

Bradley E. Grose, Mayor
William "Wes" Nance, Vice Mayor
I. Douglas Adams, Jr., Council Member
Robert R. Altice, Council Member
Matthew S. Hare, Council Member



Vinton Municipal Building
311 South Pollard Street
Vinton, VA 24179
(540) 983-0607

**Vinton Town Council
Regular Meeting
Council Chambers
311 South Pollard Street
Tuesday, September 18, 2012**

AGENDA

Consideration of:

A. 7:00 p.m. - ROLL CALL AND ESTABLISHMENT OF A QUORUM

B. MOMENT OF SILENCE

C. PLEDGE OF ALLEGIANCE TO THE U. S. FLAG

D. CONSENT AGENDA

1. Consider approval of minutes for the Council Regular Meeting of September 4, 2012.

E. AWARDS, RECOGNITIONS, PRESENTATIONS

1. Police Officer for the Month of August – Officer Christopher Froeschl.
2. Presentation on the SERC and Weatherization work in the Vinton Community.

F. CITIZENS' COMMENTS AND PETITIONS - This section is reserved for comments and questions for issues not listed on the agenda.

G. TOWN ATTORNEY

H. TOWN MANAGER

ITEMS REQUIRING ACTION

1. Consider adoption of a Resolution authorizing the Town Manager to execute a Government Obligation Contract with First Capital Equipment Leasing Corp. in the amount of \$313,814.50 for seven (7) police vehicles and two (2) administrative vehicles for the Police Department.

BRIEFING

1. Update on funding reimbursement to the Wireless Board

I. MAYOR

J. COUNCIL

K. CLOSED MEETING

1. Request to Convene in Closed Meeting, Pursuant to § 2.2-3711 A (7) of the 1950 Code of Virginia, as amended, for consultation with legal counsel.

L. RECONVENE AND ADOPT CERTIFICATION OF CLOSED MEETING

M. ADJOURNMENT

NOTICE OF INTENT TO COMPLY WITH THE AMERICANS WITH DISABILITIES ACT. Reasonable efforts will be made to provide assistance or special arrangements to qualified individuals with disabilities in order to participate in or attend Town Council meetings. Please call (540) 983-0607 at least 48 hours prior to the meeting date so that proper arrangements may be made.

NEXT TOWN COMMITTEE/COUNCIL MEETINGS:

September 23-26, 2012 – VML Annual Meeting – Williamsburg

October 2, 2012 – 5:30 p.m. – Finance Committee Meeting – Finance Conference Room

October 2, 2012 - 7:00 p.m. – Regular Meeting – Council Chambers



Town Council Agenda Summary

Meeting Date: September 18, 2012

Department: Town Clerk

Issue: Consider approval of minutes for the Council Regular Meeting of September 4, 2012

Summary: None

Attachments: September 4, 2012 minutes

Recommendations: Motion to approve minutes

MINUTES OF A REGULAR MEETING OF VINTON TOWN COUNCIL HELD AT 7:00 P.M. ON TUESDAY, SEPTEMBER 4, 2012, IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING LOCATED AT 311 SOUTH POLLARD STREET, VINTON, VIRGINIA.

MEMBERS PRESENT: Bradley E. Grose, Mayor
William W. Nance, Vice Mayor
I. Douglas Adams, Jr.
Robert R. Altice
Matthew S. Hare

STAFF PRESENT: Christopher S. Lawrence, Town Manager
Susan N. Johnson, Town Clerk
Theresa Fontana, Town Attorney
Gary Woodson, Public Works Director
Ben Cook, Police Chief
Barry Thompson, Finance Director/ Treasurer
Stephanie Dearing, Human Resources Director
Joey Hiner, Assistant Public Works Director

The Mayor called the regular meeting to order at 7:00 p.m. The Town Clerk called the roll with Council Member Adams, Council Member Altice, Council Member Hare, Vice Mayor Nance, and Mayor Grose present. After a Moment of Silence, Mr. Altice led the Pledge of Allegiance to the U.S. Flag.

Roll Call

Vice Mayor Nance made a motion to approve the consent agenda as presented; the motion was seconded by Mr. Altice and carried by the following vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

Approved minutes of Council Regular Meeting of August 21, 2012

The Mayor read a Proclamation recognizing the month of September 2012 as World Alzheimer's Awareness Month. Annette Carter and Cora Beth Akers, members of the local Alzheimer's Memory Walk Team, and Joy Nickelston, were present to accept the Proclamation.

The Mayor next presented a Certificate of Appreciation to Dave Jones, Manager of our local Southern States for their contributions to the Town and its citizens. Mr. Jones commented that they are in the running for the No. 1 Feed Mill in North America this year and hope that this recognition will put them at the top.

The Mayor then made comments and read a Proclamation declaring the month of September 2012 as National Preparedness Month.

The next item on the agenda was an update on the Virginia Department of Transportation (VDOT) Walnut Avenue Bridge Project. Joey Hiner, Assistant Public Works Director, gave a brief history of the project. In 2006 the Walnut Avenue corridor was selected by VDOT for reconstruction and revitalization. In 2008-2010 economic conditions reduced the funding allocations and the project was divided into smaller projects. The Town was asked to prioritize what part of the project should be completed first and the bridge replacement was ranked first and the intersection at 8th Street second.

In May 2010, a citizens' information meeting was held at the Municipal Building to engage citizen reactions and to review three alternatives. Alternative One was to detour traffic from Walnut Avenue to Route 24 during construction. Alternative Two was to build a temporary bridge to the side of the new bridge and Alternative Three was to build the new bridge to the side of the existing bridge so Walnut Avenue could remain open during construction and then the old bridge was to be demolished. Alternative Three was selected. By July of 2012 the engineering was to have been finalized. From that date until February 2013, VDOT will be doing right-of-way acquisitions and other necessary steps and the project will go to bid. Commencement of construction will be in May or June and completion of construction is projected to be July of 2014.

Council Members made comments regarding the benefits of the selection of Alternative Three. Dave Jones commented from the floor that Alternative Three was not in the original proposal, but it was suggested at the Citizens Informational Meeting and VDOT took that suggestion.

Mr. Adams commented about taking the road that is now straight and putting a bend in it. Mr. Hiner commented that it can be a deterrent to speeding in that area. Also, the bridge will be raised a projected 2 to 2-1/2 feet above the old bridge which will help to eliminate some of the flooding that we are now experiencing with the current bridge. Also, the final plan does not have a center tier under the bridge which also collects debris and contributes to flooding.

The next item on the agenda was an Ordinance amending Chapter 94-Utilities, of the Town Code. Barry Thompson, Finance Director/Treasurer, reviewed his staff report regarding the Code amendment. This Ordinance will bring the Town Code into compliance with the State Code and will establish a \$100 deposit for water service for residential customers who are non-property owners. It will apply also to commercial or residential customers whose utility service has been disconnected for non-payment twice in a twelve month rolling period (fiscal year). This will also need to be established in the Town's Rates and Charges Schedule for Water and Wastewater Services and the recommendation is for the policy to be effective November 1, 2012. Mr. Thompson commented that the amendment to Section 94-14 provides that any unpaid water and sewer fees and charges, and any penalty and interest thereon, shall constitute a lien against the property in compliance with Section 15.2-2119 of the State Code.

Mr. Thompson stated that we advertised this matter in The Vinton Messenger for public comment and we have not received any comments. The Town Manager indicated he had spoken with a business owner who was not opposed to the new policy. We currently have approximately \$80,000 from 2002 that is uncollected.

The Mayor commented that he supports the policy and his only concern the placement of a lien on properties. However, considering the rare occasion that the placement of a lien would have to be enforced, he supports the policy. Mr. Altice commented that people who are paying their bills are subsidizing those who are not.

The Mayor asked if there were any public comments from the floor and hearing none, the public comment period was closed.

Mr. Hare made a motion to adopt the Ordinance as presented; the motion was seconded by Mr. Altice and carried by the following roll call vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

The next item on the agenda was an Ordinance setting the water and wastewater rates and

Adopted Ordinance No. 926 amending Chapter 94-Utilities of the Town Code relating to recent changes by the General Assembly and adding language regarding the collection of deposits.

charges effective November 1, 2012. The Town Manager commented that we need to add the utility deposit to the current rates and charges schedule. There are no other changes. Vice Mayor Nance made a motion to approve the Ordinance as presented; the motion was seconded by Mr. Altice and carried by the following roll call vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

The next item was a Resolution authorizing the Town Manager to execute documents relating to the Walnut Avenue Bridge Project. After comments by the Town Manager, Mr. Altice made a motion to approve the Resolution as presented.

Mr. Hare asked if we are really only paying less than \$10,000 for a \$2 million bridge. The Town Manager commented that the Town is required to pay one percent of the cost and the balance is paid with funds from the taxpayers in Virginia through VDOT for the rest of the project. Mr. Hare asked how we could get other projects like this for the Town and the Town Manager commented that the Town submits project requests to VDOT which become part of a six-year plan. The funding of projects is based on the economy. Other projects on the list have been pushed back several years due to the Walnut Avenue project.

After discussion, the motion was seconded by Vice Mayor Nance and carried by the following roll call vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

The next item was a Resolution appropriating funds in the amount of \$2,500.00 from the DCJS Forfeiture Funds for the Commonwealth Public Safety Memorial. After comments from Chief Cook, Mr. Altice stated that the money is going to a good cause. Mr. Hare commented that he wanted to commend the Chief and the Police Department for including the entire Town on this brick not just the one department.

Mr. Adams made a motion to approve the Resolution as presented. Carolyn Fidler asked from the audience about the location of the monument and was furnished a diagram by Chief Cook. The motion was seconded by Mr. Hare and

Adopted Ordinance No. 927 setting the residential/commercial/institutional/industrial water and wastewater rates and charges effective November 1, 2012

Adopted Resolution No. 1984 authorizing the Town Manager to execute an Urban Project Construction Agreement and an Appendix A with the VDOT relating to the Walnut Avenue Bridge project.

Adopted Resolution No. 1985 appropriating funds in the amount of \$2,500.00 from DCJS Forfeiture Funds for the purchase of an engraved brick at the Commonwealth Public Safety Memorial in Richmond,

carried by the following roll call vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

Chief Cook gave Council an update on the incident at Herman L. Horn Elementary School on Friday, August 31st. The School received a call regarding a possible incident relating to a custody dispute and based on this information the School was locked down. The incident did not materialize and there was no threat to the students or faculty at the school or to any parent.

Mr. Hare asked about the jurisdictional area and the response was that the Vinton Police Department took control along with the assistance of Bedford County Sheriff's Deputies who were in Town on another incident along with Roanoke City Police. Vice Mayor Nance commented that any threat cannot be minimized or ignored and he appreciated the Police and the School's reaction to it. Vice Mayor Nance asked if the alert that went out was a school system alert. The Town Manager responded that it came from the school to all parents who had children there. Chief Cook indicated that the "all clear" message was sent out to a broader audience.

The next item was a Resolution appropriating funds in the amount of \$2,215.00 through the VML Insurance Programs Risk Management Safety Grant Program to the Public Works budget. Gary Woodson, Public Works Director, commented that these funds are being used to replace the lights in the garage at the Public Works facility. The lights are currently T-12 fixtures and are being replaced with 100 Watt LED lights for a cost of \$4,500.00. The balance of the cost will come from the maintenance and repair of building account.

Mr. Hare commented that the fixtures are over \$400 a piece and that T-8 fixtures are about half this cost. He wanted to know why T-8 fixtures were not considered since LED lighting is still the cutting edge of that kind of technology. Mr. Woodson responded that the opportunity came up after getting advice from vendors and the application for the grant funds was based on specifications for the LED lights. Mr. Hare asked about the warranty for the lights and Mr. Woodson indicated he would find out and

Virginia, on behalf of the Town of Vinton Police, Fire and Rescue Departments.

respond back to Council.

Mr. Hare made a motion to approve the Resolution as presented; the motion was seconded by Mr. Altice and carried by the following roll call vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

The next item was a Resolution awarding the bid and authorizing the Town Manager to execute a contract with S. J. Conner & Sons, Inc. in the amount of \$31,750.00 to replace the Montgomery Village Pressure Reducing Station. Mr. Woodson reviewed his staff report with Council. Vice Mayor Nance commented that Council had been briefed on the project as part of last year's budget process as well as at a work session and made a motion to approve the Resolution as presented.

Mr. Hare commented about how the project is being paid for, part out of contingency and part out of fund balance. The Town Manager explained that the current utility fund budget has a line item for contingency so rather than take all the money out of the utility fund balance, the recommendation is to use all of the contingency money first and the remaining balance take out of the utility fund balance. Where in theory we had budgeted \$45,000 for this project last year, we ended the year just under \$200,000 in the black in the utility fund partly because we didn't spend this \$45,000.

Mr. Hare then commented that it feels really early to be going into the fund balance only one month into the fiscal year. Mr. Thompson commented that when we balanced the budget there was a \$21,974.00 balance that was unallocated and we put it in a line item for reserve for contingency and designated it for this project. He understands what Mr. Hare is saying that we could go to some other lines items in the utility budget and find the \$9,776.00.

Mr. Hare further commented that we are already over spending some line items and we have not dipped into the fund balance for those. Vice Mayor Nance commented that this seems cleaner to him than pulling down other line items in the budget that we have just started to go into.

Adopted Resolution No. 1986 appropriating funds in the amount of \$2,215.00 received through the VML Insurance Programs Risk Management Safety Grant Program to the Public Works budget.

Mr. Hare then commented that it forces people to save money. If you don't have the extra in your budget, you figure out ways to make your budget work. There are two different ways to do it and I want to make sure everybody is aware. I am not saying one is right or wrong.

Mr. Woodson commented that this project was originally budgeted for \$41,000 and we are coming in at \$31,750.00 which is a savings in comparison to most of our projects.

The Town Manager then commented that Mr. Hare's point is recognized and that possibly they would work through the budget during the year and make up the \$10,000.00, but he recommended they move forward as proposed in the Resolution. Mr. Hare said that he is not asking staff to do that if he approves the Resolution as presented. He wants projects completed on the utility side because they have been delayed long enough. The Mayor indicated that is a good point made because often when the budget is squeezed that some maintenance work does not get done.

The motion was seconded by Mr. Adams and carried by the following roll call vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

The Town Manager commented that the Council Retreat has been scheduled for Sunday evening, October 28th, and all day on Monday, October 29th, beginning at 9:00 a.m. Kathy Baske Young will be the facilitator for the Retreat.

The Mayor reminded everyone that the last Mingle in the Market will be held this Saturday. He also mentioned the upcoming Veteran's Day events, the 5-K Race on September 9th and a picnic at the War Memorial on Veteran's Day.

The Town Manager referred to the minutes of the Public Works Committee that were presented to Council and asked for any questions.

Mr. Hare made comments on the financial report for July 2012. For the first month of the year, we are running where expected in General Fund, expenditures are under and where expected at this time. This is due to open positions and some timing of payments. Mr. Hare

Adopted Resolution No. 1987 awarding a bid and authorizing the Town Manager to execute a contract with S. J. Conner & Sons, Inc. in the amount of \$31,750.00 to replace the Montgomery Village Pressure Reducing Station.

made a motion to approve the Financial Report for July 2012 as presented; the motion was seconded by Vice Mayor Nance and carried by the following vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

Vice Mayor Nance asked about the target date for the chiller at the Fire and EMS Building to be up and running and the response was September 14th. He also mentioned the Advanced Police Academy to begin on September 17th. Chief Cook indicated there are 12 individuals signed up to participate.

Mr. Hare asked about the sign that is now up at the corner of Washington and By-Pass Road that does not look like what he thought it would look like. It is not encased in brick. The Town Manager responded that he had reviewed the MOU just today and the opening paragraph indicates that it shall have a masonry base, but that the School Board shall have the decision on the final design based on certain factors. He will check on it, but it does meet the permit requirements.

Mike Stovall had called the office and indicated they have already made initial contact with the neighbors regarding the vegetation and that a meeting will be scheduled with the Town, the Chamber and the Schools regarding the messaging. The electricity still has to be run to the sign.

Mr. Hare made a motion that Council go into a Closed Meeting pursuant to Section 2.2-3711 (A) (1) of the Code of Virginia, as amended, for discussion regarding appointments to boards and commissions; the motion was seconded by Mr. Adams and carried by the following vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) - None. Council went into Closed Meeting at 8:30 p.m.

At 9:12 p.m., the regular meeting reconvened and the Certification that the Closed Meeting was held in accordance with State Code requirements was approved on motion by Mr. Hare, seconded by Mr. Adams and carried by the following vote, with all members voting: Vote 5-0; Yeas (5) – Adams, Altice, Hare, Nance, Grose; Nays (0) - None.

Council had a brief discussion regarding the Roanoke Valley Resource Authority's Residential Disposal Policy and how the Town is charged for the visits to the Transfer Station. The Town Manager is to check with the RVRA and report back to Council.

The meeting was adjourned at 9:15 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Susan N. Johnson, Town Clerk



Town Council Agenda Summary

Meeting Date: September 18, 2012

Department: Police

Issue: Police Officer for the Month of August – Officer Christopher Froeschl

Summary: Officer Christopher Froeschl was selected as Officer of the Month for August 2012. He will be recognized at the meeting.

Attachments: Letter from Chief Cook

Recommendations: Read letter



Vinton Police Department

311 SOUTH POLLARD STREET
VINTON, VIRGINIA 24179

PHONE (540) 983-0617
FAX (540) 983-0624

BENJAMIN L. COOK
CHIEF OF POLICE

A State Accredited Agency

To: Christopher Froeschl, Police Officer

From: Benjamin L. Cook, Chief of Police *BLC*

Date: September 7, 2012

Subject: Officer of the Month – August 2012

Congratulations! You have been nominated and selected as Officer of the Month for August, 2012.

On August 19, 2012, the communications center received a 911 hang-up call, which was tracked to the area of the 1100 block of Washington Ave. During your check of the area, you observed an open garage door at a residence in this block, with work being done inside, which was consistent with the sounds being heard from the now open line from a second 911 call.

You stopped and made contact with the residents and during your encounter you observed the smell of burnt marijuana and a smoking device, which led you to investigate further. A search of the residence found a room that had been set up as a "grow room" for marijuana, with marijuana and other drug evidence being located and seized.

Your attention to detail and diligence in following through with a call for service resulted in a marijuana grow operation being shut down. Great job and keep up the good work!



Town Council Agenda Summary

Meeting Date: September 18, 2012

Department: Town Clerk

Issue: Presentation on the SERC and Weatherization work in the Vinton Community

Summary: Alfred Chevalier and Rick Sheets from TAP will be present to make this presentation.

Attachments: None

Recommendations: No action required



Town Council Agenda Summary

- Meeting Date:** September 18, 2012
- Department:** Police
- Issue:** Consider adoption of a Resolution authorizing the Town Manager to execute a Government Obligation Contract with First Capital Equipment Leasing Corp. in the amount of \$313,814.50 for seven (7) police vehicles and two (2) administrative vehicles for the Police Department.
- Summary:** The Police Department has been approved and budgeted for the purchase of nine (9) police vehicles; seven (7) patrol cars and two (2) detective vehicles. The Town Manager's signature is required on the Contract for the leasing company to begin the payment process, scheduled to begin on October 6, 2012.
- Attachments:** Pertinent Parts of Contract
Resolution
- Recommendations:** Motion to adopt Resolution

First Capital Equipment Leasing Corp. LeaseExperts.com™

Phone 800-541-0114 • Fax 800-403-3529 • Email: VPsales@LeaseExperts.com

27!
Celebrating 27 Years
April 4, 2012

September 4, 2012

Chris Lawrence, Town Manager
Town of Vinton (Police Department)
Main PH 540-983-0607 • Contact PH 540-983-0607 • Email: clawrence@vintonva.gov

Municipal Lease-To-Own Quotation (Revised) Town of Vinton, VA

To Be Leased:	(7) New Dodge Chargers w/police upfits + (2) New Admin. Dodge Chargers <i>Exact descriptions required</i>	
Anticipated Delivery/Vendor Pmt. Date:	T.B.D.	
Net Amount to Finance:	\$323,814.50 LESS \$10,500.00 TRADE = \$ 313,814.50 Net	Program MUNIB-BQ
6 Year Lease		
Payment Amount:	\$ 56,609.24 / Year	
Interest:	3.231%	
Rates Locked For Funding Thru:	Sep 06, 2012	<i>(After this date, rates float until executed lease documents are received)</i>
Security Deposit Due:	Waived	<i>(Due at Lease Signing)</i>
Documentation, Legal & Escrow:	\$697	<i>(Due at Lease Signing)</i>
First Annual Lease Payment Due:	Oct 06, 2012	

Benefits of This Lease

- Interest Rates are **FIXED**. Your costs are locked-in.
- **No Down Payments, No Points, No Residual / No Payoff**
- This is Lease-To-Own. All equipment is "sold to" and "titled to" your agency, by your vendor, at delivery.
- "Cash flow friendly" payment options: Monthly, Quarterly, Semi-Annual or Annual. At closing or up to 12 mo. after—your choice.
- **Larger Leases = Lower Interest**. Aggregate vehicles + equipment from other departments. Different vendors, timing—no problem!
- **Unlike bonds, our leases do not create balance sheet debt.**
- **No public hearings, referendums, advertising or large legal fees**

"Pay As You Go" Municipal Financing...It Just Makes Sense

Our municipal leases are "pay as you go" financing. Leasing helps matches cash expenditures over a period of years, to your tax receipts, budgets or grants received over a period of years! Why pay *in advance* for essential equipment that only depreciates in value?

Apples & Oranges?

Every assumption above: first payment due date, down payment amount, deposit, payment frequency and vendor funding dates will affect rates. Make sure that you are comparing "apples & apples," even a few days one way or the other can make a BIG difference.

Non-Appropriation Language...No Problem!

All First Capital government leases include "non-appropriation" language that will be acceptable to your legal counsel. Unlike bonds, if funds are not appropriated in any year, this lease can be terminated at the end of that fiscal period and the vehicles/equipment returned to us. (Applicable in almost all jurisdictions) Prepay any lease—an early payoff schedule is included with every lease.

Questions? Please call me at 800-541-0114 x-15!

Regards,

Bob Arnowitz

Bob@LeaseExperts.com

Quotation Acceptance / Rate Lock
(Circle Preferred Term AND Payment Above)

Approved By: *[Signature]*

Title: *TOWN MGR* Date: *9-5-12*



IMPORTANT NOTES: This is a quotation only and is subject to applicable state & local laws. Lease payments and final terms are subject to credit-based review, vendor and equipment approval, and are subject to change. The contract documents contain ALL applicable lease terms & conditions. State, county & municipal entities must qualify as tax-exempt debt issuers under IRS Section 103 of 1986, as amended. **This offer assumes that Lessee's total tax exempt debt for the lease origination year will be under the I.R.S. \$10 million limit. (other options available)** All equipment is assumed to be NEW unless otherwise noted herein. (Used equipment may be subject to independent valuation/ inspection at Lessee's expense). Interest quoted is the nominal annual rate. **TIME IS OF THE ESSENCE:** Executed contracts must be received by First Capital within 14 days, after which we reserve the right to adjust the payment and/or interest rates based on changes in transaction timing and/or our cost of funds. (Adjustments, when necessary, will favor retaining the quoted payment amount.) This quotation assumes no material omissions or inaccuracies in the information provided for this quote, in the credit application, financials or Lessee's credit and no material changes in the equipment described prior to funding. Payments do not include vendor progress payments, required insurance, title, taxes, tags, maintenance, delivery or installation, unless specifically included herein. Vendors are paid by bank check or wire immediately after: 1) Delivery to Lessee on or after the Vendor Pmt. Date above, 2) Lessee's unqualified acceptance and 3) our receipt of Lessee's faxed disbursement authorization. First Capital Equipment Leasing Corp. does not act as a municipal advisor or municipal financial consultant. Prospective lessees should consult their own municipal tax advisors and legal counsel as required.

GOVERNMENT OBLIGATION CONTRACT

Obligor

Town of Vinton, Virginia
311 South Pollard Street
Vinton, Virginia 24179

Obligee

First Capital Equipment Leasing Corp.
PO Box 1018, 32 Wolf Hill
East Sandwich, Massachusetts 02537-1981

Dated as of September 5, 2012

This Government Obligation Contract dated as of the date listed above is between Obligee and Obligor listed directly above. Obligee desires to finance the purchase of the Equipment described in Exhibit A to Obligor and Obligor desires to finance the purchase of the Equipment from Obligee subject to the terms and conditions of this Contract which are set forth below.

I. Definitions

Section 1.01 Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Additional Schedule" refers to the proper execution of additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligee all of which relate to the financing of additional Equipment.

"Budget Year" means the Obligor's fiscal year.

"Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.

"Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancing's, and all documents relied upon by Obligee prior to execution of this Contract.

"Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.

"Contract Term" means the Original Term and all Renewal Terms.

"Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.

"Equipment" means all of the items of Equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and improvements.

"Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations of on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

"Legally Available Funds" means funds that the governing body of Obligor duly appropriates or are otherwise legally available for the purpose of making Contract Payments under this Contract, including monies held in the Vendor Payable Account to the extent that such moneys are used to prepay Contract Payments or Purchase Option Price.

"Obligee" means the entity originally listed above as Obligee or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment from Obligee under the provisions of this Contract.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.

"Partial Prepayment Date" means the first Contract Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Obligor has accepted all the Equipment and all amounts have been disbursed from the Vendor Payable Account to pay for the Equipment.

"Purchase Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Equipment in Obligor, subject to the security interest granted to and retained by Obligee as set forth in this Contract, and otherwise incurred in connection with the financing of this Equipment.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.

"State" means the state in which Obligor is located.

"Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.

"Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Contract.

II. Obligor Warranties

Section 2.01 Obligor represents, warrants and covenants as follows for the benefit of Obligee or its assignees:

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- (b) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its Officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The Officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (c) Obligor has complied with any requirement for a referendum and/or competitive bidding.
- (d) Obligor shall use the Equipment only for essential, traditional government purposes.
- (e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.
- (f) Obligor has never non-appropriated funds under a contract similar to this Contract.
- (g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.
- (i) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.
- (j) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (k) Obligor has selected both the Equipment and the vendor(s) from whom the Equipment is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such equipment to the public.
- (l) Obligor owns free and clear of any liens any additional collateral pledged, subject only to the lien described herein; Obligor has not and will not, during the Contract Term, create, permit, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment and any additional collateral except those created by this Contract.
- (m) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.

Section 2.02 Escrow Agreement. In the event both Obligee and Obligor mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligee and Obligor agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Contract shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Obligee shall deposit or cause to be deposited with the Escrow Agent for credit to the Equipment Acquisition Fund the sum of N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

III. Acquisition of Equipment, Contract Payments and the Purchase Option Price

Section 3.01 Acquisition and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. The Payment Request and Equipment Acceptance Form must be signed by the same authorized individual(s) who signed the Signature Card, Exhibit G. By making a Contract Payment after its receipt of the Equipment pursuant to this Contract, Obligor shall be deemed to have accepted the Equipment on the date of such Contract Payment for purposes of this Contract. All Contract Payments

paid prior to delivery of the Payment Request and Equipment Acceptance Form shall be credited to Contract Payments as they become due as shown on the Contract Payment Schedule attached as Exhibit B hereto.

Section 3.02 Contract Payments. Obligor shall pay Contract Payments exclusively to Obligee or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligee or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments are due as set forth on Exhibit B. Obligee shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Once all amounts due Obligee hereunder have been received, Obligee will release any and all of its rights, title and interest in the Equipment. Obligee shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. The Contract Payments will be payable without notice or demand. Furthermore, Obligor agrees to pay any additional fees/costs incurred by Obligee relating to Obligor's requirement that a certain payment mechanism be utilized.

SECTION 3.03 Contract Payments Unconditional. Except as provided under Section 4.01, THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

Section 3.04 Purchase Option Price. Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Obligee then Obligee will transfer any and all of its rights, title and interest in the Equipment to Obligor.

Section 3.05 Contract Term. The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has not non-appropriated as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

Section 3.06 Disclaimer of Warranties. OBLIGEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. OBLIGEE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY OBLIGOR.

IV. Non-Appropriation

Section 4.01 Non-Appropriation. If insufficient funds are available in Obligor's budget for the next Budget Year to make the Contract Payments for the next Renewal Term and the funds to make such Contract Payments are otherwise unavailable by any lawful means whatsoever, then Obligor may non-appropriate the funds to pay the Contract Payments for the next Renewal Term. Such non-appropriation shall be evidenced by the passage of an ordinance or resolution by the governing body of Obligor specifically prohibiting Obligor from performing its obligations under this Contract and from using any moneys to pay the Contract Payments due under this Contract for a designated Budget Year and all subsequent Budget Years. If Obligor non-appropriates, then all obligations of the Obligor under this Contract regarding Contract Payments for all remaining Renewal Terms shall be terminated at the end of the then current Original Term or Renewal Term without penalty or liability to the Obligor of any kind provided that if Obligor has not delivered possession of the Equipment to Obligee as provided herein and conveyed to Obligee or released its interest in the Equipment by the end of the last Budget Year for which Contract Payments were paid, the termination shall nevertheless be effective but Obligor shall be responsible for the payment of damages in an amount equal to the amount of the Contract Payments thereafter coming due under Exhibit B which are attributable to the number of days after such Budget Year during which Obligor fails to take such actions and for any other loss suffered by Obligee as a result of Obligor's failure to take such actions as required. Obligor shall immediately notify the Obligee as soon as the decision to non-appropriate is made. If such non-appropriation occurs, then Obligor shall deliver the Equipment to Obligee as provided below in Section 9.04. Obligor shall be liable for all damage to the Equipment other than normal wear and tear. If Obligor fails to deliver the Equipment to Obligee, then Obligee may enter the premises where the Equipment is located and take possession of the Equipment and charge Obligor for costs incurred.

V. Insurance, Damage, Insufficiency of Proceeds

Section 5.01 Insurance. Obligor shall maintain both casualty insurance and liability insurance at its own expense with respect to the Equipment. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Obligee with a Certificate of Insurance which lists the Obligee and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

- Obligor shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Obligee in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Obligor may insure the Equipment under a blanket insurance policy or policies.
- The liability insurance shall insure Obligee from liability and property damage in any form and amount satisfactory to Obligee.
- Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligee with a certificate and/or other documents which evidences such coverage.
- All insurance policies issued or affected by this Section shall be so written or endorsed such that the Obligee and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligee or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Obligee or its assignees. Obligor shall furnish to Obligee certificates evidencing such coverage throughout the Contract Term.

Section 5.02 Damage to or Destruction of Equipment. Obligor assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to obtain all insurance proceeds. At the option of Obligee, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03 Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Obligor shall, at the option of Obligee, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Obligee.

Section 5.04 Obligor Negligence. Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any State or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Obligor), which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents.

Section 5.05 Indemnification. Obligor hereby assumes responsibility for and agrees to reimburse Obligee for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Obligee that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, or arose out of installation, operation, possession, storage or use of any item of the Equipment, to the maximum extent permitted by law.

VI. Title and Security Interest

Section 6.01 Title. Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Obligee in the event Obligor non-appropriates under Section 4.01 or in the event Obligor defaults under Section 9.01. In either of such events, Obligor shall execute and deliver to Obligee such documents as Obligee may request to evidence the passage of legal title to the Equipment to Obligee.

Section 6.02 Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Obligee a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit A, including any and all additional collateral listed on any other Exhibit A. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Obligor authorizes Obligee to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder. Obligor agrees that any Equipment listed on Exhibit A is and will remain personal property and will not be considered a fixture even if attached to real property.

VII. Assignment

Section 7.01 Assignment by Obligee. All of Obligee's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees (including a Registered Owner for Participation Certificates) by Obligee at any time without the consent of Obligor. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Equipment to or at the direction of Obligee or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02 Assignment by Obligor. None of Obligor's right, title and interest under this Contract and in the Equipment may be assigned by Obligor unless Obligee approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Equipment

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Obligee shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes necessary for the installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligee is listed as First Lienholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Obligee or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligee deems necessary or appropriate to protect Obligee's interest in the Equipment and in this Contract. Obligor shall allow Obligee to examine and inspect the Equipment at all reasonable times.

IX. Default

Section 9.01 Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

- (a) Failure by Obligor to pay any Contract Payment listed on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B.
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligee that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligee may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligee, unless Obligee agrees in writing to an extension of time. Obligee will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligee under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligee.
- (f) Except as provided in Section 4.01 above, Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief under is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

Section 9.02 Remedies on Default. Whenever any Event of Default exists, Obligee shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Contract, Obligee may declare all Contract Payments and other amounts payable by Obligor hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Contract, Obligee may require Obligor at Obligor's expense to redeliver any or all of the Equipment and any additional collateral to Obligee as provided below in Section 9.04. Such delivery shall take place within fifteen (15) days after the event of default occurs. If Obligor fails to deliver the Equipment and any additional collateral, Obligee may enter the premises where the Equipment and any additional collateral is located and take possession of the Equipment and any additional collateral and charge Obligor for cost incurred. Notwithstanding that Obligee has taken possession of the Equipment and any additional collateral, Obligor shall still be obligated to pay the remaining Contract Payments due up until the end of the then current Original Term or Renewal Term. Obligor will be liable for any damage to the Equipment and any additional collateral caused by Obligor or its employees or agents.
- (c) Obligee may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Obligee for all costs incurred by Obligee in the enforcement of its rights under this Contract including, but not limited to, reasonable attorney fees.

Section 9.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Obligee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04 Return of Equipment and Storage.

- (a) **Surrender:** The Obligor shall, at its own expense, surrender the Equipment, any Additional Collateral and all required documentation to evidence transfer of title from Obligor to the Obligee in the event of a default or a non-appropriation by delivering the Equipment and any Additional Collateral to the Obligee to a location accessible by common carrier and designated by Obligee. In the case that any of the Equipment and any Additional Collateral consists of software, Obligor shall destroy all intangible items constituting such software and shall deliver to Obligee all tangible items constituting such software. At Obligee's request, Obligor shall also certify in a form acceptable to Obligee that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Obligee and/or the vendor of the software to inspect Obligor's locations to verify compliance with the terms hereto.
- (b) **Delivery:** The Equipment and any Additional Collateral shall be delivered to the location designated by the Obligee by a common carrier unless the Obligee agrees in writing that a common carrier is not needed. When the Equipment and any Additional Collateral is delivered into the custody of a common carrier, the Obligor shall arrange for the shipping of the item and its insurance in transit in accordance with the Obligee's instructions and at the Obligor's sole expense. Obligor at its expense shall completely sever and disconnect the Equipment and any Additional Collateral or its component parts from the Obligor's property all without liability to the Obligee. Obligor shall pack or crate the Equipment and any Additional Collateral and all of the component parts of the Equipment and any Additional Collateral carefully and in accordance with any recommendations of the manufacturer. The Obligor shall deliver to the Obligee the plans, specifications, operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and any Additional Collateral and such other documents in the Obligor's possession relating to the maintenance and methods of operation of such Equipment and any Additional Collateral.
- (c) **Condition:** When the Equipment is surrendered to the Obligee it shall be in the condition and repair required to be maintained under this Contract. It will also meet all legal regulatory conditions necessary for the Obligee to sell or lease it to a third party and be free of all liens. If Obligee reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Obligee may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Obligor shall promptly reimburse Obligee for all amounts reasonably expended in connection with the foregoing.
- (d) **Storage:** Upon written request by the Obligee, the Obligor shall provide free storage for the Equipment and any additional collateral for a period not to exceed 60 days after the expiration of the Contract Term before returning it to the Obligee. The Obligor shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Obligee shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

X. Vendor Payable Account

Section 10.01 Establishment of Vendor Payable Account. On the date that the Obligee executed this Contract, which is on or after the date that the Obligor executes this Contract, Obligee agrees to (i) make available to Obligor an amount sufficient to pay the total Purchase Price for the Equipment by establishing a separate, non-interest bearing account (the "Vendor Payable Account"), as agent for Obligor's account, with a financial institution that Obligee selects that is acceptable to Obligor (including Obligee or any of its affiliates) and (ii) to deposit an amount equal to such Purchase Price as reflected on Exhibit B in the Vendor Payable Account. Obligor hereby further agrees to make the representations, warranties and covenants relating to the Vendor Payable Account as set forth in Exhibit C attached hereto. Upon Obligor's delivery to Obligee of a Payment Request and Equipment Acceptance Form in the form set forth in Exhibit F attached hereto, Obligor authorizes Obligee to withdraw funds from the Vendor Payable Account from time to time to pay the Purchase Price, or a portion thereof, for each item of Equipment as it is delivered to Obligor. The Payment Request and Equipment Acceptance Form must be signed by an authorized individual acting on behalf of Obligor. The authorized individual or individuals designated by the Obligor must sign the Signature Card which will be kept in the possession of the Obligee.

Section 10.02 Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Obligor must either (1) deposit all the down payment funds that the Obligor has committed towards the purchase of the Equipment into the Vendor Payable Account or (2) Obligor must provide written verification to the satisfaction of the Obligee that all the down payment funds Obligor has committed towards the purchase of the Equipment have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request and Equipment Acceptance Form. For purposes of this Section, the down payment funds committed towards the Equipment from the Obligor are the down payment funds that were represented to the Obligee at the time this transaction was submitted for credit approval by the Obligor to the Obligee.

Section 10.03 Disbursement upon Non-Appropriation. If an Event of Non-appropriation occurs prior to the Partial Prepayment Date, the amount then on deposit in the Vendor Payable Account shall be retained by the Obligee and Obligor will have no interest therein.

Section 10.04 Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall be applied to pay on such Partial Prepayment Date a portion of the Purchase Option Price then applicable.

Section 10.05 Recalculation of Contract Payments. Upon payment of a portion of the Purchase Option Price as provided in Section 10.04 above, each Contract Payment thereafter shall be reduced by an amount calculated by Oblige based upon a fraction the numerator of which is the Surplus Amount and the denominator of which is the Purchase Option Price on such Partial Prepayment Date. Within 15 days after such Partial Prepayment Date, Oblige shall provide to Obligor a revised Exhibit B to this Contract, which shall take into account such payment of a portion of the Purchase Option Price thereafter and shall be and become thereafter Exhibit B to this Contract. Notwithstanding any other provision of this Section 10, this Contract shall remain in full force and effect with respect to all or the portion of the Equipment accepted by Obligor as provided in this Contract, and the portion of the principal component of Contract Payments remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Contract, including revised Exhibit B hereto which shall be binding and conclusive upon Oblige and Obligor.

XI. **Miscellaneous**

Section 11.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 11.02 Binding Effect. Obligor acknowledges this Contract is not binding upon the Oblige or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Oblige's satisfaction, and Oblige has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Oblige and Obligor and their respective successors and assigns.

Section 11.03 Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04 Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Oblige and Obligor. Furthermore, Oblige reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Oblige for the additional administrative expense resulting from such amendment, addenda, change or modification.

Section 11.05 Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.06 Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 11.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Oblige and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Oblige. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 11.08 Entire Writing. This Contract constitutes the entire writing between Oblige and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, Contract, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract, the Equipment or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Oblige and will not apply to this Contract.

Oblige and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

Town of Vinton, Virginia

First Capital Equipment Leasing Corp.

Signature

Christopher S. Lawrence, Town Manager

Printed Name and Title

Signature

Bob Arnowitt, Vice President

Printed Name and Title

EXHIBIT B

PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of September 5, 2012, between First Capital Equipment Leasing Corp. (Obligee) and Town of Vinton, Virginia (Obligor)

Date of First Payment: October 6, 2012
 Original Balance: \$313,314.50
 Total Number of Payments: Six (6)
 Number of Payments Per Year: One (1)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	6-Oct-12	\$56,609.24	\$843.73	\$55,765.51	\$264,915.57
2	6-Oct-13	\$56,609.24	\$8,322.68	\$48,286.56	\$214,261.63
3	6-Oct-14	\$56,609.24	\$6,762.31	\$49,846.93	\$162,468.99
4	6-Oct-15	\$56,609.24	\$5,151.51	\$51,457.73	\$109,512.05
5	6-Oct-16	\$56,609.24	\$3,488.65	\$53,120.59	\$55,364.64
6	6-Oct-17	\$56,609.24	\$1,772.06	\$54,837.18	\$0.00

Town of Vinton, Virginia

Signature

Christopher S. Lawrence, Town Manager

Printed Name and Title

**Assumes all Contract Payments due to date are paid*

EXHIBIT D
OBLIGOR RESOLUTION

RE: Government Obligation Contract dated as of September 5, 2012, between First Capital Equipment Leasing Corp. (Obligee) and Town of Vinton, Virginia (Obligor)

At a duly called meeting of the Governing Body of the Obligor (as defined in the Contract) held on September 18, 2012 the following resolution was introduced and adopted:

BE IT RESOLVED by the Governing Body of Obligor as follows:

1. **Determination of Need.** The Governing Body of Obligor has determined that a true and very real need exists for the acquisition of the Equipment described on Exhibit A of the Government Obligation Contract dated as of September 5, 2012, between Town of Vinton, Virginia (Obligor) and First Capital Equipment Leasing Corp. (Obligee).
2. **Approval and Authorization.** The Governing Body of Obligor has determined that the Contract, substantially in the form presented to this meeting, is in the best interests of the Obligor for the acquisition of such Equipment, and the Governing Body hereby approves the entering into of the Contract by the Obligor and hereby designates and authorizes the following person(s) to execute and deliver the Contract on Obligor's behalf with such changes thereto as such person(s) deem(s) appropriate, and any related documents, including any Escrow Agreement, necessary to the consummation of the transaction contemplated by the Contract.

Authorized Individual(s): Christopher S. Lawrence, Town Manager
(Printed or Printed Name and Title of individual(s) authorized to execute the Contract)

3. **Adoption of Resolution.** The signatures below from the designated individuals from the Governing Body of the Obligor evidence the adoption by the Governing Body of this Resolution.

Signature: _____
(Signature of Secretary, Board Chairman or other member of the Governing Body)

Printed Name & Title: Bradley E. Grose, Mayor
(Printed Name and Title of individual who signed directly above)

Attested By: _____
(Signature of one additional person who can witness the passage of this Resolution)

Printed Name & Title: Susan N. Johnson, Town Clerk
(Printed Name of individual who signed directly above)

RESOLUTION NO.

AT A REGULAR MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, SEPTEMBER 18, 2012, AT 7:00 PM IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING, 311 SOUTH POLLARD STREET, VINTON, VIRGINIA

WHEREAS, Town Council has previously adopted an Individually Assigned Vehicle policy which sets forth the public necessity to purchase and maintain an adequate fleet of law enforcement vehicles. This policy is implemented through a planned and budgeted five-year Capital Improvement Program; and

WHEREAS, Town Council has approved and budgeted for the purchase of nine (9) police vehicles; seven (7) patrol cars and two (2) detective vehicles; and

WHEREAS, Sheehy Ford in Richmond, Virginia, has been selected as the supplier for these vehicles at a total cost of \$323,814.50 less trade ins totaling \$10,500.00, for a total amount to be financed of \$313,814.50; and

WHEREAS, First Capital Equipment Leasing Corp. will be providing the financing for the vehicles through a municipal lease-to-own program; and

WHEREAS, First Capital Equipment Leasing Corp. and the Town need to enter into a Government Obligation Contract for the financing and Council needs to authorize the Town Manager to execute the contract.

NOW, THEREFORE, BE IT RESOLVED that the Vinton Town Council does hereby authorize the Town Manager and Town Attorney to execute the contract with First Capital Equipment Leasing Corp. and any other necessary documents which shall be in a form approved by the Town Attorney.

This resolution adopted on motion made by Council Member _____ and seconded by Council Member _____, with the following votes recorded:

AYES:

NAYS:

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Susan N. Johnson, Town Clerk



Town Council Agenda Summary

- Meeting Date:** September 18, 2012
- Department:** Police
- Issue:** Update on funding reimbursement to the Wireless Board
- Summary:** During a validation process conducted by the Wireless Board for the FY09 and FY10, it was determined that the board overpaid the Vinton 9-1-1 Communications Center during that period of time, as well as many other localities throughout the Commonwealth. The decision of the wireless board is that the localities reimburse the board for overpayments in order to compensate other jurisdictions that were underpaid. It has been determined that the Town of Vinton must refund \$29,527.25 to the Wireless Board. Chief Cook is currently in negotiations with the board and will have additional information after the Wireless Board meeting on September 13, 2012.
- Attachments:** Letter from Steve Marzolf
Email from Steve Marzolf
- Recommendations:** No action required at this meeting



COMMONWEALTH of VIRGINIA

Virginia E-911 Services Board

July 24, 2012

Michael M. Cline
Chairman
VDEM

John W. Knapp, Jr.
Vice-Chairman
Verizon

David A. Von Moll
Treasurer
Comptroller

Linda W. Cage
Mecklenburg County

J.D. Diggs
York County

Danny Garrison
Richmond Ambulance
Authority

Tracy Hanger
City of Hampton

Lt. Colonel Robert Kemmler
Virginia State Police

Robert Layman
AT & T

Chief Ron Mastin
Fairfax County

Chief Doug Middleton
Henrico County

Sam Nixon
VITA

Pat B. Shumate
Roanoke County

Mickey Sims
Buggs Island Telephone

Denise B. Smith
Charles City County

Dorothy Spears-Dean
PSC Coordinator
(804) 416-6201

Terry D. Mayo
Board Administrative
Assistant
(804) 416-6197

Ben Cook
Town of Vinton
311 S. Pollard Street
Vinton, VA 24179

Dear Chief Cook:

At their July 12, 2012 meeting, the E-911 Services Board approved the results of the FY2009 and FY2010 PSAP Validation process. This letter is to officially communicate to you the results and how adjustments will be resolved.

As discussed in my email of July 10, 2012, the Board considered three options for how to resolve the errors discovered during the PSAP Validation process. Those options were as follows:

1. Make no funding adjustments.
2. Recover overpayments based on the validated data, but do not adjust for underpayments.
3. Fully correct all PSAP payments by recalculating the percentages and payments based on the validated data.

After considerable discussion, the Board unanimously approved option #3 as the best approach. This means that funding received from October 1, 2009 to June 30, 2012 will be recalculated based on the new data provided by each PSAP as part of the validation. These adjustments will be made for PSAPs receiving overpayments and underpayments. Since the total amount of funding distributed to all PSAPs remains constant, any adjustments to any one PSAP's funding will impact all the other PSAPs' funding.

The final FY2009 and FY2010 data for the Vinton 9-1-1 Communications approved by the Board was as follows (which should be the same as previously communicated as no changes were made at the Board meeting):

Data Item	FY2009		FY2010	
	Original Data	Revised Data	Original Data	Revised Data
Incoming Calls:	26,545	25,389		
Wireless 9-1-1 Calls:	6,386	5,760		
Personnel:	\$498,090.00	\$440,862.14		
IT/GIS Support:	\$9,272.00	\$ 0.00		
Recur. Equipment:	\$76,000.00	\$27,301.84		

Considering the corrected data from all PSAPs, the following are the results for your PSAP for each fiscal year:

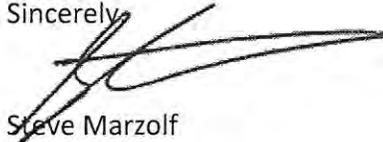
Fiscal Year	Received	Validated
2010	\$110,247.36	\$88,048.80
2011	\$30,393.37	\$23,064.68
2012	\$ 0.00	\$ 0.00

This means in total that the Vinton 9-1-1 Communications **must refund to the Board a total of \$29,527.25**. Since the Town of Vinton no longer receives payments from the Board, the Board is requiring that this amount be repaid by sending a payment to the Board by January 1, 2013. However, if you have a proposal to resolve this repayment through another means, please let me know and we would be happy to consider it.

As required by the *Code of Virginia*, PSAP payments starting in FY2013 through FY2017 will be based on the pro rata average of funding received for FY2007-12 taking into account any funding adjustments made by the Board. As a result of the Board's action, the validated funding amounts will be utilized for this calculation. The projected FY2013 funding for your PSAP is . This amount is based on our current revenue projections and may change slightly as the actual revenue is received.

Recognizing you may have to explain this information to others in your locality, we have included a timeline/fact sheet about the validation process. If you have any questions about this information, please feel free to contact your Regional Coordinator or me (steve.marzolf@vita.virginia.gov).

Sincerely,



Steve Marzolf
ISP Director

PSAP Validation Timeline/Fact Sheet

- Prior to FY2007, the Board distributed funding to localities based on a cost recovery model, which legislatively required the submission of supporting documentation for all expenses. In the 2006 General Assembly session, the legislation was changed to a formula based distribution that was to be recalculated annually. The requirement for supporting documentation was removed from the new legislation.
- Beginning in FY2007 through FY2010, at the end of each fiscal year, every Public Safety Answering Point (PSAP) in the Commonwealth was required to submit to the E-911 Services Board call load and cost data that is used in a rather complex formula to determine the percentage of funding they will receive for the next year (October 1 – September 30).
- Generally speaking during this time, the more local funding spent on personnel and recurring equipment costs, or the higher the percentage of wireless 9-1-1 to total calls handled by the PSAP, resulted in greater funding to that PSAP.
- The total amount of funding distributed is based upon the amount of Wireless E-911 Surcharge revenue received in that year (60%). Since all available funding is distributed to the PSAPs, any increase in funding to one PSAP results in a reduction in funding to others so that the total funding distributed remains the same.
- The Board had a policy since 2008 NOT to correct errors during the year that resulted in PSAPs being underfunded since any correction would result in less funding going to other PSAPs. Instead that PSAP could correct the error during the next submission of data at the end of the next fiscal year.
- In March 2010, the Board considered changing the distribution formula and offered an opportunity for PSAPs, referred to as an “amnesty period,” to adjust their call load and cost data knowing that there were errors that had resulted in some PSAPs being underfunded.
- During the “amnesty period,” several PSAPs corrected their data higher, but the City of Portsmouth was the only one to correct their data lower.
- The Board was unable to reach consensus on a distribution formula change and the data submitted during the “amnesty period” was never utilized, including the new data from Portsmouth.
- During the FY2010 Auditor of Public Accounts (APA) annual audit of the Wireless E-911 Fund in early 2011, VITA staff reported the error with FY2009 cost data submitted by the City of Portsmouth.
- The APA Audit Report identified the error as an audit finding and suggested additional errors may be present based on several other large variances they noted from data submitted by the PSAPs from year to year.
- To respond to the audit report, in July 2011, the Board directed staff to validate the call load and cost data submitted by any PSAP having a large variance in their data from FY2008 to FY2009 or FY2009 to FY2010. Additionally, staff was directed to select several random PSAPs not showing a large variance to determine the error rate for all the other PSAPs.

- In January 2012, the results of the initial validation were presented to the Board showing an error rate of between 70-75% for both groups of PSAPs (those with large variances and those randomly selected). As a result, the Board directed staff to validate the data submitted by ALL PSAPs for FY2009 and FY2010.
- The FY2009 data impacted funding levels from October 1, 2009 to September 30, 2010. The FY2010 data impacted funding from October 1, 2010 to June 30, 2012. The FY2010 data impacted a longer period because the Board coincidentally changed the recalculation cycle to align with the fiscal year.
- At their July 2012 meeting, the final validation results were presented and the E-911 Services Board considered three options as to how to proceed: 1) make no funding adjustments; 2) only correct for those PSAPs that were overpaid, but not those underpaid; and 3) correct all funding.
- The *Code of Virginia* requires the Board to recover any "overpayments" to PSAPs, but does not define an overpayment. For option #1 to be considered, the Board would need to define an overpayment in such a way as for that to not be what occurred. It was determined that making such a definition would likely open the Board to legal challenge, thus option #1 was not considered further.
- A legislative change from the 2012 General Assembly session changes the distribution formula to be used beginning July 1, 2012 and for the next five years. The new formula bases a PSAP's funding on their pro-rata share of their average funding from FY2007-2012 "taking into account any funding adjustments made pursuant to" any audit performed by the Board. As a result, any adjustments made (option #2 or #3) would impact PSAP funding for the next five years.
- The primary difference between option #2 and option #3 was whether PSAPs that made errors reporting their data that resulted in them receiving less funding would be permitted to make the correction.
- The errors made by PSAPs resulting in underpayments significantly exceed the amount of funding being collected from those PSAPs receiving overpayments. As a result, under option #3, a few PSAPs making NO errors will be required to refund moneys to the Board to cover this difference.
- Since any correction made (or not made) will impact the PSAP's funding for the next five years, the Board unanimously approved option #3 at their meeting on July 1, 2012.
- To simplify collection of the funding owed to the Board, VITA will be subtracting the amount owed from each future revenue payments until the amount is resolved, but not more than six months. At the PSAP's request, VITA can evenly spread the amount to be recovered over the six month period if that will help with cash flow. Any PSAP requiring more than six months of revenue to repay the Board will be required to refund the overpayment separately. Any other PSAP wishing to refund the moneys to the Board (sending a check) and NOT have it subtracted from future payments may request to do so.
- Though the next recalculation will not take place until July 1, 2017, the E-911 Services Board will still be collecting call load and cost data from PSAPs at the end of each fiscal year. To avoid future problems with errors in the data, the Board adopted a much simpler formula at the November 2011 meeting and is requiring validation documentation at the time the data is submitted. The Board is currently starting the collection of FY2012 data.

From: "Marzolf, Steve (VITA)" <steve.marzolf@vita.virginia.gov>
To: vapsaps@virginiainteractive.org
Date: 8/5/2011 5:12 PM
Subject: PSAP True-up Validation Process

During our the recent audit of the Wireless E-911 program, the Auditor of Public Accounts (APA) found an error in the PSAP data reported during the FY2009 "true-up" process. The error resulted in one PSAP receiving a significantly higher amount of funding than they should have received. Though this only involved one PSAP, in their report, the auditors noted several other large variances in the data reported by other PSAPs. They recommended the Board implement improved procedures to validate the data that is submitted.

At their last meeting, I recommended to the E-911 Services Board that we conduct a validation of the data submitted for the last two years to ensure that data is accurate. While there was concern expressed about the burden this will place upon many PSAPs (which I fully acknowledge), I made this recommendation for two primary reasons. First, with the change in legislation this year, the Board can now average the distribution formula over more than just one year. If this is still a desire of the Board, having accurate data for FY2009 and FY2010 becomes very important. Second, if there are other errors that resulted in higher funding going to other PSAPs, it would not be fair to single out the first one found while ignoring others that may be in the same situation. While there is no indication that these errors were anything but accidental, we still have an obligation to fix them to the extent possible.

As a result, I proposed to the Board that we request validation material from any PSAP that showed a large variance in the true-up data between FY2008 and FY2009 or FY2009 and FY2010. As I explained to the Board, it was very difficult to identify those PSAPs that showed a large variance. The process document (below) explains how we selected the PSAPs to be validated, but it was not an exact science. It is our best attempt at determining those PSAPs that should be validated. It is NOT an indication that we believe these PSAPs did anything wrong. Additionally, I recommended to the Board that a random sample of about a dozen other PSAPs be selected for validation to ensure that some of the PSAPs not showing a variance are also checked. The Board accepted the recommendations. The list of all of the PSAPs selected is included in the process document. The documentation also includes the process for the submission and review of this validation material and a definition of what is satisfactory documentation. The required documentation is very similar to what used to be submitted to the Board under the old, "cost recovery" funding methodology (prior to FY2007). As we learned in that process, different PSAPs can provide different levels of documentation so I recognize that we will need to be flexible in the documentation we accept.

The process document was presented to the Finance Committee at their meeting on Tuesday. I asked them to review it to ensure that they felt it addressed the APA finding as well as their own concerns. No changes were proposed.

Now that we have a process and selected the PSAPs, each PSAP to be

validated will receive a separate, individual email with the request for the information with detailed instructions how to comply. We are asking that the validation documentation be returned to us no later than September 30, 2011. As I said, I do recognize the burden this will place on many PSAPs, but it is necessary to address the concerns in the audit and restore confidence in the true-up data.

While this process addresses how we validate the data provided in previous years, it does not address how we will resolve any errors found (positive or negative). The Board has yet to make this determination. We are still working with Counsel to identify the options available to the Board. It is possible that PSAPs receiving too much funding, due to an error in reporting, will need to return it to the Board. Though the Board has a long standing policy not to give additional funding to the PSAP if the error resulted in less funding to the PSAP, it is not been decided that the Board will keep that position in this case. The Board will make those determinations once the extent of the problem is determined by this validation.

This exercise also does not determine the process going forward. At the Board meeting, the Chairman of the Board announced that he has asked the Finance Committee to make recommendations to the full Board in response to the audit regarding improvements to the PSAP funding process going forward. The Finance Committee began discussing this at their last meeting and it will be the primary topic for their next meeting in September.

If you have any questions, please feel free to contact me.

Steve Marzolf
ISP Director
Virginia Information Technologies Agency (VITA)
VITA - Enabling the Business of Government
steve.marzolf@vita.virginia.gov
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(804) 416-6019 (voice)
(866) 4-VA-E911 (toll free)
(804) 416-6353 (fax)

VITA Customer Care Center - Call (866) 637-8482 (toll free) to report an outage or request service. Or e-mail the VCCC at vccc@vita.virginia.gov. Please note: E-mail should not be used to report critical issues or outages impacting an agency. To report a critical issue, please call the VCCC directly.

FY2009/FY2010 PSAP Data

Validation Process

Introduction/Purpose

The purpose of this document is to identify the internal and external processes to validate the PSAP data provided in FY2009 and FY2010. The need for this validation was identified in the FY2010 audit conducted by

the Auditor of Public Accounts (APA). In their report, the APA found:

"Management does not validate the PSAP call and expense data submissions to determine funding allocations. Management uses this data to complete the annual allocation of PSAP reimbursements for E-911 Fund supported operating costs, which was \$23.4 million for fiscal year 2010.

"Our review of fiscal year 2010 and 2011 PSAP allocation calculations found a number of other PSAPs which submitted call and expense data with large fluctuations from prior periods. Management did not research these variances before allocating funds to the PSAPs."

The FY2010 allocation is based on FY2009 call and cost data and the FY2011 allocation on FY2010 data. Since the APA has questioned other "large fluctuations," a process is needed to validate all such variances. This is especially important if the E-911 Services Board intends to average prior allocations to level out some of the year-to-year fluctuations that can occur.

Selection Process

While the APA identified "large fluctuations," the report did not define what was considered to be large. As a result, several different methods were explored to select those PSAPs for validation. The result was to select any PSAP that showed greater than a 20% increase in the net personnel, IT/GIS or recurring equipment costs with a few exceptions. The net costs are calculated by multiply the gross costs reported by the PSAP by the wireless percentage of calls for the PSAP or the statewide average for recurring equipment (whichever is higher). By using the net costs instead of the gross costs reported, fluctuations in the wireless call percentage can be taken into account. However, a large percentage increase in one of these costs may not have result in the PSAP getting any additional funding. As an example, if the increase in net funding resulted in the PSAP still being below the \$30,000 personnel minimum their personnel funding would not increase. As a result, even if the PSAP had a change greater than 20%, the PSAP was excluded from validation if they were still below the \$30,000 minimum for personnel or the \$10,000 minimum for IT/GIS costs. Additionally, if the net funding for shared equipment was less than \$10,000 the PSAP was excluded. The resulting list of PSAPs to be validated is as follows:

	<u>FY2009 Data Validation</u>
Alexandria Police Communications	Amherst County Emergency
Communications	
Appomattox County	Arlington County PSCC
Bedford Communications Center	Blacksburg Police Communications
Bland County	Brunswick County
Buckingham County	Campbell County
Chesapeake Police Communications	Chesterfield County ECC
Culpeper Joint 9-1-1 Center	Dinwiddie County
Eastern Shore 9-1-1	Emporia Police Communications
Fairfax County PSCC	Farmville Police Communications
Floyd County	Fluvanna County
Franklin Police Communications	Franklin County
Gloucester County	Hampton Police

Communications	
Harrisonburg - Rockingham ECC	Henrico County
Isle of Wight Sheriff's Office	James City County ECC
Loudoun County Fire Communications	Lunenburg County
Mecklenburg County	Middlesex County
Norfolk Emergency Services	Page County EOC
Petersburg Police Communications	Portsmouth Police Communications
Prince George County	Richmond Police Communications
Roanoke Communications Dept.	Roanoke County Police
Communications	
Rockbridge Regional PSCC	Salem Police Communications
Scott County	Stafford County Sheriff's
Communications	
Surry County	Tazewell County
Vinton 9-1-1 Communications	Washington County
Wise County	

FY2010 Data Validation

Appomattox County	Arlington County PSCC
Bedford Communications Center	Blacksburg Police Communications
Campbell County	Caroline County
Charlottesville, UVA, Albemarle ECC	Chesapeake Police Communications
Culpeper Joint 9-1-1 Center	Cumberland County
Dickenson County	Dinwiddie County
Emporia Police Communications	Fairfax County PSCC
Floyd County	Franklin County
Fredericksburg Police Comm.	Hanover County ECC
Harrisonburg - Rockingham ECC	Henrico County
Hopewell Police Communications	Isle of Wight Sheriff's Office
Loudoun County Fire Communications	Mecklenburg County
Nelson County	Orange County Communications
Page County EOC	Petersburg Police Communications
Pittsylvania County Emergency Mgt	Portsmouth Police Communications
Prince George County	Richmond Police Communications
Roanoke Communications Dept.	Rockbridge Regional PSCC
Salem Police Communications	Scott County
Spotsylvania County Emergency Comm.	Stafford County Sheriff's
Communications	
Sussex County	Vinton 9-1-1 Communications
Virginia Beach Communications	Warrenton - Fauquier Joint
Communications	
Washington County	West Point 9-1-1
Communications	
York County Fire Communications	

Additionally, twelve additional PSAPs that did not exhibit large fluctuations were selected randomly to be validated for FY2010. They include the following:

FY2010 Random PSAP Validations

Amelia County	Buchanan County
Colonial Heights 9-1-1 Comm.	Farmville Police Communications
Halifax County	Lancaster County
Madison County	Nottoway County
Rappahannock County	Russell County
Tazewell County	Wise County

Validation Process

The PSAPs selected for validation will receive a validation form listing the data received for the fiscal year being validated. The form will list the five data elements used in the distribution formula, total call count, wireless call count, recurring equipment cost, personnel costs and IT/GIS support costs. The form will also provide a space for any of these figures to be corrected. The person from the PSAP completing form must attach supporting documentation for those figures and return it to VITA staff. The key to the validation process will be the review and acceptance of this supporting documentation. Unfortunately, experience under the old cost recovery system of the Board indicates that the types and forms of supporting documentation are varied from PSAP to PSAP. The following is a list of documentation that is typically acceptable, but this should not be considered an all inclusive listing:

- Local Financial/Expenditure Reports
- Payroll Logs (removing personal identification information)
- Paid Invoices
- Receipts
- Credit card statements
- Purchase orders
- Call Accounting System reports
- 9-1-1 Service Provider traffic studies

Typically not acceptable would be electronic mails, contracts, RFP response or other documents that do not necessarily show the amount actually paid by the locality. Any PSAP having questions about the sufficiency of their available documentation or difficulty accessing documentation should contact VITA regional staff.

The form and supporting documentation can be scanned and submitted to VITA staff by electronic mail (lewis.cassada@vita.virginia.gov) copying the regional coordinator for that area. As an alternative, it can be faxed (804-416-6353) or mailed.

Upon receipt, VITA staff will acknowledge receipt and review the information submitted. If any of the data is modified by the PSAP, VITA staff will determine if the change would have impacted the level of funding the PSAP actually received. Some changes may not have impacted the funding level especially if the PSAP remains below the established funding minimums. VITA staff will notify any PSAP that would have change in funding as a result of the changed information provided. This notification will occur at least two weeks prior to any Board meeting where this will be discussed.



Town Council Agenda Summary

Meeting Date:	September 18, 2012
Department:	Council
Issue:	Request to Convene in Closed Meeting, Pursuant to § 2.2-3711 A(7) of the 1950 Code of Virginia, as amended, for consultation with legal counsel.
Summary:	None
Attachments:	None
Recommendations:	Reconvene and adopt Certification of Closed Meeting