Escrow Agent in the amounts and on the dates required to pay when due through maturity the principal of and interest accruing on the Defeased Bonds.

Section 2.3 Deposits; Instructions for Initial Government Securities; and Establishment of Initial Cash Balance.

(a) Concurrently with the execution and delivery of this Agreement, the County hereby directs, and the Escrow Agent hereby agrees, to (i) the purchase of the Purchased Government Securities to be irrevocably deposited in the Escrow Fund, (ii) the transfer of the Transferred Government Securities to be irrevocably deposited in the Escrow Fund, and (iii) the transfer of the Transferred Cash Balance to be irrevocably deposited in the Escrow Fund. In addition to the Initial Government Securities and the Transferred Cash Balance, the County has irrevocably deposited in the Escrow Fund concurrently with the execution and delivery of this Agreement the sum of \$_____, and the Escrow Agent shall immediately upon receipt apply such amounts to establish a beginning cash balance in the Escrow Fund (together with the Transferred Cash Balance, the “Initial Cash Balance”).

(b) The County, by the Resolution, has authorized the use of the Transferred Cash Balance and the Transferred Government Securities to fund, in part, the Escrow Fund, as the 2002A Escrow Agreement has been deemed terminated pursuant to Section 8.1 thereof upon the separate payment in full of the County’s 2002A Bonds as of _____, 20___. Furthermore, the County, by the Resolution, has authorized the defeasance of the Defeased Bonds by depositing into the Escrow Fund the Initial Government Securities, the Transferred Cash Balance and additional moneys of the County in an amount sufficient for the Escrow Agent to establish the Initial Cash Balance.

**ARTICLE III
COVENANTS OF ESCROW AGENT**

Section 3.1 General Covenants. The Escrow Agent shall transfer the Transferred Government Securities and Transferred Cash Balance, purchase the Purchased Government Securities and establish the Initial Cash Balance as provided in Section 2.3 and purchase Substitute Government Securities as provided in Section 3.2 and hold the Initial Government Securities and all other Government Securities purchased or deposited into the Escrow Fund pursuant to this Agreement and all interest, income, and profit derived therefrom and the Initial Cash Balance and all other uninvested cash in the Escrow Fund (the “Defeased Bonds Trust Estate”) as an irrevocable segregated and separate trust fund for the sole and exclusive benefit of the holders of the Defeased Bonds until final payment of the Defeased Bonds. The Escrow Agent shall keep the Defeased

Bonds Trust Estate wholly segregated from other funds and securities on deposit with it, shall never commingle the Defeased Bonds Trust Estate with other funds or securities held by it, and shall never at any time use, lend, or borrow the same in any way other than as provided in this Agreement. Nothing contained in this Agreement shall be construed as requiring the Escrow Agent to keep the identical money, or any part thereof, in the Escrow Fund if it is impractical, but money of an equal amount, except to the extent represented by the Initial Government Securities and the other Government Securities purchased or deposited into the Escrow Fund pursuant to this Agreement, must always be maintained on deposit in the Escrow Fund as a trust fund held by the Escrow Agent in its fiduciary capacity under this Agreement.

Section 3.2 Reinvestments; Substitution.

(a) The Escrow Agent shall hold all cash balances on deposit in the Escrow Fund on demand and in trust for the purposes of this Agreement and shall secure the same in accordance with applicable Virginia law for the securing of public sinking funds.

(b) At the written request of the County Administrator or the Director of Finance and upon compliance with the conditions stated below, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of any of the Government Securities acquired hereunder for the Escrow Fund and shall substitute other Government Securities (“Substitute Government Securities”) for the Government Securities sold, transferred, otherwise disposed of or redeemed. The County will not request the Escrow Agent to exercise any of the powers described in the preceding sentence in any manner that would cause any of the 2002B Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code. The transactions described in the first sentence of this subsection may be effected only if (i) an independent certified public accountant or other knowledgeable professional shall certify in writing (the “Substitute Verification Report”) that there will be on deposit in the Escrow Fund, after the transactions are completed, Substitute Government Securities the maturing principal of and interest on which will be sufficient, without reinvestment, together with any other cash available in the Escrow Fund to pay the principal of and interest on the Defeased Bonds when due, and (ii) the Escrow Agent receives an unqualified opinion of nationally recognized bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that the transactions will not cause the interest on the 2002B Bonds to become includable in gross income for federal income tax purposes.

Section 3.3 Disclaimers. The Escrow Agent shall not be liable or responsible for the (i) accuracy of the Verification Report or any Substitute Verification Report or (ii) sufficiency of the Escrow Fund to pay the principal of and interest on the Defeased Bonds.

Section 3.4 Collection and Application of Income. The Escrow Agent will promptly collect the principal of, interest on, and income and profit from the Government Securities held in the Escrow Fund under this Agreement and promptly apply the same solely and only to the payment of the principal of and interest on the Defeased Bonds as the same become due and to the other purposes expressly stated in this Agreement.

Section 3.5 Payments of Principal of and Interest on the Defeased Bonds.

(a) On the respective interest payment dates for the Defeased Bonds, the Escrow Agent shall transfer by wire transfer to VPSA in accordance with the payment procedures provided by VPSA with respect to the 2002B Bonds sufficient moneys from the matured principal of and interest on the Government Securities and the cash balance held in the Escrow Fund for the payment of the interest due on the Defeased Bonds.

(b) On the respective principal payment dates for the Defeased Bonds, the Escrow Agent shall transfer by wire transfer to VPSA in accordance with the payment procedures provided by VPSA with respect to the 2002B Bonds sufficient moneys from the matured principal of and interest on the Government Securities and the cash balance held in the Escrow Fund for the payment of the principal due on the Defeased Bonds.

Section 3.6 Fees and Expenses of Escrow Agent. All fees, costs and expenses of the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement shall be paid by the County solely from moneys lawfully available and appropriated for such purpose and shall not be paid from the Escrow Fund. The Escrow Agent has no right to make any claim or set-off against funds on deposit in the Escrow Fund for the payment of such fees, costs and expenses or for any other claims it may have against the County.

Section 3.7 Duties Under Escrow Agreement.

(a) The Escrow Agent will have no duties or responsibilities to the County or any other person in connection herewith except those specifically provided herein and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent will not be responsible for anything done or omitted to be done by it except for its own gross negligence or willful misconduct in the performance of any obligation imposed on it hereunder. Notwithstanding any provision herein to the contrary, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. The Escrow Agent, except as herein specifically provided for, is not a party to, nor is it bound by, nor need it give consideration to, the terms or provisions of any other agreement or undertaking between the County and any other person, and the Escrow Agent assents to and is to give consideration only to the terms and provisions of this Agreement.

(b) Unless specifically provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the County with respect to arrangements or contracts with others, the Escrow Agent's sole duty under this Agreement being to safeguard the Defeased Bonds Trust Estate and to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent will be obligated, in making such determination, to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent will be liable for its own willful misconduct or its gross negligence.

(c) In determining the occurrence of any such event or contingency the Escrow Agent may request from the County or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the

occurrence of such event or contingency, and in this connection may inquire of and consult with the County at any time.

(d) The Escrow Agent may consult with legal counsel, and the opinion of such counsel will be full and complete authority and protection to the Escrow Agent as to any action taken or omitted by it in good faith and in accordance with such opinion.

(e) The Escrow Agent may conclusively rely upon and may act upon any notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other written or oral communication that the Escrow Agent in good faith believes to be genuine and correct and to have been signed or sent or communicated by the proper person or persons.

(f) Any payment obligation of the Escrow Agent hereunder shall be paid from, and is limited to, funds available, established and maintained hereunder and the Escrow Agent shall not be required to expend its own funds for the performance of its duties under this Agreement.

(g) The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

Section 3.8 Indemnification. The Escrow Agent shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action, or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the County, to the extent permitted by law, to its satisfaction against any and all costs and expenses, outlays, counsel fees, and other disbursements, including its own reasonable fees, and if any judgment, decree, or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree, or recovery. If the Escrow Agent is required by a governmental agency or court proceeding initiated by a third party to undertake efforts beyond that which is set forth herein but related thereto (other than due to the Escrow Agent's gross negligence or willful misconduct), the Escrow Agent shall notify the County of the same in writing and the County shall promptly pay the Escrow Agent for such extraordinary fees, costs and expenses reasonably and necessarily incurred in connection therewith. The provisions of this Section 3.8 shall survive the termination of this Agreement or the sooner resignation or removal of the Escrow Agent.

Section 3.9 Liability of Escrow Agent. The Escrow Agent shall have no other responsibilities to the County or any other person in connection with this Agreement except as specifically provided in this Agreement. So long as the Escrow Agent applies any funds, the Government Securities and the earnings therefrom to pay the Defeased Bonds as provided in this

Agreement and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Defeased Bonds.

Section 3.10 Statements. The Escrow Agent will submit to the County a statement within fifteen (15) days after the end of each calendar quarter (i.e., March 31, June 30, September 30 and December 31), commencing June 30, 2020, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement since its dated date, and also listing the Government Securities and cash balances on deposit in the Escrow Fund and all moneys held by it received as interest on or profit from the collection of the Government Securities, as of the date of the report.

Section 3.11 Insufficiency. If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Securities and cash balances in the Escrow Fund will not be sufficient to make any payment due to the holders of any of the Defeased Bonds, the Escrow Agent shall notify the County not less than 15 days before such date, and the County agrees that it will from any funds lawfully available and appropriated for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

ARTICLE IV UNDERSTANDINGS AND COVENANTS OF THE COUNTY

Section 4.1 Limitation of Escrow Agent's Liability. The Escrow Agent shall have no responsibility or liability whatsoever for (i) any of the County's recitals in this Agreement, and (ii) any undertaking of the County under this Agreement or the Resolution.

Section 4.2 No Further Direction. All payments to be made by, and all acts and things required to be done by, the Escrow Agent under the terms and provisions hereof shall be made and done by the Escrow Agent without any further direction or authority of the County except as provided in Section 5.1.

Section 4.3 Tax Covenant. The County will take no action that would cause the 2002B Bonds to be classified as "arbitrage bonds" under Section 148 of the Code, and the County will take any and all further action necessary to insure that the 2002B Bonds are not classified as "arbitrage bonds" under Section 148 of the Code.

ARTICLE V AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

Section 5.1 Amendments.

(a) This Agreement may be amended or supplemented for any one or more of the following purposes: (i) to make provision for the curing of any ambiguity, or of curing or correcting any defective provision contained in this Agreement, or of severing any provision of this Agreement that has been determined to be illegal by a court of competent jurisdiction; (ii) solely to protect the rights of the owners of the Defeased Bonds, to add to the covenants and agreements of the County or the Escrow Agent contained in this Agreement other covenants and agreements thereafter to be observed by the County or the Escrow Agent, or to surrender any right

or power herein reserved to or conferred upon the County or the Escrow Agent; and (iii) to make provision for the sale, redemption, investment or reinvestment of the Initial Government Securities or any other Government Securities held by the Escrow Agent hereunder or any portion of the proceeds thereof other than as provided for in Section 3.2 (any such amendment, supplement or direction to sell, redeem, invest or reinvest to be referred to as a “Subsequent Action”).

(b) No Subsequent Action shall be effective unless and until the County submits to the Escrow Agent the following items:

(1) A certified copy of the proceedings of the Board authorizing the Subsequent Action and a copy of the document effecting the Subsequent Action signed by duly designated officers of the County and the Escrow Agent.

(2) An unqualified opinion of bond counsel or tax counsel nationally recognized as having an expertise in the area of tax-exempt municipal bonds to the effect that (A) the Subsequent Action will not cause the interest on the 2002B Bonds, including the Defeased Bonds, to become includable in gross income for federal income tax purposes, and (B) the Subsequent Action does not materially adversely affect the legal rights of the holders of the Defeased Bonds.

(3) An opinion of a firm of nationally recognized independent certified public accountants or other knowledgeable professionals to the effect that the amounts (which will consist of cash and Government Securities, all of which shall be held in the Escrow Fund) available or to be available for payment of the Defeased Bonds will remain sufficient, without reinvestment, to pay when due the principal of and interest on the Defeased Bonds after the taking of the Subsequent Action.

Section 5.2 Escrow Agent’s Obligations Irrevocable. Except as provided in Section 5.1, all of the rights, powers, duties, and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 5.3 County’s Obligations Irrevocable. Except as provided in Section 5.1, all of the rights, powers, duties, and obligations of the County under this Agreement shall be irrevocable and shall not be subject to amendment by the County and shall be binding on any successors or assigns to the County during the term of this Agreement.

**ARTICLE VI
NOTICES**

Section 6.1 Notices to County. All notices and communications to the County shall be addressed in writing to:

County of King William
180 Horse Landing Road, #4
King William, Virginia 23086
Attention: County Administrator

or at such other address as is furnished from time to time by the County.

Section 6.2 Notices to Escrow Agent. All notices and communications to the Escrow Agent shall be addressed in writing to:

U.S. Bank National Association
Two James Center
1021 East Cary Street, 18th Floor
Richmond, Virginia 23219
Attention: Corporate Trust Services

or at such other address as is furnished from time to time by the Escrow Agent.

**ARTICLE VII
RESIGNATION OF ESCROW AGENT**

Section 7.1 Resignation of Escrow Agent. The Escrow Agent may resign and thereby become discharged from the trusts hereby created, by written notice mailed to the County by registered or certified mail or overnight express delivery. Such resignation shall take effect upon the appointment of a new Escrow Agent hereunder and acceptance of the trusts hereby created. The Escrow Agent shall continue to serve as Escrow Agent until a successor is appointed, and the Escrow Agent may, after 60 days subsequent to its resignation, petition the Circuit Court of the County of King William, Virginia, for the appointment of a successor Escrow Agent if one has not yet been appointed.

**ARTICLE VIII
TERMINATION OF AGREEMENT**

Section 8.1 Termination of Agreement. Upon the final disbursement for the payment of the Defeased Bonds as provided for above, the Escrow Agent will transfer any balance remaining in the Escrow Fund to the County. Upon the last of such transfers, this Agreement shall terminate. This Agreement is irrevocable prior to its termination.

**ARTICLE IX
MISCELLANEOUS**

Section 9.1 Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, will be an original, and the counterparts will together constitute one and the same instrument.

Section 9.2 Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained herein. In case any agreement or obligation contained in this Agreement shall be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the parties hereto to the full extent permitted by law.

Section 9.3 Applicable Law; Entire Understanding. This Agreement shall be governed by and construed in accordance with the applicable laws of the Commonwealth of Virginia without regard to conflict of law principles.

Section 9.4 Patriot Act. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a political subdivision, business entity, a charity, a trust, or other legal entity, the Escrow Agent may ask for documentation to verify its formation and existence as a legal entity. The Escrow Agent may also ask to see licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the County of King William, Virginia, has caused this Escrow Agreement to be signed in its name by its County Administrator; and U.S. Bank National Association, as Escrow Agent, has caused this Escrow Agreement to be signed in its corporate name by one of its duly authorized representatives, all as of the date first above written.

COUNTY OF KING WILLIAM, VIRGINIA

By _____
Name: Bobbie H. Tassinari
Title: County Administrator

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent**

By _____
Name: Becky D. Burton
Title: Assistant Vice President

[SIGNATURE PAGE TO ESCROW AGREEMENT]

Exhibit A: Description of Initial Government Securities
Exhibit B: Verification Report

**DESCRIPTION OF INITIAL GOVERNMENT SECURITIES
FOR ESCROW FUND**

Escrow Fund

See Exhibit __ to the Verification Report

VERIFICATION REPORT

AGENDA ITEM 4.g.



King William County
Est. 1702

Board of Supervisors

County Administrator

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
C. Stewart Garber, Jr., Fourth District
Edwin H. Moren, Jr., Fifth District

MEMO

DATE: June 8, 2020

TO: King William County Board of Supervisors

FROM: Bobbie H. Tassinari, County Administrator

RE: Local Allocations for Federal CARES Coronavirus Relief Funds

SUMMARY

On May 12, 2020, I received communication from the Secretary of Finance for the Commonwealth reflecting the local allocation of the CARES relief funds. Per the U.S. Census Bureau's population data, King William County is eligible for **\$1,496,097** in relief funds. These funds may be used for qualifying expenses related to the COVID-19 impact. At the May 18, 2020 Board of Supervisors meeting the Board approved the acceptance of the CARES Relief Funds and gave authorization to expend the funds, within program eligibility, upon receipt.

The Director of Financial Services Natasha Joranlien, John Edwards, West Point Town Manager and I met on May 15, 2020 to discuss the relief funds, eligible uses, and to determine the level of support for accepting the funds. The consensus was to support accepting the funds and request the Board of Supervisors, at the May 18, 2020 Board meeting, authorize signing the certification by the May 22nd deadline. This was completed.

The Town Manager had presented to Town Council at their May 26th meeting the availability of these funds and to seek general guidance on the use. The Human Resources Manager, Town Treasurer, Town Manager and I met on May 27th to discuss additional details of the program. The consensus from the meeting was:

- Transfer the portion of CARES Relief funds, allocated to the Town, upon receipt of the funds by the County (\$285,754.52).
- The Town committed to a separate bank account to house the funds.



King William County
Est. 1702

Board of Supervisors

County Administrator

William L. Hodges, First District
Travis J. Moskalski, Second District
Stephen K. Greenwood, Third District
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Edwin H. Moren, Jr., Fifth District

- The Town Manager is crafting a memo to the County Administrator and Board of Supervisors stating the Town will follow the guidelines set forth in the CARES Guidance from the U.S. Treasury concerning eligible expenditures. The Town will work with the County on the overall program administration of the program, and hold the County harmless if the Federal governments audits the Towns expenditures and finds them ineligible.
- The consensus of the group was to allow both the Town and the County to address the School Districts request separately. Both School Districts are receiving direct CARES Relief Funds and will be required to submit their planned expenditures for those funds prior to receiving additional funds.

Middle Peninsula Planning District Commission – COVID Adaptation Program (CAP)

The MPPDC has suggested, and the localities are in favor of, utilizing a portion of the CARES allocation to support a regional initiative to be managed by the MPPDC. The program is called, “**COVID Adaptation Program: CAP**” and is supported by Essex, Gloucester, King and Queen, Matthews, Middlesex counties and Urbanna, West Point and Tappahannock towns. The recommendation is for each locality to contribute \$100,000 of their allocation of the CARES Relief Funds and the Towns would contribute \$33,000. These contributions would combine to total \$799,000 to be made available regionally. The program would be managed by a Program Coordinator, employed by the MPPDC, and would be proportionately by all localities and towns. King William County’s financial commitment for the program coordinator would be \$9,000 and the Town’s \$3,000. This program would allow the MPPDC to take a regional approach to the economic impact while administering the funds per the requirements of the Act. A DRAFT Service Agreement between the MPPDC and the County has been reviewed by our County Attorney.

West Point HOPE (Helping Our Pointer Economy) – Town of West Point

The Town is promoting, West Point HOPE (Helping Our Pointer Economy), utilizing a coupon book with a value of \$50 that is available to Town residents and usable at eligible Town businesses. The citizen spends the coupons at local businesses and the businesses seek reimbursement from the Town. The Town established the project utilizing unassigned General Fund balance and is estimating \$75,000 will be distributed through this project. This may be an avenue the County wishes to pursue. This would provide citizens a resource to financially support local businesses with the County. The only limitations would be if businesses elected not to sign up and participate. Each business would have to agree to participate to be eligible to receive and seek reimbursement for the value of the coupons.



King William County
Est. 1702

Board of Supervisors

County Administrator

William L. Hodges, First District
Travis J. Moskalski, Second District
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Edwin H. Moren, Jr., Fifth District

Local Business Support

Providing support for local businesses within the County and Town should be considered as a priority where CARES eligibility is allowed. Providing support to local businesses through grants, reimbursement for COVID related expenses and ongoing changes to local business operations due to COVID would be eligible. This category would include volunteer organizations such as food banks, fire/ems, etc. Examples of eligible expense include:

- Food delivery to residents, including for example, senior citizens and other vulnerable populations.
- Expenditures related to provisions of grants to small businesses to reimburse the costs of business interruption caused by required closures.
- Unemployment insurance costs related to the COVID public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment.
- Funds may be used to cover employment and training programs for employees that have been furloughed due to the public health emergency.
- Reimbursement for costs associated with constructing outdoor facilities either temporary or permanent, to include seating and tables, allowing service to customers with proper social distancing to include seating and tables.
- Installation of screens and buffers to allow for proper social distancing practices.
- Reimbursement for storage costs to store seating until the restrictions are lifted.
- Etc.

Economic Development Authority

The Economic Development Authority has been providing grants to local businesses that have been impacted by the COVID business closures. The EDA will request reimbursement for those grant funds distributed to date and will seek additional CARES funds to continue administering the program through December 2020.

King William County Public Schools

The King William County Public Schools sent a request to the County Administrator on May 21st of the initiatives being considered by the School System as part of their needs to be addressed by the CARES Relief Funds. The request included the following:

- KAMI (PDF editing software)



King William County
Est. 1702

Board of Supervisors

County Administrator

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- One to One Refresh
- Funds for coverage of meals distributions
- Unemployment payments
- Shipping costs related to packets and report cards
- Wifi Access points for AES and CSPS Bus loop
- Remote hotspots via buses (4)
- Teacher laptops for remote learning
- 16 GB Jump Drives (5,000)
- COVID-19 cleaning equipment
- COVID-19 cleaning supplies
- PPE, Touchless Thermometers (50)
- Portable Temperature Scan Kiosk (20)

The request from KWPCS totaled \$643,583. The Superintendent of Public Instruction, provided information to the Commonwealth School Systems on the CARES Act Elementary and Secondary School Emergency Relief Fund Division Allocations. Each school system within the County will receive a direct and separate allocation with KWPCS's receiving \$202,411.25 and the Town of West Point Schools receiving \$42,321.78. The Project Team agreed that the School Systems would be required to provide information related to their expenditures of the CARES Act Elementary and Secondary School Emergency Relief Funds prior to additional CARES Relief Funds being released.

King William County

The County will seek reimbursement for incurred costs associated with the COVID that were not budgeted and prepare for remote working in the future. Some of the items identified include:

- PPE purchased, above and beyond what was budgeted, for both law enforcement and fire and emergency medical services departments.
- Additional cleaning supplies, such a disinfectant that were not included in the regular budgetary request.
- Reimbursement for employees quarantined due to suspected COVID-19 (up to the 80 hours granted by the Federal Government as Administrative Leave).
- Replacement of desk top computers with laptops for those employees identified with job functions that would require remote work.



King William County
Est. 1702

Board of Supervisors

County Administrator

William L. Hodges, First District
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Edwin H. Moren, Jr., Fifth District

- Further discussions will be held with Social Services, RAS, Sheriff's Office, Fire & EMS, Parks and Recreation and other County departments to ensure they are included in the current and future needs of the County for COVID-19.

ACTION REQUESTED

Provide guidance to the County Administrator concerning the priorities of funding initiatives with the CARES Relief Funds. If the Board approves participation in the CAP program and after distribution to the Town of West Point for their allocation the balance of CARES Relief Funds available would total **\$1,110,342.48**.

Seeking Board of Supervisor recommendations prioritizing the allocation and expenditure of CARES Relief Funds. Recommendations should not be limited by those outlined within this document.

1. Local Business Impact Actions –
2. MPPDC CAP Program –
3. Organizations such as Food Banks, Senior Centers, Churches, Volunteer organizations, etc. --
4. King William County Public Schools –
5. County Departments –
6. Other Areas of Focus --

ATTACHMENT

- Attachment A - Local Allocations for Federal CARES Coronavirus Relief Funds from Commonwealth of Virginia Secretary of Finance
- Attachment B - Superintendent's Memo #110-20 – CARES Act Elementary and Secondary School Emergency Relief Fund Division Allocations
- Attachment C – The Middle Peninsula Business COVID Adaptation Program: CAP
- Attachment D – DRAFT Service Agreement Between King William County and MPPDC



Attachment A

COMMONWEALTH of VIRGINIA

Aubrey L. Layne, Jr., MBA, CPA
Secretary of Finance

P.O. Box 1475
Richmond, Virginia 23218

May 12, 2020

To: County and City Elected Officials

Delivered Via: Chief Executive Officer, Manager, or Administrator

From: Aubrey L. Layne, Jr.
Secretary of Finance

Subject: Local Allocations for Federal CARES Coronavirus Relief Funds

Background

As most of you are aware, Congress passed and the President recently signed the *Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020*. This Act provides funding for a number of different programs to address the COVID-19 pandemic. A primary component of the CARES Act is \$150 billion in assistance to state, local, territorial, and tribal governments for the direct impact of the COVID-19 pandemic through the establishment of the Coronavirus Relief Fund (CRF).

Allocations were sent to states based on population. Each state received 55 percent of its share based on total state population and the remaining 45 percent was based on the local populations of each state's cities and counties. Localities with populations greater than 500,000 could apply to receive funds directly. All other CRF funds were distributed to the states to determine the allocations to localities.

Virginia has received approximately \$3.1 billion as its share of the CRF total. This amount does not include approximately \$200 million that went directly to Fairfax County since it qualified to receive its funding directly.

These funds may be used for qualifying expenses of state and local governments. The CARES Act provides that payments from the CRF only may be used to cover costs that:

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

At this point, federal guidance indicates that the CRF funds can only be used for the direct costs associated with the response to the COVID-19 pandemic and cannot be used to make up for revenue shortfalls. State and local government officials have requested that this restriction be lifted or that additional federal funds be provided to address the loss of state and local revenue. To date, no action has been taken by Congress to allow that flexibility or to provide funding for that purpose.

Allocation of CRF Funds to Localities

While the federal CARES Act does not require that states distribute funding to local governments with populations less than 500,000 residents, the Governor recognizes that localities are experiencing the same COVID-19 related expenses as the Commonwealth. Therefore, fifty (50) percent of the locally-based allocations will be distributed to counties and cities on or around June 1, 2020, by the Department of Accounts (DOA) after receipt of a signed certification from the locality. This distribution will be made to the local treasurer in the same manner that Car Tax Relief Payments are made.

Each locality's allocation will be based on the proportion that the locality's population represents of the statewide total population. Appendix A reflects the population used by US Treasury to allocate CRF funds to the states. This population data is the basis for determining the allocations to each locality.

This table also reflects each locality's share of the current distribution based on the population data displayed. Please note that the population data for each county includes the populations of the towns within its borders. Consequently, the allocation indicated for each county includes any allocations based on residents that live in the towns located within that county.

CRF funds should be considered "one time" monies and should not be used for ongoing services and/or base operations. Because the funds must be expended by December 30, localities are advised not to create services with expenses beyond that period. Any expenses beyond December 30, 2020, must be paid entirely by the locality from local funds.

Requirements for Use of Funds and Certifications

General

The amounts listed in Appendix A reflect the funds that will be transferred to each locality after receipt of a certification form (Appendix D) from the locality signed by the chief executive officer, the chief financial officer, and the chief elected officer. Before signing the certification, I recommend that you read and understand the federal guidance and the frequently asked questions contained in Appendix B and Appendix C, respectively. The most recent information on this guidance and the frequently asked questions can be obtained at: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

County and City Elected Officials and Administrators
Cabinet Secretaries
May 12, 2020
Page 3

Please note that the certification statement includes an acknowledgment that you may be required to return funds to the federal government if it is determined that those funds were spent for purposes that do not qualify. Since these funds are being provided to you “up front” rather than on a reimbursement basis, it is important for you to understand that the burden of ensuring that all CRF funds are spent for qualifying purposes falls to the local government. You are responsible for maintaining all necessary documentation to ensure compliance with the federal requirements.

If the federal government determines that you have used CRF funds for purposes that do not qualify, you must return those funds to the state promptly so that they may be returned to the federal government. As a condition of receiving CRF funds, you are agreeing that the state can use state aid intercept to recover any funds necessary for expenses that were not for a qualifying purpose or that were unexpended as of December 30, 2020.

For Counties Only

As previously stated, the population data for each county includes the populations of the towns within its borders. Consequently, the allocation indicated for each county includes any allocations based on residents that live in the towns located within that county.

Counties must ensure that an equitable share of the CRF funds it receives are shared with and granted to each town within its jurisdiction. Just as with the funds retained by the county, the funds granted to towns must be spent in accordance with the same requirements and the same documentation must be retained for audit purposes. The county issuing the grant is responsible for the ensuring compliance with the documentation requirements and must ensure that the use of the funds meets the requirements set forth by the federal government.

Submission of Certification

The certification in Appendix D contains more specific details on the responsibilities of the local governing body. A fillable .pdf form can be downloaded from the Secretary of Finance’s Website under “Recent News” at: <http://finance.virginia.gov/>

In order to receive your locality’s allocation, the signed certification form must be submitted no later than **May 22, 2020**, to the Department of Accounts in electronic or hard copy form:

By Email to: GACCT@DOA.Virginia.gov

By US Mail to: Department of Accounts
Attention: Local CRF Certification
P.O. Box 1971
Richmond, VA 23218-1971

If you have any questions about this process, you may contact my office at (804) 786-1148. If you have technical questions about the certification form or the distribution of the funds, please contact Melinda Pearson, Director, General Accounting, Department of Accounts, at Melinda.Pearson@DOA.Virginia.gov or by phone at 804-225-2376.

Appendix A – Local Allocations

Annual Estimates of the Resident Population for Counties in Virginia: as of July 1, 2019	Statewide Total = 8,535,519	% of Total ¹	Current Allocation Base = \$744,691,122
Locality	Population		
.Accomack County, Virginia	32,316	0.3786%	\$2,819,446
.Albemarle County, Virginia	109,330	1.2809%	\$9,538,621
.Alleghany County, Virginia	14,860	0.1741%	\$1,296,478
.Amelia County, Virginia	13,145	0.1540%	\$1,146,851
.Amherst County, Virginia	31,605	0.3703%	\$2,757,414
.Appomattox County, Virginia	15,911	0.1864%	\$1,388,173
.Arlington County, Virginia	236,842	2.7748%	\$20,663,551
.Augusta County, Virginia	75,558	0.8852%	\$6,592,144
.Bath County, Virginia	4,147	0.0486%	\$361,810
.Bedford County, Virginia	78,997	0.9255%	\$6,892,184
.Bland County, Virginia	6,280	0.0736%	\$547,906
.Botetourt County, Virginia	33,419	0.3915%	\$2,915,679
.Brunswick County, Virginia	16,231	0.1902%	\$1,416,092
.Buchanan County, Virginia	21,004	0.2461%	\$1,832,518
.Buckingham County, Virginia	17,148	0.2009%	\$1,496,097
.Campbell County, Virginia	54,885	0.6430%	\$4,788,505
.Caroline County, Virginia	30,725	0.3600%	\$2,680,638
.Carroll County, Virginia	29,791	0.3490%	\$2,599,150
.Charles City County, Virginia	6,963	0.0816%	\$607,495
.Charlotte County, Virginia	11,880	0.1392%	\$1,036,484
.Chesterfield County, Virginia	352,802	4.1333%	\$30,780,614
.Clarke County, Virginia	14,619	0.1713%	\$1,275,451
.Craig County, Virginia	5,131	0.0601%	\$447,660
.Culpeper County, Virginia	52,605	0.6163%	\$4,589,583
.Cumberland County, Virginia	9,932	0.1164%	\$866,529
.Dickenson County, Virginia	14,318	0.1677%	\$1,249,190
.Dinwiddie County, Virginia	28,544	0.3344%	\$2,490,354
.Essex County, Virginia	10,953	0.1283%	\$955,607
.Fairfax County, Virginia	1,147,532	13.4442%	N/A
.Fauquier County, Virginia	71,222	0.8344%	\$6,213,845
.Floyd County, Virginia	15,749	0.1845%	\$1,374,040
.Fluvanna County, Virginia	27,270	0.3195%	\$2,379,202
.Franklin County, Virginia	56,042	0.6566%	\$4,889,448

.Frederick County, Virginia	89,313	1.0464%	\$7,792,215
.Giles County, Virginia	16,720	0.1959%	\$1,458,756
.Gloucester County, Virginia	37,348	0.4376%	\$3,258,469
.Goochland County, Virginia	23,753	0.2783%	\$2,072,358
.Grayson County, Virginia	15,550	0.1822%	\$1,356,678
.Greene County, Virginia	19,819	0.2322%	\$1,729,131
.Greensville County, Virginia	11,336	0.1328%	\$989,022
.Halifax County, Virginia	33,911	0.3973%	\$2,958,604
.Hanover County, Virginia	107,766	1.2626%	\$9,402,168
.Henrico County, Virginia	330,818	3.8758%	\$28,862,595
.Henry County, Virginia	50,557	0.5923%	\$4,410,903
.Highland County, Virginia	2,190	0.0257%	\$191,069
.Isle of Wight County, Virginia	37,109	0.4348%	\$3,237,617
.James City County, Virginia	76,523	0.8965%	\$6,676,337
.King and Queen County, Virginia	7,025	0.0823%	\$612,904
.King George County, Virginia	26,836	0.3144%	\$2,341,338
.King William County, Virginia	17,148	0.2009%	\$1,496,097
.Lancaster County, Virginia	10,603	0.1242%	\$925,071
.Lee County, Virginia	23,423	0.2744%	\$2,043,566
.Loudoun County, Virginia	413,538	4.8449%	\$36,079,596
.Louisa County, Virginia	37,591	0.4404%	\$3,279,670
.Lunenburg County, Virginia	12,196	0.1429%	\$1,064,054
.Madison County, Virginia	13,261	0.1554%	\$1,156,971
.Mathews County, Virginia	8,834	0.1035%	\$770,732
.Mecklenburg County, Virginia	30,587	0.3583%	\$2,668,598
.Middlesex County, Virginia	10,582	0.1240%	\$923,239
.Montgomery County, Virginia	98,535	1.1544%	\$8,596,799
.Nelson County, Virginia	14,930	0.1749%	\$1,302,585
.New Kent County, Virginia	23,091	0.2705%	\$2,014,601
.Northampton County, Virginia	11,710	0.1372%	\$1,021,652
.Northumberland County, Virginia	12,095	0.1417%	\$1,055,242
.Nottoway County, Virginia	15,232	0.1785%	\$1,328,933
.Orange County, Virginia	37,051	0.4341%	\$3,232,557
.Page County, Virginia	23,902	0.2800%	\$2,085,357
.Patrick County, Virginia	17,608	0.2063%	\$1,536,230
.Pittsylvania County, Virginia	60,354	0.7071%	\$5,265,654
.Powhatan County, Virginia	29,652	0.3474%	\$2,587,023
.Prince Edward County, Virginia	22,802	0.2671%	\$1,989,387
.Prince George County, Virginia	38,353	0.4493%	\$3,346,151
.Prince William County, Virginia	470,335	5.5103%	\$41,034,915
.Pulaski County, Virginia	34,027	0.3987%	\$2,968,725
.Rappahannock County, Virginia	7,370	0.0863%	\$643,004
.Richmond County, Virginia	9,023	0.1057%	\$787,222
.Roanoke County, Virginia	94,186	1.1035%	\$8,217,365

.Rockbridge County, Virginia	22,573	0.2645%	\$1,969,407
.Rockingham County, Virginia	81,948	0.9601%	\$7,149,647
.Russell County, Virginia	26,586	0.3115%	\$2,319,526
.Scott County, Virginia	21,566	0.2527%	\$1,881,550
.Shenandoah County, Virginia	43,616	0.5110%	\$3,805,328
.Smyth County, Virginia	30,104	0.3527%	\$2,626,458
.Southampton County, Virginia	17,631	0.2066%	\$1,538,237
.Spotsylvania County, Virginia	136,215	1.5959%	\$11,884,234
.Stafford County, Virginia	152,882	1.7911%	\$13,338,365
.Surry County, Virginia	6,422	0.0752%	\$560,295
.Sussex County, Virginia	11,159	0.1307%	\$973,580
.Tazewell County, Virginia	40,595	0.4756%	\$3,541,757
.Warren County, Virginia	40,164	0.4706%	\$3,504,154
.Washington County, Virginia	53,740	0.6296%	\$4,688,608
.Westmoreland County, Virginia	18,015	0.2111%	\$1,571,739
.Wise County, Virginia	37,383	0.4380%	\$3,261,523
.Wythe County, Virginia	28,684	0.3361%	\$2,502,568
.York County, Virginia	68,280	0.8000%	\$5,957,167
.Alexandria city, Virginia	159,428	1.8678%	\$13,909,478
.Bristol city, Virginia	16,762	0.1964%	\$1,462,420
.Buena Vista city, Virginia	6,478	0.0759%	\$565,181
.Charlottesville city, Virginia	47,266	0.5538%	\$4,123,776
.Chesapeake city, Virginia	244,835	2.8684%	\$21,360,910
.Colonial Heights city, Virginia	17,370	0.2035%	\$1,515,466
.Covington city, Virginia	5,538	0.0649%	\$483,169
.Danville city, Virginia	40,044	0.4691%	\$3,493,685
.Emporia city, Virginia	5,346	0.0626%	\$466,418
.Fairfax city, Virginia	24,019	0.2814%	\$2,095,565
.Falls Church city, Virginia	14,617	0.1712%	\$1,275,277
.Franklin city, Virginia	7,967	0.0933%	\$695,090
.Fredericksburg city, Virginia	29,036	0.3402%	\$2,533,279
.Galax city, Virginia	6,347	0.0744%	\$553,751
.Hampton city, Virginia	134,510	1.5759%	\$11,735,479
.Harrisonburg city, Virginia	53,016	0.6211%	\$4,625,442
.Hopewell city, Virginia	22,529	0.2639%	\$1,965,568
.Lexington city, Virginia	7,446	0.0872%	\$649,635
.Lynchburg city, Virginia	82,168	0.9627%	\$7,168,841
.Manassas city, Virginia	41,085	0.4813%	\$3,584,508
.Manassas Park city, Virginia	17,478	0.2048%	\$1,524,888
.Martinsville city, Virginia	12,554	0.1471%	\$1,095,288
.Newport News city, Virginia	179,225	2.0998%	\$15,636,690
.Norfolk city, Virginia	242,742	2.8439%	\$21,178,304
.Norton city, Virginia	3,981	0.0466%	\$347,327
.Petersburg city, Virginia	31,346	0.3672%	\$2,734,818

.Poquoson city, Virginia	12,271	0.1438%	\$1,070,597
.Portsmouth city, Virginia	94,398	1.1059%	\$8,235,862
.Radford city, Virginia	18,249	0.2138%	\$1,592,155
.Richmond city, Virginia	230,436	2.6997%	\$20,104,653
.Roanoke city, Virginia	99,143	1.1615%	\$8,649,844
.Salem city, Virginia	25,301	0.2964%	\$2,207,415
.Staunton city, Virginia	24,932	0.2921%	\$2,175,221
.Suffolk city, Virginia	92,108	1.0791%	\$8,036,068
.Virginia Beach city, Virginia	449,974	5.2718%	\$39,258,497
.Waynesboro city, Virginia	22,630	0.2651%	\$1,974,380
.Williamsburg city, Virginia	14,954	0.1752%	\$1,304,679
.Winchester city, Virginia	28,078	0.3290%	\$2,449,697
Total Funds Distributed (excludes Fairfax County)			\$644,573,383
Source: U.S. Census Bureau, Population Division			
Release Date: March 2020			

¹ **Note:** Percentages are displayed as rounded numbers, however, the distributions are calculated using the full values.

Appendix B - Guidance From U.S. Treasury

Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments April 22, 2020

The purpose of this document is to provide guidance to recipients of the funding available under section 601(a) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The CARES Act established the Coronavirus Relief Fund (the “Fund”) and appropriated \$150 billion to the Fund. Under the CARES Act, the Fund is to be used to make payments for specified uses to States and certain local governments; the District of Columbia and U.S. Territories (consisting of the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands); and Tribal governments.

The CARES Act provides that payments from the Fund may only be used to cover costs that—

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.¹

The guidance that follows sets forth the Department of the Treasury’s interpretation of these limitations on the permissible use of Fund payments.

Necessary expenditures incurred due to the public health emergency

The requirement that expenditures be incurred “due to” the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures.

Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments.

The statute also specifies that expenditures using Fund payments must be “necessary.” The Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government

officials responsible for spending Fund payments.

¹ See Section 601(d) of the Social Security Act, as added by section 5001 of the CARES Act.

Costs not accounted for in the budget most recently approved as of March 27, 2020

The CARES Act also requires that payments be used only to cover costs that were not accounted for in the budget most recently approved as of March 27, 2020. A cost meets this requirement if either (a) the cost cannot lawfully be funded using a line item, allotment, or allocation within that budget *or* (b) the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.

The “most recently approved” budget refers to the enacted budget for the relevant fiscal period for the particular government, without taking into account subsequent supplemental appropriations enacted or other budgetary adjustments made by that government in response to the COVID-19 public health emergency. A cost is not considered to have been accounted for in a budget merely because it could be met using a budgetary stabilization fund, rainy day fund, or similar reserve account.

Costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020

A cost is “incurred” when the responsible unit of government has expended funds to cover the cost.

Nonexclusive examples of eligible expenditures

Eligible expenditures include, but are not limited to, payment for:

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.
 - Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19- related treatment.
 2. Public health expenses such as:
 - Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in
-

- connection with the COVID-19 public health emergency.
- Expenses for disinfection of public areas and other facilities, *e.g.*, nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
 4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
 - Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.
 - Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
 5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a State, territorial, local, or Tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
 6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.

Nonexclusive examples of ineligible expenditures²

The following is a list of examples of costs that would *not* be eligible expenditures of payments from the Fund.

1. Expenses for the State share of Medicaid.³
2. Damages covered by insurance.
3. Payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds.
5. Reimbursement to donors for donated items or services.
6. Workforce bonuses other than hazard pay or overtime.
7. Severance pay.
8. Legal settlements.

² In addition, pursuant to section 5001(b) of the CARES Act, payments from the Fund may not be expended for an elective abortion or on research in which a human embryo is destroyed, discarded, or knowingly subjected to risk of injury or death. The prohibition on payment for abortions does not apply to an abortion if the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

Furthermore, no government which receives payments from the Fund may discriminate against a health care entity on the basis that the entity does not provide, pay for, provide coverage of, or refer for abortions.

³ See 42 C.F.R. § 433.51 and 45 C.F.R. § 75.306.

¹ The Guidance is available at: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

Appendix C - Frequently Asked Questions

The content below was provided by the US Department of the Treasury.

Coronavirus Relief Fund Frequently Asked Questions April 22, 2020

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Inspector General of the Department of the Treasury of amounts received from the Coronavirus Relief Fund (the “Fund”) that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Inspector General if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May governments retain assets purchased with these funds?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act.

**Coronavirus Relief Fund
Frequently Asked Questions
Updated as of May 4, 2020**

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).¹ Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

Eligible Expenditures

Are governments required to submit proposed expenditures to Treasury for approval?

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

May a State receiving a payment transfer funds to a local government?

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

May a unit of local government receiving a Fund payment transfer funds to another unit of government?

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?

No. For example, a county recipient is not required to transfer funds to smaller cities within the county’s borders.

Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

Are States permitted to use Fund payments to support state unemployment insurance funds generally?

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to

the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

The Guidance states that the Fund may support a "broad range of uses" including payroll expenses for several classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID-19 public health emergency." What are some examples of types of covered employees?

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers' compensation coverage. Is the cost of this expanded workers compensation coverage eligible?

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

May Fund payments be used for COVID-19 public health emergency recovery planning?

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

Are expenses associated with contact tracing eligible?

Yes, expenses associated with contract tracing are eligible.

To what extent may a government use Fund payments to support the operations of private hospitals?

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax

requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

May recipients create a “payroll support program” for public employees?

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

May Fund payments be used to assist impacted property owners with the payment of their property taxes?

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

The Guidance provides that ineligible expenditures include “payroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

Questions Related to Administration of Fund Payments

Do governments have to return unspent funds to Treasury?

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

What records must be kept by governments receiving payment?

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act

May recipients deposit Fund payments into interest bearing accounts?

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government's general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

May governments retain assets purchased with payments from the Fund?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

¹ The Guidance is available at: <https://home.treasury.gov/policy-issues/cares/state-and-local-governments>

Appendix D - Certification for Use of Coronavirus Relief Fund

Note: Provided for reference only - download a fillable .pdf copy of this form from the Secretary of Finance's Website under "Recent News" at: <http://finance.virginia.gov/>

**CERTIFICATION for RECEIPT of
CORONAVIRUS RELIEF FUND PAYMENTS
by
[INSERT NAME OF LOCAL GOVERNMENT]**

We the undersigned represent [insert name of local government] (the locality), and we certify that:

1. we have the authority to request direct payment on behalf of the locality from the Commonwealth of Virginia of revenues from the Coronavirus Relief Fund (CRF) pursuant to section 601(b) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020).
2. we understand that the Commonwealth of Virginia will rely on this certification as a material representation in making a direct payment to the locality.
3. the locality's proposed uses of the funds received as direct payment from the Commonwealth of Virginia under section 601(b) of the Social Security Act will be used only to cover those costs that:
 - a. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
 - b. were not accounted for in the budget most recently approved as of March 27, 2020, for the locality; and
 - c. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
4. any funds that are not expended or that will not be expended on necessary expenditures on or before December 30, 2020, by the locality or its grantee(s), must be returned to Commonwealth of Virginia no later than December 30, 2020, and that the Commonwealth of Virginia is entitled to invoke state aid intercept to recover any such unexpended funds that have not been returned to the Commonwealth within 30 days of December 30, 2020.
5. we understand that the locality will not receive continued funding beyond December 30, 2020, from any source to continue paying expenses or providing services that were initiated or previously supported from CRF funds prior to December 30, 2020.
6. funds received as a direct payment from the Commonwealth of Virginia pursuant to this certification must adhere to official federal guidance issued or to be issued regarding what constitutes a necessary expenditure.
7. any CRF funds expended by the locality or its grantee(s) in any manner that does not adhere to official federal guidance shall be returned to the Commonwealth of Virginia within 30 days of a finding that the expenditure is disallowed, and that the Commonwealth of Virginia is entitled to

invoke state aid intercept to recover any and all such funds that are not repaid within 30 days of a finding that the expenditure is disallowed.

8. as a condition of receiving the CRF funds pursuant to this certification, the locality shall retain documentation of all uses of the funds, including but not limited to payroll time records, invoices, and/or sales receipts. Such documentation shall be produced to the Commonwealth of Virginia upon request.
9. the locality must maintain proper accounting records to segregate these expenditures from those supported by other fund sources and that all such records will be subject to audit.
10. any funds provided pursuant to this certification cannot be used as a revenue replacement for lower than expected revenue collections from taxes, fees, or any other revenue source.
11. any CRF funds received pursuant to this certification will not be used for expenditures for which the locality has received funds from any other emergency COVID-19 supplemental funding (whether state, federal, or private in nature) for that same expense nor may CRF funds be used for purposes of matching other federal funds unless specifically authorized by federal statute, regulation, or guideline.

For counties only

12. an equitable share of CRF funds received pursuant to this certification shall be shared with and granted to each town within its jurisdiction. Such grant(s) shall be used solely for necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19), that were not accounted for in the budget most recently approved as of March 27, 2020, and that were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The county issuing the grant is responsible for the ensuring compliance with the documentation requirements required by this certification and shall ensure that the use of the funds meets the requirements set forth in this certification.

We certify that we have read the above certification and our statements contained herein are true and correct to the best of our knowledge.

By: _____	By: _____	By: _____
Signature: _____	Signature: _____	Signature: _____
Title: _____	Title: _____	Title: _____
Date: _____	Date: _____	Date: _____



Attachment B

COMMONWEALTH of VIRGINIA
Department of Education

DATE: May 1, 2020

TO: Division Superintendents

FROM: James F. Lane, Ed.D., Superintendent of Public Instruction

SUBJECT: **CARES Act Elementary and Secondary School Emergency Relief Fund Division Allocations**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act Elementary and Secondary School Emergency Relief (ESSER) Fund allocations for each school division are attached (Attachment B). The allocations are based on each school division's relative share of Title I, Part A, Federal Fiscal Year 2019 funds. Adjustments were made by the Virginia Department of Education to account for the state-level set-aside. Attachment A contains the Additional Required Special Terms and Conditions for Grant Awards or Cooperative Agreements. The terms of the grant award are provided in Attachment C.

CARES Act ESSER funds are emergency relief funds intended to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools in Virginia. A list of allowable uses of funds as specified in the CARES Act is provided in Attachment D. As school divisions determine how best to use their funds, the Virginia Department of Education recommends that consideration be given to the priorities below:

- Supporting remote learning through educational technology, including hardware, software, connectivity, assistive technology, and adaptive equipment;
- Supporting the diverse needs of all students during school closure and when students return to school, which may include mental health services and supports, provisions for meal distribution, and services allowable under the Individuals with Disabilities Education Act;
- Planning for and implementing extended learning and summer learning; and
- Maintaining operations and continuity of services, including continuing to employ existing staff to the greatest extent practicable.

The CARES Act ESSER Fund application and instructions will be provided to school divisions in the near future. Applications will be due on August 1, 2020. The period of performance for the

award is March 13, 2020 through September 30, 2022. Questions about the allocations or application process should be directed to ESSA@doe.virginia.gov.

JFL/lis

Attachment

- a. Additional Required Special Terms and Conditions for Grant Awards or Cooperative Agreements (Word)
- b. CARES Act Elementary and Secondary School Emergency Relief Fund Division Allocations (XLS)
- c. CARES Act Elementary and Secondary School Emergency Relief Fund Terms of Grant Award (Word)
- d. CARES Act Elementary and Secondary School Emergency Relief Fund Allowable Uses of Funds (Word)

**ADDITIONAL REQUIRED SPECIAL TERMS AND CONDITIONS
FOR GRANT AWARDS OR COOPERATIVE AGREEMENTS**

A. Intellectual Property

(i.e. papers, reports, forms, materials, creations, or inventions (intangible property))

Special Terms and Conditions for Intellectual Property apply for all grants or cooperative agreements, regardless of funding source (General, Special, Federal).

Additionally, Federally funded grants or cooperative agreements must meet the requirements of the specific federal grant, such as making any work (e.g., materials, tools, processes, systems) developed freely available to the public, ensuring any websites developed meet government or industry recognized standards for accessibility, and the requirements of **2 CFR §200.315 Intangible Property**, are met.

SECTION I. Grants or Cooperative Agreements under which no Intellectual Property will be created

If grant or cooperative agreement deliverables DO NOT include creation/development of Intellectual Property, the following special terms are applicable to the grant or cooperative agreement:

INTELLECTUAL PROPERTY: The parties agree that no Intellectual Property will be created in performance of this grant or cooperative agreement.

B. Suspension and Debarment Compliance – Non-Procurement Covered Transactions

According to 2 CFR §200.213, non-federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. These regulations restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

All recipients of federal funds through this transaction must comply with 2 CFR 180, Subpart C as a condition of participation in this transaction, and must include similar terms or conditions in lower-tier covered transactions.

C. Federal Funding in Public Announcements

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal funding, U.S. Department of Education sub-grantees shall clearly state:

1. the percentage of the total costs of the program or project which will be financed with Federal funding;
2. the dollar amount of Federal funds for the project or program; and
3. the percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Recipients must comply with these conditions under Division H, Title V, Section 505 of Public Law 113-76. Consolidated Appropriations Act, 2014.

D. Prohibition of Text Messaging and Emailing While Driving During Official Federal Grant Business

Federal grant recipients, sub-recipients and their grant personnel are prohibited from text messaging while driving a government owned vehicle, or while driving their own privately owned vehicle during official grant business, or from using government supplied electronic equipment to text message or email while driving.

Recipients must comply with these conditions under Executive Order 13513, “Federal Leadership on Reducing Text Messaging While Driving,” October 1, 2009.

E. Monitoring and Reporting

1. VDOE and auditors shall have access to sub-recipient records and financial statements as necessary to meet monitoring requirements.
2. Project reimbursement and amendment requests must be made utilizing VDOE’s automated system Online Management of Education Grant Awards (OMEGA). Exceptions may be granted by VDOE grants managers via notice on the Notification of Grant Award if project reimbursement submissions are expected to be minimal during the award period.
3. Reimbursement may be requested prior to an activity, after the expenditure of funds, where payment in advance of an activity is required. This includes but is not limited to airfare, deposits, and registrations. The LEA is responsible for reconciling expenses after the activity has occurred. Reimbursement may be requested for the difference of expenses higher than the previously requested amount. Expenses lower than the previously requested amount must be repaid via a credit on a reimbursement request within 30 days of the completed activity.

**VIRGINIA DEPARTMENT OF EDUCATION
CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT
ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND ALLOCATIONS
MAY 2020**

DIVISION NO	SCHOOL DIVISION/LEA	ALLOCATION
001	ACCOMACK COUNTY PUBLIC SCHOOLS	\$ 1,713,822.36
002	ALBEMARLE COUNTY PUBLIC SCHOOLS	\$ 1,268,193.06
003	ALLEGHANY COUNTY PUBLIC SCHOOLS	\$ 507,038.88
004	AMELIA COUNTY PUBLIC SCHOOLS	\$ 288,826.84
005	AMHERST COUNTY PUBLIC SCHOOLS	\$ 821,580.85
006	APPOMATTOX COUNTY PUBLIC SCHOOLS	\$ 450,295.00
007	ARLINGTON COUNTY PUBLIC SCHOOLS	\$ 2,065,392.31
008	AUGUSTA COUNTY PUBLIC SCHOOLS	\$ 1,120,251.15
009	BATH COUNTY PUBLIC SCHOOLS	\$ 73,903.89
010	BEDFORD COUNTY PUBLIC SCHOOLS	\$ 1,288,950.83
011	BLAND COUNTY PUBLIC SCHOOLS	\$ 118,646.66
012	BOTETOURT COUNTY PUBLIC SCHOOLS	\$ 331,218.41
013	BRUNSWICK COUNTY PUBLIC SCHOOLS	\$ 664,211.12
014	BUCHANAN COUNTY PUBLIC SCHOOLS	\$ 1,210,035.85
015	BUCKINGHAM COUNTY PUBLIC SCHOOLS	\$ 580,167.95
016	CAMPBELL COUNTY PUBLIC SCHOOLS	\$ 1,320,250.91
017	CAROLINE COUNTY PUBLIC SCHOOLS	\$ 751,173.29
018	CARROLL COUNTY PUBLIC SCHOOLS	\$ 889,205.44
019	CHARLES CITY COUNTY PUBLIC SCHOOLS	\$ 148,233.81
020	CHARLOTTE COUNTY PUBLIC SCHOOLS	\$ 609,305.37
021	CHESTERFIELD COUNTY PUBLIC SCHOOLS	\$ 5,636,406.31
022	CLARKE COUNTY PUBLIC SCHOOLS	\$ 150,407.63
023	CRAIG COUNTY PUBLIC SCHOOLS	\$ 150,675.36
024	CULPEPER COUNTY PUBLIC SCHOOLS	\$ 1,239,167.69
025	CUMBERLAND COUNTY PUBLIC SCHOOLS	\$ 390,636.42
026	DICKENSON COUNTY PUBLIC SCHOOLS	\$ 764,673.05
027	DINWIDDIE COUNTY PUBLIC SCHOOLS	\$ 668,369.21
028	ESSEX COUNTY PUBLIC SCHOOLS	\$ 413,664.97
029	FAIRFAX COUNTY PUBLIC SCHOOLS	\$ 20,847,535.60
030	FAUQUIER COUNTY PUBLIC SCHOOLS	\$ 695,782.57
031	FLOYD COUNTY PUBLIC SCHOOLS	\$ 393,774.17
032	FLUVANNA COUNTY PUBLIC SCHOOLS	\$ 302,655.46
033	FRANKLIN COUNTY PUBLIC SCHOOLS	\$ 1,492,694.30
034	FREDERICK COUNTY PUBLIC SCHOOLS	\$ 1,162,163.53
035	GILES COUNTY PUBLIC SCHOOLS	\$ 389,204.58
036	GLOUCESTER COUNTY PUBLIC SCHOOLS	\$ 633,644.36
037	GOOCHLAND COUNTY PUBLIC SCHOOLS	\$ 255,214.19
038	GRAYSON COUNTY PUBLIC SCHOOLS	\$ 578,884.29
039	GREENE COUNTY PUBLIC SCHOOLS	\$ 362,894.14
040	GREENSVILLE COUNTY PUBLIC SCHOOLS	\$ 396,299.85
041	HALIFAX COUNTY PUBLIC SCHOOLS	\$ 1,324,867.48
042	HANOVER COUNTY PUBLIC SCHOOLS	\$ 927,656.89
043	HENRICO COUNTY PUBLIC SCHOOLS	\$ 9,293,830.67
044	HENRY COUNTY PUBLIC SCHOOLS	\$ 2,128,914.30

**VIRGINIA DEPARTMENT OF EDUCATION
CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT
ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND ALLOCATIONS
MAY 2020**

DIVISION NO	SCHOOL DIVISION/LEA	ALLOCATION
045	HIGHLAND COUNTY PUBLIC SCHOOLS	\$ 43,540.72
046	ISLE OF WIGHT COUNTY PUBLIC SCHOOLS	\$ 536,829.84
047	JAMES CITY COUNTY	\$ 896,313.51
048	KING GEORGE COUNTY PUBLIC SCHOOLS	\$ 336,540.56
049	KING AND QUEEN COUNTY PUBLIC SCHOOLS	\$ 171,617.07
050	KING WILLIAM COUNTY PUBLIC SCHOOLS	\$ 202,411.25
051	LANCASTER COUNTY PUBLIC SCHOOLS	\$ 340,612.41
052	LEE COUNTY PUBLIC SCHOOLS	\$ 1,403,765.18
053	LOUDOUN COUNTY PUBLIC SCHOOLS	\$ 1,282,207.94
054	LOUISA COUNTY PUBLIC SCHOOLS	\$ 783,289.86
055	LUNENBURG COUNTY PUBLIC SCHOOLS	\$ 472,088.46
056	MADISON COUNTY PUBLIC SCHOOLS	\$ 319,527.87
057	MATHEWS COUNTY PUBLIC SCHOOLS	\$ 165,484.24
058	MECKLENBURG COUNTY PUBLIC SCHOOLS	\$ 1,187,389.23
059	MIDDLESEX COUNTY PUBLIC SCHOOLS	\$ 295,177.20
060	MONTGOMERY COUNTY PUBLIC SCHOOLS	\$ 1,546,920.40
062	NELSON COUNTY PUBLIC SCHOOLS	\$ 429,944.98
063	NEW KENT COUNTY PUBLIC SCHOOLS	\$ 217,575.00
065	NORTHAMPTON COUNTY PUBLIC SCHOOLS	\$ 595,390.85
066	NORTHUMBERLAND COUNTY PUBLIC SCHOOLS	\$ 412,868.17
067	NOTTOWAY COUNTY PUBLIC SCHOOLS	\$ 701,234.10
068	ORANGE COUNTY PUBLIC SCHOOLS	\$ 623,387.63
069	PAGE COUNTY PUBLIC SCHOOLS	\$ 736,593.49
070	PATRICK COUNTY PUBLIC SCHOOLS	\$ 567,671.28
071	PITTSYLVANIA COUNTY PUBLIC SCHOOLS	\$ 1,927,445.27
072	POWHATAN COUNTY PUBLIC SCHOOLS	\$ 236,490.00
073	PRINCE EDWARD COUNTY PUBLIC SCHOOLS	\$ 801,046.31
074	PRINCE GEORGE COUNTY PUBLIC SCHOOLS	\$ 534,073.17
075	PRINCE WILLIAM COUNTY PUBLIC SCHOOLS	\$ 9,260,965.99
077	PULASKI COUNTY PUBLIC SCHOOLS	\$ 867,331.61
078	RAPPAHANNOCK COUNTY PUBLIC SCHOOLS	\$ 145,156.14
079	RICHMOND COUNTY PUBLIC SCHOOLS	\$ 249,706.68
080	ROANOKE COUNTY PUBLIC SCHOOLS	\$ 1,095,848.13
081	ROCKBRIDGE COUNTY PUBLIC SCHOOLS	\$ 452,254.13
082	ROCKINGHAM COUNTY PUBLIC SCHOOLS	\$ 1,417,685.20
083	RUSSELL COUNTY PUBLIC SCHOOLS	\$ 1,051,083.18
084	SCOTT COUNTY PUBLIC SCHOOLS	\$ 669,819.49
085	SHENANDOAH COUNTY PUBLIC SCHOOLS	\$ 965,090.43
086	SMYTH COUNTY PUBLIC SCHOOLS	\$ 1,118,606.75
087	SOUTHAMPTON COUNTY PUBLIC SCHOOLS	\$ 495,235.09
088	SPOTSYLVANIA COUNTY PUBLIC SCHOOLS	\$ 2,420,333.63
089	STAFFORD COUNTY PUBLIC SCHOOLS	\$ 1,547,757.83
090	SURRY COUNTY PUBLIC SCHOOLS	\$ 173,936.20
091	SUSSEX COUNTY PUBLIC SCHOOLS	\$ 430,345.98

**VIRGINIA DEPARTMENT OF EDUCATION
CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT
ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND ALLOCATIONS
MAY 2020**

DIVISION NO	SCHOOL DIVISION/LEA	ALLOCATION
092	TAZEWELL COUNTY PUBLIC SCHOOLS	\$ 1,471,287.87
093	WARREN COUNTY PUBLIC SCHOOLS	\$ 798,325.92
094	WASHINGTON COUNTY PUBLIC SCHOOLS	\$ 1,515,255.53
095	WESTMORELAND COUNTY PUBLIC SCHOOLS	\$ 574,982.34
096	WISE COUNTY PUBLIC SCHOOLS	\$ 1,837,421.01
097	WYTHE COUNTY PUBLIC SCHOOLS	\$ 852,633.01
098	YORK COUNTY PUBLIC SCHOOLS	\$ 592,235.54
101	ALEXANDRIA CITY PUBLIC SCHOOLS	\$ 3,631,222.12
102	BRISTOL CITY PUBLIC SCHOOLS	\$ 1,142,301.89
103	BUENA VISTA CITY PUBLIC SCHOOLS	\$ 210,781.68
104	CHARLOTTESVILLE CITY PUBLIC SCHOOLS	\$ 1,204,810.29
106	COLONIAL HEIGHTS CITY PUBLIC SCHOOLS	\$ 504,406.81
107	COVINGTON CITY PUBLIC SCHOOLS	\$ 209,881.54
108	DANVILLE CITY PUBLIC SCHOOLS	\$ 3,220,926.23
109	FALLS CHURCH CITY PUBLIC SCHOOLS	\$ 38,148.96
110	FREDERICKSBURG CITY PUBLIC SCHOOLS	\$ 881,743.13
111	GALAX CITY PUBLIC SCHOOLS	\$ 494,144.38
112	HAMPTON CITY PUBLIC SCHOOLS	\$ 5,873,321.17
113	HARRISONBURG CITY PUBLIC SCHOOLS	\$ 1,261,515.63
114	HOPEWELL CITY PUBLIC SCHOOLS	\$ 1,485,103.36
115	LYNCHBURG CITY PUBLIC SCHOOLS	\$ 3,311,790.46
116	MARTINSVILLE CITY PUBLIC SCHOOLS	\$ 939,212.89
117	NEWPORT NEWS CITY PUBLIC SCHOOLS	\$ 9,605,772.18
118	NORFOLK CITY PUBLIC SCHOOLS	\$ 12,665,678.94
119	NORTON CITY PUBLIC SCHOOLS	\$ 220,386.97
120	PETERSBURG CITY PUBLIC SCHOOLS	\$ 2,619,379.52
121	PORTSMOUTH CITY PUBLIC SCHOOLS	\$ 5,336,804.60
122	RADFORD CITY PUBLIC SCHOOLS	\$ 280,586.07
123	RICHMOND CITY PUBLIC SCHOOLS	\$ 13,251,928.45
124	ROANOKE CITY PUBLIC SCHOOLS	\$ 5,925,872.65
126	STAUNTON CITY PUBLIC SCHOOLS	\$ 703,424.63
127	SUFFOLK CITY PUBLIC SCHOOLS	\$ 2,919,033.01
128	VIRGINIA BEACH CITY PUBLIC SCHOOLS	\$ 10,110,336.67
130	WAYNESBORO CITY PUBLIC SCHOOLS	\$ 875,533.27
131	WILLIAMSBURG CITY	\$ 267,560.67
132	WINCHESTER CITY PUBLIC SCHOOLS	\$ 959,388.84
134	FAIRFAX CITY PUBLIC SCHOOLS	\$ 241,357.42
135	FRANKLIN CITY PUBLIC SCHOOLS	\$ 626,670.64
136	CHESAPEAKE CITY PUBLIC SCHOOLS	\$ 6,280,543.81
137	LEXINGTON CITY PUBLIC SCHOOLS	\$ 52,044.52
138	EMPORIA CITY PUBLIC SCHOOLS	\$ 424,779.39
139	SALEM CITY PUBLIC SCHOOLS	\$ 454,470.89
142	POQUOSON CITY PUBLIC SCHOOLS	\$ 56,089.54
143	MANASSAS CITY PUBLIC SCHOOLS	\$ 1,066,318.18

**VIRGINIA DEPARTMENT OF EDUCATION
CORONAVIRUS AID, RELIEF AND ECONOMIC SECURITY (CARES) ACT
ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND ALLOCATIONS
MAY 2020**

DIVISION NO	SCHOOL DIVISION/LEA	ALLOCATION
144	MANASSAS PARK CITY PUBLIC SCHOOLS	\$ 276,815.39
202	TOWN OF COLONIAL BEACH PUBLIC SCHOOLS	\$ 257,035.97
207	TOWN OF WEST POINT PUBLIC SCHOOLS	\$ 42,321.78
218	STAUNTON D/B	\$ 75,390.40
917	JUVENILE JUSTICE	\$ 142,983.39
	TOTAL	\$ 214,739,273.00

**Virginia Department of Education
Office of ESEA Programs**

**Coronavirus Aid, Relief, and Economic Security (CARES) Act
Elementary and Secondary School Emergency Relief (ESSER) Fund
Terms of Grant Award**

Grant Details

- **Authorized by:** Virginia Department of Education (VDOE)
- **Recipient and Grant Award Amount:** The recipients and grant award amounts for the CARES ESSER Fund are specified in Superintendent's Memorandum #110-20, May 1, 2020.
- **Grant Authority:** This grant is authorized under the Coronavirus Aid, Relief, and Economic Security Act of 2020
- **Fund Source:** Federal
- **Grant Award Number:** S425D200008
- **Project Code:** APE60177
- **Grant Award Type:** Federal Fiscal Year 2020
- **Catalog of Federal Domestic Assistance (CFDA) Number:** 84.425D

Award Period

Regulatory provisions for projects funded under the CARES Act ESSER Fund allow for the expenditure of funds from March 13, 2020 – September 30, 2022. Reimbursements requests must be submitted to VDOE by November 15, 2022.

Terms and Conditions

Grant recipients are responsible for: 1) adhering to the ESSER Fund provisions outlined in the CARES Act; 2) adhering to the regulations in the United States Department of Education's General Administrative Regulations (EDGAR) in 34 of the Code of the Federal Regulations (CFR); and 3) adhering to the regulations in 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Please refer to EDGAR and CFR documents for additional information.

Additional Information

Reimbursements may be processed once funds are distributed from Object Code 0000 to the other object codes in OMEGA. To distribute amounts from Object Code 0000, the OMEGA budget originator needs to submit a budget transfer request by selecting "Change my object code budget:" from the "I want to..." list. Funds will be available for reimbursement when the budget transfer has been approved by all required reviewer levels and the transfer has the status "Transfer Completed." For assistance with OMEGA, please contact OMEGA Support at (804) 371-0993 or OMEGA.support@doe.virginia.gov.

Coronavirus Aid, Relief, and Economic Security Act
Elementary and Secondary School Emergency Relief Fund
Uses of Funds

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. CARES Act funds (under the Elementary and Secondary School Emergency Relief Fund) may be used to support school divisions in a wide variety of ways. The allowable uses of funds below are specified in Section 18003(d) of the CARES Act.

- Activities authorized by the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act (AEFLA), the Carl D. Perkins Career and Technical Education Act (Perkins), and the McKinney-Vento Homeless Education Assistance Act;
- Coordination of LEA preparedness and response efforts to improve coordinated responses with other agencies to prevent, prepare for, and respond to coronavirus;
- Providing principals and other school leaders with the resources necessary to address school needs;
- Activities to address the unique needs of low-income children or students, children with disabilities, English learners, racial and ethnic minorities, students experiencing homelessness, and foster care youth;
- Developing and implementing procedures and systems to improve LEA preparedness and response efforts;
- Training and professional development for LEA staff on sanitation and minimizing the spread of infectious diseases;
- Purchasing supplies to sanitize and clean LEA facilities;
- Planning for and coordinating during long-term closures, including how to provide meals, technology for online learning, guidance on IDEA requirements, and ensuring other educational services can continue to be provided consistent with all applicable requirements;
- Purchasing educational technology (including hardware, software, and connectivity) for students served by the LEA that aids in regular and substantive educational interactions between students and their classroom teachers, including assistive technology or adaptive equipment;
- Providing mental health services and supports;
- Planning and implementing activities related to summer learning and supplemental afterschool programs and addressing the needs of low-income students, students with disabilities, English learners, migrant students, students experiencing homelessness, and children in foster care; and
- Other activities that are necessary to maintain operations and continuity of services and continuing to employ existing staff.

The Middle Peninsula Business COVID Adaptation Program: CAP Draft Program Design

The counties of in the Middle Peninsula, Essex, Gloucester, King and Queen King William, Mathews and Middlesex, will reimburse eligible costs incurred by an eligible business to allow the operation of that business in compliance with Governor Northam's Executive Orders related to the COVID-19 emergency declarations and associated guidelines in accordance with the reimbursement timeframes outline below.

Participating businesses must certify that expenditures requested for reimbursement were expended to specifically address the impact of the COVID-19 pandemic. Participating businesses must certify that any cost reimbursement request has not been paid for with any Federal funds associated with COVID-19 pandemic. In addition, if the business has applied for and received Federal aid, please denote the program and how the funding has been used.

Reimbursement will be made for documented costs associated with physical modification to business facilities, equipment purchase, personal protection equipment, sanitation supplies or technology upgrades needed to comply with the Governor's Executive Orders and associated guidelines for business operation. Documentation of expenditures must include receipts paid accompanied by photographs, when applicable, (please explain the reason for no photographs) as well as a brief explanation of the request for reimbursement.

For a business to be eligible for assistance it must have a current business license issued by the locality or be a category of business that is not required to have a business license.

Businesses must certify that they meet all applicable Mandatory Requirements listed in Appendix A.

MPPDC staff will develop an online application intake system whereby an applicant will certify that the business has not received any federal or state financial aid associated with the reimbursement request. The applicant will upload receipts, pictures and a brief description of the actions taken and its relations to the COVID Pandemic.

MPPDC staff will use a two layered review process. Clerical staff will review the application and attachments for completeness and eligibility. A Senior Planner will review again for completeness and eligibility. The Senior Planner will forward to the CAP project manager for final review against any special rules of conditions imposed by the locality and then route for reimbursement to either the participating locality or MPPDC.

Project manager will work with the marketing company to develop an appropriate marketing strategy and assists business who do not have the capability to upload reimbursement request. Project manager will oversee and coordinate appeals. Project Manager will only work with those applications where there is a question of eligibility, documentation or special conditions. Project manager will work with MPPDC CFO to ensure that appropriate account controls are in place for each participating locality for final program auditing

Appeals will be directed to the Chief Administrative Officer of the participating locality. The Chief Administrative Officer will be responsible for developing a locally approved appeals process. The Chief Administrative Officer is responsible for authorizing payments for appeals.

Examples of Eligible Reimbursable Costs Include:

- **Outdoor business operations - The cost of constructing of outdoor facilities either temporary (i.e. tents) or permanent to allow service to customers with proper social distancing.**
- **Outdoor seating areas – The cost of conversion of an area, sidewalk, parking lot or open area, adjacent to a dining facility to accommodate additional outdoor seating.**
- **Outdoor seating – The acquisition of chairs, tables and stands for a outdoor seating area.**
- **Signage – Acquisition of signage relating to the operation of the business in accordance with the Covid-19 guidelines.**

- **Checkout counter modifications** – Installation of screens and buffers to allow for proper social distancing practices.
- **Seating modification or storage** – Costs associated with the reduction of seating in public spaces to comply with social distancing guidelines including the costs of storage facilities to store excess seating until the restrictions are lifted.
- **Markings** – Costs incurred to cordon off public spaces to conform to social distancing requirements.
- **Computer Hardware** – The cost for required computer hardware necessary to support remote work by employees.
- **Software** – The costs of software purchased to support remote work by employees or upgrades to existing Internet presence to support expanded e-commerce.
- **Sanitation Station** – Installation of enhanced sanitation equipment for employees or customers.
- **PPE, Personal Protection Equipment** – The cost to purchase necessary masks, gloves, face shields or protective garments to protect against the spread of the virus.
- **Sanitation Supplies** – The cost of disinfection supplies materials to clean equipment or furnishings as well as supplies necessary for proper hygiene of employees and customers.
- **Disinfection Equipment** – Purchase of equipment needed to dispense the disinfection agents.
- **Disinfection Contracts** – The cost of contracts for the disinfection of facilities and equipment necessary for operation of the businesses.

Examples of Costs that are NOT Eligible Reimbursable Include:

- **Personnel** – The salaries, fringe and related costs of permanent or part-time staff required to operate the business.
- **Lost Revenues** – The costs to the business related to the loss of revenues from lack sales, cancelation of orders or cancelation of contracts.
- **Normal Operating Expenses** – The cost of rent payments, utilities, mortgage payments, insurance, etc.

Program Participation Requirements for Reimbursement

- The business must have a current business license from participating locality where the business is located or certify that the business is a category of business that is not required to have a business license.
- Certify that all expenditures requested for reimbursement were expended to specifically address the impact of the COVID-19 pandemic.
- Certify that the business meets all applicable Mandatory Requirements listed in Appendix A (- Guidance From U.S. Treasury Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments April 22, 2020.)
- Certify that the all expenditures for reimbursement were made in one or more of the participating Middle Peninsula localities.
 - Certify that reimbursement request will be made only once if expenses occurred in multiple counties (no double reimbursement)

Appeal Process

After notification to the applicant that the request for reimbursement is not eligible for grant assistance, the applicant may request appeal of the denial of the reimbursement grant request. Such request will be delivered to the Chief Administrative Officer of the locality where the business is located for a final determination of eligibility of the reimbursement request. Appeals must be processed locally within 30 days, subject to available fund balance. Requests for final appeal reimbursement must be received by November 15th, 2020 to ensure payment processing and remittance by Dec 30, 2020.

Reimbursement Timeframes

Stay at Home Phase - June 15 - July 30th

Reimbursement of eligible costs incurred between March 24, 2020 and Thursday, May 14, 2020 related to compliance with Executive Orders 53 and 55 and amendments along with guidance for business operation. Documented eligible costs reimbursed up to \$5,000

Eligible Businesses

(unless specifically excluded and listed in the MPPDC service agreement by the host locality):

The following businesses are eligible to apply for cost reimbursement:

- Restaurants, dining establishments, food courts breweries, microbreweries, distilleries, wineries, tasting rooms, and farmers markets offering delivery and take-out services only.
- Essential Businesses including:
 - Grocery stores, pharmacies, and other retailers that sell food and beverage products or pharmacy products, including dollar stores, and department stores with grocery or pharmacy operations;
 - Medical, laboratory, and vision supply retailers;
 - Electronic retailers that sell or service cell phones, computers, tablets, and other communications technology;
 - Automotive parts, accessories, and tire retailers as well as automotive repair facilities;
 - Home improvement, hardware, building material, and building supply retailers;
 - Lawn and garden equipment retailers;
 - Beer, wine, and liquor stores;
 - Retail functions of gas stations and convenience stores;
 - Retail located within healthcare facilities;
 - Banks and other financial institutions with retail functions;
 - Pet and feed stores;
 - Printing and office supply stores; and
 - Laundromats and dry cleaners.
- Professional rather than retail services
- Health Care Facilities and Providers
- Lodging facilities – Hotels, motels and Bed and Breakfast businesses providing overnight lodging.
- Agriculture businesses serving the public.
- Seafood, aquaculture or fishing businesses serving the public.

Safer at Home Phase 1, Round 1- June 15 - July 30th

Reimbursement of eligible costs incurred after May 7, 2020 related to compliance with Executive Order 61 along with guidance for business operation. Documented eligible costs reimbursed up to \$5,000.

Eligible Businesses:

(unless specifically excluded and listed in the MPPDC service agreement by the host locality):

The businesses outlined in the Stay at Home Phase above and businesses in the following business categories are eligible to apply of assistance during the Safer at Home Phase 1 if they meet the mandatory requirements listed in Appendix A and any additional mandatory requirements published by the Virginia Department of Health.

- **Restaurants and Beverage Services** - Restaurants, dining establishments, food courts, breweries, cideries, mobile units (food trucks), distilleries, wineries, and tasting rooms
- **Farmers Markets**
- **Brick and Mortar Retail** - All non-essential brick and mortar retail establishments
- **Fitness and Exercise Facilities** - Gymnasiums, recreation centers, swimming pools, indoor sports facilities, and indoor exercise facilities Establishments must remain closed in Phase I. Establishments may offer limited outdoor fitness and exercise operations
- **Personal Care and Grooming Services** - Beauty salons, barbershops, spas, massage centers, tanning salons, tattoo shops, and any other location where personal care or personal grooming services are performed
- **Campgrounds and Summer Camps** - Private campgrounds and overnight summer camps
- **Health Care Providers** – Doctors, dentists, and other medical professionals providing elective health care including nursing homes and assisted living facilities.
- **Child Care Providers** – State licensed and certified facilities providing care for children.

Safer at Home Phase 1, Round 2 - July 1 - August 30

Reimbursement of eligible costs incurred after May 7, 2020 related to compliance with Executive Order 61 and any subsequent Executive Orders along with guidance for business operation. Documented eligible costs for reimbursement up to \$10,000. Eligible costs that were not covered in Round 1 are eligible for reimbursement up to a total of \$10,000.

Safer at Home Phase 1, Round 3 - September 1- November 15

Reimbursement of all eligible costs incurred after May 7, 2020 related to compliance with Executive Order 61 and any subsequent Executive Orders along with guidance for business operation. Eligible costs that were not covered in Round 1 and Round 2 are eligible for reimbursement.

Applicants may apply once for each time period. Reimbursements will be awarded on a “first come first served” basis based on submission of proper documentation. Reimbursements will be made until all funds allocated have been awarded. Requests for final reimbursement must be received by November 15th, 2020 to ensure payment processing and remittance by Dec 30, 2020.

DRAFT PROGRAM BUDGET

Localities may choose a different level for program investment, but must denote such in the MPPDC Draft Service Agreement

Concept Budget Below

Pass Through- Shielded From IDC

Business Reimbursement	100% Participation	Marketing \$ Database	Program Admin cost	Total Local Commitment
	Business Reimbursement			
Revenue	\$ 100,000.00	\$ 3,000.00	\$ 6,000.00	\$ 109,000.00
Gloucester	\$ 100,000.00	\$ 3,000.00	\$ 6,000.00	\$ 109,000.00
Mathews	\$ 100,000.00	\$ 3,000.00	\$ 6,000.00	\$ 109,000.00
Middlesex	\$ 100,000.00	\$ 3,000.00	\$ 6,000.00	\$ 109,000.00
Essex	\$ 100,000.00	\$ 3,000.00	\$ 6,000.00	\$ 109,000.00
King and queen	\$ 100,000.00	\$ 3,000.00	\$ 6,000.00	\$ 109,000.00
King William	\$ 100,000.00	\$ 3,000.00	\$ 6,000.00	\$ 109,000.00
Tapp	\$ 33,000.00	\$ 1,000.00	\$ 2,000.00	\$ 36,000.00
West Point	\$ 33,000.00	\$ 1,000.00	\$ 2,000.00	\$ 36,000.00
Urbanna	\$ 33,000.00	\$ 1,000.00	\$ 2,000.00	\$ 36,000.00
Total	\$ 799,000.00	\$ 24,000.00	\$ 48,000.00	\$ 871,000.00

Draft MPPDC Staffing Cost

\$ 20,000	Program Coordinator	
\$ 10,000	PDC Staff 1	Process the bulk of the invoices
\$ 10,000	PDC Staff 2	Reviews against rules for approval.
\$ 8,000.00	PDC Financial Processing outside of budget duties.	
<u> </u>		
\$48,000		

References:

<https://www.governor.virginia.gov/executive-actions/>

Forward Virginia Guidelines

Safer at Home: Phase I

<https://www.virginia.gov/coronavirus/forwardvirginia/>

[https://www.governor.virginia.gov/media/governorvirginiagov/executive-actions/EO-61-and-Order-of-Public-Health-Emergency-Three---Phase-One-Easing-Of-Certain-Temporary-Restrictions-Due-To-Novel-Coronavirus-\(COVID-19\).pdf](https://www.governor.virginia.gov/media/governorvirginiagov/executive-actions/EO-61-and-Order-of-Public-Health-Emergency-Three---Phase-One-Easing-Of-Certain-Temporary-Restrictions-Due-To-Novel-Coronavirus-(COVID-19).pdf)

APPENDIX A – Mandatory Requirements

Restaurants and Beverage Services

Businesses must strictly adhere to the physical distancing guidelines, enhanced cleaning and disinfection practices, and enhanced workplace safety practices provided in the “Guidelines for All Business Sectors” document. Virginia Department of Health and Virginia Department of Agriculture and Consumer Services regulated facilities must continue to follow requirements related to prohibiting sick employees in the workplace, strict handwashing practices, and procedures and practices to clean and sanitize surfaces.

During Phase I, businesses should continue to offer takeout and delivery options. If businesses choose to open to dine-in customers, they may only do so in outdoor spaces and must adhere to the following additional requirements for outdoor service:

- Post signage at the entrance that states that no one with a fever or symptoms of COVID-19, or known exposure to a COVID-19 case in the prior 14 days, is permitted in the establishment.
- Post signage to provide public health reminders regarding physical distancing, gatherings, options for [high risk individuals](#), and staying home if sick.
- Occupancy must be limited to no more than 50% of the lowest occupancy load on the certificate of occupancy, if applicable, while

maintaining a minimum of six feet of physical distancing between all individuals as much as possible.

- Provide a minimum of six feet between parties at tables, (i.e., the six feet cannot include the space taken up by the seated guest). If tables are not movable, seat parties at least six feet apart. Spacing must also allow for physical distancing from areas outside of the facility's control (i.e. provide physical distancing from persons on public sidewalks).
- Do not seat parties of more than 10 patrons. All parties, whether seated together or across multiple tables, must be limited to 10 patrons or less.
- Do not seat multiple parties at any one table unless marked with six-foot divisions (such as with tape).
- Bar seats and congregating areas of restaurants must be closed to patrons except for through-traffic. Non-bar seating in the outdoor bar area (i.e., tables or counter seats that do not line up to a bar or food service area) may be used for customer seating as long as a minimum of six feet is provided between parties at tables.
- Keep game areas, dance floors, and playgrounds closed. If live musicians are performing as establishment, they must remain at least six feet from patrons and staff.
- Employees working in customer dining and service areas are required to wear face coverings over their nose and mouth, such as using [CDC Use of Cloth Face Coverings guidance](#).
- Use single-use disposable menus (e.g., paper) and discard after each customer. Reusable menus are not permitted in Phase I. Refilling food and beverage containers or implements brought in by customers is not allowed in Phase I.
- Prior to each shift, employers should ask that the employee self-measure their temperature and assess symptoms. Please see [VDH Interim Guidance for Implementing Safety Practices for Critical Infrastructure Workers During Widespread Community Transmission](#).
- No self-service of food (except beverages), including condiments. Condiments must be removed from tables and dispensed by employees upon the request of a customer. Buffets must be staffed by servers. For self-service beverage areas, use beverage equipment designed to dispense by a contamination-free method.

- Perform thorough cleaning and disinfection of frequently contacted surfaces including digital ordering devices, check presenters, self-service areas, tabletops, bathroom surfaces, and other common touch areas every 60 minutes during operation. Tabletops and credit card/bill folders must be disinfected between patrons.
- Table resets must be done by an employee who has washed their hands with soap and water for at least 20 seconds just prior to reset activities.
- Only 10 patrons may wait for takeout in the lobby area at one time.

Farmers Markets

Mandatory Requirements

Businesses must strictly adhere to the physical distancing guidelines, enhanced cleaning and disinfection practices, and enhanced workplace safety practices provided in the “Guidelines for All Business Sectors” document. Virginia Department of Health and Virginia Department of Agriculture and Consumer Services regulated facilities must continue to follow requirements related to prohibiting sick employees in the workplace, strict handwashing practices, and procedures and practices to clean and sanitize surfaces.

During Phase 1, farmers markets should continue to offer order ahead and pickup options. If markets choose to open, they may only do so in outdoor spaces and they must adhere to the following additional requirements for outdoor service:

- Post signage at the entrance that states that no one with a fever or symptoms of COVID-19, or known exposure to a COVID-19 case in the prior 14 days, is permitted in the establishment or farmers market.
- Post signage to provide public health reminders regarding physical distancing, gatherings, options for [high risk individuals](#), and staying home if sick (See samples at the bottom of this document).
- On-site shopping is allowed, as long as physical distancing guidelines are adhered to. Configure operations to avoid congestion or congregation points.

- Employees and vendors working at the farmers markets must wear face coverings over their nose and mouth, such as using [CDC Use of Cloth Face Coverings guidance](#).
- Provide a minimum of six feet between parties at tables, (i.e., the six feet cannot include the space taken up by the seated guest). Spacing should also allow for physical distancing from areas outside of the facility's control (i.e. provide physical distancing from persons on public sidewalks).
- Provide hand sanitizer stations or hand washing stations for patrons and employees.
- Vendors must use enhanced cleaning and disinfecting practices to regularly clean and disinfect spaces and equipment.
- Vendors and employees handling money should wash their hands between each transaction.

Brick and Mortar Retail

Mandatory Requirements

Businesses must strictly adhere to the physical distancing guidelines, enhanced cleaning and disinfection practices, and enhanced workplace safety practices provided in the "Guidelines for All Business Sectors" document. They must also adhere to the following additional requirements:

- Post signage at the entrance that states that no one with a fever or symptoms of COVID-19, or known exposure to a COVID-19 case in the prior 14 days, is permitted in the establishment.
- Post signage to provide public health reminders regarding physical distancing, gatherings, options for [high risk individuals](#), and staying home if sick (samples at bottom of this document).
- Retailers must limit occupancy to 50% of the lowest occupancy load on the certificate of occupancy.
- Retailers must assist customers in keeping at least six feet of space between individuals or households while shopping and waiting in line. Mark floors in six-foot increments in areas where customers will be congregating or standing in line such as cashier areas. If six feet of space

cannot be maintained between checkout lines, only operate alternate checkout lines.

- If seating is available, provide a minimum of six feet between tables; if tables are not movable, parties must be spaced at least six feet apart.
 - Meeting rooms and other enclosed spaces such as fitting rooms should be closed to customers.
 - Employees working in customer-facing areas are required to wear face coverings over their nose and mouth, such as using [CDC Use of Cloth Face Coverings guidance](#).
 - Perform a thorough cleaning and disinfection of frequently contacted surfaces including digital ordering devices, self-service areas, countertops, bathroom surfaces, cashier stations, belts, shelves, cash machine pads, keyboards, order separation bars, and other high touch surfaces, at a minimum, every 2 hours.
 - Eliminate stations where food or drink can be sampled. No self-service of food (except beverages), including condiments. Self-service beverage areas must use beverage equipment designed to dispense through a contamination-free method.
 - Ensure there is a way to sanitize shopping cart and basket handles: either make an [EPA-approved disinfectant](#) easily accessible to customers or have employees manage the process and sanitize between each customer use.
-

Fitness and Exercise Facilities

Mandatory Requirements

Businesses must strictly adhere to the physical distancing guidelines, enhanced cleaning and disinfection practices, and enhanced workplace safety practices provided in the “Guidelines for All Business Sectors” document. If businesses choose to offer fitness and exercise services, they may only do so in outdoor spaces and must adhere to the following additional requirements for outdoor operations:

- Facilities should separate fitness equipment to ensure ten feet of separation between patrons, members, and guests using such equipment.

- The number of participants in all group exercise and fitness classes and all recreational sporting events must be limited to no more than 10 participants. The instructor and all participants must maintain at least ten feet of physical distancing between each other.
- Instructors and trainers must maintain at least ten feet of distance between themselves and their clients.
- Employees working in customer-facing areas are required to wear face coverings over their nose and mouth, such as using [CDC Use of Cloth Face Coverings guidance](#). Lifeguards responding to distressed swimmers are exempt from this requirement.
- Provide hand sanitizing stations, including at the entrance/exit and where shared fitness equipment is utilized.
- Employers must ensure cleaning and disinfection of shared equipment after each use.
- Facilities must prohibit the use of any equipment that cannot be thoroughly disinfected between uses (e.g., climbing rope, exercise bands, etc.). Facilities must also prohibit the use of equipment requiring more than one person to operate, unless those operating are from the same household (e.g., free weights when it requires a spotter).
- Hot tubs, spas, splash pads, spray pools, interactive play features, basketball courts, racquetball courts, and all seating in pool areas must be closed. Outdoor swimming pools may be open for lap swimming only, with one person per lane. Indoor swimming pools and related areas must remain closed.
- _____

Personal Care and Grooming Services

Mandatory Requirements

Businesses must strictly adhere to the physical distancing guidelines, enhanced cleaning and disinfection practices, and enhanced workplace safety practices provided in the “Guidelines for All Business Sectors” document. They must also adhere to the following additional requirements:

- Post signage at the entrance that states that no one with a fever or symptoms of COVID-19, or known exposure to a COVID-19 case in the prior 14 days, is permitted in the establishment.
 - Post signage to provide public health reminders regarding physical distancing, gatherings, options for [high-risk individuals](#), and staying home if sick (samples at bottom of this document).
 - Capacity must be limited to no more than 50% of the lowest occupancy load on the certificate of occupancy while maintaining a minimum of six feet of physical distancing between all individuals as much as possible.
 - Services must be provided by appointment only, with only one appointment per service provider at a time.
 - Stagger stations with at least six feet of separation.
 - Maintain physical distancing of at least six feet within the waiting area.
 - Staggered appointments must be utilized to minimize the number of individuals congregating in a waiting area and allow time to disinfect work stations and tools in between clients.
 - Employees and service providers working in customer-facing areas are required to wear face coverings over their nose and mouth, such as using [CDC Use of Cloth Face Coverings guidance](#).
 - Provide face coverings for clients or ask that clients bring a face covering with them that they must wear during the service. Limit services to only those that can be completed without clients removing their face covering.
 - Wash hands with soap and water for at least 20 seconds after each service is performed, and, when gloves are worn, change gloves after each client's service.
 - Perform thorough cleaning and disinfection of frequently contacted surfaces every 60 minutes; clean and disinfect all personal care and personal grooming tools after every use or discard.
 - Employers must maintain a list of the names and contact information for all clients, to include the date and time services are received.
-

Campgrounds and Summer Camps

Mandatory Requirements

Businesses must strictly adhere to the physical distancing guidelines, enhanced cleaning and disinfection practices, and enhanced workplace safety practices provided in the “Guidelines for All Business Sectors” document. They must also adhere to the following additional requirements:

- Post signage at the entrance that states that no one with a fever or symptoms of COVID-19, or known exposure to a COVID-19 case in the prior 14 days, is permitted in the establishment.
- Post signage to provide public health reminders regarding physical distancing, gatherings, options for [high risk individuals](#), and staying home if sick (samples at bottom of this document).
- All lots rented for short term stays of less than 14 nights (and not owned by individuals) must maintain a minimum of 20 feet between units.
- All common areas that encourage gathering must remain closed such as pavilions, gazebos, picnic areas, etc.
- No physical sharing of recreation or sports equipment unless it is cleaned and disinfected with an [EPA-approved disinfectant](#).
- No day passes or visitors. Only persons listed on the registration are allowed on the property.
- It is recommended that campgrounds strongly encourage customers to wear face coverings over their nose and mouth.
- No gatherings of greater than 10 people in one location.
- On site retail, recreation and fitness, cabins, and food establishments must follow the requirements and guidelines specific to those establishments.
- Employees working in customer-facing areas are required to wear face coverings over their nose and mouth, such as using [CDC Use of Cloth Face Coverings guidance](#).
- Provide hand washing in bathhouses or sanitizing stations for guests and employees.

Places of Worship and Religious Services

Mandatory Requirements

Religious services must strictly adhere to the following requirements:

- Occupancy shall be limited to no more than 50% of the lowest occupancy load on the certificate of occupancy of the room or facility in which the religious services are conducted.
- Individuals attending religious services must be seated at least six feet apart at all times and must practice physical distancing at all times. Family members, as defined in Executive Order 61, Order of Public Health Emergency Three, may be seated together. Mark seating in six-foot increments.
- It is recommended that persons attending religious services be encouraged to wear face coverings over their nose and mouth at all times (See [CDC Use of Cloth Face Coverings guidance](#) for more detailed information.).
- No items must be passed to or between attendees who are not family members as defined in EO 61, Order of Public Health Emergency Three.
- Any items used to distribute food or beverages must be disposable and used only once and discarded.
- A thorough cleaning and disinfection of frequently contacted surfaces must be conducted prior to and following any religious services.
- Post signage at the entrance that states that no one with a fever or symptoms of COVID-19, or known exposure to a COVID-19 case in the prior 14 days, is permitted in the establishment.
- Post signage to provide public health reminders regarding social distancing, gatherings, options for high risk individuals, and staying home if sick (samples at the bottom of this document).
- If any place of worship cannot adhere to the above requirements, it must not conduct in-person services. Other suggested guidance for faith communities and funeral directors can be found below.

Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020

**Agreement to assist MPPDC Member localities
with expensing CARE Funding for eligible expenses funded through the
Coronavirus Relief fund (CRF) and expensed through
the Middle Peninsula Business COVID Adaptation Program (CAP)**

THIS SERVICE AGREEMENT (the “Agreement”) dated this _____ day of _____, 2019

BETWEEN:

County of [Address]
(The “Client”)

AND

Middle Peninsula Planning District Commission of 125 Bowden Street, Saluda, Virginia 23149
(The “Contractor”)

BACKGROUND:

- A. Participating localities of the Middle Peninsula PDC desire to reimburse eligible costs incurred by an eligible business to allow the operation of that business in compliance with Governor Northam’s Executive Orders related to the COVID-19 emergency declarations and associated guidelines in accordance with the reimbursement timeframes included in the **Middle Peninsula COVID Adaptation Program (CAP)**, included as Appendix A to this agreement.
- B. CARES funds may be used for qualifying expenses of state and local governments. The CARES Act provides that payments from the CRF only may be used to cover costs that:
 - 1) Are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19);
 - 2) We’re not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and
 - 3) Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.
- C. CRF funds can only be used for the direct costs associated with the response to the COVID-19 pandemic.
- D. The Client is of the opinion that the Contractor has the necessary qualifications, experience, and abilities to provide services to the Client.
- E. The Contractor is agreeable to providing such services to the Client on the terms and conditions set out in this Agreement.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt of sufficiency of which consideration is hereby acknowledged. The Client and the Contractor (individually the “Party” and collectively the “Parties” to this Agreement) agree as follows:

Services Provided

- 1. The Client hereby agrees to engage the Contractor to provide the Client with services (the “Services”) consisting of:

- The controlling document dated May 12, 2020 from Aubrey Lane, Secretary of Finance titled *Local Allocation for Federal CARES Coronavirus Relief Fund* and appendices will be used by the client for determination of eligibility. Additional guidance is anticipated from either the Commonwealth of Virginia or the U.S. Treasury. It is incumbent on the participating locality to provide access to such updates so that the CAP program can be modified.

Term of Agreement

1. The term of this Agreement (the "Term") will begin on the date this Agreement is signed by both parties and will remain in full force and effect until December 31, 2020 unless conditions change which would require a new date. MPPDC will work with the member locality to develop a completion date beyond December 31, 2020. The term of this Agreement may be extended with the written consent of the Parties and will be extended to complete any services called for this agreement.
2. In the event that the Client breaches this Agreement, the Client shall remain liable to the Contractor for the costs of all services both rendered and agreed upon as set forth in paragraph 5 below. In the event that the Contractor breaches this Agreement, the Contractor will return to Client any and all unspent monies received from the Client as set forth in Paragraph 5 below. The Parties acknowledge that no other damages, fees or penalties shall be due one from the other as the result of any act or omission of either Party.

Performance

3. The Parties agree to fully cooperate and to do everything necessary to ensure that the terms of this Agreement take effect including the execution of additional documents should the need arise.

Compensation

4. For the CAP program including both business reimbursement and program administration services rendered by the Contractor as required by this Agreement, unless provided below (section 10) by the Client, the Client will provide compensation based on the proposed budget included within the CAP program design. MPPDC staff will bill participating localities quarterly for services rendered.

Eligibility for staff costs and program costs to administer the program are found in the May 12, 2020 from Aubrey Lane, Secretary of Finance titled *Local Allocation for Federal CARES Coronavirus Relief*, Appendix B- Guidance from U.S. Treasury.

MPPDC anticipates using, but not limited to the following Appendix B eligible expense categories associated with administering the MPPDC CAP program.

Non-Exclusive examples of eligible expenses:

- 1) Public Health expenses such as:
 - a. Expenses for communication and enforcement by State, territorial, local, and Tribal governments of public health orders related to COVID-19.
 - b. Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.

- 2) Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
 - 3) Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
 - a. Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - 4) Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy the Fund's eligibility criteria.
5. The Contractor will invoice localities quarterly and will prepare progress reports and reimbursement invoices throughout the duration of the project. MPPDC will maintain separate time and expense tracking as well as establish separate locality accounts within the MPPDC grant management system specific to each member investment on the CAP program. Until reimbursement invoices for qualified reimbursements are paid by the Client, the funds committed by the Client to the CAP program are held by the Client unless the Client chooses to deposit funds into a PDC account for ease of administering the program. If any CAP program funds are provided to the Contractor and are unspent for qualified reimbursements or are returned to the Contractor for any reason, all such funds are to be returned to the Client so that it can be returned to the Commonwealth of Virginia.

Project updates will be provided in the Middle Peninsula Planning District Commission monthly meeting packets and directly to Gloucester County.

In the event that a change order is requested, beyond the scope of services outlined in this Agreement, the Client will be charged on an hourly basis according to the approved Commission budget subject to the applicable provisions referenced in Dispute Resolution below See section 15c). Appearances at local meetings, answering of telephonic questions and private meetings will be deemed change orders in the discretion of the Contractor provided such has been disclosed in writing, in advance to the Client.

Upon completion of the Services a presentation will be made by Contractor, at the request of the Client, at one local meeting of Client's choice without additional compensation.

Reimbursement of Expenses

6. The Contractor will not be reimbursed for any expenses incurred in connection with this Agreement beyond those identified within Appendix A, the project budget and associated eligible expenses.

Ownership of Intellectual Property

7. All information gathered during this project will remain public. Private companies that wish to have their personal information kept confidential (i.e. individual names, company names, addresses, phone numbers, email address, etc.) must seek approval from participating member locality, and any such approvals are subject to the Virginia Freedom of Information Act. All documents related to participation in the CAP program are considered public information.

Capacity

8. In providing the Services under this Agreement it is expressly agreed that the Contractor is acting as an independent contractor and not as an employee. The Contractor and the Client acknowledge that this Agreement does create a partnership or joint venture between them.

Notice

9. All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties of this Agreement as follows:

- a. [Name of County/Town]
[Address]
[Address]
- b. Middle Peninsula Planning District Commission
125 Bowden Street
Saluda, VA 23149

Or to such other address as any Party may from time to time notify the other.

Additional Clauses

10. This agreement has been reviewed and approved via recorded vote of the XXX County/Town Supervisors or Town Council.

Any special conditions, terms or funding related to the administration of the CAP program must be enumerated below. If no special terms or conditions are listed, MPPDC will administer the program based on the CAP designed program. MPPDC reserves the right to disallow or accept special terms and conditions based on consultations with necessary subject matter experts. MPPDC will advise member localities of acceptance of special terms and conditions prior to the start of the program.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

Dispute Resolution

11. In the event a dispute arises out of or in connection with this Agreement, the Parties will attempt to resolve the dispute through friendly consultation.

- a. Once a final deliverable has been submitted, the Contractor shall be deemed to have completed all services required under this Agreement.
- b. Once the scope of work has been completed and/or the product has received any necessary approvals, any changes made by Client to the final product is “at its own risk”. The Client assumes all responsibility for any modification, deviation, or change initiated outside of the agreed to scope of work services.
- c. The Contractor has no contractual responsibility to advocate for, coordinate, or administrate any local modifications beyond the services agreed to by Contractor in accordance with the terms of this Agreement.
 - The Client may request an addendum to the contract for specific changes. The Contractor may consider the request from the Client and, if willing to perform the requested work, shall provide a response including a new cost estimate for consideration. Any addendum shall be authorized by the XXXX County Supervisors or Town Council by Resolution outlining such changes to the Services. Both parties recognize that CARES is new and all parties will do the best job to facilitate the goals, objectives, and timeline of the project, but also acknowledge that conditions can change that may require modification to this agreement, including costs. Changes will be negotiated as required.

Modification of Agreement

12. Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

Time of the Essence

13. Time is of the essence in this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

Assignment

14. The Contractor will not voluntarily or by operation of law assign or otherwise transfer its obligations under this Agreement without the prior written consent of the Client.

Entire Agreement

15. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

Governing Law

16. It is the intention of the Parties to this Agreement that this Agreement and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the Commonwealth of Virginia, without regard to the jurisdiction in which any action or special proceeding may be instituted.

Severability

17. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid

and enforceable with the invalid or unenforceable parts severed from the remainder of the Agreement.

Waiver

18. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or the provisions.

IN WITNESS WHEREOF the Parties have duly affixed their signatures under land and seal on this _____ day of _____, 2020.

County/Town (Client)

Per: _____ (SEAL)
Chairperson/ Agent

Middle Peninsula Planning District Commission (Contractor)

Per: _____ (SEAL)
Executive Director

DRAFT

Appendix A

Attached as a PDF document:

Memo Referenced

May 12, 2020

To: County and City Elected Officials Delivered Via: Chief Executive Officer, Manager, or Administrator

From: Aubrey L. Layne, Jr. Secretary of Finance

Subject: Local Allocations for Federal CARES Coronavirus Relief Funds

DRAFT

AGENDA ITEM 5.
BoS Requests