



City of Petersburg Virginia

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City Council

W. Howard Myers, Mayor – Ward 5
Samuel Parham, Vice-Mayor – Ward 3
Treska Wilson-Smith, Councilor – Ward 1
Darrin Hill, Councilor – Ward 2
Brian A. Moore, Councilor – Ward 4
David Ray Coleman, Councilor – Ward 6
John A. Hart, Sr., Councilor – Ward 7

Acting City Manager

Tom Tyrrell

City Council Work Session Agenda

November 15, 2016

Union Train Station
103 River Street
5:30 p.m.

-
1. Call to Order
 2. Roll Call
 3. Purpose
 - a. Financial Update
 - b. Discussion of a resolution for approving amendments to projects financed by the Virginia Resources Authority
 - c. Discussion of the issuance, sale, and award of a general obligation revenue anticipation note, series 2016.
 4. Adjournment



City of Petersburg

Ordinance, Resolution, and Agenda Request

DATE: November 11, 2016

TO: The Honorable Mayor and Members of City Council

THROUGH: Tom Tyrrell, Interim City Manager

FROM: Nelsie Birch, Interim Finance Director

RE: **Discussion of a Resolution to Approve Amendments to Projects Financed By the Virginia Resources Authority**

PURPOSE: To discuss updating and amending the city’s capital projects and discuss providing additional funding for other capital needs and related expenses and possibly defer currently funded capital projects and fund other high need projects.

REASON: For Informational Purposes Only

RECOMMENDATION: For Informational Purposes Only

BACKGROUND: In consultation with the City’s financial advisor, Davenport & Company LLC (the “Financial Advisor”) and bond counsel, Sands Anderson PC (“Bond Counsel”), City staff has evaluated the current capital needs of the City and wishes to update and amend the descriptions of the 2013 Projects, the 2014 Projects and the 2015 Projects to defer or reduce expenditures on certain projects originally included as part of such Projects and to provide additional funding for other capital needs and related expenses including capitalized interest on the 2013 Bond, 2014 Bond and 2015 Bond, as appropriate, all such project costs to be funded only as permitted under Section 62.1-199 of the Code of Virginia of 1950, as amended.

COST TO CITY: N/A

BUDGETED ITEM: None

REVENUE TO CITY: N/A

CITY COUNCIL HEARING DATE: November 15, 2016

CONSIDERATION BY OTHER GOVERNMENT ENTITIES: N/A

AFFECTED AGENCIES: Finance

RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION: Section 62.1-199 of the Code of Virginia 1950, as amended.

REQUIRED CHANGES TO WORK PROGRAMS: None

ATTACHMENTS: Resolution

STAFF: Nelsie Birch, Interim Finance Director

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF PETERSBURG, VIRGINIA APPROVING AMENDMENTS TO PROJECTS
FINANCED BY THE VIRGINIA RESOURCES AUTHORITY**

WHEREAS, the City Council (**the “City Council”**) of the City of Petersburg, Virginia (**the “City”**) has previously entered into a Local Bond Sale and Financing Agreement dated as of October 3, 2013 (**the “2013 Financing Agreement”**) between the City and Virginia Resources Authority (**“VRA”**) in connection with the issuance and sale to VRA of the City’s \$2,820,000 General Obligation Bond, Series 2013 (**the “2013 Bond”**) to finance various capital projects in the City as described in the 2013 Financing Agreement (**the “2013 Projects”**); and

WHEREAS, the City has previously entered into a Local Bond Sale and Financing Agreement dated as of October 2, 2014 (**the “2014 Financing Agreement”**) between the City and VRA in connection with the issuance and sale to VRA of the City’s \$5,440,000 General Obligation Bond, Series 2014 (**the “2014 Bond”**) to finance various capital projects in the City as described in the 2014 Financing Agreement (**the “2014 Projects”**); and

WHEREAS, the City has previously entered into a Local Bond Sale and Financing Agreement dated as of April 10, 2015 (**the “2015 Financing Agreement”**) between the City and VRA in connection with the issuance and sale to VRA of the City’s \$7,380,000 Water and Sewer Revenue Bond, Series 2015 (**the “2015 Bond”**) to finance various water and sewer capital projects in the City as described in the 2015 Financing Agreement (**the “2015 Projects,” and, together with the 2013 Projects and the 2014 Project, the “Projects”**); and

WHEREAS, in consultation with the County's financial advisor, Davenport & Company LLC (**the “Financial Advisor”**) and bond counsel, Sands Anderson PC (**“Bond Counsel”**), City staff has evaluated the current capital needs of the City and wishes to update and amend the descriptions of the 2013 Projects, the 2014 Projects and the 2015 Projects to defer or reduce expenditures on certain projects originally included as part of such Projects and to provide additional funding for other capital needs and related expenses including capitalized interest on the 2013 Bond, 2014 Bond and 2015 Bond, as appropriate, all such project costs to be funded only as permitted under Section 62.1-199 of the Code of Virginia of 1950, as amended (**together, the “Revised Project Descriptions”**); and

WHEREAS, VRA has indicated that it is willing to amend the 2013 Financing Agreement, the 2014 Financing Agreement and the 2015 Financing Agreement to permit the use of the proceeds of the 2013 Bond, the 2014 Bond and the 2015 Bond, as appropriate, as provided in the Revised Project Descriptions; and

WHEREAS, the City Council desires to amend the 2013 Financing Agreement, the 2014 Financing Agreement and the 2015 Financing Agreement to provide for the Revised Project Descriptions and to permit the proceeds of the 2013 Bond, the 2014 Bond and the 2015 Bond, as appropriate, to be used for such purposes and authorize the City Manager enter into an amendment agreement with VRA to provide for such Revised Project Descriptions.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Petersburg, Virginia:

1. The City Council hereby authorizes the City Manager to enter into an amendment agreement with VRA to provide for the Revised Project Descriptions, the details of such Revised Project Descriptions to be approved by the City Manager whose approval shall be evidenced conclusively by the execution and delivery of such amendment agreement and instructs the Financial Advisor and Bond Counsel to take all such action as necessary or appropriate to conclude the amendments to the terms of the 2013 Financing Agreement, the 2014 Financing Agreement and the 2015 Financing Agreement and any related documents.
2. The City Council hereby approves, ratifies and confirms the actions of its officers, employees and representatives in furtherance of the amendment to the 2013 Financing Agreement, the 2014 Financing Agreement and the 2015 Financing Agreement to provide for the Revised Project Descriptions, and authorizes and directs its officers, employees and representatives, the Financial Advisor and Bond Counsel and other professionals to take all such action necessary or appropriate to finalize the amendments to the 2013 Financing Agreement, the 2014 Financing Agreement and the 2015 Financing Agreement in connection with the Revised Project Descriptions.
3. This Resolution shall take effect immediately upon its passage.

ADOPTED: This 15th day of November, 2016.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the City Council of the City of Petersburg, Virginia hereby certifies that the Resolution set forth above was adopted on November 15th, 2016 by the City Council during an open meeting with the following votes:

Aye:

Nay:

Abstentions:

Signed this ____ day of _____, 2016.

By: _____
Clerk, City Council



City of Petersburg

Ordinance, Resolution, and Agenda Request

DATE: November 11, 2016

TO: The Honorable Mayor and Members of City Council

THROUGH: Tom Tyrrell, Interim City Manager

FROM: Nelsie Birch, Interim Finance Director

RE: **Discussion of a Resolution to Issue, Sale and Award of a General Obligation Revenue Anticipation Note Series 2016**

PURPOSE: To discuss the authorization to borrow money in an amount not to exceed \$6,500,000. To pay expenses expected to be incurred prior to the collection of taxes and revenues of the City for the Fiscal Year ending June 30, 2017

REASON: For Informational Purposes Only

RECOMMENDATION: For Informational Purposes Only

BACKGROUND: The City held a public hearing, duly noticed, on November 1, 2016 on the issuance of up to \$6,500,000 general obligation bonds or notes of the City in accordance with of the Act; The City Council has determined that it is necessary and advisable and in the best interest of the City to authorize the borrowing of money in an amount not to exceed \$6,500,000 in order to pay expenses expected to be incurred prior to the collection of taxes and revenues of the City for the fiscal year ending June 30, 2017, and that such amount does not exceed the anticipated revenues for such fiscal year, and to issue the City's general obligation tax and revenue anticipation notes therefor; and

WHEREAS

COST TO CITY: Interest rate not to exceed 5.000%

BUDGETED ITEM: None

REVENUE TO CITY: \$6,500,000

CITY COUNCIL HEARING DATE: November 15, 2016

CONSIDERATION BY OTHER GOVERNMENT ENTITIES: N/A

AFFECTED AGENCIES: Finance

RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION:

REQUIRED CHANGES TO WORK PROGRAMS: None

ATTACHMENTS: Resolution, General Obligation Revenue Anticipation Note, Series 2016

STAFF: Nelsie Birch, Interim Finance Director

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND AWARD OF A
GENERAL OBLIGATION REVENUE ANTICIPATION NOTE, SERIES 2016, OF THE
CITY OF PETERSBURG, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS
AND PAYMENT THEREOF**

WHEREAS, the City Council (**the "City Council"**) of the City of Petersburg, Virginia (**the "City"**) has determined that it is necessary and advisable and in the best interest of the City to authorize the borrowing of money in an amount not to exceed \$6,500,000 in order to pay expenses expected to be incurred prior to the collection of taxes and revenues of the City for the fiscal year ending June 30, 2017, and that such amount does not exceed the anticipated revenues for such fiscal year, and to issue the City's general obligation tax and revenue anticipation notes therefor; and

WHEREAS, the City held a public hearing, duly noticed, on November 1, 2016 on the issuance of up to \$6,500,000 general obligation bonds or notes of the City in accordance with Section 15.2-2606 of the Act; and

WHEREAS, Davenport & Company LLC, the City's financial advisor (**the "Financial Advisor"**), as directed by City staff, and its bond counsel, Sands Anderson PC, have prepared a Request for Proposals (**the "RFP"**) to obtain financing proposals for the financing cash flow needs for general governmental operations of the City in anticipation of tax revenues received during the current fiscal year;

WHEREAS, the Financial Advisor, after consideration of responses to the RFP, has recommended that the City Council select the proposal to purchase the City's maximum aggregate principal amount not to exceed \$6,500,000 General Obligation Revenue Anticipation Notes, Series 2016 (**together, the "Notes"**) to in accordance with the proposal (**the "Proposal"**) reflected in the term sheet provided by Municipal Resource Advisors, LLC, as special municipal advisor (**the "Special Municipal Advisor"**) for the Notes to be placed by Crews and Associates, Inc. (**the "Placement Agent"**), and the City Council desires to accept such Proposal and proceed with the financing reflected therein;

WHEREAS, a condition of the Proposal is that the City agree to enter into a Trust Agreement with UMB Bank N.A., as trustee, (**the "Trust Agreement"**) to provide for regular monthly sinking fund payments by the City during the term of the Notes of approximately 1/10th of the principal and interest due on the Notes at maturity, to be held by the Trustee as security for payment of the Notes at maturity;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PETERSBURG:

1. Issuance of Notes. Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the Public Finance Act of 1991, as amended (**the "Act"**), the City Council hereby authorizes the issuance and sale of one or more general obligation tax and revenue anticipation notes of the City to provide funds to meet appropriations made for the current fiscal year which began on July 1, 2016 and ends June 30, 2017, in anticipation of the collection of tax and other revenues during the same fiscal year, to

be paid for by such revenues. The City hereby finds (i) the obtaining of such funds will be for the welfare of citizens of the City for purposes which will serve the City and its citizens, (ii) the most effective and efficient manner in which to provide such funds to the City is by a general obligation revenue anticipation note issued by the City to be sold to the Noteholder and (iii) the issuance of the Note is in the best interests of the City and its citizens. The City elects to issue the Note pursuant to Sections 15.2-2607 and 15.2-2629 of the Act, after a public hearing held in accordance with Section 15.2-2606 of the Act. The City covenants to not issue any additional notes or bonds secured by tax revenues while the Notes are outstanding other than general obligation debt of the City.

2. Note Details. The Notes shall be issued in an aggregate principal amount not to exceed \$6,500,000 consisting of a single, registered bond designated "General Obligation Revenue Anticipation Note, Series 2016" (the "Note"), numbered R-1, having an interest rate not to exceed 5.00%, and maturing not later October 1, 2017 in the form attached to this Resolution. Subject to the preceding terms, the City Council further authorizes the Financial Advisor to determine the aggregate total of principal and interest payments on the Note, including sinking fund payments provided for under the Trust Agreement, all in accordance with the provisions hereof.

3. Payment and Redemption Provisions. The principal of and premium, if any, and interest on the Note shall be payable as set forth in the Note. The principal of the Note shall be subject to optional prepayment or redemption, in whole, by the City, at any time.

4. Execution and Form of Note. The Note shall be signed by the Mayor or Vice Mayor of the City and the City's seal shall be affixed thereon and attested by the City Clerk. The Note shall be issued as a typewritten bond or note with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by such officers, whose approval shall be evidenced conclusively by the execution and delivery of the Note.

Initially, one Note certificate for each maturity 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 Blanket Letter of Representations relating to a book-entry system to be maintained by DTC with respect to the Notes. "Securities Depository" shall mean DTC or any other securities depository for the Notes appointed pursuant to this Section.

In the event that (1) the Securities Depository determines not to continue to act as the securities depository for the Notes by giving notice to the Registrar, and the City discharges its responsibilities hereunder, or (2) the City in its sole discretion determines (i) that beneficial owners of Notes shall be able to obtain certificated Notes or (ii) 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 Notes to the new Securities Depository or its nominee, or authenticate and delivered certificated Notes to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Section 6; provided, however, that such form shall provide for interest on the Notes to be payable (A)

from the date of the Notes 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 Notes are authenticated (unless payment of interest thereon is in default, in which case interest on such Notes shall be payable from the date to which interest has been paid). In delivering certificated Notes, 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 beneficial owners. Such certificated Notes will then be registrable, transferable and exchangeable as set forth in Section 7.

So long as there is a Securities Depository for the Notes (1) it or its nominee shall be the registered owner of the Notes, (2) notwithstanding anything to the contrary in this Resolution, determinations of persons entitled to payment of principal 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 rules and procedures established by such Securities Depository, (3) 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, (4) references in this Ordinance to registered owners of the Notes shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Notes and (5) in the event of any inconsistency between the provisions of this Resolution and the provisions of the above-referenced Blanket Letter of Representations such provisions of the Blanket Letter of Representations, except to the extent set forth in this paragraph and the next preceding paragraph, shall control.

5. Pledge of Full Faith and Credit. The City's full faith and credit are pledged to secure the payment of the principal of, premium, if any, and interest on the Notes. Unless other funds are lawfully available and appropriated for timely payment of the Notes, the City agrees to levy an annual tax upon all property subject to local taxation in the City sufficient to pay the principal of and premium, if any, and interest on the Notes. Additionally, the Notes are secured by a pledge of tax revenues anticipated to be collected in the current fiscal year of the City, as provided under Section 15.2-2629 of the Code of Virginia of 1950, as amended.

6. Preparation of Printed Note. The City shall initially issue the Note in typewritten form. Upon request of the registered owner and upon presentation of the Note at the office of the Trustee (as hereinafter defined), the City shall arrange to have prepared, executed and delivered in exchange as soon as practicable the Note in printed form in an aggregate principal amount equal to the unpaid principal of the Note in typewritten form, in denominations of \$250,000 and \$5,000 multiples thereof, of the same form and maturity and registered in such names as requested by the registered owners or their duly authorized attorneys or legal representatives. The printed Note may be executed by manual or facsimile signature of the Mayor or Vice Mayor of the City, the City's seal affixed thereto and attested by the City Clerk; provided, however, that if both such signatures are facsimiles, no Note shall be valid until it has been authenticated by the manual signature of the Trustee and the date of authentication noted thereon. The typewritten Note surrendered in any such exchange shall be canceled.

7. Registration and Transfer of the Note. The City appoints UMB Bank N.A. as trustee, paying agent and registrar (the "Trustee") for the Note. If deemed to be in its best

interest, the City may at any time appoint a qualified bank or trust company as successor Trustee. Upon surrender of the Note at the office of the Trustee, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the City shall execute, and the Trustee shall authenticate and deliver in exchange, a new Note or Note having an equal aggregate principal amount, of the same form and maturity, bearing interest at the same rates and registered in such name as requested by the then registered owner or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person or entity 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 installments shall be paid to the person or entity shown as owner on the registration books on the 15th day of the month preceding each interest payment date.

8. Mutilated, Lost or Destroyed Note. If the Note has been mutilated, lost or destroyed, the City shall execute and deliver a new Note of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Note or in lieu of and in substitution for such lost or destroyed Note; provided, however, that the City shall so execute and deliver only if the registered owner has paid the reasonable expenses and charges of the City in connection therewith and, in the case of a lost or destroyed Note, (a) has filed with the City evidence satisfactory to the City that such Note was lost or destroyed and (b) has furnished to the City satisfactory indemnity.

9. Trust Agreement. The Interim City Manager, Mayor or Vice-Mayor of the City, either of whom may act, is hereby authorized and directed to execute and deliver the Trust Agreement. The Trust Agreement shall be in substantially the form presented to this meeting, which is hereby approved, with such completions, omissions, insertions or changes not inconsistent with this resolution as may be approved by the Interim City Manager, Mayor or Vice-Mayor of the City, in their sole discretion, the execution thereof by the Interim City Manager, Mayor or Vice-Mayor of the City to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes.

10. Private Placement Memorandum. Such officers of the City as may be requested are authorized and directed to prepare and deliver information regarding the City in a private placement memorandum (the "PPM") in the form approved by the Interim City Manager, in collaboration with the City's bond counsel and the Financial Advisor, with such completions, omissions, insertions and changes as may be approved by the Interim City Manager whose approval shall be evidenced conclusively by the delivery thereof. If appropriate, the PPM and related disclosure documents shall be distributed in such manner and at such times as the Interim City Manager, shall determine.

11. 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 Notes 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 Notes to be includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of the Tax Compliance Agreement (as defined below) 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 Notes, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on the Notes from being included in the gross income for federal income tax purposes of the registered owners thereof under existing law. The City shall pay any such required rebate from legally available funds.

12. Tax Compliance Agreement. Such officers of the City as may be requested are authorized and directed to execute and deliver a nonarbitrage certificate and tax compliance agreement in relation to the Notes (**the "Tax Compliance Agreement"**) in the form approved by the Mayor or Vice Mayor of the City or the Interim City Manager, or any of them, in collaboration with the City's bond counsel, with such completions, omissions, insertions and changes as may be approved by the officers of the City executing such Tax Compliance Agreement, whose approval shall be evidenced conclusively by the execution and delivery thereof.

13. Private Activity Bond Covenant. The City covenants that it shall not permit the proceeds of the Notes or the property financed thereby to be used in any manner that would result in (a) 5% or more of such proceeds or the facilities financed with such proceeds 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 the facilities financed with such proceeds 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 Notes 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.

14. Qualified Tax-Exempt Obligation. The City Council hereby designates the Notes as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code and certifies by this Resolution that it does not reasonably anticipate the issuance by it or its subordinate entities of more than \$10 million in "qualified tax-exempt obligations" during the calendar year 2016 and will not designate, or permit the designation by any of its subordinate entities of, any of its bonds or notes (or those of its subordinate entities) during the calendar year 2016 which would cause the \$10 million limitation of Section 265(b)(3)(D) of the Code to be violated.

15. Bond Counsel. The City Council hereby confirms the appointment of Sands Anderson PC to serve as Bond Counsel to the City in connection with the issuance of the Note.

16. Other Actions. All other actions of City officials in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Notes are ratified, approved and confirmed. The City officials are authorized and directed to execute and deliver all agreements, certificates and other instruments considered necessary or desirable in connection with the issuance, sale and delivery of the Note pursuant to this Resolution including, but not limited to a Trust Agreement, the Notes, the PPM, a loan agreement, a note purchase agreement, an escrow agreement, an agreement with the Special Municipal Advisor, and any other agreements and to make modification thereof as such officials shall deem necessary or convenient, whose determination shall be conclusively evidenced by the execution thereof.

17. Effectiveness and Filing of Resolution. This Resolution shall become effective immediately upon its passage. After such passage, a certified copy of this Resolution shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Petersburg, Virginia. The filing of this Resolution with the Clerk of the Circuit Court of the City of Petersburg, Virginia as a subsequent resolution to the initial resolution of November 1, 2016 filed previously with such Clerk. Any ordinances or resolutions inconsistent herewith previously adopted by the City Council are amended to be consistent with this Resolution.

18. Applicable Law. The City Council elects to issue the Notes pursuant to the provisions of the Act, in accordance with Section 15.2-2601 of the Act.

EXHIBIT A

Unless this Note 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 Note 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
No. R-__

REGISTERED
\$ _____

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
CITY OF PETERSBURG

General Obligation Revenue Anticipation Note, Series 2016

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____%	October 1, 2017	_____, 2016	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Petersburg, Virginia (the "City"), for value received, promises to pay, upon surrender hereof, to the registered owner hereof, or 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 to maturity at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America by UMB Bank N.A., who has been appointed paying agent and registrar for the Notes, 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 Note is subject to a book-entry system maintained by The Depository Trust Company ("DTC"), and the payment of principal and interest, the providing of notices and other matters shall be made as described in the City's Blanket Letter of Representation to DTC.

This Note is one of an issue of up to \$ _____ General Obligation Revenue Anticipation Notes, Series 2016, 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 and the City Charter. This Note is issued pursuant to a resolution adopted by the City Council on November 15, 2016, to finance cash flow needs for the City for the current fiscal year and to pay the costs of issuing the Notes.

This Note is subject to redemption prior to maturity at the option of the City, in whole at any time, upon payment of 100% of the principal amount of Notes to be redeemed plus interest accrued and unpaid to the date fixed for redemption.

The City shall cause notice of the call for redemption identifying the Notes or portions thereof to be redeemed to be sent by electronic or facsimile transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to DTC, or its nominee, as the registered owner of the Notes. If a portion of this Note is called for redemption, a new Note in principal amount of the unredeemed portion hereof shall be issued to the registered owner upon surrender hereof.

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 Note. Unless other funds are lawfully available and appropriated for timely payment of this Note, 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 Note. Additionally, the Notes are secured by a pledge of tax revenues anticipated to be collected in the current fiscal year of the City, as provided under Section 15.2-2629 of the Code of Virginia of 1950, as amended.

The Registrar shall treat the registered owner of this Note as the person exclusively entitled to payment of principal of and premium, if any, and interest on this Note and the exercise of all 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 date 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 Note have happened, exist and have been performed, and, 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 Petersburg, Virginia, has caused this Note to be to be signed by its Mayor or Vice Mayor, its seal to be affixed hereto and attested by its City Clerk, and this Note to be dated the date first above written.

(SEAL)

Mayor, City of Petersburg, Virginia

ATTEST:

City Clerk, City of Petersburg, Virginia

CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the within-mentioned Resolution.

REGISTRAR – UMB BANK N.A.

By: _____

DATE OF AUTHENTICATION:

_____, 2016

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby 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.

On motion of _____, seconded by _____, the foregoing Resolution was adopted at a regular meeting of City Council on November 15, 2016. Members of the Council voted as follows:

YES

NO

ABSTAINED

ABSENT

Adopted this 15th day of November, 2016.

The undersigned Clerk of the City Council of the City of Petersburg, Virginia, hereby certifies that the foregoing constitutes a true and correct copy of an Resolution adopted at a meeting of the City Council of the City of Petersburg, held on November 15, 2016. I hereby further certify that such a meeting was a regular meeting, duly called and held, during open meeting and that during the consideration of the foregoing Resolution, a quorum was present.

Clerk, City Council of the
City of Petersburg, Virginia

