

Meeting Minutes
Mosaic District Community Development Authority
Board Meeting – Virtual

<https://global.gotomeeting.com/join/564908781>

United States (Toll Free): 1 (877) 309 2073, Access Code: 564-908-781

1:30 p.m. September 24, 2020

The meeting was called to order at 1:30 pm by Chairperson Dalia Palchik.

Board members present: Dalia Palchik, John Foust, Barbara Byron, Joe LaHait, Karen Hammond

Others present: David Germakian, Mark Garside, Steve Boyle, John Cocker, Edens; John O’Neil, Hunton and Williams; Emily Metzler, Keenan Rice, MuniCap; JoAnne Carter, PFM; Peter Canzano, Norton Rose Fulbright; Nedelcheva, Galena, Office of Management and Budget, Fairfax County; Emily Smith, Office of the County Attorney, Fairfax County; Vanessa Simpson, Providence District Office, Fairfax County; JoAnne Fiebe, Planning and Development, Fairfax County

ELECTRONIC MEETING OF THE MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY

Chairperson Palchik: To conduct this meeting wholly electronically and to effectuate both the emergency procedures authorized by the Virginia Freedom of Information Act and the Emergency Ordinance, this Board needs to make certain findings and determinations for the record.

Audibility of Members’ Voices

Chairperson Palchik: First, because each member of this Board is participating in this meeting from a separate location, we must verify that a quorum of members is participating, and that each member’s voice is clear, audible, and at an appropriate volume for all of the other members. Accordingly, I am going to conduct a roll call, and ask each board member participating in this meeting to state your name and the location from which you are participating. I ask that each of you pay close attention to ensure that you can hear each of your colleagues. Following this roll call, we will vote to establish that every member can hear every other member.

- Dalia Palchik, Providence District Offices, Fairfax, VA
- John Foust, McLean Government Center, McLean, VA
- Barbara Byron, Home, Fairfax County, VA
- Joe LaHait, Home, Prince William County, VA
- Karen Hammond, Office, Falls Church, VA

Ms. Byron requested that all other meeting attendees identify themselves and a roll call was conducted.

Ms. Palchik passed the virtual gavel to Vice-Chair Foust, so that she was heard to make the requisite motions.

Chairperson Palchik: I move that this Board certify for the record that each member's voice may be adequately heard by each other member of this Board. It is so moved. Seconded by Vice-Chair Foust. The motion passed unanimously.

Need for an Electronic Meeting

Chairperson Palchik: Second, having established that each member's voice may be heard by every other member, we must next establish the nature of the emergency that compels these emergency procedures, the fact that we are meeting electronically, what type of electronic communication is being used, and how we have arranged for public access to this meeting.

Therefore, I move that the State of Emergency caused by the COVID-19 pandemic makes it unsafe for this Board to physically assemble and unsafe for the public to physically attend any such meeting, and that as such, the Virginia Freedom of Information Act's usual procedures, which require the physical assembly of this Board and the physical presence of the public in a single location, cannot be implemented safely or practically. I further move that this Board may conduct this meeting electronically using videoconferencing technology via GoTo Meeting, and that the public may access this meeting by going to <https://global.gotomeeting.com/join/564908781> or by calling 1 877 309 2073, Access Code: 564-908-781. It is so moved. Seconded by Vice-Chair Foust. Motion passed unanimously.

Purpose of the meeting

Chairperson Palchik: Finally, the actions we are taking today must be within the purview of Amendment 28 to House Bill 29, as approved by the Governor on April 24, 2020, which allows public bodies to meet by electronic communication means without a quorum of the public body physically assembled at one location when the Governor has declared a state of emergency.

Therefore, I move that this Board certify that the purpose of this meeting is to discuss or transact the business statutorily required or necessary to continue the operations of the Mosaic District Community Development Authority and the discharge of its lawful purpose, duties, and responsibilities. It is so moved. Seconded by Vice-Chair Foust. Motion passed unanimously.

The virtual gavel was returned to Chairperson Palchik.

APPROVAL OF MINUTES

The Board reviewed the minutes of the meeting dated March 5, 2020. Vice-Chair Foust made a motion to approve the minutes. Ms. Byron seconded the motion and the motion was approved unanimously.

PLAN OF FINANCE FOR BOND REFINANCING

Joe LaHait presented the refinancing update. He explained that the purpose of the refinancing was to obtain an investment grade rating on the bonds and to save on interest. He anticipates that the rating agency will update the county on the status of the rating next week.

Mr. LaHait explained that there has been an approximate 1600% increase in value of the Mosaic District over the 2007 base value and that this increase exceeded their projections. Excess revenues have been able to go to the county's general fund; \$1.6M was returned to the county in FY 2021. Steve Boyle asked if property values consider impacts from Covid. Mr. LaHait explained that current projections are based

on property tax, not other revenue sources and thus far property values have not been significantly impacted by Covid.

Mr. LaHait described how the Surplus Fund would be managed in the refinancing scenario. \$1.6M would be used as an equity deposit for the new bonds. One half of the annual debt service would be retained in the fund and an additional \$1.3M would be released to the county's general fund for future allocation.

Finally, Mr. LaHait shared the refinancing timeline. The refinancing request will go to the Board of Supervisors on September 29, 2020. Bond sales would commence the week of October 26, 2020 and would close December 7, 2020.

Vice-Chair Foust asked what interest rates the county should expect to see on the bonds. Joe LaHait indicated that the estimated new rates are 2.81% on series 2020A non-taxable bonds and 3.57% on series 2020AT taxable bonds, for a blended rate of 3.04%. Mr. Foust explained that the way the original bonds were structured limited how excess funds in the Surplus account could be used. Peter Canzano responded that the bond counsel, Municap, and the county agree, and they will be correcting the problem of overfunding the Surplus Fund. However, the original MOU cannot be amended which does impact how some of the reserve funds are managed and that the amount equal to one half of the annual debt service must be retained in the Surplus Fund.

Karen Hammond asked if revenues are based solely on property tax or also include sales tax or other tax sources. Mr. LaHait explained that revenues are only generated from property taxes, however, the Department of Tax Administration, who calculates values, does consider leases, sales tax, and other sources of income to establish property values and these could be impacted by Covid in the future.

Approval of a Resolution for the Mosaic District Community Development Authority Revenue Refunding Bonds Series 2020A and Revenue Refunding Bonds Taxable Series 2020A-T

Supervisor Foust read the following motion: I move that the Board authorize the issuance of Mosaic District Community Development Authority Revenue Refunding Bonds Series 2020A and Revenue Refunding Bonds Taxable Series 2020A-T by adopting the Resolution included in today's meeting materials as Attachment 1. So moved. Ms. Byron seconded the motion. The motion passed unanimously.

PUBLIC COMMENT

There was no public comment.

NEW BUSINESS

Vice-Chair Foust asked if the CDA board has completed everything necessary to refinance the bonds. Mr. LaHait stated yes and that the next steps will be to present this to the Board of Supervisors for its approval. He will keep everyone apprised of the process, the rates, and the bond sale. Mr. Canzano stated that signatures would be needed on documents and will be distributed when they are ready.

Mr. Foust made a motion to adjourn the meeting. Ms. Byron seconded. The motion passed unanimously, and the meeting was adjourned at 2:12 pm.