

JESSE SPENCE, CHAIR
NEW CASTLE DISTRICT

CARL BAILEY, MEMBER
POTTS MOUNTAIN DISTRICT

JORDAN LABIOSA, MEMBER
CRAIG CITY DISTRICT



DRAFT
KEITH DUNBAR, VICE CHAIR
CRAIG CREEK DISTRICT

JASON MATYAS, MEMBER
SIMMONSVILLE DISTRICT

R.R. DAN COLLINS
COUNTY ADMINISTRATOR

COUNTY OF CRAIG
P.O. Box 308
New Castle, Virginia 24127
540-864-5010 Phone

AGENDA
CRAIG COUNTY BOARD OF SUPERVISORS
APRIL 18th, 2024 – 6:00 P.M.
CONTINUATION MEETING
(Continued from April 4th, 2024)
CRAIG COUNTY COURTHOUSE

- I. **BUDGET WORK SESSION (6:00 P.M.)** *Continued from April 4th, 2024 Budget Work Session*
2024-2025 Budget Work Session
- II. **OPEN CONTINUED MEETING**
Meeting continued from April 4th, 2024
- III. **PUBLIC HEARINGS (6:00 pm)** Or soon after.
 - A. **Budget for FY 2024-2025**
 - B. **Open Public Hearing concerning Tax Rate 2024**
 - a. Tax Levy on Personal Property: \$3.50 per one hundred dollars
 - b. Tax Levy on Machinery and Tools: \$3.50 per one hundred dollars
 - c. Tax Levy on Merchants Capital: \$3.50 per one hundred dollars
 - d. Tax Rate on Real Estate: 52 cents per one hundred dollars

ACTION AS A RESULT OF PUBLIC HEARING

- a. Consider Resolution Setting the Tax Levy on Personal Property 2024
- R24-25 b. Consider Resolution Setting the Tax Levy on Classification of Personal Property – Machinery and
R24-26 Tools 2024
- c. Consider Resolution Setting the Tax Levy on Classification of Personal Property – Merchants
R24-27 Capital 2024
- R24-28 d. Consider Resolution Setting the tax Levy on Real Estate 2024

- R24-29 **IV. OLD BUSINESS**
- A. Consider Resolution Approving The Funding and Construction of the UHF P25 Conventional Simulcast Radio System

- V. ADJOURN MEETING**

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R24-25

AT A CONTINUATION MEETING OF THE BOARD OF SUPERVISORS OF CRAIG
COUNTY, VIRGINIA, HELD AT THE CRAIG COUNTY COURTHOUSE
ON APRIL 18th, 2024

**RESOLUTION SETTING THE TAX LEVY ON PERSONAL PROPERTY
SITUATE IN CRAIG COUNTY FOR THE CALENDAR YEAR 2024**

BE IT RESOLVED by the Board of Supervisors of Craig County, Virginia, as follows:

1. That the levy for the twelve-month period beginning January 1, 2024, and ending December 31, 2024, be, and hereby is, set for a tax rate of **\$3.50** per one hundred dollars of assessed valuation on all taxable, tangible, intangible personal property, excluding that class of personal property generally designated as machinery and tools as set forth in Section 58.1-3507 of the 1950 Code of Virginia, as amended, and excluding all those classes of household goods and personal effects as are defined in Sections 58.1-3504 and 58.1-3505 of the Code of Virginia, as amended, but including the property separately classified by Section 58.1-3500, 58.1-3501, 58.1-3502, 58.1-3506 in the 1950 Code of Virginia, as amended, of public service corporations based upon the assessed value thereof fixed by the State Corporation Commission and duly certified.

This resolution was approved at the April 18th, 2024 continuation meeting of the Board of Supervisors.

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R24-26

AT A CONTINUATION MEETING OF THE BOARD OF SUPERVISORS OF CRAIG COUNTY, VIRGINIA, HELD AT THE CRAIG COUNTY COURTHOUSE ON THURSDAY APRIL 18th, 2024

RESOLUTION SETTING THE TAX LEVY ON A CLASSIFICATION OF PERSONAL PROPERTY – MACHINERY AND TOOLS – SITUATE IN CRAIG COUNTY FOR THE CALENDAR YEAR 2024

BE IT RESOLVED by the Board of Supervisors of Craig County, Virginia, as follows:

1. That there be, and hereby is, established as a separate class of personal property in Craig County those items of personal property set forth in Section 58.1-3507 of the 1950 Code of Virginia, as amended, and generally designated as machinery and tools.
2. That the levy for the twelve-month period beginning January 1, 2024, and ending December 31, 2024, be, and hereby is, set for a tax rate of **\$3.50** per one hundred dollars of assessed valuation on all taxable, tangible personal property as herein established as a separate classification for tax purposes and as more fully defined by Section 58.1-3507 of the 1950 Code of Virginia, as amended, and generally designated as machinery and tools.

This resolution was approved at the April 18th, 2024, continuation meeting of the Board of Supervisors.

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R24-27

AT A CONTINUATION MEETING OF THE BOARD OF SUPERVISORS OF CRAIG COUNTY, VIRGINIA, HELD AT THE CRAIG COUNTY COURTHOUSE ON THURSDAY APRIL 18th, 2024

RESOLUTION SETTING THE TAX LEVY ON A CLASSIFICATION OF PERSONAL PROPERTY – MERCHANT’S CAPITAL – SITUATE IN CRAIG COUNTY FOR THE CALENDAR YEAR 2024

BE IT RESOLVED by the Board of Supervisors of Craig County, Virginia, as follows:

1. That there be, and hereby is, established as a separate class of personal property in Craig County those items of personal property set forth in Section 58.1-3509 of the 1950 Code of Virginia, as amended, and generally designated as merchant’s capital.
2. That the levy for the twelve-month period beginning January 1, 2024, and ending December 31, 2024, be, and hereby is, set for a tax rate of **\$3.50** per one hundred dollars of assessed valuation on all taxable, tangible personal property as herein established as a separate classification for tax purposes and as more fully defined by Section 58.1-3509 of the 1950 Code of Virginia, as amended, and generally designated as merchant’s capital.

This resolution was approved at the April 18th, 2024 meeting of the Board of Supervisors.

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R24-28

AT A CONTINUATION MEETING OF THE BOARD OF SUPERVISORS OF CRAIG
COUNTY, VIRGINIA HELD AT THE CRAIG COUNTY COURTHOUSE
ON THURSDAY APRIL 18th, 2024.

**RESOLUTION SETTING THE TAX RATE ON REAL ESTATE AND CERTAIN
PERSONAL PROPERTY SITUATE IN CRAIG COUNTY FOR THE CALENDAR
YEAR 2024**

BE IT RESOLVED by the Board of Supervisors of Craig County, Virginia, that the levy for the twelve-month period beginning January 1, 2024, and ending December 31, 2024, be and hereby is, set for a tax rate of **\$0.52cents** per one hundred dollars of assessed valuation on all taxable real estate, mobile homes that are personal property and heavy construction equipment classified by Section 58.1-3200, 58.1-3201, 58.1-3506 A.8 and A.10 as permitted by Code of Virginia and 58.1-3506.B of the 1950 Code of Virginia, as amended, situate in Craig County.

This resolution was approved at the April 18th, 2024 continuation meeting of the Board of Supervisors.

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R24-29

**A Resolution Approving
The Funding and Construction Of The
UHF P25 Conventional Simulcast
Radio System**

WHEREAS, the Board of Supervisors on June 3, 2021 did approve the UHF P25 Conventional Simulcast Radio System Plan, and

WHEREAS, this is the latest technology which will allow the Sheriff and all County Emergency Services to not only communicate with each other but also with VSP and the neighboring Emergency Services in the surrounding Counties to provide health and safety emergency services, and

WHEREAS, the Board did advertised for RFP's (Request for Proposals) and chose the apparent low bid of \$6,330,315, after months of negotiations we have a negotiated the project cost to \$4,700,000, and

WHEREAS, the County of Craig did receive \$996,631 in ARPA funding from the Commonwealth of Virginia to provide funding for any and all projects that will provide health and safety services to the citizens of the County of Craig, and

WHEREAS, the County will provide a "Gap" Loan totaling \$ 1,326,275, while searching for Federal & State Grants, with a Term of 14 years at 4.7% Interest with Annual Payments of \$131,427.94 and, provide 5% Contingency totaling \$258,500, and

WHEREAS, the County Administrator is authorized to prepare a Gap Loan Agreement for the Board of Supervisors to approve at the next regular scheduled meeting.

NOW THEREFORE BE IT RESOLVED by the County of Craig Board of Supervisors in a recessed meeting on the 18th day of April, 2024 did approve the Notice To Proceed for the construction of the UHF P25 Conventional Simulcast Radio System.

BE IT FURTHER RESOLVED by the County of Craig Board of Supervisors in a recessed meeting on the 18th day of April, 2024 did authorize the Count Administrator to prepare a Gap Loan Agreement for the intermediate funding of the UHF P25 Conventional Simulcast Radio System Project.

BOS Summary – Planned Emergency Radio Communication Project

Background

During the last three years (April 2021) of Budget Work Sessions, the condition of the Emergency Radio Equipment has been discussed. The EMS Director and I have been working on various options for the Board of Supervisors to consider.

Discussion

In 2021 the County received a consult grant to retain CTA to review, evaluate and recommend options to the Board of supervisors. Following their yearlong review, the Board of Supervisors selected the P25 Option. This is the latest technology which will allow the Sheriff and all County Emergency Services to not only communicate with each other but also with VSP and the neighboring Emergency Services in the surrounding Counties.

We advertised for RFP's (Request for Proposals) and chose apparent low bid of \$6,330,315. After months of negotiations, we have a negotiated project cost totaling \$4,700,000. We have also identified several funding sources. The Vendor has held his negotiated bid price for the last 3 years.

Project Expenditures to Date:

- CARE's Funds \$ 96,000 Radio's Purchased

Remaining Expenditures:

- ARAP Funds \$ 996,631
 - LATCH (*Additional PILT \$ - Fed ARAP*) \$ 377,090
 - Federal CDS \$ 1,000,000
 - **Cash – GF** **\$ 1,000,000**
- Total Cash** **\$ 3,373,725**

Remaining Needs:

1. VML/VACo Loan **\$ 1,326,275 - Additional Funds Needed**
 2. **Internal CIP Loan**
 3. CIP Cash
- Total =** **\$4,700,000**
5% Contingency = **\$ 258,500**

Options

There are three options for the Board to consider to fully fund the Project:

- A. Secure VML/VACo Loan (No Penalty for Early Payoff)
 - a. Continue to seek State / Fed Grants
- B. Issue Internal Loan. (Use Cash Fund GF Balance & Pay Back to GF)**
 - a. Continue to seek State / Fed Grants
- C. CIP Budget (Use Cash Fund Balance).

Fiscal Impact

There is a \$1,326,275 impact to the Budget if the VML/VACo Loan is not obtained. If cash is used, the one-time impact will be \$1,500,000 including Contingency. A Project loan, either internal or VML, /VACo would have an estimated \$131,428 annual impact for the next fourteen years. Assuming the interest rate is 4.70%. Current CIP and GF Fund Balance is approximately \$5,970,497. Using \$1,500,000 of the GF Fund Balances would leave only \$470,497 available cash in the GF Cash Balance for other projects.

Staff Recommendation

Staff recommends Option "B" which allows us to begin construction. If Grants are not obtained, will get Loan from VML/VACo Finance. **Annual Debt Service** for FY24/25 will be **\$131,728** over the next **14 years**.



April 4, 2024

Craig County Board Members
New Castle, VA 24127

Subject: Craig County P25 Radio Network Project Budget

Based upon the Needs Assessment (April 2021), RFP Procurement (November 2022), and Contract Negotiations (May 2023) Craig County is recommended to move forward with the implementation of a UHF 4-site, 3-channel P25 Phase 2 trunked simulcast radio system with a microwave connectivity network.

This system will allow all user agencies, public safety and non-public safety, to utilize the same network improving the operability and interoperability within Craig County. As this system will be built to the Project 25 standards the County users will also have interoperability with the jurisdictions around Craig County.

The following is the project budget (L3Harris and Aviat have agreed to honor their 2023 pricing):

Cost Elements	Craig Budget
RADIO INFRASTRUCTURE	\$ 1,229,879.74
COMMUNICATIONS CENTER	\$ 338,280.04
MICROWAVE SYSTEM	\$ 478,000.00
PHYSICAL FACILITIES	\$ 313,476.42
SUBSCRIBERS (Quantity 233)	\$673,095.73
Public Safety	\$606,684.83
Non-Public Safety	\$66,410.90
VENDOR SERVICES	\$ 1,132,884.32
CONSULTING	\$ 240,000.00
CONTINGENCY (5%)	\$ 323,386.15
RADIO SYSTEM TOTAL	\$ 4,729,002.40



April 4, 2024

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 New Castle, VA 24127

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RADIO SYSTEM TOTAL	\$ 4,729,002.40



AUTHORIZATION TO SOLICIT PROPOSALS ON BEHALF OF LOCALITY

Date: April 4, 2024

Name of Locality: County of Craig, Virginia

Financing Purpose(s):

Emergency Communications - Radio Project

I hereby authorize VML/VACo Finance to solicit proposals from qualified financial institutions on behalf of the above-named locality for the prospective financing(s) identified above. Pursuant to this authorization, I understand that VML/VACo Finance will represent to the institutions from which it solicits proposals that it has been duly and solely authorized to administer this procurement and conduct negotiations on behalf of the locality.

I understand further that the financial institutions requested to submit proposals will be assured that 1) the proposal process is being conducted in good faith; 2) no financial institution will be allowed to modify or submit a new proposal after the process is closed and results announced; and 3) the financial institution submitting a proposal with the most favorable terms to the locality – consideration will be given to the proposed interest rate and the financing terms and covenants - will be recommended to the locality. Accordingly, the locality agrees that it will not authorize another proposal process for the financing(s) identified above for a period of at least 180 days from the date of this letter.

Notwithstanding the above, this agreement in no way binds the locality to execute the financing in the event the proposal recommended by VML/VACo Finance is found unacceptable by the governing body.

(Signature)

Robert R. Collins
(Name)

VML/VACo Loan OR CIP Internal Loan Information

Total Project Budget	\$4,700,000
Funding	
ARPA Funds	\$996,635
LACTF Funds	\$377,090
Fed CDS	\$1,000,000
Sub Total	\$2,373,725

Use of Cash Balance	\$1,000,000
Total Fund Source	\$3,373,725

County Loan	\$1,326,275	- Enter in Loan Bond Calculator
Term	14	
Rate	4.70%	
Payments Per Year	\$131,427.94	2.00 ¢ RE Tax Rate

CRAIG COUNTY - LOAN AMORTIZATION SCHEDULE

RADIO PROJECT

ENTER VALUES	
Loan amount	\$1,326,275
Annual interest rate	4.70%
Loan period in years	14
Number of payments per year	1
Start date of loan	8/7/2024
Optional extra payments	\$0.00

LOAN SUMMARY	
Scheduled payment	\$131,427.94
Scheduled number of payments	14
Actual number of payments	1
Total early payments	\$0.00
Total interest	\$513,716.22
LENDER NAME VRA - Virginia Resource Authority	

Impact on RE Tax Rate	
2.00 ¢	
2 Pmts Per Year	\$65,713.97
4 Pmts Per Year	\$32,856.99
ARPA	\$996,635
State / Fed Grant	\$1,000,000
County Fund Bal,	\$1,000,000
Sub Total =	\$2,996,635
Bond	\$1,703,365
Total Project Budget =	\$4,700,000

PMT NO	PAYMENT DATE	BEGINNING BALANCE	SCHEDULED PAYMENT	EXTRA PAYMENT	TOTAL PAYMENT	PRINCIPAL	INTEREST	ENDING BALANCE	CUMULATIVE INTEREST
1	8/7/2024	\$1,326,275.00	\$131,427.94	\$0.00	\$131,427.94	\$69,093.02	\$62,334.93	\$1,257,181.98	\$62,334.93
2	9/7/2024	\$1,257,181.98	\$131,427.94	\$0.00	\$131,427.94	\$72,340.39	\$59,087.55	\$1,184,841.59	\$121,422.48
3	10/7/2024	\$1,184,841.59	\$131,427.94	\$0.00	\$131,427.94	\$75,740.39	\$55,687.55	\$1,109,101.20	\$177,110.03
4	11/7/2024	\$1,109,101.20	\$131,427.94	\$0.00	\$131,427.94	\$79,300.19	\$52,127.76	\$1,029,801.01	\$229,237.79
5	12/7/2024	\$1,029,801.01	\$131,427.94	\$0.00	\$131,427.94	\$83,027.30	\$48,400.65	\$946,773.71	\$277,638.44
6	1/7/2025	\$946,773.71	\$131,427.94	\$0.00	\$131,427.94	\$86,929.58	\$44,498.36	\$859,844.14	\$322,136.80
7	2/7/2025	\$859,844.14	\$131,427.94	\$0.00	\$131,427.94	\$91,015.27	\$40,412.67	\$768,828.87	\$362,549.48
8	3/7/2025	\$768,828.87	\$131,427.94	\$0.00	\$131,427.94	\$95,292.99	\$36,134.96	\$673,535.88	\$398,684.43
9	4/7/2025	\$673,535.88	\$131,427.94	\$0.00	\$131,427.94	\$99,771.76	\$31,656.19	\$573,764.12	\$430,340.62
10	5/7/2025	\$573,764.12	\$131,427.94	\$0.00	\$131,427.94	\$104,461.03	\$26,966.91	\$469,303.09	\$457,307.53
11	6/7/2025	\$469,303.09	\$131,427.94	\$0.00	\$131,427.94	\$109,370.70	\$22,057.25	\$359,932.39	\$479,364.78
12	7/7/2025	\$359,932.39	\$131,427.94	\$0.00	\$131,427.94	\$114,511.12	\$16,916.82	\$245,421.27	\$496,281.60
13	8/7/2025	\$245,421.27	\$131,427.94	\$0.00	\$131,427.94	\$119,893.14	\$11,534.80	\$125,528.12	\$507,816.40
14	9/7/2025	\$125,528.12	\$131,427.94	\$0.00	\$125,528.12	\$119,628.30	\$5,899.82	\$0.00	\$513,716.22

Budget Planning for Operations & Debt Service

Cumulative Debt Pmts Available ***	BUDGET YEAR AVAILABLE	Funds Used to Balance Budget Debt Service and CIP	We Will Always Have Debt Service **	
\$ 117,720	FY 22/23	Last Year	Est. Cash Available	
\$ 440,845	FY 23/24	This Year	With New Debt Service	
\$ 474,230	FY 24/25	One Budget Years Away	\$225,000 - \$350,000	
\$ 488,748	FY 24/25	One Budget Years Away	\$ 263,748	\$ 138,748
\$ 593,164	FY 33/34	10 Budget Years Away	\$ 368,164	\$ 243,164
\$ 643,944	FY 35/36	12 Budget Years Away	\$ 418,944	\$ 293,944
\$ 743,734	FY 35/36	12 Budget Years Away	\$ 518,734	\$ 393,734

*** Future (New) Debt Service Estimated to be
at least \$225,000 - \$350,000 / Year

- ✓ **Cash Balance (3/11/ 2024)** **\$8,919,810**
- ✓ **Restricted Funds** **\$2,949,313**

- ✓ **Current Cash Reserve** **\$5,970,497**
- ✓ **Minimum Cash Reserve** **\$4,000,000**

- ✓ **Available Cash** **\$1,970,497**
- ✓ **Investments** (ROI @ 4% - Range: From \$160,000 TO \$238,820)
Equivalent to 2.44¢ – 3.64¢ On RE Tax Rate

BOS Summary – Proposed Emergency Radio Communication Project

Background

During the last two years of Budget Work Sessions, the condition of the Emergency Radio Equipment has been discussed. The EMS Director and I have been working on various options for the Board of Supervisors to consider.

Discussion

In 2021 the County received a consult grant to retain CTA to review, evaluate and recommend options to the Board of supervisors. Following their yearlong review, the Board of Supervisors selected the P25 Option. This is the latest technology which will allow the Sheriff and all County Emergency Services to not only communicate with each other but also with VSP and the neighboring Emergency Services in the surrounding Counties.

We advertised for RFP's (Request for Proposals) and chose the apparent low bid of \$6,330,315. After months of negotiations we have a negotiated project cost totaling \$4,880,000. We have also identified several funding sources.

1. CARE's Funds	\$ 96,000	Radio's Purchased
2. ARAP Funds	\$ 996,631	Received Half
3. LATCH (Additional PILT \$ - Fed ARAP)	\$ 377,089	Received Half
4. Opioid Settlement Funds **	\$ 371,000	Small Payments (10-12 Years)
5. Va. Legislature	\$2,000,000	Apply DCJS – January/February
6. VDEM Grant OR	\$1,500,000	Bond Issue – February?
a. VRA Bonds		
b. Internal CIP Loan		
c. CIP Cash		
Total =	\$5,340,720	
Remaining Project Budget =	<u>\$4,880,000</u>	
Balance =	\$ 480,720	
Less Radios =	<u>\$ 96,000</u>	
Contingency ** =	\$ 364,720	

Options

There are several options for the Board to consider:

1. No Action Needed – If VDEM Grant is awarded.
2. Issue VRA Bonds.
3. Issue Internal Loan. (Use Cash Fund GF Balance & Pay Back to GF).
4. CIP Budget (Use Cash Fund Balance).

Fiscal Impact

There is a \$1,500,000 impact to the Budget if the VDEM Grant is not received. If cash is used the one time impact will be \$1,500,000. Project loans, either internal or VRA, would have an \$187,567.55 annual impact for the next ten years. Assuming the interest rate is 4.46%. Current CIP and GF Fund Balance is approximately \$6,055,000. Using \$1,500,000 (24.8%) of all GF Fund Balances would reduce GF Fund Balance to \$4,555,000. However ARAP & LATCH is reserved for the Radio Project leaving \$2,799,301 Fund Balance.

Staff Recommendation

If not successful in receiving a VDEM Grant, staff recommends Option B. Option B allows us to keep a strong general fund balance (\$3,919,334) as an emergency fund (Rainy Day Fund). Debt Service FY23/24 ending is \$474,230. Using \$187,600 for Radio Debt Service leaves \$286,630 for Operating revenue in FY23/24.