

FINANCE COMMITTEE
WEDNESDAY, October 15, 2014
SECOND FLOOR CONFERENCE ROOM
CITY HALL - MANASSAS, VIRGINIA
AGENDA

5:30 P.M. CALL TO ORDER

- | | | |
|--|-------------------|-----------|
| 1. Approve Minutes of the September 17, 2014, Finance Committee Meeting | 1 Minute | |
| | Page | / |
| <hr/> | | |
| 2. Resolution 2015-5-R Amending the FY 2015 Budget by Budgeting and Appropriating \$8,342 of Miscellaneous Revenue from the Sale of Outdated Tasers (Hurley/Laguna) | 2 Minutes | |
| | Page | 5 |
| <hr/> | | |
| 3. Resolution 2015-05-R Amending the FY 2015 Budget by Budgeting and Appropriating \$20,000 FROM THE Federal Government Passed Through the Virginia State Police for the Internet Crimes Against Children Task Force (Hurley/Laguna) | 2 Minutes | |
| | Page | 7 |
| <hr/> | | |
| 4. 2014D General Obligation Refunding Bonds Summary and Recommendation (Pate/York) | 15 Minutes | |
| | Page | 13 |
| <hr/> | | |

City Manager's Time

ADJOURNMENT

cc: Mayor
Council Members
W. Patrick Pate

Paul York
Diane Bergeron
Tamara Sturm

**MINUTES OF THE CITY COUNCIL FINANCE COMMITTEE
WEDNESDAY, SEPTEMBER 17, 2014
SECOND FLOOR CONFERENCE ROOM
CITY HALL - MANASSAS, VA**

COMMITTEE MEMBERS PRESENT: Council Member Marc Aveni, Chairman
Vice Mayor Andrew L. Harrover
Council Member Mark Wolfe (Alternate)

COMMITTEE MEMBERS ABSENT: Council Member J. Steven Randolph

OTHERS PRESENT Mayor Harry J. Parrish II, Council Member Ian Lovejoy (6:14 p.m.), Finance and Administration Director Paul York, Budget Manager Diane Bergeron, Public Works & Utilities Director Mike Moon, Police Lieutenant Elia Alfonso, Police Department Fiscal Specialist Nancy Hurley, Airport Director Juan Rivera, Museum Curator Mary Helen Dellinger, Family Services Director Ron King, Family Services Fiscal Manager LaTanya Bell-Buckhalter, Fire Marshal Frank Teevan, Emergency Management Planner Amelia Gagnon

GUESTS PRESENT: School Board Chairman Tim Demeria, School Board Member Pam Sebesky, Davenport & Company LLC Sr. Vice President Ted Cole, Davenport & Company LLC Vice President Ty Wellford

The meeting was called to order at 5:30 p.m. by Chairman Marc Aveni.

AGENDA ITEM #1 Approve Minutes of the August 13, 2014, Finance Committee Meeting

A motion was made and seconded to approve the minutes of the August 13, 2014, Finance Committee Meeting. The Committee approved (3/0).

AGENDA ITEM #2 Resolution 2015-03-R Amending the FY 2014 Budget by Budgeting and Appropriating Federal and State Grant Revenue for the Following Police Grants:

- (A) \$19,067 of Federal Grant Revenue for the 2014 Justice Assistance Grant;**
- (B) \$9,969 of Federal Revenue for the 2014 Bulletproof Vest Partnership;**
and
- (C) \$18,718 of State Grant Revenue for the 2015 DMV Selective Enforcement Grant**

Elia Alfonso presented Staff's recommendation to amend the FY 2014 Budget by budgeting and appropriating Federal and State Grant Revenue for the stated Police Grants. The committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

AGENDA ITEM # 3 Resolution 2015-03-R Amending the FY 2015 Budget by Budgeting and Appropriating \$2,455 from the State / Local Drug Seizure Funds for Police Department Investigations

Nancy Hurley presented Staff's recommendation to amend the FY 2015 Budget by budgeting and appropriating \$2,455 from the State / Local Drug Seizure Funds for Police Department investigations. The Committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

AGENDA ITEM # 4 Resolution 2015-03-R Amending the FY 2015 Budget by Budgeting and Appropriating \$1,500 of Museum Sponsorship Revenue for the "What's Under Your Feet" Exhibit

Mary Helen Dellinger presented Staff's recommendation to amend the FY 2015 Budget by budgeting and appropriating \$1,500 of Museum Sponsorship Revenue for the "What's Under Your Feet" exhibit. The Committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

AGENDA ITEM # 5 Resolution 2015-03-R Amending the FY 2015 Budget by Budgeting and Appropriating \$7,500 for the Local Emergency Management Performance Grant (LEMPG)

Frank Teeven presented Staff's recommendation to amend the FY 2015 Budget by budgeting and appropriating \$7,500 for the Local Emergency Management Performance Grant (LEMPG). The Committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

AGENDA ITEM # 6 Resolution 2015-03-R Amending the FY 2015 Budget by Budgeting and Appropriating \$873,800 of Micron C&I Revenue and \$262,500 of Electric Fund Fund Balance for Micron Gas Turbine Repair Project

Mike Moon presented Staff's recommendation to amend the FY 2015 Budget by budgeting and appropriating \$873,800 of Micron C&I Revenue and \$262,500 of Electric Fund Fund Balance for Micron Gas Turbine Repair Project. The Committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

AGENDA ITEM # 7 Consideration of Ordinance O-2015-08 Establishing a Fee Schedule for Utilities Electric Service

Mike Moon presented Staff's recommendation to adopt Ordinance O-2015-08 establishing a Fee Schedule for Utilities Electric Service. The Committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

AGENDA ITEM # 8 Resolution 2015-03-R Amending the FY 2015 Budget by Budgeting and Appropriating State and Federal Grant Revenue and Required Local Matches for Airport Capital Projects:

- (A) \$4,208 in additional State Grant Revenue from Virginia Department of Aviation for Replacing the Security Access System Capital Project;**
- (B) \$1,511 in Additional State Grant Revenue from Virginia Department of Aviation and \$378 in Additional Local Contribution from Airport Fund for Airport Runway and Taxiway Re-Striping Capital Project;**
and
- (C) \$641,804 in Additional Federal Grant Revenue from the Federal Aviation Administration and \$14,262 in Additional Local Contribution from Airport Fund for Taxiway D Construction Capital Project**

Juan Rivera presented Staff's recommendation to amend the FY 2015 Budget by budgeting and appropriating State and Federal Grant Revenue and Required Local Matches for the stated Airport Capital Projects. The committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

AGENDA ITEM # 9 Resolution 2015-03-R Amending the FY 2015 Budget by Budgeting and Appropriating \$10,000 in State Grant Revenue from the Virginia Department of Aviation for the Development of an Airport Financial Plan and Authorize the Mayor to Sign the Grant on Behalf of the City Council

Juan Rivera presented Staff's recommendation to amend the FY 2015 Budget by budgeting and appropriating \$10,000 in State Grant Revenue from the Virginia Department of Aviation for the development of an Airport Financial Plan and authorize the Mayor to sign the Grant on behalf of City Council. The Committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

AGENDA ITEM #10 Resolution 2014-59-R Amending the FY 2014 Budget by Budgeting and Appropriating \$99,305 of General Fund Contingency for Family Services; \$84,853 of State Revenue and \$10,544 of Federal Revenue for the 811 IV-E Foster Care Program; and \$105,298 of State Revenue for Comprehensive Services Act (CSA) for At-Risk Youth and Families

Ron King and LaTanya Bell-Buckhalter presented Staff's recommendation to amend the FY 2014 Budget by budgeting and appropriating \$99,305 of General Fund Contingency for Family Services; \$84,853 of State Revenue and \$10,544 of Federal Revenue for the 811 IV-E Foster Care Program; and \$105,298 of State Revenue for Comprehensive Services Act (CSA) for at-risk youth and families. The Committee approved (3/0). This item will be forwarded to the October 13, 2014, City Council meeting for consideration.

City Manager's Time

- CY 2015 Finance Committee Calendar (approved by Committee)
- FY 2015 Bond Issue for Schools (presented by Davenport)

The meeting was adjourned at 6:37 p.m. by Chairman Aveni.

AGENDA STATEMENTPAGE NO. 5ITEM NO. 2**MEETING DATE:** October 15, 2014 – Finance Committee**TIME ESTIMATE:** 2 Minutes**AGENDA ITEM TITLE:** Resolution 2015-05-R Amending the FY 2015 Budget by Budgeting and Appropriating \$8,342 of Miscellaneous Revenue From the Sale of Outdated Tasers**DATE THIS ITEM WAS
LAST CONSIDERED
BY COUNCIL:** N/A

**SUMMARY OF
ISSUE/TOPIC:** The Police Department has recently upgraded the supply of tasers to a more effective and more efficient model. In doing so, the outdated tasers and cartridges have been sold to Accredited Security for \$8,432. This business refurbishes tasers and then sells them to other police departments at a reduced rate. The police department wishes to utilize these funds for the purchase of new updated tasers to be assigned to more officers.

This resolution will budget and appropriate \$8,432 of Miscellaneous Revenue in the General Fund.

**STAFF
RECOMMENDATION:** Approve Resolution 2015-05-R**BOARD/COMMISSION/
COMMITTEE:****RECOMMENDATION:** ☐ Approve ☐ Disapprove ☐ Reviewed ☐ See Comments**CITY MANAGER:** ☐ Approve ☐ Disapprove ☐ Reviewed ☐ See Comments**COMMENTS:** _____**DISCUSSION
(IF NECESSARY):****BUDGET/FISCAL
IMPACT:** \$8,432 – Miscellaneous Revenue**STAFF:** Nancy Hurley, Fiscal Specialist, (703) 257-8065
Captain Tina P. Laguna, Administrative Services Division, (703) 257-8005

CITY OF MANASSAS
Cash Receipts Transaction10/07/14
16:39:47

Group number : 2993 CR CASH RECEIPTS
Accounting period : 04/2015 mm/yyyy
Posting date : 00000000 mm/dd/yyyy

Transaction information:

Transaction date : 10/06/2014 mm/dd/yyyy
Receipt number : 0112271
Account number : 100-0000-318.96-00 Miscellaneous
Project number :
Transaction amount . . . : 8,341.66
Description 1 : ACCREDITED FINANCIAL SERV
Description 2 : DDODSON 10/06/14 01
Transaction type code . :
Bank code : 0

Press Enter to continue.

F3=Exit F12=Cancel F15=Group Inquiry

F20=Imaging

AGENDA STATEMENT

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ITEM NO. 3

MEETING DATE: October 15, 2014 – Finance Committee

TIME ESTIMATE: 2 Minutes

AGENDA ITEM TITLE: Resolution 2015-05-R Amending the FY 2015 Budget by Budgeting and Appropriating \$20,000 from the Federal Government Passed Through the Virginia State Police for the Internet Crimes Against Children Task Force

**DATE THIS ITEM WAS
LAST CONSIDERED
BY COUNCIL:** N/A

**SUMMARY OF
ISSUE/TOPIC:** The City of Manassas Police Department is renewing its Memorandum of Understanding with the Virginia State Police allowing for the City's continued participation in the Internet Crimes Against Children (ICAC) Task Force. The Virginia State Police funded this position through an ARRA grant for FY 2010 and FY 2011, and offered \$20,000 in reimbursement for FY 2012 and FY 2013, and \$40,000 during FY 2014. During the FY 2015 budget process, it was anticipated that \$20,000 in reimbursement would be offered, and as such, the City included this award in the adopted budget to fund the position assigned to the ICAC Task Force.

This grant revenue will be used for overtime costs and training for the ICAC Detective.

This resolution will budget and appropriate an additional \$20,000 of Federal Grant Revenue in the General Fund.

**STAFF
RECOMMENDATION:** Approve Resolution 2015-05-R

**BOARD/COMMISSION/
COMMITTEE:**

RECOMMENDATION: ☐ Approve ☐ Disapprove ☐ Reviewed ☐ See Comments

CITY MANAGER: ☐ Approve ☐ Disapprove ☐ Reviewed ☐ See Comments

COMMENTS:

**DISCUSSION
(IF NECESSARY):**

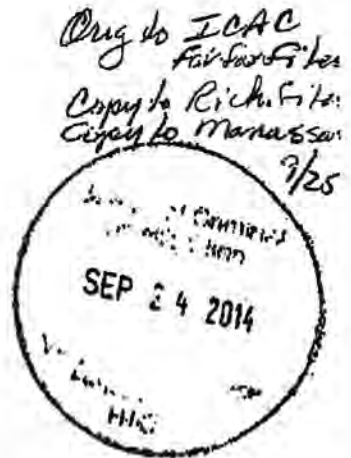
**BUDGET/FISCAL
IMPACT:** \$20,000 – Federal Grant Revenue

STAFF: Nancy Hurley, Fiscal Specialist, (703) 257-8065
Captain Tina P. Laguna, (703) 257-8005

COPY

INTERAGENCY AGREEMENT
Between The
Virginia State Police for the
Northern Virginia / District of Columbia (NOVA/DC)
Internet Crimes Against Children Task Force (ICAC)
And
Manassas City Police Department
Under A Grant From
The Office of Juvenile Justice and Delinquency Prevention

September 8, 2014



This Interagency Agreement ("IA") is entered into by the Virginia State Police (VSP) and the Manassas City Police Department.

WHEREAS, the VSP has been designated as the recipient of grant funds (grantee) by the Office of Juvenile Justice and Delinquency Prevention (OJJDP), for the purpose of detecting, investigating, and preventing internet crimes against children; and

WHEREAS, the Manassas City Police Department (sub-grantee) has provided ongoing expertise and assistance with these activities and efforts in previously funded ICAC Program grants managed by VSP; and

WHEREAS, it is the express intent of both VSP and Manassas City Police Department, as well as OJJDP that this partnership continues especially as it relates to a sworn investigator who is highly trained and experienced in the field of child pornography and child exploitation investigations or who possesses the potential for expertise; and

WHEREAS, OJJDP will provide VSP with additional grant funds for this program, of which VSP intends to allocate a **maximum of \$40,000** to offset the ICAC related costs (salaries, overtime, vehicle expenses, equipment, training, etc.) of one (1) full-time sworn investigator over the 2014/2015 fiscal period; expiring June 30, 2015; and

WHEREAS, the VSP has the authority to execute this IA including any amendments and/or revisions thereof in order to distribute funds provided under this grant in a manner consistent with the intent of said award and in furtherance of the ICAC program administered by the United States DOJ/OJJDP.

NOW THEREFORE, it is agreed by the parties hereto that:

- A. Manassas City Police Department shall assign one (1) sworn investigator on a full-time basis to the ICAC project through June 30, 2015.
- B. Manassas City Police Department shall invoice VSP on a quarterly basis for an amount not to exceed \$10,000 per quarter, while the investigator is assigned to the ICAC project. (Last quarter reimbursement must be made prior to May 15, 2015. This is to ensure accounting reconciliation) Exceptions to the per-quarter threshold may be granted on a case-by-case basis by the NOVA/DC ICAC Commander. Further, should additional funds become available during the agreed upon period, this agreement may be amended by written correspondence from the NOVA/DC ICAC Commander to permit the expenditures of the additional funds.

- C. VSP shall make every effort to process the invoices in a timely manner and consistent with prompt payment procedures, so that Manassas City Police Department is reimbursed at the agreed-upon rate and as soon after the conclusion of the reporting quarter as feasible. Reimbursement to Manassas City Police Department will be limited to actual expenses documented and submitted to VSP. All reimbursement requests shall be accompanied by original receipts for previously approved ICAC-related expenditures and a properly executed invoice signed by the officer or the officers executing this agreement; and shall be submitted to Captain Kirk S. Marlowe, Virginia State Police P.O. Box 27472 Richmond, Virginia 23261. Additional supporting documentation shall be made available by Manassas City Police Department upon request to comply with grant documentation requirements and/or audits. The grantee (VSP) is responsible for submitting quarterly reports to the Office of Juvenile Justice and Delinquency Prevention (OJJDP) at the conclusion of the quarter. Accordingly, required Performance Measure documentation must be submitted to the ICAC Task Force Coordinator by the 10th day of the last month of each quarter in order for Manassas City Police Department to receive reimbursement.
- D. Manassas City Police Department, as a sub-grantee agrees to comply with performance measure reporting requirements as it relates to the assigned sworn investigator. While it is anticipated that the duration of this grant funding will enable state and local governments to staff the agreed upon position, it is not a requirement of this grant for the grantee or sub-grantee to maintain this position upon the cessation of funding.
- E. Manassas City Police Department, as a sub-grantee, agrees to comply with any additional requirements or special conditions which OJJDP may require. Manassas City Police Department agrees to comply with any "sub recipient monitoring" and financial reporting requirements that VSP may require including timesheet documentation for the assigned sworn investigator. A certification that all reimbursed expenses are grant funded and dedicated for ICAC purposes shall be submitted with the quarterly invoice and/or payroll documentation.
- F. This IA may be modified only by a written document signed by all parties, and no oral understanding or agreement shall be binding on the parties.
- G. In the event the grant is terminated by OJJDP or the participation of Manassas City Police Department is altered substantially, this IA shall become null and void.



Captain Kirk S. Marlowe
Virginia State Police

9-25-14

Date



Douglas W. Keen, Chief
Manassas City Police Department

9/22/2014

Date

RESOLUTION 2015-05-R

Adopted:

BE IT RESOLVED by the Council of the City of Manassas meeting in regular session this 27th day of October, 2014, that the following funds be budgeted and appropriated as shown.

<u>ACCOUNT NO.</u>		<u>AMOUNT</u>
GENERAL FUND		
<u>Revenue:</u>		
100-0000-318-96-00	Miscellaneous Revenue	\$ 8,432
<u>Expenditure:</u>		
100-1701-421-62-30	Tasers	\$ 8,432

For: Proceeds from Sale of Old Tasers

<u>ACCOUNT NO.</u>		<u>AMOUNT</u>
GENERAL FUND		
<u>Revenue:</u>		
100-0000-333-18-47	ICAC Task Force Grant	\$ 20,000
<u>Expenditure:</u>		
100-1847-421-16-00	Overtime	\$ 14,000
100-1847-421-55-40	Training	\$ 6,000
		<u>\$ 20,000</u>

For: Federal Pass Thru Grant for Internet Crimes Against Children Task Force

This resolution shall take effect upon its passage.

Harry J. Parrish II MAYOR
On Behalf of the City Council
of Manassas, Virginia

ATTEST:

Andrea P. Madden

City Clerk

FINANCE COMMITTEE AGENDA STATEMENT

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ITEM NO. 4

MEETING DATE: October 15, 2014

TIME ESTIMATE: 15 Minutes

AGENDA ITEM TITLE: 2014D General Obligation Refunding Bonds Summary and Recommendation

DATE THIS ITEM WAS
LAST CONSIDERED
BY COUNCIL: N/A

**SUMMARY OF
ISSUE/TOPIC:**

Due to the very favorable financial markets our financial advisors, Davenport and Company, LLC, recently analyzed potential refinancing opportunities for the City's outstanding General Obligation Public Improvement Bonds. As a result of their review, Davenport has concluded there are refunding opportunities for the City's 2005B Bonds (General Fund/Schools), 2005C Taxable Bonds (Airport), 2007B VML/VaCo Bonds (Sewer Utility), and 2010D Bonds (General Fund/Water Utility). A copy of Davenport's analysis and recommendation is attached. As will be noted, this potential refinancing provides the City an opportunity to save approximately \$1.5 million in debt service costs through lower interest payments over the remaining life of the Bonds. A net present value savings of over 8% and an average savings of approximately \$100,000 per year.

STAFF

RECOMMENDATION: Proceed with the recommended refunding Bond issue. If approved, these Bonds will be included with the Baldwin School Bonds recently approved by Council.

**BOARD/COMMISSION/
COMMITTEE:**

RECOMMENDATION: X Approve Disapprove Reviewed See Comments

CITY MANAGER: Approve Disapprove Reviewed See Comments

COMMENTS:

**DISCUSSION
(IF NECESSARY):** Representatives from Davenport will attend the Finance Committee meeting to discuss the refinancing and answer questions.

**BUDGET/FISCAL
IMPACT:**

Annual debt service savings of approximately \$100,000 for a total savings in excess of \$1.5 million. The savings by fund are General Fund \$112,000, Schools \$28,000, Water/Sewer Funds \$1.2 million and Airport \$160,000.

STAFF: W. Patrick Pate, City Manager, (703) 257-8212 or Paul E. York, Finance and Administration Director, (703) 257-8234



City of Manassas, Virginia

Potential Refunding of 2005B Bonds, 2005C (Taxable) Bonds, 2007B VML/VACO Bonds, 2010D Bonds

As of October 8, 2014

Summary of Bonds Refunded

Series	Coupon(s)	Par Refunded	Call Date	Call Price	Maturities Refunded
Series 2007B VML/VACO Bonds	5.000%	\$10,160,000	8/1/2017	100%	8/1/2018 - 8/1/2027
Series 2005B Bonds	4.125%	2,080,000	7/1/2016	100%	7/1/2017 - 7/1/2018
Series 2010D Bonds	5.000%	1,680,000	7/1/2020	100%	7/1/2025 - 7/1/2030
Series 2005C Taxable Bonds	5.25% - 5.40%	1,540,000	7/1/2016	100%	7/1/2017 - 7/1/2025
Total		\$15,460,000			

Summary of Refunding Results

Series	Gross Savings*	Present Value Savings*	Percent Net P.V. Savings	True Interest Cost	Final Maturity	Negative Arbitrage
Series 2007B VML/VACO Bonds	\$1,175,041	\$981,827	9.66%	2.22%	7/1/2027	\$486,139
Series 2005B Bonds	71,374	69,798	3.36%	0.85%	7/1/2018	77,284
Series 2010D Bonds	136,453	116,382	6.93%	2.77%	7/1/2030	73,489
Series 2005C Taxable Bonds	159,623	141,426	9.18%	2.54%	7/1/2025	57,999
Total	\$1,542,491	\$1,309,433	8.47%			\$694,911

Debt Service Comparison

Fiscal Year	Prior Net Debt Service	Refunding Debt Service	Savings
2015	\$200,158	\$70,036	\$130,122
2016	760,315	638,561	121,755
2017	760,315	641,518	118,797
2018	1,890,734	1,768,555	122,179
2019	2,680,234	2,561,356	118,878
2020	1,594,128	1,490,884	103,244
2021	1,592,370	1,489,842	102,529
2022	1,592,835	1,487,473	105,362
2023	1,590,510	1,488,768	101,743
2024	1,590,270	1,483,622	106,648
2025	1,586,990	1,481,668	105,322
2026	1,858,545	1,756,930	101,615
2027	1,630,625	1,542,600	88,025
2028	1,615,375	1,524,600	90,775
2029	315,000	305,925	9,075
2030	301,000	292,450	8,550
2031	287,000	279,125	7,875
Total	\$21,846,403	\$20,303,911	\$1,542,492

Notes:

* Net of estimated issuance costs.

- Current Market estimate. Subject to change.

- Assumes Bonds are eligible for Advanced Refunding.

- Need to discuss with Bond Counsel to determine advance refunding eligibility.



City of Manassas, Virginia

Potential Refunding of 2005B Bonds, 2005C (Taxable) Bonds, 2007B VML/VACO Bonds, 2010D Bonds
As of October 8, 2014

Savings by Fund

Fiscal Year	General Fund	School Fund	Water & Sewer Fund	Airport Fund	Total Savings
2015	\$16,166	\$6,280	\$91,448	\$16,228	\$130,122
2016	12,782	5,240	88,129	15,605	121,755
2017	13,124	5,400	89,527	10,747	118,797
2018	12,903	5,185	90,925	13,166	122,179
2019	12,409	6,445	87,084	12,941	118,878
2020	2,971	-	87,279	12,994	103,244
2021	3,200	-	86,225	13,104	102,529
2022	3,430	-	88,795	13,137	105,362
2023	3,659	-	84,941	13,143	101,743
2024	3,927	-	89,673	13,048	106,648
2025	4,233	-	88,217	12,872	105,322
2026	3,825	-	85,150	12,640	101,615
2027	2,703	-	85,322	-	88,025
2028	4,080	-	86,695	-	90,775
2029	4,628	-	4,447	-	9,075
2030	4,361	-	4,190	-	8,550
2031	4,016	-	3,859	-	7,875
Total	\$112,416	\$28,550	\$1,241,903	\$159,623	\$1,542,492

DAVENPORT & COMPANY

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author's and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION PUBLIC IMPROVEMENT REFUNDING BONDS OF THE CITY OF MANASSAS, VIRGINIA, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$____, PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF AND PROVIDING FOR THE REFUNDING OF CERTAIN OUTSTANDING BONDS

WHEREAS, on November 9, 2005, the City of Manassas, Virginia (the "City") issued its \$20,000,000 General Obligation Public Improvement Bonds, Series 2005B (the "2005B Bonds"), and its \$2,700,000 Taxable General Obligation Public Improvement Bonds, Series 2005C (the "2005C Bonds");

WHEREAS, on August 8, 2007, the City issued its \$16,450,000 General Obligation Public Improvement Bond, Series 2007 (the "2007 Bonds");

WHEREAS, on July 29, 2010, the City issued its \$21,545,000 General Obligation Public Improvement and Refunding Bonds, Series 2010D (the "2010 Bonds");

WHEREAS, Davenport & Company LLC, as the City's financial advisor (the "Financial Advisor"), has advised that the City can effect overall debt service savings by issuing general obligation refunding bonds to advance refund (a) the portion of the outstanding 2005B Bonds maturing on July 1 in the years 2017 and 2018 (the "Refunded 2005B Bonds"), (b) the portion of the outstanding 2005C Bonds maturing on July 1 in the years 2017 through 2025 (the "Refunded 2005C Bonds"), (c) the portion of the outstanding 2007 Bonds maturing on August 1 in the years 2018 through 2027 (the "Refunded 2007 Bonds") and (d) the portion of the outstanding 2010 Bonds maturing on July 1 in the years 2025 through 2030 (the "Refunded 2010 Bonds" and, together with the Refunded 2005B Bonds, the Refunded 2005C Bonds and the Refunded 2007 Bonds, the "Refunded Bonds");

WHEREAS, the City Council of the City (the "Council") has previously authorized pursuant to a resolution adopted on September 22, 2014 (the "September Resolution"), the issuance and sale by the City of its General Obligation Public Improvement Bonds, Series 2014C, to finance certain of the City's public improvement projects pursuant to a Preliminary Official Statement and a Notice of Sale, both of which were approved by the Council at such meeting (the "2014C Preliminary Official Statement" and the "2014C Notice of Sale");

WHEREAS, the Council now desires to provide for the refunding of the Refunded Bonds and the issuance of general obligation refunding bonds of the City pursuant to the 2014C Preliminary Official Statement and the 2014C Notice of Sale in order to refund the Refunded Bonds;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MANASSAS, VIRGINIA:

1. Issuance of Bonds. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, and without reference to

the City Charter, the Council hereby provides for the issuance and sale of (a) general obligation public improvement refunding bonds of the City in an aggregate principal amount not to exceed \$ _____ (the "Tax-Exempt Bonds") to refund the Refunded 2005B Bonds, the Refunded 2007 Bonds and the Refunded 2010 Bonds (collectively, the "Refunded Tax-Exempt Bonds") and pay costs of issuing the Tax-Exempt Bonds and (b) taxable general obligation public improvement refunding bonds of the City in an aggregate principal amount not to exceed \$ _____ (the "Taxable Bonds") to refund the Refunded 2005C Bonds and pay costs of issuing the Taxable Bonds.

2. Bond Details. (a) The Tax-Exempt Bonds shall be designated "General Obligation Public Improvement Refunding Bonds, Series 2014C," or such other designation as shall be determined by the City Manager (which term shall include any Deputy City Manager), shall be in registered form, shall be dated such date as may be determined by the City Manager, shall be in denominations of \$5,000 and integral multiples thereof and shall be numbered RC-1 upward. Subject to Section 3, the issuance and sale of the Tax-Exempt Bonds are authorized on terms as shall be satisfactory to the City Manager; provided, however, that the Tax-Exempt Bonds (a) shall have a "true" or "Canadian" interest cost not to exceed 4.5% (taking into account any original issue discount or premium), (b) shall be sold to the purchaser thereof at a price not less than 98% of the principal amount thereof (excluding any original issue discount) and (c) shall mature or be subject to mandatory sinking fund redemption in annual installments ending no later than December 31, 2030; [and, provided further, that the refunding of the Refunded Tax-Exempt Bonds in the aggregate shall result in net present value debt service savings to the City of at least 3% of the amount of the Refunded Tax-Exempt Bonds].

(b) The Taxable Bonds shall be designated "Taxable General Obligation Public Improvement Refunding Bonds, Series 2014D," or such other designation as shall be determined by the City Manager (which term shall include any Deputy City Manager), shall be in registered form, shall be dated such date as may be determined by the City Manager, shall be in denominations of \$5,000 and integral multiples thereof and shall be numbered RE-1 upward. Subject to Section 3, the issuance and sale of the Taxable Bonds are authorized on terms as shall be satisfactory to the City Manager; provided, however, that the Taxable Bonds (a) shall have a "true" or "Canadian" interest cost not to exceed 4.5% (taking into account any original issue discount or premium), (b) shall be sold to the purchaser thereof at a price not less than 95% of the principal amount thereof (excluding any original issue discount) and (c) shall mature or be subject to mandatory sinking fund redemption in annual installments ending no later than December 31, 2025; [and, provided further, that the refunding of the Refunded 2005C Bonds in the aggregate shall result in net present value debt service savings to the City of at least 3% of the amount of the Refunded 2005C Bonds].

(c) Principal of the Tax-Exempt Bonds and the Taxable Bonds (together, the "Bonds") shall be payable annually on dates determined by the City Manager. Each Bond shall bear interest from its date at such rate as shall be determined at the time of sale, calculated on the basis of a 360-day year of twelve 30-day months, and payable semiannually on dates determined by the City Manager. Principal and premium, if any, shall be payable to the registered owners upon surrender of the Bonds as they become due at the office of the Registrar (as hereinafter defined). Interest shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the registration books kept by the Registrar on a date prior to each

interest payment date that shall be determined by the City Manager (the "Record Date"). Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

3. Methods of Sale; Award of Bonds. (a) The Bonds shall be sold in one or more sales through a public offering through a competitive sale. The City Manager is authorized, on behalf of the City and in collaboration with the Financial Advisor, to take all proper steps to advertise the Bonds for sale, to receive public bids and to award the Bonds to the bidder or bidders providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in Section 2. The City Manager shall file a certificate with the Council setting forth the final terms of the Bonds. The actions of the City Manager in selling the Bonds shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Council.

(b) The City Manager is hereby authorized to (i) determine the principal amount of the Bonds, subject to the limitations set forth in Section 1, (ii) determine the interest rates of the Bonds, the maturity schedules of the Bonds, and the price to be paid for the Bonds by the purchaser, subject to the limitations set forth in Section 2, (iii) determine the redemption provisions of the Bonds, subject to the limitations set forth in Section 5, and (iv) determine the dated date, the principal and interest payment dates and the Record Date of the Bonds, all as the City Manager determines to be in the best interests of the City.

4. Securities Depository Provisions. Initially, one Bond certificate for each maturity of each series of the Bonds shall be issued to and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee. The City has heretofore entered into a Letter of Representations relating to a book-entry system to be maintained by DTC with respect to the Bonds. "Securities Depository" shall mean DTC or any other securities depository for the Bonds appointed pursuant to this Section.

In the event that (i) the Securities Depository determines not to continue to act as the securities depository for the Bonds by giving notice to the Registrar, and the City discharges its responsibilities hereunder, or (ii) the City in its sole discretion determines (y) that the beneficial owners of Bonds shall be able to obtain certificated Bonds or (z) to select a new Securities Depository, then its chief financial officer shall, at the direction of the City, attempt to locate another qualified securities depository to serve as Securities Depository and authenticate and deliver certificated Bonds to the new Securities Depository or its nominee, or authenticate and deliver certificated Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Section 7; provided, however, that such form shall provide for interest on the Bonds to be payable (A) from the date of the Bonds if they are authenticated prior to the first interest payment date, or (B) otherwise from the interest payment date that is or immediately precedes the date on which the Bonds are authenticated (unless payment of interest thereon is in default, in which case interest on such Bonds shall be payable from the date to which interest has been paid). In delivering certificated Bonds, the chief financial officer shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of the beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in Section 9.

So long as there is a Securities Depository for the Bonds (i) it or its nominee shall be the registered owner of the Bonds, (ii) notwithstanding anything to the contrary in this Resolution, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to the rules and procedures established by such Securities Depository, (iii) the Registrar and the City shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (iv) references in this Resolution to registered owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds and (v) in the event of any inconsistency between the provisions of this Resolution and the provisions of the above-referenced Letter of Representations, such provisions of the Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

5. Redemption Provisions. The Bonds may be subject to redemption prior to maturity at the option of the City on or after dates, if any, determined by the City Manager, in whole or in part at any time, at a redemption price equal to the principal amount of the Bonds, together with any interest accrued to the redemption date, plus a redemption premium not to exceed 2% of the principal amount of the Bonds, such redemption premium to be determined by the City Manager.

Any term bonds may be subject to mandatory sinking fund redemption upon terms determined by the City Manager.

If less than all of the Bonds of a series are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the chief financial officer of the City in such manner as such officer may determine to be in the best interests of the City. If less than all the Bonds of any maturity of a series are called for redemption, the Bonds within such maturity to be redeemed shall be selected by the Securities Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. The portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. The City shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of the Bonds. The City shall not be responsible for giving notice of redemption to anyone other than DTC or another qualified securities depository then serving or its nominee, unless no qualified securities depository is the registered owner of the Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be mailed to the registered owners of the Bonds. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

In the case of an optional redemption, the notice may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, no

later than the redemption date or (2) the City retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Conditional Redemption may be rescinded at any time. The City shall give prompt notice of such rescission to the affected registered owners. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the City to make funds available on or before the redemption date shall not constitute an event of default, and the City shall give immediate notice to all organizations registered with the Securities and Exchange Commission as securities depositories or the affected registered owners that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

6. Execution and Authentication. The Bonds shall be signed by the manual or facsimile signature of the Mayor or Vice-Mayor and countersigned by the manual or facsimile signature of the City Clerk or Deputy Clerk, and the City's seal shall be affixed thereto or a facsimile thereof printed thereon; provided, however, that if both such signatures are facsimiles, no Bond shall be valid until it has been authenticated by the manual signature of an authorized officer or employee of the Registrar and the date of authentication noted thereon.

7. Bond Form. The Bonds shall be in substantially the form of Exhibit A, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the Bonds, whose approval shall be evidenced conclusively by the execution and delivery of the Bonds.

8. Pledge of Full Faith and Credit. The full faith and credit of the City are hereby irrevocably pledged for the payment of principal of and premium, if any, and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the City sufficient to pay when due the principal of and premium, if any, and interest on the Bonds.

9. Registration, Transfer and Owners of Bonds. The Bonds shall be issued in registered form without coupons, payable to the registered owners or registered assigns. The City Treasurer is hereby appointed paying agent and registrar for the Bond (the "Registrar"). The Council may, in its discretion, appoint at any time a qualified bank or trust company as successor Registrar. The Registrar shall maintain registration books for the registration and registration of transfers of Bonds. Upon presentation and surrender of any Bonds to the Registrar, or its corporate trust office if the Registrar is a bank or trust company, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the City shall execute, and the Registrar shall authenticate, if required by Section 6, and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and maturity, bearing interest at the same rate, and registered in names as requested by the then registered owner or his duly authorized attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Registrar may charge the person requesting

such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the Record Date.

10. Notice of Sale. The City Manager, in collaboration with the Financial Advisor, is hereby authorized and directed to take all proper steps to modify the 2014C Notice of Sale to incorporate the Bonds and to advertise the Bonds for sale substantially in accordance with the form of the 2014C Notice of Sale; provided that the City Manager, in collaboration with the Financial Advisor, may make such changes in the 2014C Notice of Sale not inconsistent with this Resolution as he may consider to be in the best interests of the City.

11. Official Statement. The City Manager, in collaboration with the Financial Advisor, is hereby authorized and directed to take all proper steps to modify the 2014C Preliminary Official Statement to incorporate the Bonds and to make such completions, omissions, insertions and changes in the 2014C Preliminary Official Statement not inconsistent with this Resolution as he may consider to be in the best interests of the City. After the sale of the Bonds, the City Manager, in collaboration with the Financial Advisor, shall make such completions, omissions, insertions and changes in the 2014C Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement. The City shall arrange for the delivery to the purchaser of the Bonds a reasonable number of copies of the final Official Statement, within seven business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom such purchaser initially sells Bonds.

12. Official Statement Deemed Final. The City Manager is authorized, on behalf of the City, to deem the 2014C Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC"), except for the omission in the 2014C Preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the 2014C Preliminary Official Statement and the Official Statement in final form shall be conclusive evidence that each has been deemed final as of its date by the City, except for the omission in the 2014C Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule.

13. Preparation and Delivery of Bonds. After bids have been received and the Bonds have been awarded, the officers of the City are authorized and directed to take all proper steps to have the Bonds prepared and executed in accordance with their terms and to deliver the Bonds to the purchaser thereof upon payment therefor.

14. Arbitrage Covenants. The City covenants that it shall not take or omit to take any action the taking or omission of which will cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest on the Tax-

Exempt Bonds to be includable in the gross income of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of law that may require the City at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Tax-Exempt Bonds, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Tax-Exempt Bonds from being includable in the gross income of the registered owners thereof under existing law. The City shall pay any such required rebate from its legally available funds.

15. Non-Arbitrage Certificate and Elections. Such officers of the City as may be requested by bond counsel for the City are authorized and directed to execute an appropriate certificate setting forth (a) the expected use and investment of the proceeds of the Tax-Exempt Bonds in order to show that such expected use and investment will not violate the provisions of Section 148 of the Code and (b) any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificate shall be prepared in consultation with bond counsel for the City, and such elections shall be made after consultation with bond counsel.

16. Limitation on Private Use. The City covenants that it shall not permit the proceeds of the Tax-Exempt Bonds or the facilities financed therewith to be used in any manner that would result in (a) 5% or more of such proceeds or such facilities being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or such facilities being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Tax-Exempt Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the City need not comply with such covenants.

17. Continuing Disclosure Agreement. The City Manager is hereby authorized and directed to execute a continuing disclosure agreement (the "Continuing Disclosure Agreement") setting forth the reports and notices to be filed by the City and containing such covenants as may be necessary to assist the purchaser of the Bonds in complying with the provisions of the Rule promulgated by the SEC. The Continuing Disclosure Agreement shall be substantially in the form of the City's prior Continuing Disclosure Agreements, which is hereby approved for purposes of the Bonds; provided that the City Manager, in collaboration with the Financial Advisor, may make such changes in the Continuing Disclosure Agreement not inconsistent with this Resolution as he may consider to be in the best interests of the City. The execution thereof by such officers shall constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

18. Escrow Deposit Agreement. The City Manager and the Director of Finance, either of whom may act, are authorized and directed to execute an escrow deposit agreement or agreements (the "Escrow Agreement") between the City and an escrow agent to be appointed by

the City Manager (the "Escrow Agent") for purposes of the Refunded Bonds. The Escrow Agreement shall be in the form approved by the City Manager, in collaboration with the City Attorney and the City's bond counsel, the execution thereof by the City Manager or the Director of Finance to constitute conclusive evidence of approval of the Escrow Agreement. The Escrow Agreement shall provide for the irrevocable deposit of a portion of the Bond proceeds (the "Refunding Portion") in separate escrow funds or accounts (together, the "Escrow Fund") that shall be sufficient, when invested in United States Treasury obligations ("Government Obligations"), to provide for the payment of principal of and interest on the Refunded Bonds; provided, however, that the proceeds of the Tax-Exempt Bonds shall be invested in such manner that the Tax-Exempt Bonds will not be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"). If requested by the City Manager, the Escrow Agent is authorized to execute, on behalf of the City, an initial and final subscription form for the purchase of the Government Obligations.

19. Deposit of Bond Proceeds. The City Manager and the Director of Finance, either of whom may act, are authorized and directed (a) to provide for the delivery of the Refunding Portion to the Escrow Agent for deposit in the Escrow Fund and (b) to provide for the deposit of a portion of the remaining proceeds of the Bonds in a special account of the City to be used to pay the costs of refunding the Refunded Bonds and issuing the Bonds. The City Manager and the Director of Finance are further authorized and directed to take all such further action as may be necessary or desirable in connection with the payment and refunding of the Refunded Bonds.

20. Redemption of Refunded Bonds. The City Manager is authorized and directed to determine which Series of the 2005B Bonds, the 2005C Bonds, the 2007 Bonds and the 2010 Bonds and which maturities thereof, if any, shall be refunded and constitute the Refunded Bonds. The Escrow Agreement shall provide for notices of defeasance and redemption to be given to the registered owners of the Refunded Bonds in accordance with the resolution providing for the issuance of the Refunded Bonds.

21. Other Actions. All other actions of officers of the City in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds are hereby ratified, approved and confirmed. The officers of the City are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

22. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

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

EXHIBIT A**[FORM OF BOND]**

[Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.]

REGISTERED**REGISTERED**

No. R[C][D]-_____

\$ _____

UNITED STATES OF AMERICA**COMMONWEALTH OF VIRGINIA****CITY OF MANASSAS**

**[Taxable] General Obligation Public Improvement Refunding Bond
Series 2014[C][D]**

INTEREST RATE**MATURITY DATE****DATED DATE****CUSIP**

_____%

_____, ____

_____, 2014

REGISTERED OWNER: CEDE & CO.**PRINCIPAL AMOUNT:****DOLLARS**

The City of Manassas, Virginia (the "City"), for value received, promises to pay, upon surrender hereof to the registered owner hereof, or its registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay interest hereon from its date semiannually on each January 1 and July 1, beginning July 1, 2015, at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America by _____, which has been appointed paying agent and registrar for the bonds, or at such bank or trust company as may be appointed as successor paying agent and registrar by the City (the "Registrar").

Notwithstanding any other provision hereof, this bond is subject to a book-entry system maintained by The Depository Trust Company ("DTC"), and the payment of principal, premium, if any, and interest, the providing of notices and other matters shall be made as described in the City's Letter of Representations to DTC.

This bond is one of an issue of \$ _____ [Taxable] General Obligation Public Improvement Bonds, Series 2014[C][D], of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity, and is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, and without reference to the City Charter. The bonds have been authorized by a resolution adopted by the City Council on _____, 2014, and are issued pursuant to a resolution adopted by the City Council on _____, 2014, to pay the costs of various school improvements.

Bonds maturing on or before _____, 20__, are not subject to redemption prior to maturity. Bonds maturing on or after _____, 20__, are subject to redemption prior to maturity at the option of the City on or after _____, 20__, in whole or in part (in any multiple of \$5,000) at any time, upon payment of the following redemption prices (expressed as a percentage of principal amount of bonds to be redeemed) plus interest accrued and unpaid to the date fixed for redemption:

Period During Which Redeemed <u>Both Dates Inclusive</u>	Redemption <u>Price</u>
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[Bonds maturing on _____, 20__, are required to be redeemed in part before maturity by the City on _____ in the years and amounts set forth below, at a redemption price equal to the principal amount of the bonds to be redeemed, plus accrued interest to the redemption date:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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If less than all of the bonds are called for redemption, the bonds to be redeemed shall be selected by the chief financial officer of the City in such manner as such officer may determine to be in the best interests of the City. If less than all the bonds of any maturity are called for redemption, the bonds within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof, and (b) in selecting bonds for redemption, each bond shall be considered as representing that number of bonds that is obtained by dividing the principal amount of such bond by \$5,000. The City shall cause notice of the call for redemption identifying the bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner hereof. If a portion of this bond is called for redemption, a new bond in the principal amount of the unredeemed portion hereof will be issued to the registered owner upon surrender hereof.

The City may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice shall be effective when given. If such proceeds are not available on the redemption date, such bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption. On presentation and surrender of the bonds called for redemption at the place or places of payment, such bonds shall be paid and redeemed.

The full faith and credit of the City are irrevocably pledged for the payment of principal of and premium, if any, and interest on this bond. Unless other funds are lawfully available and appropriated for timely payment of this bond, the City Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all taxable property within the City sufficient to pay when due the principal of and premium, if any, and interest on this bond.

The Registrar shall treat the registered owner of this bond as the person exclusively entitled to payment of principal of and premium, if any, and interest on this bond and the exercise of all others rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the 15th day of the month preceding each interest payment date.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed, and the issue of bonds of which this bond is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

IN WITNESS WHEREOF, the City of Manassas, Virginia, has caused this bond to be signed by its [Vice] Mayor, Countersigned by the [Deputy] City Clerk, the City's seal to be affixed hereto, and this bond to be dated the date first above written.

(SEAL)

[Vice] Mayor, City of Manassas, Virginia

Countersigned:

[Deputy] Clerk, City of Manassas, Virginia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) unto

(Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree:

--

the within bond and all rights thereunder, hereby irrevocably constituting and appointing

Attorney, to transfer said bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.