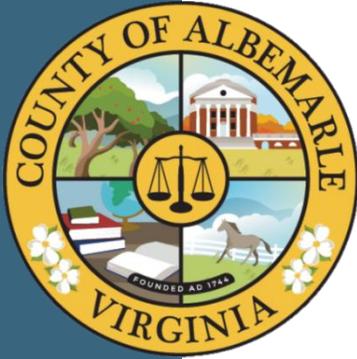


Introduction to the Bond Issuance Process

Board of Supervisors

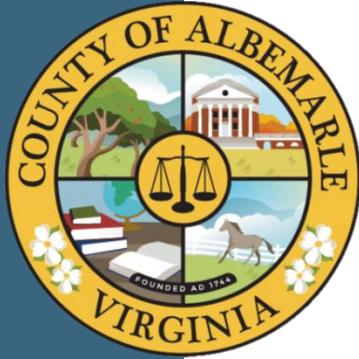
February 18, 2026



Desired Outcome & Agenda

Inform the Board of Supervisors of the bond issuance process prior to requested March 18 action

1. Why does the County issue bonds?
2. What is the bond issuance process?
 - Role of the Board of Supervisors
 - Role of the Economic Development Authority
 - Credit Ratings
3. Next Steps

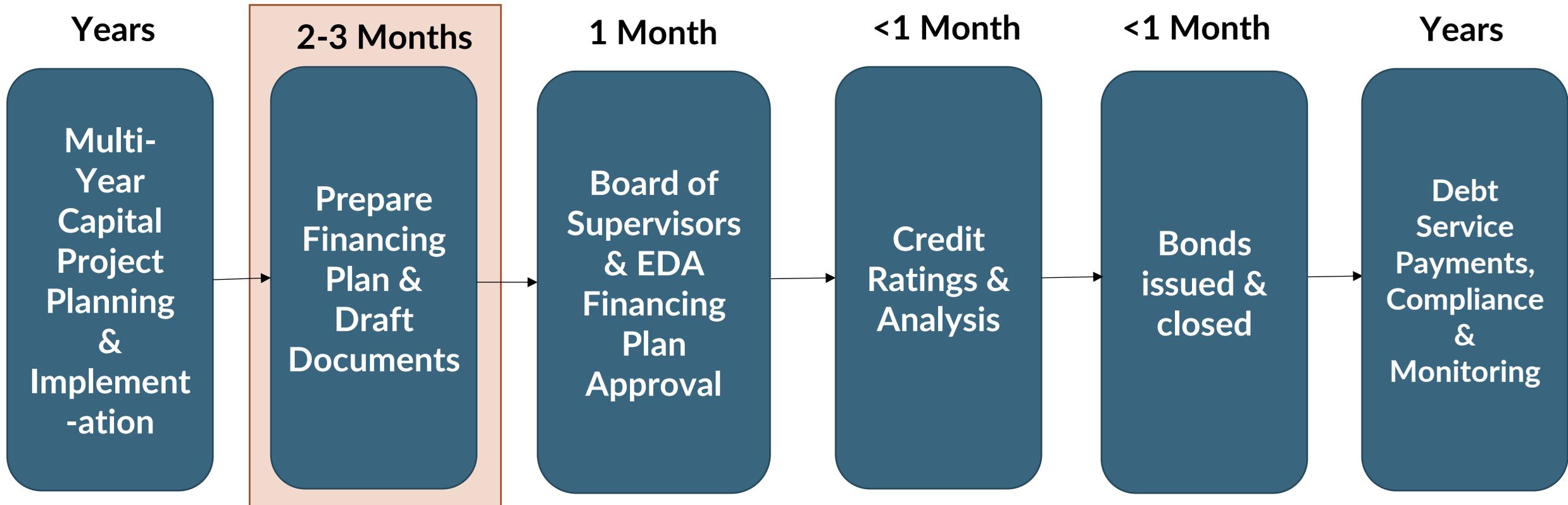


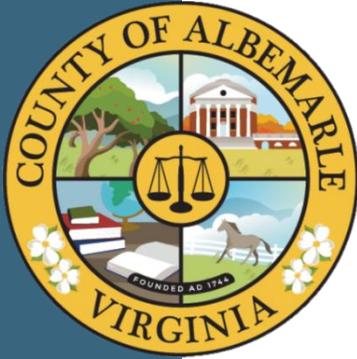
Why does the County issue bonds?

- Bonds are a sound financial tool
 - Spreads capital project costs over time with structured repayment schedules
 - Supports generational impacts
- Capital Improvement Program's (CIP) primary revenue
 - FY 26 – 30 Adopted CIP: 72% of revenues
 - County does not borrow for ongoing operations
 - Board's adopted Financial Management Policies
- Bond issuances are planned for every other year
 - Refinancing or “refunding” prior debt is pursued when eligible and advantageous
 - Under consideration for Spring 2026

What is the bond issuance process?

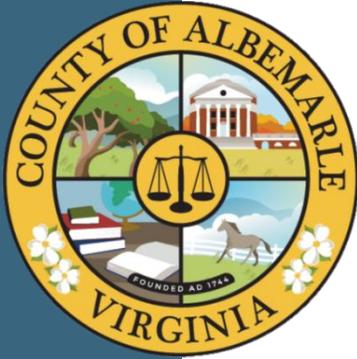
We Are Here





What is the bond issuance process? Role of the Board of Supervisors

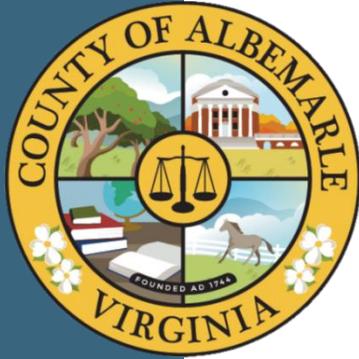
- In prior years, the Board has:
 - Adopted 5-year CIPs, anticipating bonds for projects in the upcoming issuance
 - Annually appropriated capital budgets
 - Annually approved resolutions of intent to borrow for capital projects
- On March 18th, the Board will be asked to formally approve:
 - Authorizing Resolution for the 2026 Bonds
 - *Draft* forms of the other documents
- March 18 approval executes the funding plan for currently appropriated capital projects, rather than new project decisions



What is the bond issuance process?

Role of the EDA

- On March 17, the EDA will be requested to take similar actions as the Board of Supervisors on March 18
- Issuing bonds via the EDA on behalf of the County is a cost-effective and widely-used financing structure for Virginia counties

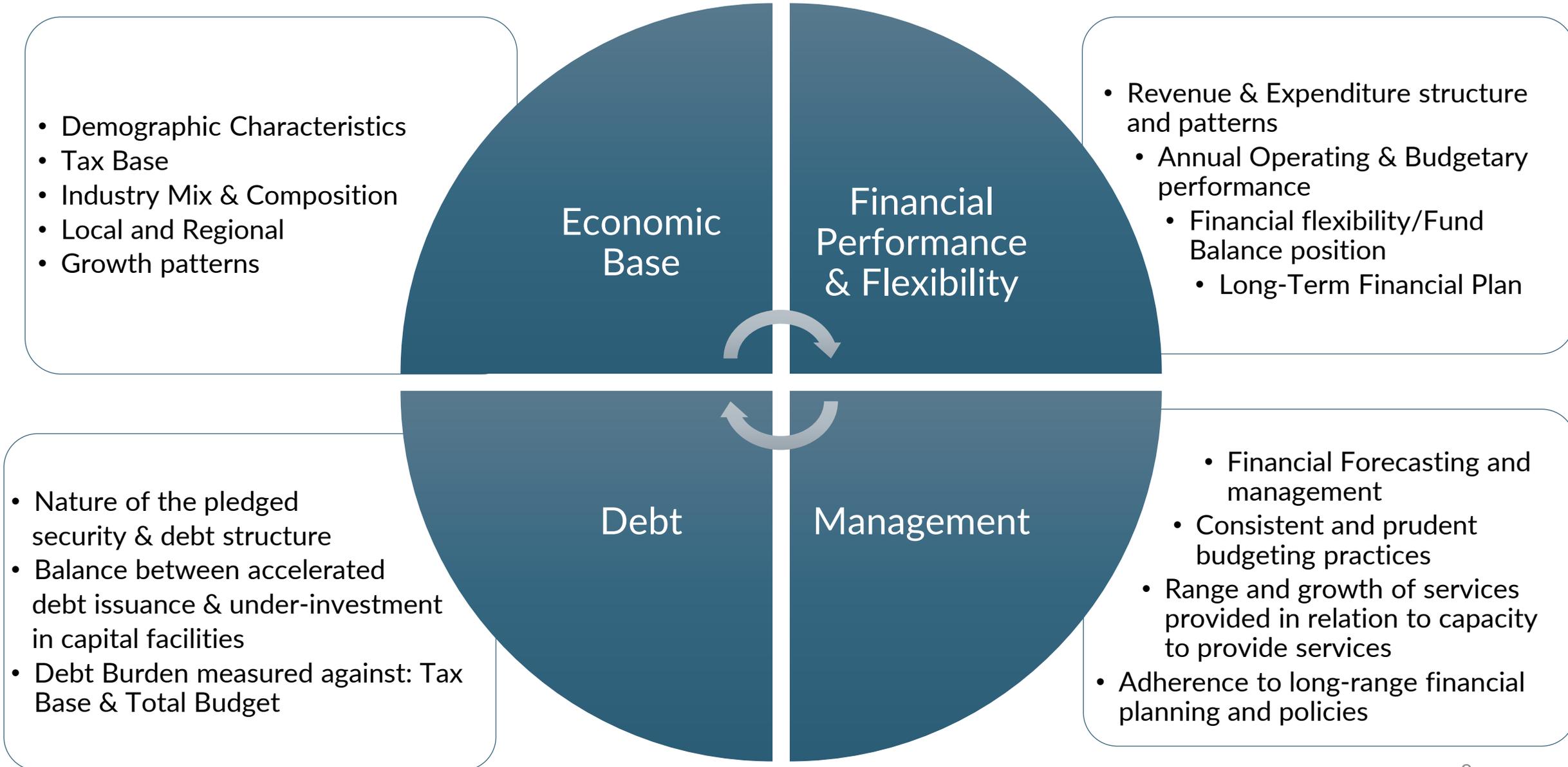


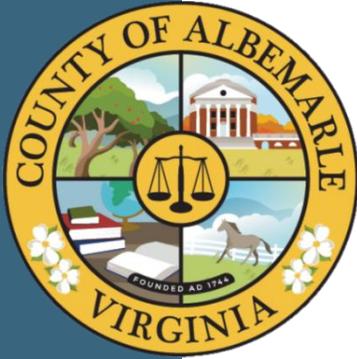
What is the bond issuance process? Credit Ratings

- Team of County staff & County's financial advisor meet with the national credit rating agencies (Moody's, S&P, and Fitch)

- One to two weeks following the meeting, the County will receive its formal credit ratings

Key Drivers to a Rating



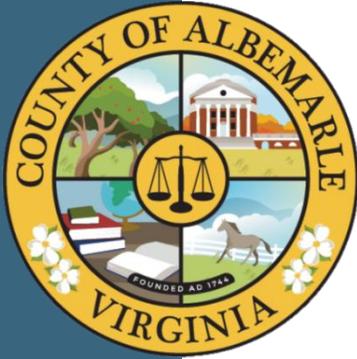


Albemarle's AAA/AAA/Aaa Bond Rating

- 2 ratings attained in 2003, 3rd attained in 2013
- Ratings reaffirmed each subsequent bond issuance
- 54 of 3,000+ counties in United States as of Oct 2025
- 13 of the 54 are in Virginia

Benefits of AAA/AAA/Aaa Bond Rating

- Future flexibility: Operating & Capital Budgets
- Best possible rates relative to the market
 - Translates to lower debt service payments
- Access to borrowing when needed



Next steps from February 18

- March 17 Economic Development Authority action
- March 18 Board of Supervisors action
- Late March Rating agency reviews
- Mid-April Sale of bonds
- Early May Bond closing