

AGENDA  
**SPECIAL CALLED**  
CITY COUNCIL MEETING

CITY OF MARTINSVILLE, VIRGINIA  
Council Chambers – Municipal Building  
**12:00 Noon – Tuesday, December 6, 2011**

Call to Order.

1. Consider approval on second reading of Supplemental Ordinance regarding school bonds for renovations at Martinsville High School.

Adjourn.

**Meeting Date:** December 6, 2011

**Item No:** 1.

**Department:** City Manager and Finance

**Issue:** Consider approval on second reading of Supplemental Ordinance regarding school bonds (QSCB program) for renovations at Martinsville High School.

**Summary:** The final ordinance is known as a Supplemental Ordinance, and its purpose is to recognize and approve the terms of the bond sale applicable to the City.

The final payment terms, including dates and amounts of principal and interest payments, are now known following the VPSA bond sale that occurred on November 30, 2011, and have been provided to the City. These terms are shown on Exhibit A to the Supplemental Ordinance. The allowable U.S. Department of Treasury tax credit rate (4.97%) was greater than the true interest cost of 4.25% on the bonds resulting in a net interest rate of 0% after federal tax credit reimbursement. Interest payments are due as scheduled, and as in prior bond QSCB issues with VPSA, the interest subsidy payments will be returned to the City as soon as they are received.

**Attachments:** [Supplemental Ordinance Exhibit A](#)

**Recommendations:** Motion to adopt the Supplemental Ordinance on second reading.

**CITY OF MARTINSVILLE, VIRGINIA**

**A SUPPLEMENTAL ORDINANCE AUTHORIZING THE ISSUANCE OF A \$9,300,000  
GENERAL OBLIGATION SCHOOL BOND, SERIES 2011, OF THE CITY OF  
MARTINSVILLE, VIRGINIA, TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL  
AUTHORITY**

**Adopted on December 6, 2011 (second reading)**

Be it ordained by the City Council of the City of Martinsville, Virginia:

**Section 1- Findings and Determinations**

The City Council (the “City Council”) of the City of Martinsville, Virginia (the “City”) on October 11, 2011 adopted an Ordinance entitled “Ordinance Authorizing the Issuance of a Not to Exceed \$9,300,000 General Obligation School Bond, Series 2011, of the City of Martinsville, Virginia to be Sold to the Virginia Public School Authority and Providing for the Form and Details Thereof” (the “Authorizing Ordinance”). All words and terms defined in Authorizing Ordinance have the same meaning in this Supplemental Ordinance, except as otherwise defined herein.

**Section 2- Authorization, Form and Details of the Bond**

The issuance of such General Obligation School Bond, Series 2011 (the “Bond”) in accordance with Virginia Public School Authority requirements and with payment terms as set forth in **Exhibit A** attached hereto, including the term thereof, interest rates, and dates and amounts of principal and interest payments due as described therein is approved. All other provisions of the Bond shall be set as set forth in the Authorizing Ordinance.

**Section 3- Affirmation of Authorizing Ordinance**

The Authorizing Ordinance is hereby ratified and confirmed and remains in full force and effect, except as such Authorizing Ordinance is amended and supplemented hereby. All acts of the officers, employees, agents and representatives of the City in conformity with the purposes and intent of the Authorizing Ordinance and in furtherance of the issuance and sale of the Bond are hereby approved and ratified.

**Section 4- Effectiveness and filing of Supplemental Ordinance**

This Ordinance shall take effect immediately as provided for in the Act (as defined in the Authorizing Ordinance) and Section 3 of Chapter 3 of the City Charter. A certified copy of this Supplemental Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Martinsville, Virginia.

The Members of the Council voted as follows:

**Ayes**

**Nays**

**Absent**

**Abstentions**

Adopted this 6th day of December, 2011

**CERTIFICATE**

The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Council held on December 6, 2011, and of the whole thereof so far as applicable to the matters referred to in such extract. The undersigned further certifies that such meeting was a regularly called meeting and that, during the consideration of the foregoing Supplemental Ordinance, a quorum was present.

Dated this \_\_\_\_\_ day of December, 2011

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Clerk, City Council  
City of Martinsville, Virginia

EXHIBIT A

DEBT SERVICE

Virginia Public School Authority  
Martinsville City  
(Direct Payment Qualified School Construction Bonds)  
Series 2011-2  
Final Sizing 12-1-11 - Local Amortizations

True interest cost - annual  
rate of interest - 4.25%

Date	Principal	Interest	Total Debt Service	Federal Tax Credit	Net Debt Service	Annual Net D/S
06/01/2012		182,254.17	182,254.17	(182,254.17)		
12/01/2012	42,571.04	197,625.00	240,196.04	(197,625.00)	42,571.04	
06/01/2013		197,625.00	197,625.00	(197,625.00)		
06/30/2013						42,571.04
12/01/2013	64,312.04	197,625.00	261,937.04	(197,625.00)	64,312.04	
06/01/2014		197,625.00	197,625.00	(197,625.00)		
06/30/2014						64,312.04
12/01/2014	86,369.04	197,625.00	283,994.04	(197,625.00)	86,369.04	
06/01/2015		197,625.00	197,625.00	(197,625.00)		
06/30/2015						86,369.04
12/01/2015	108,734.04	197,625.00	306,359.04	(197,625.00)	108,734.04	
06/01/2016		197,625.00	197,625.00	(197,625.00)		
06/30/2016						108,734.04
12/01/2016	128,943.04	197,625.00	326,568.04	(197,625.00)	128,943.04	
06/01/2017		197,625.00	197,625.00	(197,625.00)		
06/30/2017						128,943.04
12/01/2017	399,676.04	197,625.00	597,301.04	(197,625.00)	399,676.04	
06/01/2018		197,625.00	197,625.00	(197,625.00)		
06/30/2018						399,676.04
12/01/2018	415,636.04	197,625.00	613,261.04	(197,625.00)	415,636.04	
06/01/2019		197,625.00	197,625.00	(197,625.00)		
06/30/2019						415,636.04
12/01/2019	429,467.04	197,625.00	627,092.04	(197,625.00)	429,467.04	
06/01/2020		197,625.00	197,625.00	(197,625.00)		
06/30/2020						429,467.04
12/01/2020	599,872.04	197,625.00	797,497.04	(197,625.00)	599,872.04	
06/01/2021		197,625.00	197,625.00	(197,625.00)		
06/30/2021						599,872.04
12/01/2021	988,622.04	197,625.00	1,186,247.04	(197,625.00)	988,622.04	
06/01/2022		197,625.00	197,625.00	(197,625.00)		
06/30/2022						988,622.04
12/01/2022	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2023		197,625.00	197,625.00	(197,625.00)		
06/30/2023						670,644.18
12/01/2023	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2024		197,625.00	197,625.00	(197,625.00)		
06/30/2024						670,644.18
12/01/2024	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2025		197,625.00	197,625.00	(197,625.00)		
06/30/2025						670,644.18
12/01/2025	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2026		197,625.00	197,625.00	(197,625.00)		
06/30/2026						670,644.18
12/01/2026	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2027		197,625.00	197,625.00	(197,625.00)		
06/30/2027						670,644.18
12/01/2027	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2028		197,625.00	197,625.00	(197,625.00)		
06/30/2028						670,644.18
12/01/2028	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2029		197,625.00	197,625.00	(197,625.00)		
06/30/2029						670,644.18
12/01/2029	670,644.17	197,625.00	868,269.17	(197,625.00)	670,644.17	
06/01/2030		197,625.00	197,625.00	(197,625.00)		
06/30/2030						670,644.17
12/01/2030	670,644.17	197,625.00	868,269.17	(197,625.00)	670,644.17	
06/30/2031						670,644.17
	9,300,000.00	7,494,379.17	16,794,379.17	(7,494,379.17)	9,300,000.00	9,300,000.00

Interest to be paid is before receipt of Qualified School Construction Bond subsidy payments.