

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF HARRISONBURG, VIRGINIA**

WHEREAS, the City of Harrisonburg, Virginia (the “City”) and the County of Rockingham, Virginia (the “County”) are experiencing overcrowding at the Rockingham Regional Jail and have a need for additional beds for their prisoner populations;

WHEREAS, the City and County have been housing prisoners for a rental fee at the Middle River Regional Jail (the “Jail”), which is operated by the Middle River Regional Jail Authority (the “Jail Authority”) on behalf of the County of Augusta, Virginia and the Cities of Staunton, Virginia and Waynesboro, Virginia (collectively, the “Original Member Jurisdictions”);

WHEREAS, the City and the County have determined that it is in their best interests to obtain the right to use inmate capacity at the Jail on an ongoing basis, rather than incurring the costs of constructing a new jail or expanding their existing jail facilities;

WHEREAS, the Original Member Jurisdictions and the City and County have agreed to the terms and conditions upon which the City and County will obtain the right to use the Jail and become member jurisdictions of the Jail Authority (hereinafter, the City and the County are collectively referred to as the “Additional Member Jurisdictions”), and those terms and conditions are set forth in the Buy-In Agreement, made as of July 1, 2015 (the “Buy-In Agreement”), among the Original Member Jurisdictions and the Additional Member Jurisdictions;

WHEREAS, to make the Additional Member Jurisdictions full member jurisdictions in the Jail Authority, the Jail Authority and the Original Member Jurisdictions are entering into an amended Service Agreement effective July 1, 2015 (the “Service Agreement”), with the Additional Member Jurisdictions, which (i) supersedes the Service Agreement, dated June 25, 2001, as amended on June 12, 2003 (the “Original Service Agreement”), between the Jail Authority and the Original Member Jurisdictions, (ii) provides for payments by each Original Member Jurisdiction and Additional Member Jurisdiction (such Original Member Jurisdictions and Additional Member Jurisdictions being collectively referred to hereinafter as the “Member Jurisdictions” and each individually as a “Member Jurisdiction”) to the Jail Authority for services to be rendered to the Member Jurisdictions by the Jail Authority, and (iii) sets forth certain other responsibilities of the parties;

WHEREAS, the Virginia Resources Authority (“VRA”), as the holder of the Jail Authority’s Regional Jail Facility Revenue Refunding Bond, Series 2014 (the “Local Bond”), must consent to any amendments to the Original Service Agreement, and as a condition to such consent, VRA is requiring that the (i) City enter into a Support Agreement, to be dated as of July 1, 2015 (the “Support Agreement”), among the Jail Authority, the City and VRA, similar to support agreements entered into by each of the Original Member Jurisdictions, and (ii) County enter into a separate support agreement substantively identical to the Support Agreement; and

WHEREAS, drafts of the Buy-In Agreement, the Service Agreement and the Support Agreement (collectively, the “Documents”) have been presented to this meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HARRISONBURG, VIRGINIA, THAT:

1. It is found and determined that the best interests of the City and its citizens will be served by the City joining the Jail Authority as a Member Jurisdiction and entering into the Documents. The Service Agreement provides for the joinder of the City to the Jail Authority as an Additional Member Jurisdiction.
2. The Mayor or Vice Mayor of the City or the City Manager, any of whom may act, is each hereby authorized and directed to execute and deliver the Documents. The Documents shall be in substantially the forms presented to this meeting, which are hereby approved, with such completions, omissions, insertions or changes not inconsistent with this Resolution as may be approved by the Mayor or Vice Mayor of the City or the City Manager, in their sole discretion, the execution thereof by the Mayor or Vice Mayor of the City or the City Manager to constitute conclusive evidence of his or her approval of such completions, omissions, insertions or changes. The performance of the City's obligations under the Documents is authorized and directed.
3. The City Manager is hereby authorized and directed to carry out the obligations imposed on him by the Documents, and to take all proper steps on behalf of the City as may be required for the City to become a Member Jurisdiction of the Jail Authority or for the carrying out of any matter authorized by this Resolution or the Documents.
4. The City Council acknowledges that (i) the obligations of the Jail Authority to determine in accordance with the Service Agreement, and of the Member Jurisdictions to pay, Debt Service (as defined in the Service Agreement) relating to the Member Jurisdictions' committing of prisoners to the Jail Authority are crucial to the security for the Local Bond, (ii) VRA would not consent to the amendments to the Original Service Agreement without the security and credit enhancement provided by the Support Agreement, (iii) VRA will be a third party beneficiary of the Service Agreement for so long as the Local Bond remains outstanding, and (iv) VRA is treating the Support Agreement as a "local obligation" within the meaning of Section 62.1-199 of the Code of Virginia of 1950, as amended (the "Virginia Code"), which in the event of a nonpayment thereunder authorizes VRA or the trustee for VRA's bonds to file an affidavit with the Governor that such nonpayment has occurred pursuant to Section 62.1-216.1 of the Virginia Code. Section 62.1-216.1 provides that if the Governor is satisfied that such nonpayment has occurred, the Governor will immediately make an order directing the Comptroller to withhold all further payment to the City of all funds, or of any part of them, appropriated and payable by the Commonwealth of Virginia to the City for any and all purposes, and the Governor will, while the nonpayment continues, direct in writing the payment of all sums withheld by the Comptroller, or as much of them as is necessary, to VRA, so as to cure, or cure insofar as possible, such nonpayment.
5. Nothing contained in the Support Agreement is or shall be deemed to be a lending of the credit of the City to the Jail Authority, VRA or to any holder of the Local Bond or to any other person, and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the City, nor shall anything contained herein or in the Support Agreement legally bind or obligate the City Council to appropriate funds for purposes described in the Support Agreement.

6. All actions previously taken by representatives or agents of the City in furtherance of the admission of the City as an Additional Member Jurisdiction of the Jail Authority and/or in furtherance of the execution, delivery and performance of the Documents are hereby ratified, approved and confirmed.
7. No covenant, condition, agreement or obligation contained in the Documents shall be deemed to be a covenant, condition, agreement or obligation of any officer, employee or agent of the City in his or her individual capacity, and no officer of the City executing the Documents shall be liable personally on the Documents or be subject to any personal liability or accountability by reason of the execution and delivery thereof.
8. The City's representatives to the Authority shall be Kurt D. Hodgen, 345 South Main Street, Harrisonburg, Virginia, 22801, whose term is so long as he remains employed by the City as City Manager; Larry L. Propst, 345 South Main Street, Harrisonburg, Virginia, 22801, whose term is so long as he remains employed by the City as Director of Finance; and Stephen P. Monticelli, 101 North Main Street, Harrisonburg, Virginia, 22801, whose term is so long as he remains employed by the City as Chief of Police.
9. This Resolution shall take effect immediately.

The undersigned City Clerk of the City of Harrisonburg, Virginia hereby certifies that the foregoing constitutes a true, correct and complete copy of a Resolution duly adopted by the City Council of the City of Harrisonburg, Virginia at a meeting duly called and held on _____, 2015, during which a quorum was present and acting throughout, by the roll call vote set forth below, and that such Resolution has not been repealed, revoked, rescinded or amended:

Council Member

Present/Absent

Vote

Christopher B. Jones, Mayor
Richard Baugh, Vice Mayor
Ted Byrd
Kai Degner
Abe Shearer

WITNESS my signature as City Clerk of the City of Harrisonburg, Virginia, this ___ day of _____, 2015.

City Clerk
City of Harrisonburg, Virginia

(SEAL)