

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, January 7, 2014**

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. UPCOMING COMMUNITY EVENTS/ANNOUNCEMENTS**
- E. CONSENT AGENDA**
 - 1. Consider approval of minutes for the regular Council meeting of December 3, 2013.
- F. AWARDS, RECOGNITIONS, PRESENTATIONS**
- G. CITIZENS' COMMENTS AND PETITIONS** - This section is reserved for comments and questions for issues not listed on the agenda.
- H. TOWN ATTORNEY**
- I. TOWN MANAGER**

ITEMS REQUIRING ACTION

- 1. Consider adoption of an Ordinance adopting the VACo/VML Virginia Investment Pool Trust Fund and authorizing the Treasurer/Chief Investment Officer to execute the Trust Joinder Agreement.
- 2. Consider adoption of a Resolution approving an amendment to the Statement of Investment Policy dated November 1, 2005.
- 3. Consider adoption of a Resolution authorizing the appropriation of funds in the amount of \$10,200.00 to Gay and Neel for consulting work relating to the Regional Surface Transportation Project award for Walnut Avenue Phase I.
- 4. Consider adoption of a Resolution approving the acceptance of funds from the Volunteer First Aid Crew in the amount of \$25,348.66 for the purchase of a Rehab Response Vehicle through a Virginia State Contract.

BRIEFINGS

1. Update on the Branding Initiative presented by Elevation to the Branding Committee.

UPDATE ON OLD BUSINESS

J. MAYOR

K. COUNCIL

1. Financial Report for November 2013.

L. 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/EVENTS:

January 7, 2014 - 5:30 p.m., Finance Committee Meeting – Finance Conference Room

January 21, 2014 – 7:00 p.m. - Regular Council meeting - Council Chambers



Town Council Agenda Summary

Meeting Date

January 7, 2014

Department

Town Clerk

Issues

Consider approval of minutes for regular Council meeting on December 3, 2013.

Summary

None

Attachments

December 3, 2013 minutes

Recommendations

Motion to approve minutes

MINUTES OF A REGULAR MEETING OF VINTON TOWN COUNCIL HELD AT 6:30 P.M. ON TUESDAY, DECEMBER 3, 2013, 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
Elizabeth Dillon, Town Attorney
Ryan Spitzer, Assistant to the Town Manager
Anita McMillan, Planning & Zoning Director
Barry Thompson, Finance Director/Treasurer
Candace Poling, Accounting Manager
Joey Hiner, Assistant Public Works Director

The Mayor called the regular meeting to order at 6:30 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.

Roll Call

Vice Mayor Nance made a motion that Council go into a Closed Meeting pursuant to § 2.2-3711 A (7) of the 1950 Code of Virginia, as amended, for consultation with legal counsel regarding possible disposition of real property. The motion was seconded by Mr. Hare 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 6:35 p.m.

At 7:16 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 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.

Certification of Closed Meeting

After a Moment of Silence, Mr. Adams led the Pledge of Allegiance to the U.S. Flag.

Under upcoming community events/ announcements, Vice Mayor Nance reminded everyone that tickets are still available for the Lions Club Spaghetti Dinner this Thursday, prior to the Christmas Parade. The Mayor reminded everyone that also on Thursday will be the launch of the demo of the building on the property of the new Vinton Branch Library at 10:30 a.m. The tree lighting ceremony will be that evening at 6:30 p.m. and the parade will begin at 7:00 p.m. The annual Chamber of Commerce Membership Meeting and State of the Town

address will be on December 10th and on December 7th the Vinton Museum will have their holiday open house from 10:00 a.m. to 2:00 p.m.

Mr. Adams made a motion that the consent agenda be approved 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.

The next item on the agenda was to consider a presentation of the June 30, 2013 Comprehensive Annual Financial Report by Brown Edwards & Company, LLP and consider adoption of a Resolution approving and accepting said Report.

Mr. Thompson commented that Section 15.2-2511 of the 1950 Code of Virginia, as amended, requires that the Town issue annually a report on its financial accounts and records by a third party certified public accountant. The Finance Department as well as the Town Manager's Office has worked with the accounting firm of Brown Edwards & Company over the past few months. John Aldridge of that firm has provided the 2013 audit and their opinion letter stating that the financial statements present fairly, in all material respects, the financial position of the Town as of June 30, 2013 and the results of the Town's operations and cash flows of proprietary fund types for the year ending June 30, 2013 is in conformity with generally accepted accounting principles. Mr. Thompson then turned the meeting over to John Aldridge for his comments.

Mr. Aldridge first commented that he had met with the Finance Committee last night and reviewed the audit in detail. The Town received an unmodified opinion which is the highest level of assurance they will put on financial statements and this is a clean opinion.

On page 14 of the Financial Statement, he commented that the General Fund had assets of \$4.4 million, liabilities of \$1.3 million and a fund balance of \$3.1 million. Last year's fund balance was \$2.6 million, which shows an increase of approximately \$300,000 this year. The expenditures on page 16 were very consistent with last year. The difference between the Capital projects amounts from 2012 and 2013 is that the 2013 amount includes the nine police vehicles and a tractor that were purchased this year.

On page 19 in the Water and Sewer Fund, there are cash and cash equivalents restricted of \$1.8 million. This includes the bond money issued for specific projects. The increase in the liabilities relates to the debt.

Approved minutes of the Joint Council/ Planning Commission Board of Zoning Appeals meeting of October 29, 2013 and regular Council meeting of November 5, 2013

Mr. Aldridge commented that the Water and Sewer Fund should run like a business and generate enough revenues to cover the costs. Total operating revenues were \$3 million; expenses were \$2.7 million and some interest expense of \$207,160. This fund showed an income of \$70,782 so it carried its costs for this past year.

On page 55, Mr. Aldridge also commented on the changes in fund balances over a 10 year cycle.

In the management letter, there are some bullet points under Segregation of Duties in areas where some improvements can be made. One of these areas deals with the relationship between Finance and the Human Resources Department and how employees are set up. In proper segregation, the Human Resources Department would set the employees up in the system and Finance would process the payroll, but right now there is some overlap. We suggest that this area be looked at. Another area was audit adjustments which related to debt that was refunded this year and how it was recorded.

Another area that has to be monitored is budget compliance to make sure the budget is not overspent. When the police cars were purchased, a capital lease was used for that in the amount of \$313,000. That transaction needed to be recorded as an expenditure of \$313,000 and revenue of \$313,000. When the budget was set only the payment on the lease was set up. When that entry was made, it showed that you went over your budget.

In the Financial Analysis, the graph on page 11 shows over the past five years in the Water and Sewer Fund, how much we got back on every dollar spent. This past year we got \$1.02 for every dollar spent.

Mr. Hare then commented that overall the results were favorable for the year. He directed a comment to the Town Manager that he was surprised there is still a deficiency with employee set up and maintenance. This was discussed last year and it was asked that it be corrected. Mr. Hare said that a very conscious effort needs to be made to correct this. Mr. Hare also commented that the good report in the Water and Sewer Fund is not from revenues, but from costs control which comes from hard work by the employees.

Mr. Thompson next introduced the Resolution that would adopt the audit for June 30, 2013. Mr. Altice made a motion to adopt the Resolution as presented; the motion was seconded by Mr. Hare 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.

Adopted Resolution No. 2045
approving the June 30, 2013
Audit Report

The next item on the agenda was to consider adoption of a Resolution authorizing the transferring of funds in the amount of \$7,250.00 to pay the Berkley Group for the development of a park master plan.

The Town Manager began by commenting that at an earlier Council meeting staff had furnished an asset evaluation of properties that the Town owns in the downtown area, made some recommendations and Council gave staff some direction. We now have a proposal from The Berkley Group which includes public engagement and the master planning process for both a skate park and children's oriented small pocket park. They have proposed a series of public meetings and a workshop with the two projects fairly blended to take advantage of the consultant's time from a cost standpoint. Then the consultant would do their work with some programmatic issues, schematic designs and cost evaluations to produce two master plan documents.

This proposal keeps the two projects together, but based on discussion with some of you earlier today, perhaps the two projects need to be independent of each other and proceed on their own schedules. However, it will change the scope and costs if we separate the two. Staff could possibly facilitate the children's pocket park and go back to the Lions Club who really came up with the idea and work with them to host a public meeting and take on more of the leadership role.

The goal for tonight is for Council to approve the transfer of the funds to move forward with the proposal at hand. If Council wants to separate the two projects, the Town Manager indicated he would have to check with the consultant on how to separate the two and bring a new proposal back to Council. Regarding the children's park, staff has met with Roanoke County and with Playtime, a vendor that sells the equipment for such a park.

Both of these projects have the potential for outside funding so we are not using taxpayer money for the bulk of the costs. The better we can develop the proposals, the feasibility and the actual design part of the projects, the more successful we will be when we seek private, corporate or non-profit donations.

Mr. Hare asked if any of this would qualify for our revitalization grant funds since it is in the grant area. The response was it may be possible, but if we do something different than what was originally proposed, we will have to get it approved. Ms. McMillan commented that we had \$90,000 in original costs when we demolished the former Steve's Garage. We put in the grant application that this site would be used as pervious-type parking and we got credit

because of greening up the space. The Town Manager then commented that one way or another we are going to have to make sure that the Steve's Garage site is safe and reasonable for people to use if we do not proceed with a skate park.

Vice Mayor Nance commented that he has a lot of interest in both of the projects. However he thinks handling them jointly creates some problems because they are very different and are in different stages. His main concern with the pocket park (or playground) is that we already have a non-governmental entity that is showing some interest in partnering with the Town. The proposal presented to us tonight goes through the Town-initiated public input process to help put focus on what this playground should be. Mr. Nance believes the Lions Club needs to spearhead this process as opposed to the Town so the Club and the community can come together and let the Town know what they are willing to help fundraise for and the Town can then perhaps produce the location for those meetings and also provide the land in question. There are some tax targets not yet being reached and we have to make sure that the core services of the Town are met first. One of those services is the potential for 24 hour fire service and even though it will be a service divided between us and the County, we have to have the flexibility to absorb some of those costs.

Regarding the skate park, Mr. Nance said we have a great potential location for this park, but one of the first things he did as a Council Member was to vote to close the old one down. We had a great idea, but it worked for a very short period of time because people not associated with the proper use of that park began to abuse it. Town money, time and resources were used time and time again to fix the graffiti and the damage being caused at that point. He is very hesitant to spend any further taxpayer money on a skate park. Unlike the playground with potential interests from citizens, we do not have individuals or non-government agencies indicating that they will help raise the money for this project. Because this is a much slower process, he does not want it tied to the pocket park.

Mr. Altice commented that we need to make sure the public wants these projects and have an interest in them. Mr. Adams commented that there is a lot of community support through several Lions Clubs and we should work with them to bring a park downtown close to the library. He would hate to see it held up by the skate park. Although there are revenue streams around the country to work with the skate parks, we have to find the right one.

The Mayor commented that all aspects of these parks have to be considered. He then asked if the consultant's report

would give possible sources of financing or revenue for the skate park and the response was yes. There would be a summary for funding sources for both parks. The Mayor asked Council if it would be appropriate for staff to bring back another proposal with the two projects separated with an estimate for the consultant's costs.

Mr. Hare commented that we have to do something with the former Steve's Garage property if it is not developed into a skate park. It may be turning it into a parking lot, but he is concerned with the current risks and Vice Mayor Nance commented that we need to rectify the situation there at least in a semi-permanent state to avoid these risks.

The Mayor further commented that if the consultant did the work, then we would have something we could show to individuals that perhaps may be willing to provide some funding. He thinks that a master plan is needed. The Town Manager then commented that we need to start with the public engagement interest level to help us judge if we need to keep pursuing the projects diligently or if we stop the process.

Regarding the skate park, our office has received several calls from the Valley Skateboard Advocacy Group that is interested and Mr. Spitzer has received a call from a company in California that is interested in helping to build it. The industry is out there, but is there an interest in Vinton and is that the priority that we want go after.

In summary, the Town Manager said he would bring the proposal back with the two projects separated. There is some value in the consultant helping with the pocket park, but focus on the skate park separately and allow the two to run independent of each other. Mr. Nance said that he would like to invite some members of the Lions Club to attend the next meeting to hear about this proposal.

The next item on the agenda was a briefing on an application by adjoining property owners for abandonment, vacation and deeding of undeveloped right-of-way known as Daleview Drive. Ms. McMillan referred Council to the staff report that was included with the agenda package. In May there was a request from Mr. Overbay to vacate the right-of-way, but at the Planning Commission Public Hearing, it was requested that the matter be continued. Before Council had their Public Hearing, the attorney for Mr. Overbay requested that the application be withdrawn. Since that time, Mr. Overbay has worked with the Town Attorney and staff to come up with a license agreement. The license agreement as drafted by the Town Attorney was not accepted by the Overbays.

The Quams and the Slighs submitted a request to vacate Daleview Drive in September and have submitted a plat prepared by their surveyor of the portion to be vacated. The request has been advertised and the adjoining property owners have been notified along with Mr. Overbay's attorney. The Planning Commission Public Hearing will be on December 10th and the Council Public Hearing will be on December 17th.

The next item on the agenda was a briefing on the final draft of Town of Vinton/Roanoke County Stormwater Management Ordinance as required under the Virginia Stormwater Management Program (VSMP) Permit Regulations and the Virginia Stormwater Management Act § 62.1-44.15:27 of the Code of VA, as amended. Ms. McMillan began by commenting that a final draft of the Ordinance was to be submitted to the DEQ by December 15th. However, since they are still changing the requirements, they have postponed the date to January 15th. By way of background we have been an MS-4 locality since 2003 and one of the requirements in 2007 was to adopt a Stormwater Ordinance which staff worked on regionally.

Ms. McMillan next commented on some of the required changes in the Ordinance. She also reminded Council that starting July 1, 2014, the Town has to start accepting the permit applications that the State was handling. We will now be required to process, review and issue what is called a Stormwater Pollution Prevention Permit. She reminded Council of the two MOUs they approved in August with Roanoke County, one of which is to allow the County to do our inspections. Also, we were told in the past that the State would do all of the input on the computer when an application is submitted, but now the localities are going to be required to do this as well.

We are still working with the consultant that the County hired to review the draft ordinance to be sure that we are meeting the requirements. The major item that we still have an issue with relates to the grandfather requirement and what we call the common plan development when there is an acre or more, for example, someone dividing 25 acres into one-acre lots. When the original plan was approved, they did not have any E&S or stormwater requirements. Now, an individual property owner that buys one of the one-acre lots to develop will have to submit another permit. This has not been resolved with DEQ. Another issue related to the County attorney having reservations about saying that anyone of us have the right to go onto people's property to inspect their stormwater facility. The State is trying to encourage rain gardens on individual lots to handle stormwater. If they are not maintained, we are supposed to go on their property. We do not have an answer yet.

We hope to have these sections completed in early January for the final draft due January 15th. But the Ordinance has to be adopted by April of 2014.

We learned at a meeting yesterday that the State will not have the on-line E Permitting in place not until April when they will start with pilot localities. We do not believe there will be any locality from the Roanoke Valley, probably just Richmond and Northern Virginia. For all of the new requirements, they are using the Chesapeake Bay model which is our concern from this part of Virginia.

Ms. McMillan commented that not only do we have to provide this draft Ordinance, we also have to show the State that we have the staff and the funding to handle this new requirement for accepting the permits. We submitted that we are trying to use existing staff and she is glad that Roanoke County has agreed to handle at least two of those requirements, the review and the inspection.

The Town Manager summarized that we will have to bring the final draft model Ordinance back to Council between now and January 15th before it is sent to the State. Ms. McMillan said that she is proposing that we just adopt whatever the County approves by reference to make it easier since they are reviewing and approving the plans for us and also since the Town is a part of Roanoke County and the Town's property owners pay a certain amount of their taxes to the County. The house-keeping and record-keeping part of this process is going to be a nightmare.

Under update on old business, was the consideration of a request for transfer of ownership to the Town of a 2002 Ford Crown Vic previously transferred to the Volunteer First Aid Crew in 2012.

The Town Manager gave the history of the vehicle. The Town owned the vehicle and decided it was out of its useful life and would surplus it. The Volunteer First Aid Crew decided they would like to have the vehicle, so a basic agreement was signed that they would take it with no costs to the Town. They have operated it for a year and a half and one of the things learned through that process was that all the vehicles that the First Aid Crew owns are either titled to the Town or Roanoke County. So they are maintained by the government and are insured by the government. When the Crew went to get insurance, it presented a problem since 40 people in a non-profit agency would like to drive the vehicle. They were able to provide insurance, but there are only four members authorized to use the vehicle.

Chief Philpott came back to the town and we took it before the Public Safety Committee. A cost evaluation was done

and it basically has averaged a cost of \$1,200 per year over the past ten years which includes maintenance, fuel and insurance. Three options are provided in the agenda report--the town take the vehicle back and cover the costs, the town take the vehicle back and charge the First Aid Crew for the costs or leave the vehicle with the First Aid Crew. The recommendation from the Public Safety Committee was to accept the vehicle back into the public fleet, pay the costs, but agree if any major mechanical failure occurs, the vehicle would be placed out of service and not repaired.

The First Aid Crew used the vehicle approximately 50 times a year for out-of-town training and meetings rather than having to drive an ambulance to a meeting which is more expensive and takes that ambulance out of service.

The Town Manager clarified that the vehicle would continue to be used by the Crew only, not other town employees. This does not require any budget adjustment, but it will be added to our insurance and become a town asset, so some type of Council action would be necessary to accept it back. We will then formally, as part of the next budget process, make any necessary adjustments to cover the maintenance costs.

Mr. Adams made a correction to a prior statement that an ambulance is not taken to meetings or training, but the emergency response car is taken. The Crown Vic allows them to take a non-emergency vehicle instead. The benefit of having the vehicle outweighs the costs of keeping it running. The Mayor responded that this does allow an emergency vehicle to remain in service.

Vice Mayor Nance said he supports option one and the request of the Crew is very reasonable. However, Council was first told that the vehicle was going to be surplus and we made policy decisions based on the fact that it would be gone and off of our inventory. Then there was a way for it to be reused and repurposed without any financial issues to the town. Now it is back and on our budget.

Mr. Nance further commented that one of revenue streams, the cigarette tax, is not meeting the marks of the increased amount or even the amounts from the previous year. We need to watch future use of our monies very closely and make sure our fleet does not grow any more without a serious discussion about the impact it will have on us. The Mayor commented that originally this vehicle was seen as a cost savings measure and we expected the car to disappear, although what has presented tonight makes sense.

Mr. Adams made a motion that we accept the 2002 Ford Crown Vic back into inventory under Option 1; the motion was seconded by Mr. Hare and carried by the following roll call vote, with all members voting: Vote 5-0; Yeas (5) –

Accepted 2002 Ford Crown Vic
back into the Town's inventory

Adams, Altice, Hare, Nance, Grose; Nays (0) – None.

The Mayor expressed thanks to the Police Department for the invitation to their annual awards banquet.

Before reviewing the Financial Report for October 2013, Mr. Hare made on further comment concerning the audit previously approved. There has been a change in the accounting rules and in 2015, we will have to recognize our funded liability for pensions, which currently stands at over \$3 million. Not only will we have to recognize this on our balance sheet, but it could impact our bond rating especially if we start applying this liability to the two funds, so all of a sudden the utility fund goes negative and has more debt than assets. We will be in position where we will have to have some plan to correct being unfunded by \$3 million. We are currently funding it, but not at the level that it needs to be funded.

The Finance Committee spent a lot of time reviewing the revenues in the October report. As Vice Mayor Nance mentioned earlier, the cigarette tax is the area of most concern. The meals tax and sales tax in this report look like they are off, but accruals will fix those. But we are currently \$63,000 behind in the cigarette tax year-to-date. This time last year we were off the mark by \$7,000. The increase did not help us and it looks like we are losing business. Because of this, the Finance Committee is recommending that the Town Manager meet with department heads and reprioritize the CIP list and bring it back to Council. If this trend does not improve, we will need to stop spending. He suggested that Council review this again at the first meeting in January. Vice Mayor Nance then commented that when you look at the summary report, we are in the range of where we anticipated, but because of this particular line item, we need to at least have alternatives built in or on our radar screen.

Mr. Hare continued by stating that on the utility side it is close and it probably also needs to be looked at and see that we are being cautious and mindful of the spending.

The Mayor asked if there were any other factors causing the cigarette tax to be behind and Mr. Hare responded that we saw an acceleration when the businesses bought a lot of stickers before the rate went up. Mr. Nance said we were behind \$7,000 before the rate increase was even discussed and put into effect.

Mr. Hare next commented that on the expenditure side, the salaries are off everywhere because they are spread out throughout the year, but that is not always how they come in.

One area of concern is that the Police Department is in a pretty big hole, which we knew about because we entered the year overstaffed. Now we are one down and it should correct itself. One other large expense was the purchase of ammo, but we are watching this budget. The Mayor commented that the reason we were one over is because we had two people return from the military.

Mr. Hare commented that on the General Fund year-to-date, we are at 97% of our target, off about \$54,000. On the expenditure side we are underspending our budget at about 89% of where we thought we would be at this point. On the utility side, we are at 97% of target, off about \$34,000. This is with the rate increase. The spending is at 74% or down by \$322,000. We continue to control spending. Mr. Hare made a motion that the October 2013 financial report be accepted, 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.

Accepted and approved
October 2013 Financial Report

Comments from Council Members: Mr. Hare stated that every time we get to this time of the year, he is always reminded that he did not get to be a member of this Council on his own, but it was because of the loss of Billy Obenchain. He gets a little overwhelmed to think that there is never a way to fill his shoes. These last four years have been quite a ride and he went from knowing nothing about government to maybe more than he ever desired to know. It has been fun, it has had its ups and downs and he has gotten to meet a lot of great people and to do some really neat things. He is proud of the work Council has done and he thinks his service and time he has spent with this current Council and with former member Carolyn Fidler has been beneficial to him. He is optimistic about the future and without making this too political, he announced that he will be seeking re-election in 2014.

Vice Mayor Nance said he will make comments at the next meeting on Vice Mayor Obenchain who he considered sort of a mentor. He commented to Mr. Hare that he would never fill his shoes, but he does not have to. He has been a great Council member and that is all that is expected of him.

Mr. Adams commented that it is a pleasure and privilege to be on this Council. He has been in town government for a long time, on the other side and he would not trade the last year and a half for anything. He was in the First Aid Crew with Mr. Obenchain and knew him for a lot years and he changed this town in a lot of positive ways.

The Mayor also commented that we all have more than just fond memories of Mr. Obenchain, but he was an inspiration

to many of us. He also commented that he was glad to hear that Mr. Hare will seek re-election because he has done a wonderful job and is quite an addition to this Council. He further commented that by being on Council he has had an opportunity to get to know staff and to realize that they are hardworking and do a good job.

The Mayor mentioned again the State of the Town address on December 10th.

The Town Clerk commented that the final proof of the 2014 Town Calendar was approved today and it should be printed and delivered to the Committee the first of next week. They should be ready for delivery to the residents soon after that.

Vice Mayor Nance made a motion that the meeting be adjourned, 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. The meeting was adjourned at 9:05 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Susan N. Johnson, Town Clerk



Town Council Agenda Summary

Meeting Date

January 7, 2014

Department

Finance/Treasurer

Issue

Consider adoption of an Ordinance adopting the VACo/VML Virginia Investment Pool Trust Fund and authorizing the Treasurer/Chief Investment Officer to execute the Trust Joinder Agreement.

Summary

The Virginia Investment Pool is a pooled investment program that local governments and other political subdivisions use to invest assets they expect to hold for one year or longer. Assets of governmental participants are invested in high-quality corporate and government securities with average duration of between 1 to 2 years. VIP has a higher expected rate of return compared to tradition money market funds by investing in slightly longer-term securities as authorized under the Virginia Investment of Public Funds Act. Local governments typically utilize both vehicles:

1. A money market fund with overnight liquidity for operating expenses, and
2. VIP for funds requiring less liquidity that can be invested for one year or longer.

Attachments

Information
Ordinance
Trust Fund Agreement
Trust Joinder Agreement

Recommendations

Motion to adopt Ordinance



VACo/VML Virginia Investment Pool
INFORMATIONAL STATEMENT

November 12, 2013

The VACo/VML Virginia Investment Pool is a governmental trust established through the joint exercise of powers of its Participants. VIP is administered by VML/VACo Finance, 919 E. Main Street, Suite 1100, Richmond, VA 23219 Phone (804) 648-0635 Fax (804) 783-2286 valocalfinance.org



MEMBERS OF THE BOARD OF TRUSTEES 2013-2014

Barbara O. Carraway, MGT, CPA
Chairman
City of Chesapeake

Evelyn W. Powers, MGT
Vice Chairman
City of Roanoke

Richard A. Cordle
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B. Allen Scarbrough
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Valerie Tweedie
Town of Christiansburg

Ronald H. Williams, Sr.
City of Suffolk

R. Michael Amyx
Virginia Municipal League (*ex officio*)

James D. Campbell
Virginia Association of Counties (*ex officio*)



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VACo/VML Virginia Investment Pool INFORMATIONAL STATEMENT

Introduction

The Informational Statement is designed to set forth the policies and procedures governing the Virginia Association of Counties (VACo) / Virginia Municipal League (VML) Virginia Investment Pool. This document summarizes the information that each prospective participant should be aware of prior to investing in the Virginia Investment Pool Portfolio ("Portfolio"). In the event there are any inconsistencies between the Informational Statement and the Trust Agreement, the Trust Agreement shall prevail.

The Virginia Investment Pool Trust Fund (the "Trust" or "VIP") is a Section 115 governmental trust fund created under the Joint Exercise of Powers statute of the Commonwealth of Virginia to provide political subdivisions with an investment vehicle to pool their surplus funds and to invest such funds into one or more investment portfolios under the direction and daily supervision of a professional fund manager. Initially, VIP will consist of a single portfolio whose performance benchmark will be the Bank of America Merrill Lynch 1-3 Year Corporate / Government Index. The Trust was established and created by the City of Chesapeake, Virginia and the City of Roanoke, Virginia (the "Founding Participants") and operates under the Trust Agreement dated September 13, 2013.

The Trust is governed by a Board of Trustees, which shall have 14 members. During the first year of the Trust's existence (FY 2014), the Board of Trustees will be composed of 1) five appointees of VACo; 2) five appointees of VML; 3) the Treasurers of the two Founding Participants; and 4) the Executive Directors of VACo and VML who shall serve as non-voting *ex officio* members.

Beginning with the Annual Meeting to be held in FY 2015, all voting members of the Board of Trustees, except for the two Founding Participants, will be elected by Treasurers and Chief Investment Officers of Participating Political Subdivisions ("Participants"). Trustees will be organized into three classes, with each class elected on a rotating basis. At least two seats are required to be filled by Treasurers and/or Chief Investment Officers of localities with populations of 75,000 or less. Under the Trust Agreement, the Founding Participants are automatically entitled to representation on the Board of Trustees until the Annual Meeting to be held in FY 2021. Beginning in FY 2021, all voting members of the Board of Trustees will be elected at the Annual Meetings of the Participating Political Subdivisions.

The Virginia Local Government Finance Corporation, a 501(c)(4) corporation serving as program administrator for VML/VACo Finance, is the Administrator to the Trust. Public Trust Advisors, LLC serves as Investment Manager for the Portfolio.

Pursuant to the Trust Agreement, the Board of Trustees shall have the power to conduct the affairs of the Trust including, but not limited to, the authority to invest in, reinvest in, purchase or otherwise acquire, own, hold, pledge, sell, assign, transfer, exchange, distribute, lend or otherwise deal in or dispose of investments, as provided for in the Investment Policy and as set forth by this Informational Statement. The Trust shall hold legal title to all funds, investments and assets of the Trust on behalf of the Participating Political Subdivisions.

Eligibility

Participation in the Trust is limited to political subdivisions of the Commonwealth of Virginia. Political subdivisions in the Commonwealth of Virginia include, but are not limited to, counties, cities, towns, authorities, and other governmental entities. Each prospective Participant must become a party to the Trust and agree to abide by the terms and conditions as set forth in the Trust Agreement. Prior to investing in the Trust, each prospective Participant should receive and review a copy of the Trust Agreement and Investment Policy.

Investment Objective

The VIP Portfolio is designed to provide another pooled investment alternative to those Participants that have excess funds and that have an investment horizon greater than that of money market instruments, typically one year or longer. The investment objective is to: 1) exceed the return of the Bank of America Merrill Lynch One-to Three-year Corporate & Government Index over three-year periods; and 2) preserve capital. VIP will generally invest in securities with greater potential returns and risk than those offered by money market type instruments.

Additionally, VIP enables local government to invest on a joint basis in order to achieve the following additional benefits:



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1. Diversification of investments – The Portfolio comprises a number of investment types with the goal of reducing overall investment risk.
2. Large number of holdings – The Portfolio includes a large number of individual securities in order to limit each Participant’s exposure to any single investment.
3. Semi-monthly liquidity – Although the Portfolio will be invested in securities with an average term of 1-3 years, the fund will be structured with sufficient liquidity for Participants to access their funds on a semi-monthly basis (see “Redemptions”).
4. Active oversight – VIP offers four layers of active oversight: 1) a professional fund manager; 2) a Board of Trustees comprised of Treasurers and Chief Investment Officers; 3) a full-time program administrator; 4) regular reporting to Participants.
5. Cost sharing – Participants are able to share costs and take advantage of fee breakpoints available only to larger scale investment portfolios.

Due to the fact that the Portfolio will invest in securities with an average maturity of approximately 1-3 years, increases in interest rates could cause declines in the net asset value of the Portfolio. Therefore, the Portfolio may be an inappropriate investment for funds required to meet short-term needs, and should therefore be used along with a money market fund or overnight investment fund. In order to emphasize the longer-term nature of the Portfolio and to provide a disincentive to utilize the Portfolio as a money market fund alternative, the Portfolio will only be open twice a month to accept contributions or remit redemptions (please see "Contributions" and "Redemptions").

Investment Risk

Because the Portfolio invests in fixed income securities, each Participating Political Subdivision will be exposed to five types of risk associated with investing in fixed income securities: 1) Interest rate risk, which is the potential for fluctuations in bond prices due to changes in interest rates; 2) Reinvestment risk, which is the potential for a decline in the Portfolio’s income due to falling market interest rates; 3) Credit risk, which is the possibility that a bond issuer will fail to make timely payment of either interest or principal to the Portfolio; 4) Prepayment risk (for Collateralized Mortgage Obligations (“CMOs”) or call risk (for some agency and corporate bonds), which is the likelihood that, during periods of falling interest rates, securities with high stated interest rates will be prepaid or called prior to maturity, requiring the Portfolio to invest the proceeds at generally lower interest rates; 5) Liquidity risk, which is the possibility that the liquidity of the market for a security may decline thereby (i) making it more difficult to dispose of the security promptly; (ii) presenting difficulties in valuation of the security; and (iii) causing the security to experience greater price volatility.

The Portfolio is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The market value of the securities in which the Portfolio invests will fluctuate in value as interest rates, credit and liquidity conditions change, which will affect the Portfolio’s net asset value and each Participant’s net asset value per share. From inception to the date of this writing, the Bank of America Merrill Lynch 1-3 Year Corporate & Government Index’s modified duration has averaged 1.78. Modified duration is used as a measure to estimate a security’s and/or Portfolio’s interest rate or price volatility due to changes in interest rates or how much a security and/or Portfolio is expected to increase or decrease in value for a given change in interest rates. Typically, the higher the modified duration of a security and/or portfolio, the greater its interest rate risk or price volatility. As an example, if interest rates were to increase all at once by one hundred basis points, or one percent, the market value of a bond with a modified duration of 1.5 years would decrease by approximately 1.5 percent, all other factors remaining constant. The Portfolio is expected to maintain a modified duration in a range of 1 to 2 years, thereby minimizing the adverse affect of interest rate changes on the Portfolio’s market value. The calculation of modified duration involves a subjective judgment made as to the prepayment risk or call risk associated with securities in the Portfolio. Consequently, it may not be possible to calculate modified duration precisely in all circumstances. Additionally, the modified duration of the Portfolio may change even if the composition of the Portfolio does not change.



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Shares of the Portfolio are neither insured nor guaranteed by any agency of the U.S. Government, including the FDIC.

Rating and Compliance Monitoring

The Trust will seek to maintain a bond fund rating on the Portfolio of AA/V2 or better from Fitch Ratings (“Fitch”), or an equivalent rating from Standard & Poor’s (“S&P”). Both S&P and Fitch are nationally recognized statistical rating organizations (NRSRO) serving investors, regulators and issuers.

Funds having a “AA” bond fund credit rating are composed of a preponderance of assets in the highest two credit rating categories of the NRSRO’s. Ratings are based on an evaluation of several factors, including credit quality and diversification of assets within the portfolio, management strength and operational capabilities. Bond fund credit ratings are expressed on a scale of “AAA” through “B”.

Funds having a “V2” bond fund volatility rating from Fitch are considered to have low market risk. Total returns are expected to exhibit relative stability and perform consistently across a broad range of interest rate scenarios. These funds have low risk exposure to interest rates and changing market conditions. Bond fund volatility ratings are an opinion as to the relative sensitivity of the total return (including price) on a fund’s net asset value per share to a broad array of assumed changes in interest rates and other market conditions. Bond fund volatility ratings are expressed on a scale of “V1” (least volatile) through “V10” (most volatile). The “V1” rating is assigned only to money market funds and local government investment pools that should not experience loss of principal value to shareholders or participants even in severely adverse interest rate environments. Investors should understand that funds with any volatility rating other than a “V1” may experience losses in the event of adverse changes in market conditions.

Ratings are not a recommendation to buy, sell or hold any security or fund. Rating agencies do not comment on adequacy of the market price paid for any security or fund, or the suitability of any security or fund for any investor. Bond fund ratings are based on information provided to the NRSRO by sources deemed to be reliable; however, the NRSRO does not verify the accuracy of this information. Ratings may be changed, withdrawn, or suspended in the event of changes in, or the unavailability of, information or for other reasons.

There can be no assurances that the Portfolio will maintain a AA/V2 rating.

Authorized Investments

In an effort to accomplish the objectives of the Trust, the Board of Trustees has authorized the Investment Manager to invest in the same investment instruments authorized by the *Code of Virginia*, as follows:

1. Stocks, bonds, notes and other evidences of indebtedness of the Commonwealth of Virginia, and other evidences of indebtedness unconditionally guaranteed as to payment of principal and interest by the Commonwealth of Virginia.
2. Bonds, notes and other obligations of the United States, and securities unconditionally guaranteed as to the payment of principal and interest by the United States, or any agency thereof. The evidences of indebtedness enumerated by this subdivision may be held directly, or in the form of repurchase agreements collateralized by such debt securities, or in the form of securities of any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio of such investment company or investment trust is limited to such evidences of indebtedness, or repurchase agreements collateralized by such debt securities, or securities of other such investment companies or investment trusts whose portfolios are so restricted.
3. Stocks, bonds, notes and other evidences of indebtedness of any state of the United States upon which there is no default and upon which there has been no default for more than ninety days; provided, that within the twenty fiscal years next preceding the making of such investment, such state has not been in default for more than ninety days in the payment of any part of principal or interest of any debt authorized by the legislature of such state to be contracted.
4. Stocks, bonds, notes and other evidences of indebtedness of any county, city, town, district, authority or other public body in the Commonwealth upon which there is no default; provided, that if the principal and interest

be payable from revenues or tolls and the project has not been completed, or if completed, has not established an operating record of net earnings available for payment of principal and interest equal to estimated requirements for that purpose according to the terms of the issue, the standards of judgment and care required in Article 2 (§ 26-45.3 et seq.) of Chapter 3 of Title 26, without reference to this section, shall apply. In any case in which an authority, having an established record of net earnings available for payment of principal and interest equal to estimated requirements for that purpose according to the terms of the issue, issues additional evidences of indebtedness for the purposes of acquiring or constructing additional facilities of the same general character that it is then operating, such additional evidences of indebtedness shall be governed by the provisions of this section without limitation.

5. Legally authorized stocks, bonds, notes and other evidences of indebtedness of any city, county, town or district situated in any one of the states of the United States upon which there is no default and upon which there has been no default for more than ninety days; provided, that (i) within the twenty fiscal years next preceding the making of such investment, such city, county, town or district has not been in default for more than ninety days in the payment of any part of principal or interest of any stock, bond, note or other evidence of indebtedness issued by it; (ii) such city, county, town or district shall have been in continuous existence for at least twenty years; (iii) such city, county, town or district has a population, as shown by the federal census next preceding the making of such investment, of not less than 25,000 inhabitants; (iv) the stocks, bonds, notes or other evidences of indebtedness in which such investment is made are the direct legal obligations of the city, county, town or district issuing the same; (v) the city, county, town or district has power to levy taxes on the taxable real property therein for the payment of such obligations without limitation of rate or amount; and (vi) the net indebtedness of such city, county, town or district (including the issue in which such investment is made), after deducting the amount of its bonds issued for self-sustaining public utilities, does not exceed ten percent of the value of the taxable property in such city, county, town or district, to be ascertained by the valuation of such property therein for the assessment of taxes next preceding the making of such investment.
6. Savings accounts or time deposits in any bank or savings and loan association within the Commonwealth of Virginia, provided such bank or savings and loan association is a "qualified public depository". Such savings accounts or time deposits must meet the collateralization requirements as set forth in the Virginia Security for Public Deposits Act and the regulations of the State Treasury Board. The collateral must be a security or securities allowable as a direct investment with a market value of not less than fifty percent of the deposit amount where the depository is a commercial bank and not less than one hundred percent of the deposit amount where the depository is a savings and loan or savings bank. This collateral must be pledged to the Treasury Board and held by the Board in its designated trust depository or another depository approved by the Board (§58.1-3149 and §2.2-4400)
7. Repurchase agreements which are collateralized with securities that are approved for direct investment. The Trust may require that physical possession of the collateral be taken (§2.2-4507). Physical possession must be taken when the term of the repurchase agreement exceeds ten days. Physical possession, for the purposes of this paragraph includes Tri-Party Agreements. The Trust shall execute a master repurchase agreement with the bank or broker/dealer, which is the counterparty to the repurchase transaction, prior to entering into any repurchase transaction.
8. Bankers' acceptances from "prime quality" institutions. Prime quality shall be as determined by one or more nationally recognized rating agencies. (§2.2-4504)
9. "Prime quality" commercial paper (§2.2-4502). "Prime quality" shall be as rated by at least two of the following: Moody's Investors Service, Inc., within its NCO/Moody's rating of P1; by Standard & Poor's, Inc., within its rating of A-1; by Fitch Investor's Services, Inc., within its rating of F-1; by Duff and Phelps, Inc., within its rating of D-1; or by their corporate successors (§2.2-4502.3).
10. "High quality" corporate notes (§2.2-4510). High quality shall be defined as a rating of at least AA by Standard and Poor's and at least Aa by Moody's and a maturity of no more than three years.

11. Certificates representing ownership in either Treasury bond principal at maturity or its coupons for accrual periods. The underlying United States Treasury bonds or coupons shall be held by a safekeeping agent independent of the seller of the certificates. (§2.2-4505)
12. Open-end mutual funds, provided the funds are registered under the Security Act of Virginia or the Federal Investment Act of 1940 and that the investments by such Funds are restricted to securities approved for direct investments (§2.2-4508).
13. Negotiable certifications of deposit and negotiable bank deposit notes of domestic banks and domestic offices of foreign banks with a rating of at least A-1 by Standard & Poor's, P-1 by Moody's Investor Service, Inc., A-1, by Fitch Investor's Services, Inc., and F-1, by Duff and Phelps, Inc., for maturities of one year or less, and a rating of at least AA by Standard & Poor's and Aa by Moody's Investor Service, Inc., for maturities over one year and not exceeding five years (§2.2-4509)
14. Non-negotiable certificates of deposit of banks certified as qualified to hold Virginia Public Deposits.

Investment Policies & Procedures

In addition to the creditworthiness of an issuer, certain standards of "adequacy" and "appropriateness" are measured when purchasing investments. For example, diversification reduces overall portfolio risks while attaining market average rates of return.

The policies and standards which regulate specific investments and the composition of the Portfolio shall include, but not be limited to, the following:

1. No investment shall be purchased if its ratings from nationally recognized ratings firms are not at or above the minimum required in the Code of Virginia. Negative rating qualifications (such as AA- or A1-) will not exclude the instrument.
2. No more than thirty-five percent of the Portfolio shall be invested in commercial paper.
3. No more than five percent of the Portfolio shall be invested in the commercial paper of a single issuing corporation.
4. At no time shall the remaining maturity of an investment exceed 60 months, unless such investment has a PUT option as described in the Diversity & Maturity Section.
5. The Investment Manager shall endeavor to maintain an appropriate diversification in the Portfolio; i.e., the Investment Manager will diversify instruments and institutions in order to reduce overall portfolio risk while attaining market rates of return.

The Board may add, delete or modify standards of investment at its discretion in response to changing economic, national or international conditions.

Procedure for Opening an Account

To become a Participant of VIP, each political subdivision's governing body must approve by ordinance or resolution the entity's participation in the Virginia Investment Pool Trust Fund and provide the Treasurer or Chief Investment Officer with the appropriate authority to execute a Joinder Agreement. Upon approval by the governing body, each prospective Participant must submit a completed Participant Application Form, Joinder Agreement, and a certified copy of the document passed by the governing body to the Administrator at the following address:



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VML/VACo Finance
Attn: Client Relations/Investment Services
919 E. Main Street, Suite 1100
Richmond, VA 23219
info@valocalfinance.org; FAX: (804) 783-2286

Where a unit of local government has a written investment plan that provides for the establishment of a written investment policy, it should provide a copy of its investment policy along with the enrollment forms described above.

The Participant Application Form, Joinder Agreement, and ordinance or resolution will be reviewed and, once found to be in proper order, an account will be opened. There is no limit to the number of accounts that may be opened by a Participant, provided that each account individually complies with the requirements set forth in "Contributions" and "Redemptions," below. Included with this Informational Statement are copies of the Participant Application Form, model Ordinance/Resolution, and Joinder Agreement.

Contributions

The Portfolio will be open twice a month to accept contributions from Participants. Contributions will be credited on the first business day following a Portfolio Valuation date (please see "Portfolio Valuations"). Contributions to the Portfolio, including new accounts, may be made by electronic transfer through Automated Clearing House Network (ACH) or federal wire, or by check. The minimum initial contribution amount is seventy-five thousand (75,000) dollars and ten thousand (10,000) dollars for subsequent contributions. Participants are requested to provide the Administrator with advance written notification of contributions of five (5) million dollars or more at least three business days prior to the valuation of the Portfolio. Contributions made by check must be received by the Custodian three business days prior to a Portfolio Valuation.

Contributions made by electronic transfer through ACH or federal wire must be received by the Custodian on or prior to the day of a Portfolio Valuation. Only contributions received and collected in a timely manner will be credited to the Participant's account based on the net asset value of the Portfolio as determined on the Portfolio Valuation date.

A Participant will be charged for any investment losses or any interest expense incurred on behalf of the Trust due to the Participant's failure to remit contributions in a timely manner as set forth in this Informational Statement.

Dividends

The Portfolio does not distribute income or capital gains. All income earned and capital gains realized by the Portfolio are retained and reinvested.

Redemptions

The Portfolio will be open twice a month to make redemptions to Participants. Redemptions will be made on the first business day following a Portfolio Valuation date (see "Portfolio Valuations"). The minimum redemption amount is ten thousand (10,000) dollars or, if the account balance will fall below fifty thousand (50,000) dollars with the redemption, the entire remaining account balance. Participants are required to provide the Administrator with advance written notification of a redemption five business days prior to the valuation of the Portfolio. Redemptions from the Portfolio will be made by electronic transfer through Automated Clearing House Network (ACH) or federal wire, or by check, as indicated by the Participating Political Subdivision in its Participant Application Form, on the next business day following a Portfolio Valuation. Electronic transfers will be made by the Custodian through ACH or federal wire to the financial institution specified in the Participant Application Form. Checks will be mailed by the Custodian to the Participant's address as set forth in the Participant Application Form.

A Participant requiring a single redemption of more than five (5) million dollars is requested to schedule its redemption at least 60 days in advance.

If a Participant requests a redemption of more than ten (10) percent of the Portfolio's net asset value without providing the requested 60 days' notice, the redemption may, in certain circumstances, be executed over time. If, in the opinion of the Board of Trustees in consultation with the Administrator, the Portfolio's net asset value would be adversely



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affected by honoring such a redemption request in full, the Administrator may limit the Participant's initial redemption to ten (10) percent of the Portfolio's net asset value. At times when the Board of Trustees is unavailable to make a timely determination in this regard, the Administrator may so limit such redemptions from the Portfolio, but only with the concurrence of both the Chairman and Vice Chairman. In the event that the Administrator does invoke a limitation on a Participant's redemption request, the Administrator will redeem sufficient shares of beneficial interest such as to pay the Participant the ten (10) percent of the Portfolio's net asset value each time the Portfolio is open to make redemptions until such time as the redemption request is honored in full.

The Trust may declare a suspension of the right of redemption or postpone the date of payment or redemption for the whole or part of any period (i) during which the New York Stock Exchange is closed other than customary weekend and holiday closings, (ii) during which trading on the New York Stock Exchange is restricted, or (iii) during which an emergency exists as a result of which disposal by the Trust of securities owned by it is not reasonably practicable, or it is not reasonably practicable for the Trust to fairly determine the value of its net assets.

Withdrawal & Termination

A Participating Political Subdivision must provide written notice of its intent to terminate its participation in the Trust by registered mail signed by the appropriate official and delivered to the Administrator. Upon receipt of the notice, the Administrator shall certify to the Trustees within three (3) days that a lawful notice has been received and that the Participant's assets will be redeemed at the net asset value per share as determined at the Portfolio's next valuation date. Payment for redemption will be made to the Participant in two installments: 1) a "partial distribution" of no more than 90% of the previous period's balance to be wired on the first business day following the Portfolio Valuation date and 2) the "remaining balance" of the Participant's shares to be redeemed after the period's Net Asset Value is determined and all reports/statements have been received and verified by the Administrator. In the event the amount to be redeemed equals more than ten (10) percent of the Portfolio's net asset value, the additional rules for such redemptions will apply (See "Redemptions").

Portfolio Valuations and Total Return Calculations

The net asset value of the Portfolio will be determined twice a month: on the fifteenth of the month, unless such is not a business day, and the last business day of the month. If the fifteenth is not a business day, the net asset value will be determined as of the next succeeding business day. The net asset value of the Portfolio is determined as of 4:00 p.m. by calculating the fair market value of all securities and assets held by the Portfolio, including accrued interest and amounts owed to the Portfolio for securities sold or principal and income not collected as of the Portfolio Valuation date, less any liabilities of the Portfolio. The value of each Participant's account is determined by dividing the net asset value of the Portfolio by the total number of shares of beneficial interest, multiplied by the number of shares owned by the Participant.

Prices for securities held in the Portfolio shall be valued at the most recent bid price or yield equivalent as obtained from one or more market makers for such securities, except that any securities designated as money market securities may be valued using the amortized cost method based upon the Portfolio's acquisition of the security. All other securities and assets will be valued at the fair market value determined in good faith by the Board of Trustees or such other party designated by the Trustees. Market makers are to include any independent third party that the Administrator or the Trust may contract with to provide prices. Independent third parties may include the Custodian or any nationally recognized provider of security prices and other financial information.

No less frequently than quarterly, the Trust will report the Portfolio's average annual compounded returns. The Portfolio's average annual compounded rate of return refers to the rate of return which, if applied to an initial investment in the Portfolio at the beginning of a stated period and compounded over the period, would result in the redeemable value of the investment at the end of the stated period. The following formula describes the calculation of an average annual compounded rate of return:

$$P(1+T)^n = ERV, \text{ where}$$

P = a hypothetical initial investment of \$1,000
T = average annual compounded rate of return
n = number of years
ERV = ending redeemable value



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The Portfolio will also report its total return on a quarterly basis. Total return is determined by (i) assuming a hypothetical investment at the beginning of a period, (ii) calculating the ending value of the investment at the end of the stated period, (iii) subtracting the amount of the hypothetical original investment from the ending value of the investment, and (iv) dividing the remainder so obtained by the amount of the original investment. The calculated amount is then expressed as a percentage by multiplying by 100.

All such performance information for the Portfolio will be based on historical performance and should not be considered to be indicative of the Portfolio’s future performance.

Accounting Policies

The Trust follows generally accepted accounting principles (G.A.A.P.) and industry practices for external investment pools as established by the Governmental Accounting Standards Board.

Fees and Expenses

Each Participant account is assessed a fee on a quarterly basis in arrears for the costs of administering the Trust. The fee is inclusive of all costs of program administration other than direct investment-related expenses, including client education, audit and reporting, legal services, accounting, credit rating, board expenses, and insurance. The program administration fee is applied on a sliding scale based upon each Participant’s average asset value during the preceding quarterly period, as follows:

<u>Average Asset Value</u>	<u>Administrative Fee</u>
Up to \$25 million	0.14%
\$25 up to \$50 million	0.12%
\$50 million and above	0.10%

Direct investment-related expenses, including fees for investment management and custodial services are deducted from investment assets directly rather than from Participant accounts. For Fiscal Year 2014, investment-related expenses are expected to total 0.09%. In subsequent years, investment-related expenses will be determined based upon total portfolio assets within a range of 0.06% - 0.11%.

Reports to the Participants

Each Participant will receive a monthly custodial statement of its account showing the current balance and monthly activity. On a quarterly basis, Participants will receive a report from the Program Administrator detailing current and historical portfolio performance. Annually, each Participant will be provided an audited Consolidated Annual Financial Report.

Liability and Indemnification

In accordance with the Trust Agreement, no Participant shall be subject to any personal liability whatsoever to any person in connection with the Trust property or the acts, obligations, or affairs of the Trust. No Trustee, officer, employee, or agent of the Trust shall be subject to any personal liability whatsoever to any person in connection with the Trust property or the affairs of the Trust, except that arising from bad faith, willful misfeasance, gross negligence, or reckless disregard of their duty to such person; and all such persons shall look solely to the Trust property for satisfaction of claims of any nature arising in connection with the affairs of the Trust. The Trust shall indemnify and hold each Participant harmless from and against all claims and liabilities arising from the actions of the Trust to which such Participant may become subject by reason of its being or having been a Participant of the Trust and shall reimburse such Participant(s) for all legal and other expenses reasonably incurred by it in connection with any such claim or liability. Please see the Trust Agreement for additional liability limitations and indemnification.

Administrator

The Board of Trustees has entered into an agreement with the Virginia Local Government Finance Corporation (i.e., VML/VACo Finance) to serve as Administrator of the Trust’s operations. The Administrator is responsible for



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servicing Participants' accounts, maintaining a register of Participants, maintaining a set of books and accounting records of the Trust, determining eligibility and approving applications in accordance with the Trust Agreement, supervising and coordinating the activities of any investment advisor or manager, custodian, investment consultant, transfer agent, paying agent, accountant, auditor, attorney or other agent or service provider rendering services to the Trust, and performing any other related administrative duties. The Administrator is also responsible for assisting prospective Participants and maintaining this Informational Statement. The Administrator will advise the Custodian and Investment Manager on the timing of planned Contributions and Redemptions as reported by Participants through a process to be developed and executed by the Administrator.

Currently, the Virginia Local Government Finance Corporation acts as Administrator for two governmental trusts: the VACo/VML Virginia Investment Pool and the VACo/VML Pooled OPEB Trust.

Investment Manager

Public Trust Advisors, LLC (Public Trust) serves as investment manager to the Portfolio. Under the terms of the contract, Public Trust manages the Portfolio and directs the acquisition and disposition of the Trust's investments in accordance with the guidelines established by the Trustees. Public Trust manages investment mandates nationwide, including fixed income, equity, and balanced portfolios for public funds, employee benefit trusts, endowments and individual investors.

Custodian

Regions Bank, NA, serves as custodian bank for the Trust. The Custodian is responsible for holding all funds and securities in a separate account in the name of the Trust, collecting all income and principal due the Trust from securities held, accepting contributions and distributing redemptions, and properly accepting for delivery and/or delivering securities in accordance with the Custody Contract between the Trust and the Custodian. The Custodian will maintain a record of the shares of beneficial interest owned by Participants and will provide for the periodic calculation of the net asset value of the Portfolio.

Legal Counsel

Hefty & Wiley, P.C., Richmond, Virginia, serves as Legal Counsel to the Virginia Local Government Finance Corporation and all of the programs it administers, including VIP.

Notices

Participants shall be entitled to notice of changes to the Trust Agreement within 15 days of adoption of such amendment. If a Treasurer or Chief Investment Officer objects to such amendment, the Treasurer or Chief Investment Officer shall have ninety (90) days to provide written notice of their objection and intent to terminate participation in the Trust, such notice to be delivered by registered mail to the Administrator. If such notice is given, the amendment shall not apply to such Participating Political Subdivision for a period of up to 180 days pending termination of its participation in the Trust.

Additional Information

For additional information, please direct inquiries to the program administrator during regular business hours as follows:

VML/VACo Finance
Attn: Client Relations/Investment Services
919 E. Main Street, Suite 1100
Richmond, VA 23219
Phone: (804) 648-0635
Fax: (804) 783-2286
info@valocalfinance.org

You may also access additional information through the VML/VACo Finance website: valocalfinance.org.

ORDINANCE NO.

AT A REGULAR MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, JANUARY 7, 2014, AT 7:00 PM IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING, 311 SOUTH POLLARD STREET, VINTON, VIRGINIA

AN ORDINANCE to adopt the VACo/VML Virginia Investment Pool Trust Fund for the purpose of investing moneys belonging to or within the Town's control, other than sinking funds, in certain authorized investments in accordance with Section 2.2-4501 of the Virginia Code.

WHEREAS, Section 15.2-1500 of the Virginia Code provides, in part, that every locality shall provide for all the governmental functions of the locality, including, without limitation, the organization of all departments, offices, boards, commissions and agencies of government, and the organizational structure thereof, which are necessary to carry out the functions of government; and

WHEREAS, Section 2.2-4501 of the Virginia Code provides that all municipal corporations and other political subdivisions may invest any and all moneys belonging to them or within their control, other than sinking funds, in certain authorized investments; and

WHEREAS, Section 15.2-1300 of the Virginia Code provides that any power, privilege or authority exercised or capable of exercise by any political subdivision of the Commonwealth of Virginia may be exercised and enjoyed jointly with any other political subdivision of the Commonwealth having a similar power, privilege or authority pursuant to agreements with one another for joint action pursuant to the provisions of that section; and

WHEREAS, any two or more political subdivisions may enter into agreements with one another for joint action pursuant to the provisions of Section 15.2-1300 of the Virginia Code provided that the participating political subdivisions shall approve such agreement before the agreement may enter into force; and

WHEREAS, the City of Chesapeake, Virginia and the City of Roanoke, Virginia have determined to jointly establish and participate in the VACo/VML Virginia Investment Pool (the "Trust Fund") for each such city; and

WHEREAS, it appearing to the Town Council of the Town of Vinton, Virginia that it is otherwise in the best interests of the Town of Vinton to become a participating locality in the Trust Fund; and

WHEREAS, Barry W. Thompson, the duly appointed Treasurer/Chief Investment Officer of the Town of Vinton, has the authority and responsibility under Virginia law to determine the manner in which Town funds under his control will be invested.

NOW, THEREFORE BE IT ORDAINED by the Town Council of the Town of Vinton, Virginia that:

1. That the Town Council of the Town of Vinton, Virginia does hereby establish a trust pursuant to Section 2.2-4501 of the Virginia Code for the purpose of investing moneys determined to derive the most benefit from this investment strategy, belonging to it or within its control, other than sinking funds, in certain authorized investments, in the form set forth in the VACo/VML Virginia Investment Pool Trust Fund Agreement (the "Agreement"), a copy of which is attached here as Exhibit A.
2. That the Town Council of the Town of Vinton, Virginia does hereby agree to become a "Participating Political Subdivision" in the "VACo/VML Virginia Investment Pool" (hereinafter, the "Trust Fund"), as further defined in the Agreement.
3. That the Town Council of the Town of Vinton, Virginia does hereby designate the Treasurer/Chief Investment Officer of the Town of Vinton, Virginia to serve as the trustee of the Town of Vinton with respect to the Trust Fund, and to determine what funds under the Treasurer's control shall be invested in the Trust Fund.
4. That the Town Council of the Town of Vinton, Virginia does hereby authorize the Treasurer/Chief Investment Officer to execute and deliver the Trust Joinder Agreement for Participating Political Subdivisions under VACo/VML Virginia Investment Pool ("Trust Joinder Agreement"), a copy of which is attached hereto as Exhibit B.
5. This ordinance shall be in force and effect upon its adoption or passage.

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

AYES:

NAYS:

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Susan N. Johnson, Town Clerk

**VIRGINIA INVESTMENT POOL
TRUST FUND AGREEMENT**

THIS AGREEMENT (the “Agreement”), is made by and among the Participating Political Subdivisions that execute Trust Joinder Agreements to participate in the Virginia Investment Pool Trust Fund, their duly elected Treasurers or other Chief Investment Officers empowered by law to invest the public funds of such Participating Political Subdivisions, and the individuals named as Trustees pursuant to Section 106 hereof and their successors (the “Board of Trustees”). The Participating Political Subdivisions and their Treasurers or Chief Investment Officers hereby establish with the Board of Trustees, and the Board of Trustees hereby accepts, under the terms of this Agreement, a trust for the purpose of investing moneys belonging to or within the control of the respective Participating Political Subdivisions as allowed by law.

WITNESSETH:

WHEREAS, Section 15.2-1500 of the Virginia Code provides, in part, that every locality shall provide for all the governmental functions of the locality, including, without limitation, the organization of all departments, offices, boards, commissions and agencies of government, and the organizational structure thereof, which are necessary to carry out the functions of government; and

WHEREAS, Section 2.2-4501 of the Virginia Code provides that all municipal corporations and other political subdivisions may invest any and all moneys belonging to them or within their control, other than sinking funds, in certain authorized investments; and

WHEREAS, Section 15.2-1300 of the Virginia Code provides that any power, privilege or authority exercised or capable of exercise by any political subdivision of the Commonwealth of Virginia may be exercised and enjoyed jointly with any other political subdivision of the Commonwealth having a similar power, privilege or authority pursuant to agreements with one another for joint action pursuant to the provisions of that section; and

WHEREAS, the City of Chesapeake and the City of Roanoke have adopted ordinances approving participation in the Virginia Investment Pool for each such locality; and

WHEREAS, the Participating Political Subdivisions and their Treasurers or Chief Investment Officers and the Board of Trustees of the Virginia Investment Pool Trust Fund (herein referred to as the “Trust Fund”) hereby establish a trust for the purpose of investing monies belonging to or within the control of the Participating Political Subdivisions, respectively, other than sinking funds, in investments authorized under Section 2.2-4501 of the Virginia Code; and

WHEREAS, the parties intend that the Trust Fund hereby established shall constitute a tax-exempt governmental trust under Section 115 of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, the parties hereto mutually agree as follows:

PART 1- GENERAL PROVISIONS

Section 100. APPLICATION.

The provisions of Part 1 are general administrative provisions applicable to each Part of this Agreement and provisions applicable to the Board of Trustees.

Section 101. DEFINITIONS.

The following definitions shall apply to this Agreement, unless the context of the term indicates otherwise, and shall govern the interpretation of this Agreement:

- A. Administrator. The term “Administrator” means the Virginia Local Government Finance Corporation (d/b/a “VML/VACo Finance”) or any successor designated by the Board of Trustees to administer the Trust Fund.
- B. Beneficial Interest. The right of a party to some distribution or benefit from the Trust Fund; a vested interest in the Trust Fund’s assets.
- C. Code. The term “Code” means the Internal Revenue Code of 1986, as amended, and, as relevant in context, the Internal Revenue Code of 1954, as amended.
- D. Custodian. The term “Custodian” means the banks, mutual funds, insurance companies or other qualified entities selected by the Board of Trustees, under a separate written document with each, to accept contributions from Participating Political Subdivisions and to hold the assets of the Trust Fund.
- E. Effective Date. The term “Effective Date” means the date coinciding with the last to occur of each of the following events: (i) passage of an ordinance by each of the City of Chesapeake and the City of Roanoke approving such governmental entities as Participating Political Subdivisions in the Trust Fund; (ii) execution by the authorized officer of each such governmental entity of the Trust Joinder Agreement; (iii) execution of this Agreement by all members of the initial Board of Trustees and the Administrator; and (iv) any contribution of cash to the Trust by a Participating Political Subdivision.
- F. Participating Political Subdivision. The term “Participating Political Subdivision” means any county, city, town, or other political subdivision within the State whose governing body has passed an ordinance or resolution to participate in the Trust Fund, and whose Treasurer or Chief Investment Officer, serving as trustee for such Participating Political Subdivision, executes a Trust Joinder Agreement, as provided in Section 301 hereof.
- G. Treasurer. The term “Treasurer” means an officer described in Article VII, Section 4, of the Constitution of Virginia who shall serve as the trustee and representative of its Participating Political Subdivision for purposes of this Agreement. Treasurers shall vote the

beneficial interest of such Participating Political Subdivision in the Trust Fund, as prescribed in Part 3 of this Agreement. Nothing in this agreement shall be construed to limit the discretion of a duly elected Treasurer to invest the public funds of his or her political subdivision in any manner otherwise permitted by law, not shall the decision of any local governing body to become a Participating Political Subdivision under this agreement compel any duly elected Treasurer having responsibility for such investments of public funds to invest any the locality's funds in the Trust Fund created under this Agreement.

H. Chief Investment Officer. The term "Chief Investment Officer" means an officer designated by the governing body of a Participating Political Subdivision to invest public funds on behalf of the political subdivision and to serve as the trustee of such Participating Political Subdivision with respect to the Trust Fund, but only in a political subdivision that does not have an elected treasurer empowered by law to perform those functions. The term "Chief Investment Officer" may include certain individuals holding the title of "treasurer" for the political subdivision but who are not included in the definition in Subsection F. Each Treasurer or Chief Investment Officer, as the case may be, shall be the trustee and representative of his or her Participating Political Subdivision for purposes of this Agreement and shall vote the beneficial interest of such Participating Political Subdivision in the Trust Fund, as prescribed in Part 3 of this Agreement.

I. Fiscal Year. The first fiscal year of the Trust Fund shall be a short fiscal year beginning on the Effective Date of this Agreement and ending on June 30, 2014. Each subsequent fiscal year of the Trust Fund shall begin on the first day of July and end on the thirtieth day of June.

J. Investment Policy. The term "Investment Policy" means the Virginia Investment Pool Trust Fund Investment Policy, as established by the Board of Trustees, as amended from time to time.

K. Prudent Person. A person who conducts himself faithfully, with intelligence, and exercising sound discretion in the management of his affairs, not in regard to speculation, but in regard to the permanent disposition of his funds, considering the probable income, as well as the probable safety of capital to be invested.

L. State. The term "State" means the Commonwealth of Virginia.

M. Trust Fund. The term "Trust Fund" means the Virginia Investment Pool Trust Fund, comprised of all of the assets set aside hereunder.

N. Trust Joinder Agreement. The term "Trust Joinder Agreement" means the agreement, in the form attached hereto as Exhibit A, pursuant to which the Participating Political Subdivision joins in the Trust Fund, with the Treasurer or Chief Investment Officer, as the case may be, serving as the trustee of such Participating Political Subdivision, and agrees to be bound by the terms and conditions of the Virginia Investment Pool Trust Fund Agreement, as provided in Section 301 hereof.

O. Trustees. The term “Trustees” means the individuals who serve on the Board of Trustees of the Trust Fund pursuant to Section 106 hereof and their successors.

P. Virginia Code. The term “Virginia Code” means the laws embraced in the titles, chapters, articles and sections designated and cited as the “Code of Virginia,” under the laws of the State.

Section 102. GENERAL DUTIES AND MEETINGS OF THE BOARD OF TRUSTEES.

A. General Duties. The Board of Trustees and each Investment Manager appointed pursuant to this Agreement shall discharge their respective duties under this Agreement solely as follows: (i) except as otherwise provided by any applicable provision of any statute, regulation, ordinance, or resolution, for the exclusive purpose of fulfilling the investment objectives of the Participating Political Subdivisions and defraying the reasonable expenses of administering the Trust Fund; (ii) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims; and (iii) by diversifying the investments of the Trust Fund so as to minimize the risk of large losses unless under the circumstances, it is clearly prudent not to do so. However, the duties and obligations of the Board of Trustees and each Investment Manager, respectively, as such, shall be limited to those expressly imposed upon them, respectively, by this Agreement. The Board of Trustees shall administer the Trust Fund in compliance with Chapter 45 of the Virginia Code (2.2-4500 *et. seq.*)

1. Authority of the Trustees. The Trustees shall have the power and authority and shall be charged with the duty of general supervision and operation of the Trust Fund, and shall conduct the business and activities of the Trust Fund in accordance with this Agreement, the Trust Joinder Agreements, rules and regulations adopted by the Board of Trustees and applicable law.

2. Trustees’ Liabilities. No Trustee shall be liable for any action taken pursuant to this Agreement in good faith or for an omission except bad faith or gross negligence, or for any act of omission or commission by any other Trustee. The Trustees are hereby authorized and empowered to obtain, at the expense of the Trust Fund, liability insurance fully protecting the respective Trustees, the Administrator, and the Trust Fund from any loss or expense incurred, including reasonable attorney’s fees, for all acts of the Trustees except bad faith or gross negligence. The Trust Fund shall save, hold harmless and indemnify the Trustees and Administrator from any loss, damage or expense incurred by said persons or entities while acting in their official capacity excepting bad faith or gross negligence.

3. Standard of Review. In evaluating the performance of the Trustees, compliance by the Trustees with this Agreement must be determined in light of the facts and circumstances existing at the time of the Trustees’ decision or action and not by hindsight.

4. Limitations on Liabilities. The Trustees' responsibilities and liabilities shall be subject to the following limitations:

(a) The Trustees shall have no duties other than those expressly set forth in this Agreement and those imposed on the Trustees by applicable laws.

(b) The Trustees shall be responsible only for money actually received by the Trustees, and then to the extent described in this Agreement.

(c) The Trustees shall not be responsible for the correctness of any determination of payments or disbursements from the Trust Fund.

(d) The Trustees shall have no liability for the acts or omissions of any predecessor or successor in office.

(e) The Trustees shall have no liability for (i) the acts or omissions of any Investment Advisor or Advisors, or Investment Manager or Managers; (ii) the acts or omissions of any insurance company; (iii) the acts or omissions of any mutual fund; or (iv) following directions that are given to the Trustees by the Treasurer or Chief Investment Officer in accordance with this Agreement.

B. Reliance on Counsel. The Board of Trustees may employ, retain or consult with legal counsel, who may be counsel for the Administrator, concerning any questions which may arise with reference to the duties and powers or with reference to any other matter pertaining to this Agreement; and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustees in good faith in accordance with the opinion of such counsel, and the Trustees shall not be individually or collectively liable therefor.

C. Meetings. The Board of Trustees shall meet at least three times per year, and more frequently if called, at the principal office of the Trust Fund or at such other location as may be acceptable to a majority of the Trustees. One such meeting of the Board of Trustees shall be held as soon as practicable after the adjournment of the annual meeting of Treasurers or Chief Investment Officers of Participating Political Subdivisions at such time and place as the Board of Trustees may designate. Other meetings of the Board of Trustees shall be held at places within the Commonwealth of Virginia and at times fixed by resolution of the Board of Trustees, or upon call of the Chairperson of the Board or a majority of the Trustees, on not less than ten (10) days' advance notice. Such notice shall be directed to the Trustees by mail to the respective addresses of the Trustees as recorded in the office of the Trust Fund. The notice of any special meetings of the Board of Trustees shall state the purpose of the meeting.

A majority of the number of Trustees elected and serving at the time of any meeting shall constitute a quorum for the transaction of business. Each Trustee shall be entitled to cast a single vote of equal weight on each question coming before the Board. Proxy voting is not allowed. The act of a majority of Trustees present at a meeting at which a quorum is present,

shall be the act of the Board of Trustees unless otherwise specified in this agreement. Less than a quorum may adjourn any meeting.

Robert's Rules of Order Newly Revised (11th edition) shall be the parliamentary authority for the Board of Trustees.

D. Office of the Trust Fund. The Administrator shall establish, maintain and provide adequate funding for an office for the administration of the Trust Fund. The address of such office is to be made known to the parties interested in or participating in the Trust Fund and to the appropriate governmental agencies. The books and records pertaining to the Trust Fund and its administration shall be kept and maintained at the office of the Trust Fund.

E. Execution of Documents. A certificate signed by a person designated by the Board of Trustees to serve as Secretary shall be evidence of the action of the Trustees, and any such certificate or other instrument so signed shall be kept and maintained at the office of the Trust Fund and may be relied upon as an action of the Trustees.

F. Appointment and Removal of Administrator. The Virginia Local Government Finance Corporation is hereby initially designated the Administrator pursuant to an administrative services agreement between the parties. The Board of Trustees shall provide compensation for the Administrator to administer the affairs of the Trust Fund. Any three (3) Trustees may call for a vote of the Board of Trustees to remove the Administrator by providing no less than 30 days' notice to the other Trustees and to the Administrator. A vote will be scheduled at the next meeting of the Board of Trustees, for which sufficient notice can be given, at which meeting the Administrator may be removed on a majority vote of the Trustees then serving. Upon removal of the Administrator, the Board of Trustees shall designate a successor Administrator.

G. Duty to Furnish Information. The Treasurers or Chief Investment Officers and the Board of Trustees shall furnish to each other any document, report, return, statement or other information that the other reasonably deems necessary to perform duties imposed under this Agreement or otherwise imposed by law.

H. Reliance on Communications. The Board of Trustees may rely upon a certification of a Treasurer or Chief Investment Officer with respect to any instruction, direction, or approval of its Participating Political Subdivision and may continue to rely upon such certification until a subsequent certification is filed with the Trustees. The Trustees shall have no duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as fully authorized by the Treasurer or Chief Investment Officer and its Participating Political Subdivision.

Section 103. ADMINISTRATIVE POWERS AND DUTIES.

A. Trustees. The Board of Trustees, in addition to all powers and authorities under common law or statutory authority, including Chapter 45 of Title 2.2 of the Virginia Code (§§ 2.2-4500 *et seq.*), and subject to the requirements and limitations imposed by the common

law or statutory authority, including Chapter 45 of Title 2.2 of the Virginia Code (§§ 2.2-4500 *et seq.*), shall have and in its sole and absolute discretion may exercise from time to time and at any time, either through its own actions, delegation to the Administrator, or through a Custodian selected by the Board of Trustees, the following administrative powers and authority with respect to the Trust Fund:

1. To receive for the purposes hereof all cash contributions paid to it by or at the direction of the Participating Political Subdivisions or their Treasurers or Chief Investment Officers.

2. To hold, invest, reinvest, manage, administer and distribute cash balances as shall be transferred to the Trustees from time to time by the Participating Political Subdivisions or their Treasurers or Chief Investment Officers and the increments, proceeds, earnings and income thereof for the exclusive benefit of Participating Political Subdivisions.

3. To continue to hold any property of the Trust Fund that becomes otherwise unsuitable for investment for as long as the Board of Trustees in its discretion deems desirable; to reserve from investment and keep unproductive of income, without liability for interest, cash temporarily awaiting investment and such cash as it deems advisable, or as the Administrator from time to time may specify, in order to meet the administrative expenses of the Trust Fund or anticipated distributions therefrom.

4. To hold property of the Trust Fund in the name of the Trust Fund, or in the name of a nominee or nominees (e.g., registered agents), without disclosure of the trust, or in bearer form so that it will pass by delivery, but no such holding shall relieve the Board of Trustees of its responsibility for the safe custody and disposition of the Trust Fund in accordance with the provisions of this Agreement; the books and records of the Board of Trustees shall show at all times that such property is part of the Trust Fund and the Board of Trustees shall be absolutely liable for any loss occasioned by the acts of its nominee or nominees with respect to securities registered in the name of the nominee or nominees.

4. To employ in the management of the Trust Fund suitable agents, without liability for any loss occasioned by any such agents, so long as they are selected with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

5. To make, execute and deliver, as trustee, any deeds, conveyances, leases, mortgages, contracts, waivers or other instruments in writing that it may deem necessary or desirable in the exercise of its powers under this Agreement.

6. To do all other acts that it may deem necessary or proper to carry out any of the powers set forth in this Section 103 or Section 202, to administer or carry out the purposes of the Trust Fund, or as otherwise is in the best interests of the Trust Fund;

provided, however, the Board of Trustees need not take any action unless in its opinion there are sufficient Trust Fund assets available for the expense thereof.

7. To adopt rules and regulations governing the Trustees' operations and procedures.

8. To contract with municipal corporations, political subdivisions and other public entities of State or of local government and private entities for the provision of Trust Fund services and for the use or furnishing of services and facilities necessary, useful, or incident to providing Trust Fund services.

9. To advise the Administrator on the establishment of expectations with regard to the provision of administrative services and the establishment of appropriate fee levels.

10. To establish and charge fees for participation in the Trust Fund and for additional administrative services provided to a Participating Political Subdivision in addition to any fees charged by other administrative service providers.

11. To collect and disburse all funds due or payable from the Trust Fund, under the terms of this Agreement.

12. To provide for and promulgate all rules, regulations, and forms deemed necessary or desirable in contracting with Treasurers and Chief Investment Officers and their Participating Political Subdivisions, in fulfilling the Trustees' purposes and in maintaining proper records and accounts.

13. To employ insurance companies, banks, trust companies, investment brokers, investment advisors, or others as agents for the receipt and disbursement of funds held in trust for Participating Political Subdivisions.

14. To determine, consistent with the applicable law and the procedures under the Trust Fund, all questions of law or fact that may arise as to investments and the rights of any Participating Political Subdivision to assets of the Trust Fund.

15. Subject to and consistent with the Code and the Virginia Code, to construe and interpret the Trust Agreement and to correct any defect, supply any omissions, or reconcile any inconsistency in the Agreement.

16. To contract for, purchase or otherwise procure insurance and investment products.

B. Administrator. Pursuant to an administrative services agreement between the Board of Trustees and the Administrator, the Administrator shall have the power and authority to implement policy and procedural matters as directed by the Board of Trustees as they relate to the ongoing operation and supervision of the Trust Fund and the provisions of this Agreement

and applicable law. The Administrator shall immediately make application for a fidelity bond, to any company designated by the Board of Trustees, in such amount as may be specified by the Board of Trustees. The premium on such bond shall be paid from the Trust Fund, which bond shall be continued in force in such amount as the Board of Trustees may from time to time require. If the Administrator's bond is refused, or is ever cancelled, the Administrator may be removed on a majority vote of the Trustees then serving.

Section 104. TAXES, EXPENSES AND COMPENSATION OF TRUSTEES.

A. Taxes. The Administrator, without direction from the Board of Trustees, shall pay out of the Trust Fund all taxes, if any, properly imposed or levied with respect to the Trust Fund, or any part thereof, under applicable law, and, in its discretion, may contest the validity or amount of any tax, assessment, claim or demand respecting the Trust Fund or any part thereof.

B. Expenses and Compensation. The Board of Trustees is authorized to set aside from Participating Political Subdivision contributions received and the investment income earned thereon a reasonable sum for the operating expenses and administrative expenses of the Trust Fund including but not limited to, the employment of such administrative, legal, accounting, and other expert and clerical assistance, and the purchase or lease of such materials, supplies and equipment as the Board of Trustees, in its discretion, may deem necessary or appropriate in the performance of its duties, or the duties of the agents or employees of the Trust Fund or the Trustees.

All remaining funds coming into the Trust shall be set aside, managed and used only for the benefit of Participating Political Subdivisions.

Section 105. COMMUNICATIONS.

Until notice is given to the contrary, communication to the Trustees or to the Administrator shall be sent to them at the Trust Fund's office in care of the Administrator. The Administrator's address is VML/VACo Finance at 919 E. Main Street, Suite 1100 Richmond, VA 23219.

Section 106. APPOINTMENT, RESIGNATION OR REMOVAL OF TRUSTEES.

A. Appointment of Trustees and Length of Appointment. The number of Trustees serving on the Board of Trustees shall be fourteen (14).

1. The initial group of Trustees to establish the Trust Fund will be comprised as follows: (a) the Treasurer of the City of Chesapeake, (b) the Treasurer of the City of Roanoke, (c) five (5) individuals designated by the Board of Directors of the Virginia Association of Counties ("VACo"), (d) five (5) individuals designated by the Board of Directors of the Virginia Municipal League ("VML"), (e) the Executive Director of VACo, who shall serve as a non-voting *ex officio* trustee, and (f) the Executive Director of VML, who shall serve as a non-voting *ex officio* trustee. VACo and VML shall give priority for appointment to Treasurers and Chief Investment Officers. The appointees of

VACo and VML shall serve until successor trustees are elected at the first annual meeting of the Treasurers and Chief Investment Officers.

2. With the first annual meeting of the Treasurers and Chief Investment Officers, the Board of Trustees shall be divided into three classes, A, B, and C. Class A will include the Treasurers of the two founding Participating Political Subdivisions, who shall continue to serve for two 3-year terms until successor trustees are elected at the annual meeting of the Treasurers and Chief Investment Officers to be held in Fiscal Year 2021 (the “Fiscal Year 2021 annual meeting”), and two trustees to be elected to serve until successor trustees are elected at the annual meeting to be held in Fiscal Year 2018. Class B, will serve for a transitional period until successor trustees are elected at the annual meeting to be held in Fiscal Year 2017. Class C will serve for a transitional period until successor trustees are elected at the annual meeting to be held in Fiscal Year 2016.

One of the Class B seats and one of the Class C seats will be designated to be filled by a Treasurer or Chief Investment Officer of a locality with a population of 75,000 or less, according to the latest decennial census. Individuals who do not meet this requirement may not be nominated for a seat so designated.

3. On or after July 1, 2014, the Trustees shall solicit nominations from the Treasurers and Chief Investment Officers of Participating Political Subdivisions for two Class A, four Class B, and four Class C Trusteeships, and such nominees, along with any nominations from the floor, shall constitute the candidates for the election of Trustees by vote at the Fiscal Year 2015 annual meeting of the Treasurers and Chief Investment Officers as provided in Section 307. In the event that there are not a sufficient number of eligible nominees from among Participating Political Subdivisions, nominations will be provided by the Executive Directors of the Virginia Association of Counties and the Virginia Municipal League. VACo and VML shall give priority for nomination, firstly, to Treasurers and Chief Investment Officers of Participating Political Subdivisions and, secondly, to treasurers and chief investment officers of non-participating political subdivisions.

4. On or after July 1, 2015, the Trustees shall solicit nominations from Treasurers and Chief Investment Officers of Participating Political Subdivisions for Class C Trusteeships, and such nominees, along with any nominations from the floor, shall constitute the candidates for the election of Trustee by vote at the Fiscal Year 2016 annual meeting of the Treasurers and Chief Operating Officers as provided in Section 307. In the event that there are not a sufficient number of eligible nominees from among Participating Political Subdivisions, nominations will be provided by the Executive Directors of the Virginia Association of Counties and the Virginia Municipal League. VACo and VML shall give priority for nomination, firstly, to Treasurers and Chief Investment Officers of Participating Political Subdivisions and, secondly, to treasurers and chief investment officers of non-participating political subdivisions.

5. At each annual meeting of Treasurers and Chief Investment Officers following the transitional period, the successors to the class of Trustees whose terms shall then expire shall be identified as being of the same class as the trustees they succeed and elected to hold office for a term expiring at the third succeeding annual meeting of Treasurers and Chief Investment Officers. Trustees shall hold their offices until the next annual meeting of Treasurers and Chief Investment Officers for such Trustee's respective Class and until their successors are elected and qualify.

6. At each annual meeting of the Treasurers and Chief Investment Officers, the incumbent Trustees will present all nominations received for each class of Trustees (A, B, and/or C) for which an election is to be held and entertain nominations from the floor. If a Treasurer or Chief Investment Officer does not designate a particular class for its nominee(s), such names will be included on the lists of eligible nominees for each class for which an election is to be held unless the individual named is elected to another seat.

7. No individual Trustee may be elected or continue to serve as a Trustee after becoming an owner, officer or employee of the Administrator, an Investment Advisor, an Investment Manager or a Custodian. Beginning with the FY 2017 annual meeting, no Trustee may be elected or continue to serve as a Trustee unless he or she is a Treasurer or Chief Investment Officer of a Participating Political Subdivision. In the event that there are not a sufficient number of eligible nominees as of the date of the annual meeting, the position will be declared vacant.

8. Each Trustee and each successor Trustee shall acknowledge and consent to his or her election as a Trustee at the annual meeting at which he/she is elected or, if subsequent to the annual meeting, by giving written notice of acceptance of such election to the Chairperson of the Trustees.

B. Resignation of a Trustee.

1. A Trustee may resign from all duties and responsibilities under this Agreement by giving written notice to the Chairperson of the Trustees. The Chairperson may resign from all duties and responsibilities under this Agreement by giving written notice to all of the other Trustees. Such notice shall state the date such resignation shall take effect and such resignation shall take effect on such date but not later than sixty (60) days after the date such written notice is given.

2. Any Trustee, upon leaving office, shall forthwith turn over and deliver to the Administrator at the principal office of the Trust Fund any and all records, books, documents or other property in his or her possession or under his or her control which belong to the Trust Fund.

C. Removal of a Trustee. Each Trustee, unless due to resignation, death, incapacity, removal, or conviction of a felony or any offense for which registration is required as defined in

Virginia Code § 9.1-902, shall serve and shall continue to serve as Trustee hereunder, subject to the provisions of this Agreement.

A Trustee shall relinquish his or her office or may be removed by a majority vote of the Trustees then serving or *ipso facto* when the Employer which he/she represents is no longer a Participating Political Subdivision in the Trust Fund. Notice of removal of a Trustee shall be furnished to the other Trustees by the Chairperson of the Trustees and shall set forth the effective date of such removal. Notice of removal of the Chairperson shall be furnished to the other Trustees by the Administrator and shall set forth the effective date of such removal.

D. Appointment of a Successor Trustee. Except as otherwise provided in part A.1 of this Section with respect to the initial term of Class A Trustees, in the event a Trustee shall die, resign, become incapacitated, be removed from office, or convicted of a felony or any offense for which registration is required as defined in Virginia Code § 9.1-902, a successor Trustee shall be elected forthwith by the affirmative vote of the majority of the remaining Trustees though less than a quorum of the Board of Trustees. The notice of the election of a successor Trustee shall be furnished to the other Trustees by the Chairperson. In case of the removal, death, resignation, etc. of the Chairperson, notice of the election of a successor Trustee, and the new Chairperson, shall be furnished to the other Trustees by the Administrator. Nominations for interim replacement of vacant positions may be made by any member of the Board of Trustees. The term of office of any Trustee so elected shall expire at the next Annual Meeting of Treasurers and Chief Investment Officers at which Trustees are elected. The successor Trustee shall be elected to complete the term for the Class to which such Trustee has been assigned. In the event that a vacancy occurs in the office of either the Treasurer of Chesapeake or the Treasurer of Roanoke prior to the FY 2021 annual meeting, the newly assigned Treasurer of the founding Participating Political Subdivision will automatically assume the vacant position.

E. Trustees' Rights. In case of the death, resignation or removal of any one or more of the Trustees, the remaining Trustees shall have the powers, rights, estates and interests of this Agreement as Trustees and shall be charged with the duties of this Agreement; provided in such cases, no action may be taken unless it is concurred in by a majority of the remaining Trustees. However, if such vacancies leave less than a quorum of Trustees, the remaining trustees may only act to appoint successors. Only after a quorum has been established may the trustees take the other actions established in this subsection.

Section 107. BONDING.

All Trustees shall immediately make application for a fidelity bond, to any company designated by the Board of Trustees, in such amount as may be specified by the Board of Trustees. Premiums on such bonds shall be paid from the Trust Fund, which bonds shall be continued in force in such amount as the Board of Trustees may from time to time require. If a Trustee's bond is refused, or is ever cancelled, except with the Board of Trustees' approval, such Trustee may be removed from office by majority vote of the Trustees then serving.

PART 2 – PROVISIONS APPLICABLE TO INVESTMENTS

Section 200. APPLICATION.

The provisions of Part 2 apply to the investments of the Trust Fund.

Section 201. ADMINISTRATION OF TRUST.

A. General. All such assets shall be held by the Trustees in the Trust Fund.

B. Contributions. The Board of Trustees hereby delegates to the Custodian the responsibility for accepting cash contributions to the Trust Fund, and the Custodian shall have the responsibility for accepting cash contributions by Participating Political Subdivisions. Assets held in the Trust Fund shall be dedicated to the benefit of each Participating Political Subdivision, respectively, or to defraying reasonable expenses of the Trust Fund. All contributions by a Participating Political Subdivision shall be transferred to the Trust Fund to be held, managed, invested and distributed as part of the Trust Fund by the Trustees in accordance with the provisions of this Agreement and applicable law.

C. Applicable Laws and Regulations. The Board of Trustees shall be authorized to take the steps it deems necessary or appropriate to comply with any laws or regulations applicable to the Trust Fund.

D. Accumulated Share. No Participating Political Subdivision shall have any right, title or interest in or to any specific assets of the Trust Fund, but shall have an undivided beneficial interest in the Trust Fund; however, there shall be a specific accounting of assets allocable to each Participating Political Subdivision.

Section 202. MANAGEMENT OF INVESTMENTS OF THE TRUST FUND.

A. Authority of Trustees. Except as set forth in subsections C, D, F, or G of this Section, and except as otherwise provided by law, the Board of Trustees shall have exclusive authority and discretion to manage and control the assets of the Trust Fund held by them pursuant to the guidelines established by the Board of Trustees in the Investment Policy.

B. Investment Policy. The Board of Trustees, as its primary responsibility under this Agreement, shall develop a written Investment Policy establishing guidelines applicable to the investment of the assets of the Trust Fund, and from time to time shall modify such Investment Policy, in light of the short and long-term financial interests of the Participating Political Subdivisions and the Trust Fund. The Investment Policy shall serve as the description of the funding policy and method for the Trust Fund.

C. Investment Advisor. From time to time, the Administrator may, pursuant to approval of the Board of Trustees, appoint one (1) or more independent Investment Advisors (“Investment Advisor”), pursuant to a written investment advisory agreement with each, describing the powers and duties of the Investment Advisor with regard to the management of all

or any portion of any investment or trading account of the Trust Fund. The Investment Advisor shall review, a minimum of every calendar quarter, the suitability of the Trust Fund's investments, the performance of the Investment Managers and their consistency with the objectives of the Investment Policy with assets in the portion of the Trust Fund for which the Investment Manager has responsibility for management, acquisition or disposition.

If the Administrator contracted with a lead Investment Advisor prior to the establishment of this Agreement, the Board of Trustees may ratify such contract. The lead Investment Advisor will serve at the pleasure of the Board of Trustees and will be compensated for its recurring, usual and customary services.

Subject to the approval of the Board of Trustees, the Investment Advisor shall recommend an asset allocation for the Trust Fund that is consistent with the objectives of the Investment Policy. If the Board of Trustees shall approve a separate Investment Policy with respect to assets in a segregated portion of the Trust Fund, the Investment Advisor shall recommend an asset allocation for such segregated portion of the Trust Fund that is consistent with the objectives of such Investment Policy. At least annually, the Investment Advisor shall review the Investment Policy and asset allocation with the Board of Trustees. The Investment Advisor shall also advise the Board of Trustees with regard to investing in a manner that is consistent with applicable law, based on majority vote of the Board of Trustees, and in consideration of the expected distribution requirements of the Plans.

D. Investment Managers. The Board of Trustees, from time to time, may appoint one (1) or more independent Investment Managers ("Investment Manager"), pursuant to a written investment management agreement with each, describing the powers and duties of the Investment Manager to invest and manage all or a portion of the Trust Fund. The Investment Manager shall have the power to direct the management, acquisition or disposition of that portion of the Trust Fund for which the Investment Manager is responsible.

The Board of Trustees shall be responsible for ascertaining that each Investment Manager, while acting in that capacity, satisfies the following requirements:

1. The Investment Manager is either (i) registered as an investment advisor under the Investment Advisors Act of 1940, as amended; (ii) a bank as defined in that Act; or (iii) an insurance company qualified to perform the services described herein under the laws of more than one state; and
2. The Investment Manager has acknowledged in writing to the Board of Trustees that it is a fiduciary with respect to the assets in the portion of the Trust Fund for which the Investment Manager has responsibility for management, acquisition or disposition.

If the Administrator contracted with a lead Investment Manager prior to the establishment of this Agreement, the Board of Trustees may ratify such contract. The lead Investment Manager will serve at the pleasure of the Board of Trustees and will be compensated for its recurring, usual and customary services.

E. Custodians. The Custodian(s) shall provide monthly statements to each participant and at the request of the Board of Trustees certify the value of any property of the Trust Fund managed by the Investment Manager(s). The Trustees shall be entitled to rely conclusively upon such valuation for all purposes under the Trust Fund.

F. Absence of Trustees' Responsibility for Investment Advisor and Manager. Except to the extent provided in paragraph A of Section 102 above, the Board of Trustees, collectively and individually, shall not be liable for any act or omission of any Investment Manager and shall not be under any obligation to invest or otherwise manage the assets of the Trust Fund that are subject to the management of any Investment Manager. Without limiting the generality of the foregoing, the Board of Trustees shall be under no duty at any time to make any recommendation with respect to disposing of or continuing to retain any such asset. Furthermore, the Board of Trustees, collectively and individually, shall not be liable by reason of its taking or refraining from taking the advice of the Investment Advisor any action pursuant to this Section, nor shall the Board of Trustees be liable by reason of its refraining from taking any action to remove or replace any Investment Manager on advice of the Investment Advisor; and the Trustees shall be under no duty to make any review of an asset acquired at the direction or order of an Investment Manager.

G.. Reporting. The Board of Trustees shall be responsible for and shall cause to be filed periodic audits, valuations, reports and disclosures of the Trust Fund as are required by law or agreements. Notwithstanding anything herein to the contrary, the Board of Trustees shall cause the Trust Fund to be audited by a certified public accounting firm retained for this purpose at least once each year. The Board of Trustees may employ professional advisors to prepare such audits, valuations, reports and disclosures and the cost of such professional advisors shall be borne by the Trust Fund.

H. Commingling Assets. Except to the extent prohibited by applicable law, the Board of Trustees may commingle the assets of all Participating Political Subdivisions held by the Board of Trustees under this Agreement for investment purposes in the Trust Fund and shall hold the Trust Fund in trust and manage and administer the same in accordance with the terms and provisions of this Agreement. However, the assets of each Participating Political Subdivision shall be accounted for separately.

Section 203. ACCOUNTS.

The Trustees shall keep or cause to be kept at the expense of the Trust Fund accurate and detailed accounts of all its receipts, investments and disbursements under this Agreement, with the Trustees causing the Investment Advisor to account separately for each Investment Manager's portion of the Trust Fund.

Section 204. DISBURSEMENTS FROM THE TRUST.

A. Trust Payments. The Board of Trustees hereby delegates to the Administrator the responsibility for making payments from the Trust Fund. In accordance with rules and regulations established by the Board of Trustees, the Administrator shall make payments from the Trust Fund as directed by the Treasurer or Chief Investment Officer of each Participating Political Subdivision. Payments shall be made in such manner, in such amounts and for such purposes as may be directed by the respective Treasurer or Chief Investment Officer. Payments from the Trust Fund shall be made by electronic transfer or check (or the check of an agent) for deposit to the order of the payee. Payments or other distributions hereunder may be mailed to the payee at the address last furnished to the Administrator. The Trustees shall not incur any liability on account of any payment or other distribution made by the Trust Fund in accordance with this Section. Such payment shall be in full satisfaction of claims hereunder against the Trustee, Administrator or Participating Political Subdivision.

B. Allocation of Expenses. The Trustees shall pay all expenses of the Trust Fund from the assets in the Trust Fund. All expenses of the Trust Fund, which are allocable to a particular investment option or account, may be allocated and charged to such investment option or account as determined by the Trustees. All expenses of the Trust Fund which are not allocable to a particular investment option or account shall be charged to each such investment option or account in the manner established by the Trustees.

Section 205. INVESTMENT OPTIONS.

The Trustees shall initially establish one (1) investment option within the Trust Fund pursuant to the Investment Policy, for communication to, and acceptance by, Treasurers and Chief Investment Officers. Following development of the initial “investment option” pursuant to the Investment Policy, the Board of Trustees may develop additional investment options, reflecting different risk/return objectives and corresponding asset mixes, for selection by Treasurers and Chief Investment Officers, as alternatives to the initial investment option. The determination to add alternative investment options to the Investment Policy, and the development of each such investment option, are within the sole and absolute discretion of the Board of Trustees. The Trustees shall transfer to any deemed investment option developed hereunder such portion of the assets of the Trust Fund as appropriate. The Trustees shall manage, acquire or dispose of the assets in an investment option in accordance with the directions given by each Treasurer or Chief Investment Officer. All income received with respect to, and all proceeds received from, the disposition of property held in an investment option shall be credited to, and reinvested in, such investment option.

If multiple investment options are developed, from time to time, the Board of Trustees may eliminate an investment option, and the proceeds thereof shall be reinvested in the remaining investment option having the shortest duration of investments unless another investment option is selected in accordance with directions given by the Treasurer or Chief Investment Officer.

Notwithstanding anything in this agreement to the contrary, the Board of Trustees, in its sole discretion, may establish a separate, short-term investment option or fund, to facilitate contributions, disbursements or other short-term liquidity needs of the Trust or of particular Participating Political Subdivisions. Separate investment funds within the Trust Fund and varying percentages of investment in any such separate investment fund by the Participating Political Subdivisions, to the extent so determined by the Board of Trustees, are expressly permitted.

PART 3 – PROVISIONS APPLICABLE TO PARTICIPATING POLITICAL SUBDIVISIONS

Section 300. APPLICATION.

The provisions of Part 3 set forth the rights of Participating Political Subdivisions.

Section 301. PARTICIPATING POLITICAL SUBDIVISIONS.

A. Approval. The Board of Trustees or its designee shall receive applications from Treasurers and Chief Investment Officers of Participating Political Subdivisions for membership in the Trust Fund and shall approve or disapprove such applications for membership in accordance with the terms of this Agreement, the Trust Joinder Agreement, and the rules and regulations established by the Board of Trustees for admission of new Participating Political Subdivisions. The Board of Trustees shall have total discretion in determining whether to accept a new member. The Board of Trustees may delegate the authority for membership approval to the Administrator.

B. Execution of Trust Joinder Agreement. Once the governing body of a political subdivision has approved an ordinance or resolution to participate in the Trust Fund, its Treasurer or Chief Investment Officer, serving as trustee for such political subdivision, may execute a Trust Joinder Agreement in such form and content as prescribed by the Board of Trustees. By the execution of the Trust Joinder Agreement, the Participating Political Subdivision agrees to be bound by all the terms and provisions of this Agreement, the Trust Joinder Agreement, and any rules and regulations adopted by the Trustees under this Agreement. The Treasurer or Chief Investment Officer of each Participating Political Subdivision, serving as such Participating Political Subdivision's trustee shall represent such Participating Political Subdivision's interest in all meetings, votes, and any other actions to be taken by a Participating Political Subdivision hereunder, provided that a Treasurer who elects not to invest public funds pursuant to the Joinder Agreement shall have no obligation to serve as a trustee for his or her locality.

C. Continuing as a Participating Political Subdivision. Application for participation in this Agreement, when approved in writing by the Board of Trustees or its designee, shall constitute a continuing contract for each succeeding fiscal year unless terminated by the Trustees or unless the Participating Political Subdivision resigns or withdraws from this Agreement by written notice sent by its duly authorized official. The Board of Trustees may terminate a Participating Political Subdivision's participation in this Agreement for any reason by vote of a

three-fourths (3/4) majority of the voting members of the Board of Trustees present at a duly called meeting. If the participation of a Participating Political Subdivision is terminated, the Board of Trustees and the Administrator shall effect the withdrawal of such Participating Political Subdivision's beneficial interest in the Trust in accordance with its usual withdrawal policies.

Section 302. MEETINGS OF PARTICIPATING POLITICAL SUBDIVISIONS.

A. Places of Meetings. All meetings of the Treasurers and Chief Investment Officers shall be held at such place, within the Commonwealth of Virginia, as from time to time may be fixed by the Trustees.

B. Annual Meetings. The annual meeting of the Treasurers and Chief Investment Officers of Participating Political Subdivisions, for the election of Trustees and for the transaction of such other business as may come before the annual meeting, shall be held at such time on such business day between September 1st and October 31st as shall be designated by resolution of the Board of Trustees.

C. Special Meetings. Special meetings of the Treasurers or Chief Investment Officers for any purpose or purposes may be called at any time by the Chairperson of the Board of Trustees, by the Board of Trustees, or if Treasurers and Chief Investment Officers together holding at least twenty percent (20%) of all votes entitled to be cast on any issue proposed to be considered at the special meeting sign, date and deliver to the Trust Fund's Secretary one or more written demands for the meeting describing the purpose or purposes for which it is to be held. At a special meeting no business shall be transacted and no action shall be taken other than that stated in the notice of the meeting.

D. Notice of Meetings. Written notice stating the place, day and hour of every meeting of the Treasurers and Chief Investment Officers and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each Participating Political Subdivision's Treasurer or Chief Investment Officer of record entitled to vote at such meeting, at the address which appears on the books of the Trust Fund. Such notice may include any rules established by the Board of Trustees governing the nomination and election of candidates, determination of vote allocations, and other such matters.

E. Quorum. Any number of Treasurers and Chief Investment Officers together holding at least a majority of the outstanding beneficial interests entitled to vote with respect to the business to be transacted, who shall be physically present in person at any meeting duly called, shall constitute a quorum of such group for the transaction of business. If less than a quorum shall be in attendance at the time for which a meeting shall have been called, the meeting may be adjourned from time to time by a majority of the Treasurers and Chief Investment Officers present. Once a beneficial interest is represented for any purpose at a meeting of Treasurers and Chief Investment Officers, it shall be deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is, or shall be, set for that adjourned meeting.

F. Voting. At any meeting of the Treasurers and Chief Investment Officers, each Treasurer or Chief Investment Officer entitled to vote on any matter coming before the meeting shall, as to such matter, have one vote, in person, for each two hundred fifty thousand (\$250,000) dollars, or fraction thereof, invested in its name in the Trust Fund, based upon an annual weighted average during the previous fiscal year ending June 30. Notwithstanding the preceding sentence, at any meeting held after the date the *tenth (10th)* Participating Political Subdivision joins the Trust, no one Treasurer or Chief Investment Officer may vote more than *twenty percent (20%)* of the total votes cast. A Treasurer or Chief Investment Officer may, by written and signed proxy, designate another employee or elected official of his/her Participating Political Subdivision to cast his/her votes in person at the meeting.

If a quorum is present at a meeting of the Treasurers and Chief Investment Officers, action on a matter other than election of Trustees shall be approved if the votes cast favoring the action exceed the votes cast opposing the action, unless a vote of a greater number is required by this Agreement. If a quorum is present at a meeting of the Treasurers and Chief Investment Officers, nominees for Trustees for all open seats for each class of Trustees on the Board of Trustees shall be elected by a plurality of the votes cast by the beneficial interests entitled to vote in such election.

Treasurers and Chief Investment Officers at the annual meeting will vote at one time to fill all open positions within a single class of Trustees. Elections will be held by class, in the order of the length of the terms to be filled, beginning with the longest term. Each Treasurer or Chief Investment Officer will cast up to the full number of its votes for each open position within a class of Trustees but may not cast votes for more than the number of open positions in such class. Those nominees receiving the largest plurality of votes, up to the number of positions to be filled, will be declared elected. Subsequent votes may be held to break any ties, if necessary, in order to elect the correct number of Trustees.

PART 4 – PROVISIONS APPLICABLE TO OFFICERS

Section 401. ELECTION AND REMOVAL OF OFFICERS.

A. Election of Officers; Terms. The Board of Trustees shall appoint the officers of the Trust Fund. The officers of the Trust Fund shall consist of a Chairperson of the Board, a Vice-Chairperson, and a Secretary. The Secretary need not be a member of the Board of Trustees and may be the Administrator. Other officers, including assistant and subordinate officers, may from time to time be elected by the Board of Trustees, and they shall hold office for such terms as the Board of Trustees may prescribe. All officers shall hold office until the next annual meeting of the Board of Trustees and until their successors are elected.

B. Removal of Officers; Vacancies. Any officer of the Trust Fund may be removed summarily with or without cause, at any time, on a three-fourths ($\frac{3}{4}$) vote of the Board of Trustees present at a duly called meeting. Vacancies may be filled by the Board of Trustees.

Section 402. DUTIES.

A. Duties, generally. The officers of the Trust Fund shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are prescribed by law or are hereinafter provided or as from time to time shall be conferred by the Board of Trustees. The Board of Trustees may require any officer to give such bond for the faithful performance of such officer's duties as the Board of Trustees may see fit.

B. Duties of the Chairperson. The Chairperson shall be selected from among the Trustees. Except as otherwise provided in this Agreement or in the resolutions establishing such committees, the Chairperson shall be *ex officio* a member of all Committees of the Board of Trustees. The Chairperson shall preside at all Board meetings. The Chairperson may sign and execute in the name of the Trust Fund stock certificates, deeds, mortgages, bonds, contracts or other instruments except in cases where the signing and the execution thereof shall be expressly delegated by the Board of Trustees or by this Agreement to some other officer or agent of the Trust Fund or as otherwise required by law. In addition, he/she shall perform all duties incident to the office of the Chairperson and such other duties as from time to time may be assigned to the Chairperson by the Board of Trustees. In the event of any vacancy in the office of the Chairperson, the Vice-Chairperson shall serve as Chairperson on an interim basis until such vacancy is filled by subsequent action of the Board of Trustees.

C. Duties of the Vice-Chairperson. The Vice-Chairperson, if any, shall be selected from among the Trustees and shall have such powers and duties as may from time to time be assigned to the Vice-Chairperson. The Vice-Chairperson will preside at meetings in the absence of the Chairperson.

D. Duties of the Secretary. The Secretary shall act as secretary of all meetings of the Board of Trustees and of the Treasurers and Chief Investment Officers. When requested, the Secretary shall also act as secretary of the meetings of the Committees of the Board of Trustees. The Secretary shall keep and preserve the minutes of all such meetings in permanent books. The Secretary shall see that all notices required to be given by the Trust Fund are duly given and served. The Secretary may, at the direction of the Board of Trustees, sign and execute in the name of the Trust Fund stock certificates, deeds, mortgages, bonds, contracts or other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Trustees or by this Agreement. The Secretary shall have custody of all deeds, leases, contracts and other important Trust Fund documents; shall have charge of the books, records and papers of the Trust Fund relating to its organization and management as a trust; and shall see that all reports, statements and other documents required by law are properly filed.

PART 5 – MISCELLANEOUS PROVISIONS

Section 501. TITLES.

The titles to Parts and Sections of this Agreement are placed herein for convenience of reference only, and the Agreement is not to be construed by reference thereto.

Section 502. SUCCESSORS.

This Agreement shall bind and inure to the benefit of the successors and assigns of the Trustees, the Treasurers and Chief Investment Officers, and the Participating Political Subdivisions.

Section 503. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one instrument, which may be sufficiently evidenced by any counterpart. Any Participating Political Subdivision that formally applies for participation in this Agreement by its execution of a Trust Joinder Agreement which is accepted by the Trustees shall thereupon become a party to this Agreement and be bound by all of the terms and conditions thereof, and said Trust Joinder Agreement shall constitute a counterpart of this Agreement.

Section 504. AMENDMENT OR TERMINATION OF THIS AGREEMENT;
TERMINATION OF PLANS.

A. Duration. The Trust shall be perpetual, subject to the termination provisions contained in Section 504, Subsection C below.

B. Amendment. This Agreement may be amended in writing at any time by the vote of a two-thirds (2/3) majority of the Trustees. Notwithstanding the preceding sentence, this Agreement may not be amended so as to change its purpose as set forth herein or to permit the diversion or application of any funds of the Trust Fund for any purpose other than those specified herein.

The Board of Trustees, upon adoption of an amendment to this Agreement, shall provide notice by sending a copy of any such amendment to each Treasurer and Chief Investment Officer within 15 days of adoption of such amendment. If a Treasurer or Chief Investment Officer objects to such amendment, the Treasurer or Chief Investment Officer must provide written notice of its objection and intent to terminate its participation in the Trust Fund by registered mail delivered to the Administrator within ninety (90) days of such notice, and if such notice is given, the amendments shall not apply to such Participating Political Subdivision for a period of 180 days from the date of adoption of such amendments. The Participating Political Subdivision's interest shall be terminated in accordance with the provisions of paragraph B of this section.

C. Withdrawal and Termination. Any Participating Political Subdivision may at any time in its sole discretion withdraw and terminate its interest in this Agreement and any trust created hereby by giving written notice from the Participating Political Subdivision's Treasurer or Chief Investment Officer to the Trustees in the manner prescribed by this Section. The Trust Fund may be terminated in its entirety when all participation interests of all Participating Political Subdivisions have been terminated in their entirety. This Agreement and the Trust Fund will then be terminated in its entirety pursuant to Virginia law.

In case of a termination of this Agreement, either in whole or in part by a Participating Political Subdivision, the Trustees shall hold, apply, transfer or distribute the affected assets of the Trust Fund in accordance with the applicable provisions of this Agreement and as directed by the Treasurer or Chief Investment Officer of each Participating Political Subdivision. Upon any termination, in whole or in part, of this Agreement, the Trustees shall have a right to have their respective accounts settled as provided in this Section 504.

In the case of the complete or partial termination of this Agreement as to one or more Participating Political Subdivisions, the affected assets of the Trust Fund shall continue to be held pursuant to the direction of the Trustees, for the benefit of the Participating Political Subdivision, until the Trustees, upon recommendation of the Administrator, distribute such assets to a Participating Political Subdivision, or other suitable arrangements for the transfer of such assets have been made. This Agreement shall remain in full effect with respect to each Participating Political Subdivision that does not terminate or withdraw its participation in the Trust Fund, or whose participation is not terminated by the Trustees. However, if distributions must be made, the Treasurer or Chief Investment Officer of each Participating Political Subdivision shall be responsible for directing the Administrator on how to distribute the beneficial interest of such Participating Political Subdivision. In the absence of such direction, the Administrator may take such steps as it determines are reasonable to distribute such Participating Political Subdivision's interest.

A Participating Political Subdivision must provide written notice of its intent to terminate its participation in the Trust Fund by registered mail signed by the appropriate official of the subdivision and delivered to the Administrator.

Notwithstanding the foregoing, the Trustees shall be required to pay out any assets of the Trust Fund to Participating Political Subdivisions upon termination of this Agreement or the Trust Fund, in whole or in part, upon receipt by the Trustees of written certification from the Administrator that all provisions of law with respect to such termination have been complied with. The Administrator shall provide the required written certification to the Trustees within three (3) working days of receiving a written notice of intent to terminate as described above. The Trustees shall rely conclusively on such written certification and shall be under no obligation to investigate or otherwise determine its propriety.

When all of the assets of the Trust Fund affected by a termination have been applied, transferred or distributed and the accounts of the Trustees have been settled, then the Trustees and Administrator shall be released and discharged from all further accountability or liability respecting the Trust Fund, or portions thereof, affected by the termination and shall not be responsible in any way for the further disposition of the assets of the Trust Fund, or portions thereof, affected by the termination or any part thereof so applied, transferred or distributed; provided, however, that the Trustees shall provide full and complete accounting for all assets up through the date of final disposition of all assets held in the Trust.

Section 505. SPENDTHRIFT PROVISIONS; PROHIBITION OF ASSIGNMENT OF INTEREST.

The Trust Fund shall be exempt from taxation and execution, attachment, garnishment, or any other process. No Participating Political Subdivision or other person with a beneficial interest in any part of the Trust Fund may commute, anticipate, encumber, alienate or assign the beneficial interests or any interest of a Participating Political Subdivision in the Trust Fund, and no payments of interest or principal shall be in any way subject to any person's debts, contracts or engagements, nor to any judicial process to levy upon or attach the interest or principal for payment of those debts, contracts, or engagements.

Section 506. VIRGINIA FREEDOM OF INFORMATION ACT.

The Administrator shall give the public notice of the date, time, and location of any meeting of the Board of Trustees' or of the Treasurers and Chief Investment Officers in the manner and as necessary to comply with the Virginia Freedom of Information Act (Va. Code §§ 2.2-3700 *et seq.*). The Secretary or its designee shall keep all minutes of all meetings, proceedings and acts of the Trustees and of Treasurers and Chief Investment Officers, but such minutes need not be verbatim. Copies of all minutes of the Trustees and of Treasurers and Chief Investment Officers shall be sent by the Secretary or its designee to the Trustees.

All meetings of the Board of Trustees and of Treasurers or Chief Investment Officers shall be open to the public, except as provided in § 2.2-3711 of the Virginia Code. No meeting shall be conducted through telephonic, video, electronic or other communication means where the members are not physically assembled to discuss or transact public business, except as provided in §§ 2.2-3708 or 2.2-3708.1 of the Virginia Code.

Section 507. JURISDICTION.

This Agreement shall be interpreted, construed and enforced, and the trust or trusts created hereby shall be administered, in accordance with the laws of the United States and of the Commonwealth of Virginia, excluding Virginia's law governing the conflict of laws.

Section 508. SITUS OF THE TRUST.

The situs of the trust or trusts created hereby is the Commonwealth of Virginia. All questions pertaining to its validity, construction, and administration shall be determined in accordance with the laws of the Commonwealth of Virginia. Venue for any action regarding this Agreement is the City of Richmond, Virginia.

Section 509. CONSTRUCTION.

Whenever any words are used in this Agreement in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply and whenever any words are used in this Agreement in the singular form, they shall be construed as though they were also used in the plural form in all situations where

they would so apply, and whenever any words are used in this Agreement in the plural form, they shall be construed as though they were also in the singular form in all situations where they would so apply.

Section 510. CONFLICT.

In resolving any conflict among provisions of this Agreement and in resolving any other uncertainty as to the meaning or intention of any provision of the Agreement, the interpretation that (i) causes the Trust Fund to be exempt from tax under Code Sections 115 and 501(a), and (ii) causes the participating Plan and the Trust Fund to comply with all applicable requirements of law shall prevail over any different interpretation.

Section 511. NO GUARANTEES.

Neither the Administrator nor the Trustees guarantee the Trust Fund from loss or depreciation or for the payment of any amount which may become due to any person under any participating Plan or this Agreement.

Section 512. PARTIES BOUND; NO THIRD PARTY RIGHTS.

This Agreement and the Trust Joinder Agreements, when properly executed and accepted as provided hereunder, shall be binding only upon the parties hereto, *i.e.*, the Board of Trustees, the Administrator and the Participating Political Subdivisions. Neither the establishment of the Trust nor any modification thereof, nor the creation of any fund or account shall be construed as giving to any person any legal or equitable right against the Trustees, or any officer or employee thereof, except as may otherwise be provided in this Agreement. Under no circumstances shall the term of employment of any Employee be modified or in any way affected by this Agreement.

Section 513. NECESSARY PARTIES TO DISPUTES.

Necessary parties to any accounting, litigation or other proceedings relating to this Agreement shall include only the Trustees and the Administrator. The settlement or judgment in any such case in which the Trustees are duly served or cited shall be binding upon all Participating Political Subdivisions and upon all persons claiming by, through or under them.

Section 514. SEVERABILITY.

If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of the Agreement shall continue to be fully effective. If any provision of the Agreement is held to violate the Code or to be illegal or invalid for any other reason, that provision shall be deemed to be null and void, but the invalidation of that provision shall not otherwise affect the trust created by this Agreement.

[SIGNATURE PAGE FOLLOWS]

**TRUST JOINDER AGREEMENT
FOR PARTICIPATING POLITICAL SUBDIVISIONS IN THE
VACo/VML VIRGINIA INVESTMENT POOL**

THIS TRUST JOINDER AGREEMENT is made by and between the Treasurer/Chief Investment Officer of the Town of Vinton, Virginia (herein referred to as the “Treasurer/Chief Investment Officer”), the Town of Vinton, Virginia, (herein referred to as the “Participating Political Subdivision”), and the Board of Trustees (herein collectively referred to as the “Trustees”) of the VACo/VML Virginia Investment Pool (herein referred to as the “Trust Fund”).

WITNESSETH:

WHEREAS, the governing body of the Participating Political Subdivision desires to participate in a trust for the purpose of investing monies belonging to or within its control, other than sinking funds, in investments authorized under Section 2.2-4501 of the Virginia Code; and

WHEREAS, the governing body of the Participating Political Subdivision has adopted an ordinance and/or resolution (a certified copy of which is attached hereto as Exhibit A) to authorize participation in the Trust Fund and has designated the Treasurer/Chief Investment Officer to serve as the trustee of the Participating Political Subdivision with respect to the Trust Fund and to determine what funds under the Treasurer’s/Chief Investment Officer’s control shall be invested in the Trust Fund, and has authorized the Treasurer/Chief Investment Officer to enter into this Trust Joinder Agreement; and

WHEREAS, the Trust Fund, in accordance with the terms of the VACo/VML Virginia Investment Pool Trust Fund Agreement (the “Agreement”), provides administrative, custodial and investment services to the Participating Political Subdivisions in the Trust Fund; and

WHEREAS, the Treasurer/Chief Investment Officer, upon the authorization of the governing body of Town of Vinton, Virginia, desires to submit this Trust Joinder Agreement to the Trustees to enable the Town of Vinton, Virginia, to become a Participating Political Subdivision in the Trust Fund and a party to the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements flowing to each of the parties hereto, it is agreed as follows:

1. Pursuant to the Board of Trustees’ acceptance of this Trust Joinder Agreement, the Town of Vinton, Virginia, is a Participating Political Subdivision in the Trust Fund, as provided in the Agreement, and the Treasurer/Chief Investment Officer is authorized to enter into this Trust Joinder Agreement, and to represent and vote the beneficial interest of the Town of Vinton, Virginia, in the Trust Fund in accordance with the Agreement.

2. Capitalized terms not otherwise defined in this Trust Joinder Agreement have the meaning given to them under the Agreement.

3. The Treasurer/Chief Investment Officer shall cause appropriations designated by the Participating Political Subdivision for deposit in the Trust Fund to be deposited into a depository designated by the Trustees.

4. The Treasurer/Chief Investment Officer shall timely remit, or timely approve the remittance of, administrative fees as may be due and payable by the Participating Employer under the Agreement into a depository designated by the Trustees.

5. The Participating Political Subdivision shall have no right, title or interest in or to any specific assets of the Trust Fund, but shall have an undivided beneficial interest in the Trust Fund; however, there shall be a specific accounting of assets allocable to the Participating Political Subdivision.

6. The Treasurer/Chief Investment Officer shall provide to the Administrator designated by the Trustees all relevant information reasonably requested by the Administrator for the administration of the Participating Political Subdivision's investment, and shall promptly update all such information. The Treasurer/Chief Investment Officer shall certify said information to be correct to the best of his/her knowledge, and the Trustees and the Administrator shall have the right to rely on the accuracy of said information in performing their contractual responsibilities.

7. The Trust Fund provides administrative, custodial and investment services to the Participating Political Subdivision in accordance with the Agreement.

8. The Trustees and the Administrator, in accordance with the Agreement and the policies and procedures established by the Trustees, shall periodically report Trust activities to the Participating Political Subdivision on a timely basis.

9. The Treasurer/Chief Investment Officer and the Participating Political Subdivision agree to abide by and be bound by the terms, duties, rights and obligations as set forth in the Agreement, as may be amended by the Trustees, which is attached hereto and is made a part of this Trust Joinder Agreement.

10. The Treasurer/Chief Investment Officer, in fulfillment of his/her duties as the trustee of the Participating Political Subdivision, retains the services of the Investment Manager or Managers selected by the Trustees pursuant to the Agreement.

11. The term of this Trust Joinder Agreement shall be indefinite. The Treasurer/Chief Investment Officer may terminate this Trust Joinder Agreement on behalf of the Participating Political Subdivision by giving notice in writing to the Trustees. Termination shall be governed by the provisions of the Agreement.

IN WITNESS WHEREOF, the Treasurer/Chief Investment Officer has caused this Trust Joinder Agreement to be executed this 7th day of January, 2014.

**TREASURER/CHIEF INVESTMENT
OFFICER OF**

TOWN OF VINTON, VIRGINIA

Barry W. Thompson
311 S. Pollard Street
Vinton, Virginia 24179

ATTEST:

* * * *

ACCEPTANCE:

**VACo/VML VIRGINIA INVESTMENT POOL
Virginia Local Government Finance Corporation**

By: _____
Administrator



Town Council Agenda Summary

Meeting Date

January 7, 2014

Department

Finance/Treasurer

Issue

Consider adoption of an Resolution approving an amendment to the Statement of Investment Policy dated November 1, 2005.

Summary

Town Council adopted a Statement of Investment Policy on November 1, 2005. Based on Council's decision to adopt the VACo/VML Virginia Investment Pool Trust Fund, this Policy needs to be amended to add the VACo/VML Virginia Investment Pool under the "Authorized Investments" section as Item I.

Attachments

Statement of Investment Policy
Resolution

Recommendations

Motion to adopt Resolution

Town of Vinton, Virginia

Statement of Investment Policy

Purpose

The purpose of this policy is to set forth the investment and operational policies for the management of the public funds of the Town of Vinton, Virginia (“ the Town”). These policies have been adopted by, and can be changed only by, a majority vote of the Town Council of the Town of Vinton, Virginia.

These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

Scope of the Investment Policy

This investment policy is a comprehensive one that governs the overall administration and investment management of those funds held in the Town’s investment portfolio. This policy shall apply to such funds from the time of receipt until the time the funds ultimately leave the Town’s accounts. These funds include, but are not limited to all general operating funds, enterprise funds, debt service funds, capital improvement funds, and all float (the “Town Portfolio”). The monies of individual funds may be commingled for investment purposes. The guidance set forth herein is to be strictly followed by all those responsible for any aspect of the management or administration of these funds.

Investment Objectives

The Town’s Portfolio shall be managed to accomplish the following hierarchy of objectives:

1 - Preservation of Principal – The single most important objective of the Town’s investment program is the preservation of principal of those funds within the portfolio.

2 - Maintenance of Liquidity – The portfolio shall be managed in such a manner that assures that funds are available as needed to meet those immediate and/or future operating requirements of the Town, including but not limited to payroll, accounts payable, capital projects, debt service and other payments.

3 - Maximize Return – The portfolio shall be managed in such a fashion as to maximize the return on investments within the context and parameters set forth by objectives one (1) and two (2) above.

Delegation of Authority

The Town Treasurer is an appointed official provided by the Town Charter who is charged with collecting, safeguarding and disbursing the Town's funds. Therefore the Town Treasurer shall have responsibility for the operation of the investment program. The Town Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, collateral/depository agreement agreements and banking services contracts. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Town Treasurer. The Town may employ an Investment Manager to assist in managing some or the Town's entire Portfolio. Such Investment Manager must be registered under the Investment Advisors Act of 1940 or exempt from registration.

Investment Committee

The Town shall have an Investment Committee to serve in an advisory capacity. The committee shall be comprised of the Town Treasurer, Town Manager, Assistant Town Manager and Council Members serving on the Finance Committee. The Town Treasurer shall be the chairperson of the Investment Committee. The Committee may establish its own rules of procedure, and may retain the services of an investment advisor, registered under the Investment Advisers Act of 1940 or exempt from registration, to assist it in performing its duties.

The Investment Committee will be charged with the following responsibilities:

1. To review the investment policy annually and update the investment policy when deemed necessary;
2. Monitor the investment transactions to insure that proper controls are in place to ensure the integrity and security of the Town's Portfolio;
3. Assure that the Town is in compliance with current state laws and the Town's written investment policies.
4. Meet periodically to deliberate such topics as economic outlook, portfolio diversification and maturity structure, cash flow forecasts, potential risks and target rate of return on the investment portfolio.

Standard of Prudence

The standard of prudence to be applied to the investment of the Town's Portfolio shall be the "Prudent Investor" rule that states:

"Investments shall be made with judgment and care, under circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the

management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The Town Treasurer and other town employees and officials involved in the investment process acting in accordance with the Code of Virginia, this policy and any other written procedures pertaining to the administration and management of the Town’s Portfolio and who exercise the proper due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided that any negative deviations are reported in a timely fashion to the Town’s Investment Committee and that reasonable and prudent action is taken to control and prevent any further adverse developments. Furthermore, in accordance with Section 2.2-4410 et seq. of the Code of Virginia, the Treasurer shall not be liable for loss of public money due to the default, failure or insolvency of a depository.

Ethics and Conflicts of Interest

The State and Local Government Conflict of Interests Act governs officers and employees, including those involved in the Town’s investment process. Specifically, Code of Virginia Section 2.2-3103 (5) and (6) of the Act provide that no officer or employee shall:

1. accept any money, loan, gift, favor, service, or business or professional opportunity that reasonably tends to influence him in the performance of his official duties; or
2. Accept a business or professional opportunity when he knows there is a reasonable likelihood that the opportunity is being afforded to influence him in the performance of his official duties.

To ensure that personal investment or business transactions do not violate these provisions or any other provision of the State and Local Government Conflict of Interests Act, officers and employees must (i) familiarize themselves with his Act and (ii) carefully scrutinize how their personal interests may affect or be affected by the transactions that are part of the Town’s investment process.

Authorized Investments

In accordance with Sections 2.2-4501 through 2.2-4510 of the Code of Virginia and other applicable law, including regulations promulgated by the Treasury Board of Virginia, the Town shall be permitted to invest in any of the following securities.

- A) **U. S. Government Obligations.** The following securities issued by the United States Government or its Agencies:
 1. Stocks, bonds, treasury notes and other evidences of indebtedness of the United States, including:

- a. the guaranteed portion of any loan guaranteed by the Small Business Administration,
 - b. any agency of the United States government, and
 - c. those unconditionally guaranteed as to the payment of principal and interest by the United States.
2. Bonds of the District of Columbia;
 3. Bonds and notes of the Federal National Mortgage Association and the Federal Home Loan Banks;
 4. Bonds, debentures or other similar obligations of the federal land banks, federal intermediate credit banks, or banks of cooperatives, issued pursuant to acts of Congress; and
 5. Obligations issued by the United States Postal Service when principal and interest thereon are guaranteed by the government of the United States.

U.S. Government obligations shall be limited to a maximum maturity of five (5) years at the time of purchase.

B) Repurchase Agreements. Contracts for the present purchase and subsequent resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the Town. Such contracts shall be invested in only if the following conditions are met:

1. the repurchase agreement has a term to maturity of no greater than ninety (90) days;
2. the contract is fully secured by deliverable U.S. Government Obligations as described in (A) above (without limit to maturity), having a market value at all times of at least one hundred two percent (102%) of the amount of the contract;
3. a master repurchase agreement or specific written, repurchase agreement governs the transaction;
4. the securities are held free and clear of any lien by an independent third party custodian acting solely as agent for the Town, provided such third party is not the seller under the repurchase agreement and is a qualified public depository as defined in Section 2.2-4400 et seq. of the Code of Virginia;
5. a perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. in such securities is created for the benefit of the Town;
6. for repurchase agreements with terms to maturity of greater than one (1) day, the Town will value the collateral securities continuously and require that if additional collateral is required then that collateral must be delivered within one business day (if a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated.);

7. the counterparty is a :
 - a. primary government securities dealers who report daily to the Federal Reserve Bank of New York, or
 - b. a bank, savings and loan association or diversified securities broker-dealer having \$5 billion in assets and \$500 million in capital and subject to regulation of capital standards by any state or federal regulatory agency; and
8. the counterparty meets the following criteria:
 - a. has a short-term debt rating of “A-1” or higher from Standard & Poor’s;
 - b. has a long term debt rating of at least “AA” by Standard & Poor’s or “Aa” by Mood’s Investor’s Services,
 - c. has been in operation for at least 5 years, and
 - d. Is reputable among market participants.

C) **Commercial Paper.** Unsecured short-term debt of U.S. corporations may be purchased if the following conditions are met:

1. the maturity is no greater than two hundred-seventy days (270) days;
2. no more than thirty-five (35%) of the total funds available for investment (based on book value on the date of acquisition) may be invested in commercial paper;
3. the amount invested in any single issuing corporation will not exceed five percent (5%) of the total funds available for investment (based on book value on the date of acquisition);
4. the issuing corporation, or its guarantor, has a net worth of at least \$50 million;
5. the net income of the issuing corporation, or its guarantor, has averaged \$3 million per year for the previous five years; and
6. the issuing corporation, or its guarantor, has a short-term debt rating of no less than “A-1” (or its equivalent” by at least two of the following Moody’s Investors Service, Standard & Poor’s and Fitch Investor’s Service.

D) **Bankers’ Acceptances.** Issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System may be purchased if the following conditions are met:

1. the maturity is no greater than two hundred-seventy days (270) days;
2. the short-term paper of which is rated not lower than P-1 by Moody’s Investors Services and A-1 Standard & Poor’s Corporation; and
3. The amount invested in any single bank will not exceed five percent (5%) of the total funds available for investment (based on book value on the date of acquisition).

- E) **Corporate Notes.** Issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States which meet the following requirements:
1. the maturity is no greater than five (5) years at the time of purchase;
 2. has a minimum “Aa” long term debt rating by Moody’s Investors Service and a minimum “AA” long term debt rating by Standard & Poor’s; and
 3. The amount invested in any single issuing corporation will not exceed five percent (5%) of the total funds available for investment (based on book value on the date of acquisition).
- F) **Municipal Obligations.** Bonds, notes and other evidences of indebtedness of the Commonwealth of Virginia, or of any county, City, town, district, authority or public body of the Commonwealth of Virginia upon which there is no default that meet the following criteria;
1. Have a final maturity on the date of investment not to exceed five (5) years.
 2. Rated in either of the two highest rating categories by a nationally recognized rating agency.
- G) **Negotiable Certificates of Deposit and Bank Deposit Notes** of domestic banks and domestic offices of foreign banks with:
1. a rating of at least “A-1” by Standard & Poor’s and “P-1” by Moody’s Investor Service, Inc., for maturities of one year or less;
 2. and a rating of at least “AA” by Standard & Poor’s and “Aa” by Moody’s Investor Service for maturities over one year and not exceeding five years.
- H) **State Pool.** The pooled investment fund (known as the Virginia Local Government Investment Pool) as provided for in Section 2.2-4600 et seq. of the Code of Virginia.
- I) **VACo/VML Virginia Investment Pool.** A pooled investment program that local governments and other political subdivisions use to invest assets they expect to hold for one year or longer. Assets of governmental participants are invested in high-quality corporate and government securities with average duration of between 1 to 2 years. VIP has a higher expected rate of return compared to traditional money market funds by investing in slightly longer-term securities as authorized under the Virginia Investment of Public Funds Act. Local governments typically utilize both vehicles:
1. A money market fund with overnight liquidity for operating expenses, and

2. VIP for funds requiring less liquidity that can be invested for one year or longer.

VIP's approach provides governmental entities the opportunity to access a professional investment manager while sharing expenses. Investment decisions are guided by a top-notch fund manager with access to extensive research capabilities. The program offers semi-monthly liquidity, which enables participants to access their funds on short notice in order to respond to unexpected events.

- J) **Registered Investment Companies (Mutual Funds.)** Shares in open-end investment funds provided such funds are registered under the Federal Investment Company Act of 1940, invest exclusively in the securities specifically permitted under this investment policy, and which are similarly diversified, provided that the fund is rated "AAm" or "AAm-G" or better by Standard & Poor's Corporation, or equivalent by other rating agencies. The fund must also be properly registered for sale under the Securities Act (Section 13.1-501 et seq.) of the Code of Virginia.

Bank Deposits

Certificates of deposit and other evidences of deposit in any national banking association, Federal Savings and Loan Association or Federal Savings Bank located in Virginia and any bank, trust company or savings institutions organized under Virginia law are permitted by Section 2.2-4401 et seq. of the Code of Virginia. The Town will maintain bank deposits meet the following requirements:

1. the maturity is greater than one (1) year at the time of purchase;
2. certificates of deposit will be placed directly with depository institutions (no third parties or money brokers will be used);
3. deposits will be secured in accordance with the Virginia Security for Public Deposits Act, (Section 2.2-4400 et se.) of the Code of Virginia that requires:
 - a. collateralization on all deposits of Town funds in excess of the amount protected by federal deposit insurance, and
 - b. Collateralization with (i) U.S. Government obligations and securities unconditionally guaranteed as to the payment of principal and interest by the United States, or any Agency thereof, or (ii) municipal bonds of the Commonwealth of Virginia or any political subdivision of the Commonwealth of Virginia that meets the minimum criteria established in this Policy for direct investment.

Portfolio Diversification

The Town's Portfolio shall be diversified by security type and institution. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each eligible security is as follows:

U.S. Government Obligations	100%	Maximum
Registered Money Market Mutual Funds	100%	Maximum
State of Virginia LGIP	75%	Maximum
VACo/VML Virginia Investment Pool	75%	Maximum
Repurchase Agreements	50%	Maximum
Bankers' Acceptances	40%	Maximum
Commercial Paper	35%	Maximum
Negotiable Certificates of Deposit/Bank Notes	20%	Maximum
Municipal Obligations	20%	Maximum
Corporate Notes	15%	Maximum
Bank Deposits	25%	Maximum

The combined amount of bankers' acceptances, commercial paper, negotiable certificates of deposit/bank notes and corporate notes shall not exceed fifty (50%) of the total book value of the portfolio at the date of acquisition.

The Town's Portfolio will be further diversified to limit the exposure to any one issuer. No more than 5% of the Town's Portfolio will be invested in the securities of any single issuer with the following exceptions:

U.S. Treasury	100%	Maximum
Each Federal Agency	35%	Maximum
Each Repurchase Agreement Counterparty	25%	Maximum

Maximum Maturity

Maintenance of adequate liquidity to meet the cash flow needs of the Town is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with the cash requirements of the Town in order to avoid the forced sale of securities prior to maturity.

Operating Funds. The Town's operating funds will be invested in permitted investments with a stated maturity of no more than 2 years from the date of purchase. To control interest rate risk, the average maturity of the portfolio will not exceed 1 year.

Bond Proceeds. Proceeds from the sale of bonds will be invested in compliance with the specific requirements of the bond covenants without further restrictions as to the maximum term to maturity of securities purchased. These proceeds are generally held by

the Bond Trustee. However, in no case will bond proceeds be invested in securities with a term to maturity that exceeds the expected disbursement date of those funds.

Reserve Funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investment is made to coincide as nearly as practicable with expected use of funds.

Prohibited Investments and Investment Practices

The Town is prohibited from:

1. Investment in reverse repurchase agreements;
2. Short sales (selling a specific security before it has been legally purchased);
3. Borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing;
4. Investment in complex derivatives such as range notes, dual index notes, inverse floating rate notes and leveraged notes, or notes linked to lagging indices or to long-term indices.
5. Investing in any security not specifically permitted by this Policy.

Selection, Approval of Brokers, Qualified Financial Institutions

The Town Treasurer and/or the Town's Investment Manager shall maintain a list of financial institutions and broker/dealers that are approved for investment purposes ("Qualified Institutions"). Only firms meeting the following requirements will be eligible to serve as Qualified Institutions:

1. "primary" dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
2. capital of no less than \$10,000,000;
3. registered as a dealer under the Securities Exchange Act of 1934;
4. member of the National Association of Dealers (NASD);
5. registered to sell securities in Virginia; and
6. The firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years.

All brokers, dealers and other financial institutions deemed to be Qualified Institutions shall be provided with current copies of the Town's Investment Policy. A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the Town transacts business.

Competitive Selection of Investment Instruments

It will be the policy of the Town to transact all securities purchase/sales only with Qualified Institutions through a formal and competitive process requiring the solicitation

and evaluation of at least three bids/offers. The Town will accept the offer which (a) the highest rate of return within the maturity required; and (b) optimizes the investment objective of the overall portfolio. When selling a security, the Town will select the bid that generates the highest sale price.

Primary fixed price federal agencies offerings may be purchased from the list of Qualified Institutions without competitive solicitation if it is determined that no agency obligations meeting the Town's requirements are available in the secondary market at a higher yield.

Investment of Bond Proceeds

The Town intends to comply with all applicable sections of the Internal Revenue Code of 1986, Arbitrage Rebate Regulations and bond covenants with regard to the investment of bond proceeds. Accounting records will be maintained in a form and for a period of time sufficient to the document compliance with these regulations.

Sinking fund investments will be limited to those securities authorized by Section 2.2-4500 et seq. of the Code of Virginia.

Safekeeping and Custody

All investment securities purchased by the Town or held as collateral on deposits or investments shall be held by the Town or by a third-party custodial agent who may not otherwise be counterparty to the investment transaction.

All securities in the Town's Portfolio shall be held in the name of the Town and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. The custodial agent shall issue a safekeeping receipt to the Town listing the specific instrument, rate, maturity and other pertinent information. On a monthly basis, the custodial agent will also provide reports which list all securities held for the Town, the book value of holdings and the market value as of month-end.

Appropriate Town officials and representatives of the custodial agent responsible for, or in any manner involved with, the safekeeping and custody process of the Town shall be bonded in such a fashion as to protect the Town from losses from malfeasance and misfeasance.

Performance Standards

The investment portfolio shall be designed and managed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs of the Town. Short-term funds and other funds that must maintain a high degree of liquidity will be compared to the return on the three-month U. S. Treasury Bill. Medium term investments and other funds that have a

longer-term investment horizon will be compared to an index of U. S. Treasury securities having a similar duration or other appropriate benchmark.

Reporting

The Town Treasurer or Investment Manager shall prepare an investment report not less than monthly for the Investment Committee. This report shall include: (i) a listing of the existing portfolio in terms of investment securities, amortized book value, maturity date, yield-on-cost, market value, credit rating and other features deemed relevant and (ii) a listing of all transactions executed during the month.

The Town Treasurer or Investment Manager shall prepare and submit to the Investment Committee a “Quarterly Investment Report” that summarizes (i) recent market conditions, economic developments and anticipated investment conditions, (ii) the investment strategies employed in the most recent quarter, (iii) a description of all securities held in investment portfolios at month-end, (iv) the total rate of return for the quarter and year-to-date versus appropriate benchmarks, and (v) any areas of policy concern warranting possible revisions to current or planned investment strategies.

The quarterly report will also include a statement that the investment of the Town Portfolio is in compliance with this Policy and any applicable bond resolutions.

Adopted by Resolution No. by Town Council on January 7, 2014.

RESOLUTION NO.

AT A REGULAR MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, JANUARY 7, 2014, AT 7:00 PM IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING, 311 SOUTH POLLARD STREET, VINTON, VIRGINIA

WHEREAS, the Vinton Town Council has deemed it important to set forth the investment and operational policies for the management of the public funds of the Town of Vinton, Virginia; and

WHEREAS, this policy is a comprehensive one that governs the overall administration and investment management of those funds held in the Town's investment portfolio; and

WHEREAS, this policy shall be managed to accomplish the following hierarchy of objectives: Preservation of Principal, Maintenance of Liquidity, and to Maximize Return; and

WHEREAS, the Town Treasurer is an appointed official provided by the Town Charter who is charged with collecting, safeguarding and disbursing the Town's funds; therefore the Town Treasurer shall have responsibility for the operation of the investment program and shall establish written procedures for the operation of the investment program consistent with this investment policy; and

WHEREAS, this policy is amended to include the VACo/VML Virginia Investment Pool as a viable investment tool for the Town.

NOW THEREFORE, BE IT RESOLVED that the Vinton Town Council does hereby approve the amendment to the Statement of Investment Policy dated November 1, 2005 to become effective immediately.

This Resolution adopted on motion made by Council Member _____, 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

January 7, 2014

Department

Administration

Issue

Consider adoption of a Resolution authorizing the appropriation of funds in the amount of \$10,200.00 to Gay and Neel for consulting work relating to the Regional Surface Transportation Project award for Walnut Avenue Phase I.

Summary

On April 16th, 2013, Town Council was presented with three projects that Town staff wanted to present to the regional Metropolitan Planning Organization (MPO) for funding and agreed to submit them. These three projects were all funded and put into a Six Year Plan for the MPO. The projects consisted of two phases for improvements to Walnut Ave and for the erection of a bridge to connect the future Glade Creek Greenway to the Tinker Creek Greenway.

In May of 2013 the Commonwealth Transportation Board approved the funding and the Walnut Avenue Phase I project was funded in year one (1) of the Six Year Plan. Phase I consists of “filling in the gaps” of the sidewalk infrastructure on Walnut Avenue from the low water bridge to the Farmer’s Market and also creating a Share the Road area for bikers. This will eventually connect the downtown area to the greenway system for the Valley.

Since the design work will be initiated and completed before the next FY a special appropriation must take place of \$10,200. This could not had been foreseen when the current budget was formulated because the region did not know of this extra money until the beginning of April 2013. The money will be used for design and site work by Gay and Neel. The remainder of the money will be budgeted for in the next FY 2014-2015 budget.

The grant is one hundred percent (100%) reimbursable and must be completed within two years.

Attachments

Contract Agreement
Resolution

Recommendations

Motion to adopt Resolution

November 8, 2013
Revised: November 25, 2013

Mr. Ryan Spitzer
Town of Vinton
311 South Pollard St.
Vinton, VA 24179

RE: Proposal for Professional Services
Walnut Avenue Sidewalk Construction Documents
Vinton, Virginia
E13025

Dear Mr. Spitzer:

On behalf of everyone at Gay and Neel, Inc., I would like to thank you for the opportunity to submit this proposal to prepare the Construction Documents for the Walnut Avenue Sidewalk project in Vinton, Virginia.

A. Scope of Services

Our understanding of the project and scope is based on our meeting with you on November 5th to discuss the project. We assume the following:

- The project limits are defined in the surveying section below.
- The plans will be reviewed by the Town of Vinton and VDOT.
- The plans will be developed without performing detailed topography and the Construction Documents will utilize standard details and unit price pay items to obtain contractor bidding on the project.
- The Town of Vinton will provide its most recent aerial photography for use in the design.
- No storm water management calculations or design will be required for the new sidewalk or the existing sidewalk to be improved, however, an Erosion Control Plan will be prepared to determine disturbed area.
- To the greatest extent practicable, all sidewalks will be designed to drain to the street and not create new or exacerbate existing storm water drainage issues.
- Gay and Neel, Inc. is aware the project budget is \$100,000 and will develop the plans within the available budget. Engineering services will be deducted from the project budget.

- New crosswalks will be shown at all street intersections along the southern side of the Walnut Avenue corridor.
- Improvements to the existing sidewalks will be shown as the budget allows with intersection curb ramps taking precedent.
- Environmental coordination/documentation has been performed; shall additional services be necessary, Gay and Neel, Inc. will bill this work hourly or negotiate the fee.

Gay and Neel, Inc. reserves the right to modify the proposed fees should any of the above assumptions be incorrect. Based on the above assumptions and our present knowledge of the project, we propose the following services:

1. **Surveying Services**

- a. **New Construction** – Gay and Neel, Inc. will perform research and field surveying as necessary to determine the Right-of-Way location along the area delineated for new sidewalk construction. The sections for new sidewalk construction will be at the Southwest corner of 2nd Street and Walnut Avenue, the Southeast corner of 2nd Street and Walnut Avenue, mid-block between 2nd and 1st Streets, and directly adjacent to the Fire Department between Jackson Street and the alley. This project is all on the southern side of Walnut Avenue corridor is located on the Southern and Eastern Side of Walnut Avenue from its intersection with Lee Avenue to its intersection with 5th Street. A small portion of Walnut Avenue to the East of 5th Street will not be included with our design. This portion is included with VDOT's bridge relocation project that is under construction. Gay and Neel, Inc. will determine the location of the existing Right-of-Way and locate any specific physical features that will affect construction and that are not shown on the Town's mapping.
- b. **Existing Sidewalk** – Gay and Neel, Inc. will perform research with the Town of Vinton's staff and through the Roanoke County Courthouse Records as needed to attempt to identify any specific locations that will require additional Right-of-Way or easements and will notify the Town of Vinton immediately of any locations discovered. Any specific plats that can be tied to the aerial photography will be incorporated into the plans to provide additional basis for the design and construction. This area will be from 5th Street to Lee Avenue.

2. **Walnut Avenue Design**

- a. **New Sidewalk** – Gay and Neel, Inc. will develop construction documents for the proposed new sidewalk as defined above. The plans will be in sufficient detail to allow for bidding and construction. Plans will be in a format to allow for bidding on a unit price basis to allow the Town of Vinton to select an appropriate point at which to stop construction based on the available budget. Construction cost estimates will be provided with this phase.
- b. **Existing Sidewalk** – Gay and Neel, Inc. will develop Construction Documents for the proposed improvements to the existing sidewalks. These improvements will be detailed utilizing the standard detail and pay item method to allow for scaling of the project by the Town of Vinton. Construction cost estimates will be provided with this phase.

3. **Bidding Assistance and Construction Phase Services**

Gay and Neel, Inc. can provide assistance with the bidding process including the development of the advertisement for bids, bid form, pre-bid meeting, RFI responses, bid opening, contract negotiations, and executing the contract agreement. Additionally, Gay and Neel, Inc. can provide Construction Phase Services as needed and/or requested by the Town of Vinton. These services could range from developing a maintenance of traffic plan for the contractor to addressing and responding to RFI's and COP's as well as inspections of the in place work and responding to pay requests. We anticipate providing these services on an hourly basis as needed and requested by the Town.

B. **Others' Responsibilities**

The following items will be considered the responsibility of others, such as the Owner or Architect, although many of these items can be provided by Gay and Neel, Inc. as additional services at our normal hourly rates or under separate lump sum contract.

1. Formal meetings and presentations with Owner or regulatory personnel other than those specifically indicated in this proposal. Additional meetings will be charged at our hourly rates.
2. Payment of all review, connection, and permit fees.
3. Legal services for plats, easements, or contract review.

4. Preparation of bidding documents and bidding assistance other than that specifically indicated in this proposal.
5. Preparation of cost estimates other than that specifically indicated in this proposal.
6. Subsurface and geotechnical investigations.
7. Structural engineering, including retaining wall.
8. Off-site engineering for utilities, drainage, or other improvements.
9. Inspection or Resident Project Representative Services.
10. Testing of earthwork and excavation by a certified soils engineer or testing laboratory.
11. Construction stakeout.
12. Plan revisions after approval of Construction Documents.
13. All printing and reproductions of the plans, calculations, and specifications for submittals or for the Owner. The cost of these prints and reproductions will be billed as a reimbursable expense; however, all printing and copying for internal use throughout the project shall be absorbed at no additional cost to the Owner.
14. Consolidation and/or coordination of conflicting comments from Owner's representatives.
15. All other items not specifically mentioned in the Scope of Services above.

C. Terms

Gay and Neel, Inc. proposes to work in accordance with the attached "Standard Terms and Conditions" to be included as part of this Proposal.

D. Schedule

We propose to complete all work in accordance with the schedule to be established by the Owner, assuming that reasonable time will be allotted for our work and necessary information will be provided in a timely manner. This

proposal shall be considered valid for 45 (45) calendar days from the date of the proposal. The compensation amount stipulated in this agreement is conditioned on a period of service not exceeding six (6) months which does not include bidding and construction phases since these are beyond the scope of this contract proposal. Should such periods of service be extended, the compensation amount shall be appropriately adjusted.

E. Compensation

We propose to be compensated on a lump-sum basis as noted below for the work detailed in the scope. Our compensation for this work shall be as outlined below with monthly billing based on an estimate of the percent of the total work completed:

<u>Basis of Payment:</u>	
1. Surveying Services	\$3,800.00
2. Design Services	\$6,400.00
3. <u>Bidding Assistance and Construction Phase Services</u>	Hourly
Total Lump Sum Services:	\$10,200.00

~~In order to begin work, a retainage of 30% (\$3,060.00) will be required. This will be credited to your final invoice. In the event of nonpayment of the account within thirty (30) days after invoices are rendered, you agree to pay a late charge of 1-1/2% per month on the unpaid balance (18% per year) until such account is paid in full.~~

F. Attachments

The following attachments are included with and shall be deemed part of this Agreement:

1. Gay and Neel, Inc. Hourly Rate Sheet.
2. Gay and Neel, Inc. Standard Terms and Conditions.

G. Approval

If you find this proposal acceptable, please sign the enclosed copy and return it to us for our records. We will construe the receipt of our copy as our notice to proceed.

Thank you for letting us assist you on this project.

Sincerely,
Gay and Neel, Inc.

A handwritten signature in black ink, appearing to read "Kevin Conner", written in a cursive style.

Kevin Conner, L.A.
Project Manager

Enclosures

AUTHORIZATION TO PROCEED

Proposal Date: November 25, 2013
Proposal Number: E13025
Scope of Work: Construction Documents
Project: Walnut Avenue Sidewalk Project

Client Signature: _____ Date: _____

Please complete and return this page to Gay and Neel, Inc. to indicate acceptance of this proposal and to initiate work on the above referenced project as outlined in the Scope of Services section. The Client's signature above also indicates that he/she has read the accompanying Standard Terms and Conditions and agrees to be bound by such Standard Terms and Conditions.

(\$10,200.00) Lump Sum	
Accepted by:	Contact Information:
_____	_____
Signature	Billing Address
_____	_____
Printed Name	City, State, ZIP
_____	_____
Title	Phone & Fax
_____	_____
Date	Email Address
_____	_____

RETURN TO:
GAY AND NEEL, INC.
1260 RADFORD STREET
CHRISTIANSBURG, VA 24073
FAX: (540) 381-2773
EMAIL: info@gayandneel.com

Gay and Neel, Inc.
Standard Terms and Conditions

The following Standard Terms and Conditions are incorporated into any proposal by Gay and Neel, Inc. (GNI) and any agreement between Client and GNI to provide work or services ("this Agreement"):

1. All drawings, survey notes, digital files, and other documents prepared by GNI ("Instruments of Service") are, and shall remain, the property of GNI. These Instruments of Service are licensed to the Client solely for use in connection with the project contemplated in this Agreement and are not to be used for any other purpose or project. GNI shall have the right to use all such Instruments of Service and, unless Client specifically instructs GNI otherwise, photographs of any completed project for marketing purposes. GNI shall be deemed the author of these Instruments of Service and shall retain all common law, statutory and other reserved rights, including the copyright. Submission or distribution of documents to meet official regulatory requirements or for similar purposes is not to be construed as publication in derogation of GNI's reserved rights.
2. GNI may from time to time provide electronic copies of plans, drawings, or other documents. These are provided for informational purposes and for the convenience of Client and are not intended to be relied on. Only original documents signed and sealed by a licensed professional should be relied upon. GNI makes no warranty, express or implied, with respect to the use of electronic copies or their fitness for your purposes, and assumes no responsibility or liability for any errors or omissions contained therein or any incidental, indirect, or consequential damages whatsoever arising from the use of these drawings.
3. Client shall be liable for, and shall pay, all collection expenses, witness fees, court costs, and attorney's fees incurred by GNI to enforce this Agreement.
4. All charges will be billed monthly as the work progresses, and shall be due within thirty (30) days of invoice date. A late charge of 1 ½% per month, which is an annual percentage rate of 18%, will be applied to any unpaid balance commencing thirty (30) days after the date of the original invoice. Client agrees to pay such finance charges.
5. In the event that work not specified in this Agreement is required for any reason, such additional work shall be paid for by Client at GNI's prevailing rates for similar work. ~~The Client shall reimburse GNI for all expenses, except as otherwise specifically stated in this Agreement, plus fifteen percent (15%). Such expenses include, but are not limited to, subdivision fees, assessment fees, fees for governmental checking and inspection, permits, LIDAR files, blueprints and reproduction, travel expenses, shipping/courier expenses, and subcontractor services.~~
6. GNI's liability hereunder shall be limited to the compensation paid to GNI under this Agreement, excluding reimbursement for expenses, unless such liability results directly from the intentional misconduct of GNI. GNI will not be liable for lost profits, special, incidental, exemplary, consequential, punitive, direct or indirect damages.
7. In the event Client fails to pay within thirty (30) days after invoices are rendered, then Client agrees that GNI shall have the right to cease work under this Agreement. Client agrees to indemnify and hold harmless GNI from and against all claims, damages, losses and expenses, direct and indirect, or consequential damages, arising out of or resulting from such work stoppage. Additionally, GNI may withhold from the Client any work prepared under this Agreement until all delinquent invoices are paid in full.
8. In the event all or any portion of the work contemplated by this Agreement is suspended, abandoned, or terminated, for any reason, the Client shall pay GNI for the work performed to date on an hourly basis, at GNI's prevailing rates for similar work, not to exceed any maximum contract amount specified herein. If the work is resumed, Client shall pay GNI for expenses incurred in the interruption and resumption of GNI's work.
9. Any proposal submitted to Client is valid for 45 days from the date of the proposal. Should GNI choose to cancel the proposal, it is GNI's right to do so at any time. If verbal authorization to begin work is given to GNI, Client shall be deemed to have agreed to all conditions and terms of the proposal and this Agreement whether or not signed by the Client.
10. This Agreement constitutes the final expression of the parties' agreement, and it is a complete and exclusive statement of the terms of that agreement. This Agreement shall be binding on the parties, their successors and assigns, but may not be assigned by Client without GNI's express written consent. In the event any provisions of this Agreement shall be held to be invalid and unenforceable, the other provisions of this Agreement shall remain valid and binding. The services contemplated by this Agreement are for the exclusive use of the Client. Nothing in this Agreement shall create a contractual relationship for the benefit of any third party.
11. This Agreement shall be governed by the laws of the Commonwealth of Virginia, and the parties consent to the jurisdiction and venue of the courts of Montgomery County, Virginia and the federal courts located in Roanoke, Virginia.

GAY AND NEEL, INC.
PUBLIC RATES
HOURLY RATE SHEET

Effective April 1, 2013

<u>Title</u>	<u>Hourly Rate</u>
Principal:	\$130.00/hr.
Director of Engineering:	\$120.00/hr.
Senior Project Manager:	\$105.00/hr.
Project Manager:	\$95.00/hr.
Senior Engineer:	\$90.00/hr.
Engineer I:	\$80.00/hr.
Engineer II:	\$75.00/hr.
Design Technician I:	\$75.00/hr.
Director of Surveying:	\$105.00/hr.
Project Manager-Surveying:	\$90.00/hr.
Senior Survey Technician:	\$80.00/hr.
Surveyor:	\$70.00/hr.
Survey Technician:	\$60.00/hr.
2-Man Crew:	\$130.00/hr.
Director of Administration:	\$60.00/hr.
Clerical:	\$45.00/hr.

RESOLUTION NO.

AT A REGULAR MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, JANUARY 7, 2014, AT 7:00 P.M., IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING LOCATED AT 311 SOUTH POLLARD STREET, VINTON, VIRGINIA

WALNUT AVENUE PHASE I

WHEREAS, on April 19, 2013 the Town of Vinton submitted three projects for funding through State allocated Regional Surface Transportation Project money from the Roanoke Valley Metropolitan Planning Organization (MPO), and were ranked based on priority and funding availability by the MPO for regional projects; and

WHEREAS, of the three submitted projects; Walnut Avenue Phase I was selected for funding in the first round of payments for FY 2013-2014; and

WHEREAS, the Commonwealth Transportation Board, at their June 19, 2013, meeting approved and obligated the grant funds requested in the amount of \$100,000 for the aforementioned Project in their FY 2013-2019 Six Year Plan for the Roanoke Regional MPO; and

WHEREAS, the Town agrees to provide the administrative services to manage the grant for the completion of the Project; and

WHEREAS, the said grant is a one hundred percent (100%) reimbursable project through the Virginia Department of Transportation; and

WHEREAS, the Town of Vinton has two (2) years to fully spend the money; however, \$10,200.00 is needed in FY2013-2014 to procure the services of Gay and Neel to perform site plan and design work for the Walnut Avenue Phase I project.

NOW, THEREFORE, BE IT RESOLVED that the Vinton Town Council does hereby authorize the monies to be appropriated from general revenue fund to general expense fund, for the construction and related expenses of the Walnut Avenue Phase I Project.

From: General Revenue Fund

200.2404.783	Rev Sh Walnut St Imp UPC 105213	\$10,200.00
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To: General Expense Fund

200.8150.723	Rev Sh Walnut St Imp UPC 105213	\$10,200.00
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This Resolution adopted on motion made by Council Member _____, 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

January 7, 2014

Department

Administration

Issues

Consider adoption of a Resolution approving the acceptance of funds from the Volunteer First Aid Crew in the amount of \$25,348.66 for the purchase of a Rehab Response Vehicle through a Virginia State Contract.

Summary

The VFAC provided services with a Rehab Response unit for years until it was retired two years ago when expensive repairs could no longer justify being invested in the vehicle. The vehicle was an old ambulance. A Rehab Unit provides services such as incident services to personnel for rehydration and food, special event presence, off-road incidents, and other incidents where an ambulance may not go.

The Vinton First Aid Crew plans to purchase a new truck to serve as a Rehab Response Vehicle. The total cost of the apparatus will be paid for by the VFAC. Insurance, maintenance, and repair will be the responsibility of the Town of Vinton.

The best price for a full size $\frac{3}{4}$ ton crew cab truck is through the Virginia State Contract pricing. Only the town, as a local government, can purchase under this procurement arrangement. Therefore, the VFAC is requesting that they remit to the town \$25,348.66 to purchase the new truck. For the truck to be maintained and insured, it will be titled to the Town of Vinton. The VFAC would then proceed, at their cost, to up fit the truck with all emergency equipment and supplies.

Public Safety Committee reviewed request on November 22 and recommended Approval.

Staff recommends approval of resolution to appropriate Revenue and Expenditure equal to the cost of purchase of $\frac{3}{4}$ ton Crew Cab Truck.

Attachments

Request from VFAC Chief Tom Philpott
Resolution

Recommendations

Motion to adopt Resolution



VINTON FIRST AID CREW
INCORPORATED
P.O. BOX 314
VINTON, VIRGINIA 24179



16 December, 2013

Chris Lawrence, Manager
Town of Vinton

Ref: Purchase of 2014 Ford F-250 4 dr. 4X4

Please proceed with the required steps to place an order for the truck specified in the attached.

The First Aid Crew can make the payment for the vehicle at any time you desire.

If you need additional information from me regarding this, please contact me either by E-mail or phone at your convenience.

A handwritten signature in cursive script, reading 'Tom Philpott'.

Tom Philpott
Rescue Chief
Vinton First Aid Crew, Inc.
tphilpott@vintonems.com
540-765-7916

Chris Lawrence - Fw: Rehab Truck Replacement

From: "Tom Philpott" <rtpilpott@cox.net>
To: CLAWRENCE@vintonva.gov
Date: 11/12/2013 4:15 PM
Subject: Fw: Rehab Truck Replacement

This is the proposal for the rehab truck we discussed previously.

=====

The Vinton First Aid Crew is proposing to replace the Rehab unit that we lost due to engine failure.

Our committee is anticipating the purchase of the following vehicle through state bid.

- A 2014 Ford F-250 crew cab, short bed 4X4 at a cost of approx. \$ 28,000.
- Shell cover and roll out bed floor and other misc. conversion items. \$ 3,000
- Emergency lights and vehicle markings. \$ 3,000.

All of the above listed expenses will be covered at no cost to the Town of Vinton.

This is a multi-function vehicle that can be used by all emergency services departments.

A few examples of probable uses are:

- Rehab for structure fires (water-food-lighting support.)
- Hydration support for parades and other public gatherings.
- Transporting mobile generator as needed during major power outages.
- Extracting victims from areas to restrictive for an ambulance. (ie; Niagara Hydro)
- Assist with removal debris in highways during major storms.
- Pick up and/or delivery of misc. equipment for fire or rescue.
- Transporting of extra personnel for search operations.
- Movement of Roanoke County Fire/Rescue mass casualty trailer as needed.
- Transport of major equipment from Squad 2 to areas not accessible to the squad.

These are only a few of the possible uses for this truck.

The items that we are requesting from the Town are insurance, fuel and maintenance.

(NOTE: This vehicle will be under factory warranty for 5 years.). Routine preventive maintenance should be minimal.

We anticipate the monthly fuel cost for this vehicle would \$ 45-50 on a busy month and much less during others.

As for the insurance costs, I must rely on the Town to estimate.

Tom Philpott
Rescue Chief

Vehicle Configurator Contract #: <u>E194-49800, Contract Line 5</u> , eVA Commodity: 3/4 Ton pickup Truck, 4-Door, Short bed, Gas 4x4 eVA Vendor: <u>Colonial Ford and Truck Sales</u>	UNIT PRICE	QUANTITY EA Base Vehicle and Unique Options # 1	QUANTITY EA Base Vehicle and Unique Options # 2	QUANTITY EA Base Vehicle and Unique Options # 3	QUANTITY EA Base Vehicle and Unique Options # 4	QUANTITY EA Base Vehicle and Unique Options # 5					
Base Vehicle: 2014 Ford F250	\$ 25,348.66	\$ -	\$ -	\$ -	\$ -	\$ -					
CNG/LPG-Fuel Capable Engine	\$ 283.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Add Power Windows and power locks	\$ 994.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Manual Sliding Rear Window	\$ 112.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Engine Block Heater	\$ 67.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Daytime Running Lights	\$ 40.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Cloth Bucket Seats	\$ 553.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Under the Rail, Drop in bed liner	\$ 200.00	\$ -	\$ -	\$ -	\$ -	\$ -					
Cab Steps	\$ 333.00	\$ -	\$ -	\$ -	\$ -	\$ -					
Clearance Lights, Roof	\$ 49.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Upfitter Switches	\$ 112.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Tough Bed Spray-In Bedliner	\$ 427.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Exterior Back-up Chime	\$ 112.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Pickup Box Delete (w/ 8ft. Box only)	\$ (234.50)	\$ -	\$ -	\$ -	\$ -	\$ -					
Long Wheel Base	\$ 175.50	\$ -	\$ -	\$ -	\$ -	\$ -					
HD Service Package for pickup box delete	\$ 112.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Snow Plow Prep Package	\$ 76.50	\$ -	\$ -	\$ -	\$ -	\$ -					
Brake Controller	\$ 207.00	\$ -	\$ -	\$ -	\$ -	\$ -					
Deduct for delivery less than 5 miles @ .60 per mile.	\$ (0.60)	\$ -	\$ -	\$ -	\$ -	\$ -					
Additional Cost for Delivery Beyond Included Miles at .60 per mile. Enter the Number of miles in excess of the included miles. Note: 5 Miles delivery are included in the base price of this vehicle.	\$ 0.60	\$ -	\$ -	\$ -	\$ -	\$ -					
Total Cost for Each Base Vehicle Plus Options:		1 ea	#DIV/0!	1 ea	#DIV/0!	1 ea	#DIV/0!	1 ea	#DIV/0!	1 ea	#DIV/0!
Total Cost for All Base Vehicles Plus Options:		0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -

ALL STATE AGENCIES & ALL PUBLIC BODIES: NO ADDITIONAL OPTIONS MAY BE ORDERED, NO OTHER OPTIONS ARE AVAILABLE ON THIS CONTRACT.

****MUST ENTER VEHICLE EXTERIOR COLOR, INTERIOR COLOR and Any Other Information or Instructions to the Contractor (Dealer) in Yellow Block to the Right**

White

Interior grey

Use this spread sheet to configure your vehicle. You will only need to use a separate column if you are ordering multiple vehicles with different options. The only thing you need to enter into the spread sheet are the quantity numbers for the base vehicle and each option you want to order. This information is entered in the yellow column. The only time you need to use more than one column is when you are ordering multiple vehicles with different options. When you are done save the spreadsheet to your hard drive. Log into to eVA. When you get to the add items page click on the non-catalog tab. Enter your description as follows. Van(s) per contract <Enter Contract Number>. See attached spread sheet. When you get to the comments section of the requisition, check the attach comments box and select the attach file option and attach this spread sheet as your attached file.

For Dealers: This spread sheet was designed so that ordering multiple vehicles for your purchase order. You need to read this spread sheet to understand how it allows an agency to order multiple vehicles with different options.

THREE QUARTER TON PICKUP TRUCK, Four (4) DOOR, SHORT BED, 4 X 4, Contract Line 5

Model: 2011 or current year model, New, Full Size ¾ Ton Pickup Truck, Four (4) Door, Short Bed, 4 x 4.

GVWR: 8600 lbs.

Wheelbase: 140.0" minimum.

Engine: V-8, 5.4L, 300 HP Gasoline.

Axle/Springs/Frame: As required for vehicle GVWR.

Transmission: Automatic Transmission

Transmission

Cooling: Auxiliary air to oil transmission cooler as available from the manufacturer or dealer.

Steering: Power steering, adjustable tilt-wheel.

Brake System: Power disc brakes on all wheels; with Anti-lock Braking System (ABS).

Restraint system: Front driver and front passenger air bags required.

Body: Double wall Straight side body, 6 ¼ ft Bed

Rear step bumper.

Fuel System: Manufacturer's standard fuel tank.

Tires: Manufacturer's standard tire. All primary tires and wheels shall be identical (i.e., no cross brands or models). Each vehicle shall be equipped with a full-size spare tire. Spare tire may be mounted on a traditional steel wheel. All tires and wheels shall be properly balanced.

Mirrors: Manufacturer's standard right/left exterior mirror.

Radio: AM/FM Stereo.

Air Conditioning: Manufacturer's standard factory installed air conditioner.

Windshield Wipers: Electric, two speed, with intermittent wipe and washer system.

Glass: All glass shall be standard factory tinted.

Rear Window: Fixed.

Instrumentation: Factory installed gauges and dome light. E194-49800 Renewal info marked in red, contract updated
Cruise Control

Towing: Tow Package including Class III receiver and HD Flasher.

Locking or limited slip rear differential.

Skid Plates

License plate bracket: Vehicle shall be preconfigured for front and rear license plates or equipped with front and rear license plate brackets.

Keys: Two (2) complete sets of keys shall be furnished with each vehicle. If applicable, provide vehicle key codes

Color: Manufacturer's standard
through Mod 7 Page 22 of 33

Must Be White

RESOLUTION NO.

AT A REGULAR MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, JANUARY 7, 2014 AT 7:00 PM IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING, 311 SOUTH POLLARD STREET, VINTON, VIRGINIA

WHEREAS, the Vinton First Aid Crew has provided a Rehab Response Vehicle as part of its emergency services for years; and

WHEREAS, the Rehab Response Vehicle provides a wide range of services such as support for fire and emergency incidents, special events, transporting personnel, and needed services to off-road areas; and

WHEREAS, the previous truck was retired due to extensive and costly mechanical issues; and

WHEREAS, the VFAC plans to fund the full purchase and outfit cost of the new Rehab Response Vehicle, and the Town of Vinton will title, insure, fuel, and maintain the truck; and

WHEREAS, the VFAC will remit to the town all funds required to purchase the truck off of the Virginia State Contract.

NOW, THEREFORE, BE IT RESOLVED that the Vinton Town Council does hereby approve the following:

FROM:

REVENUE: 200.1899.007 VFAC Contribution – EMS Rehab \$25,348.66

TO:

EXPENDITURE 200.3205.750 EMS Rehab & Vehicle Replacement \$25,348.66

This Resolution adopted on motion made by Council Member _____, 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

January 7, 2014

Department

Administration

Issue

Update on the Branding Initiative presented by Elevation to the Branding Committee.

Summary

Elevation presented their recommendation to the Branding Committee on December 4, 2013 and December 18, 2013. Their recommendation was an IN VINTON design based on forming connections. Mr. Spitzer will present the logic behind this campaign as well as their recommended advertising campaign.

Their campaign focuses on a grassroots movement rather than a media blitz with a lot of pamphlets and brochures distributed in regional tourist centers. This is because the brand is built on 'connections' rather than a certain focal product such as a theatre, museum or other central attraction.

The campaign does not focus on a logo, but rather a mindset. This was a central theme from all of the advertising and branding companies interviewed. A logo is a secondary by-product of a good campaign and should not be the focal point. Also, in no way is the new brand image going to compete with the Town Seal. The Town Seal is the official insignia of the Town and will still be used on all official documents etc.

Attachments

PowerPoint Presentation

Recommendations

None

VINTON BRANDING INITIATIVE

Town Council Meeting
Tuesday, January 7, 2014



elev[^]tion

Agenda

- ▶ Objectives for Branding
- ▶ Findings from Interviews
- ▶ Branding Recommendations
- ▶ Discussion

Reminder: What Is Branding?

- ▶ It's not a logo!
- ▶ Branding is a kind of mental shorthand by which certain thoughts, ideas and perceptions are associated with your organization.
- ▶ A brand is an entryway to storytelling.

Our Goal

- ▶ Create a brand story that is:
 - Uniquely “Vinton”
 - Captures the core values of the town
 - Is easy for everyone in the community to remember
 - Provides a starting point for storytelling
 - Lets individuals “own” the language and tell the story in their own, unique way — while ensuring topline consistency
 - Above all else, we should differentiate, inspire and motivate

Our Process

- ▶ Internal Interviews
- ▶ External survey
- ▶ Primary research

FINDINGS FROM INTERVIEWS

Finding 1: Warm & Welcoming

Vinton is a community
that is open, friendly
and welcoming.

Finding 2: Close-Knit

Vinton is seen as a classic
“small town” where
everyone knows everyone.

Finding 3: Small

The Town of Vinton is geographically small.

Finding 4: Family Focused

Vinton is viewed as an excellent place to raise a family.

Finding 5: Hard-Working

Vinton is seen as a “blue collar” town where hard work is valued.

Finding 6: Caring

Vinton is a caring community that rallies to support its own—and others, too.

Finding 7: Access to Nature

Vinton's location makes it ideal for those who love the outdoors.

Finding 8: Strong Services

Services provided by the town are outstanding—and driven by strong customer service.

Finding 9: Convenient Location

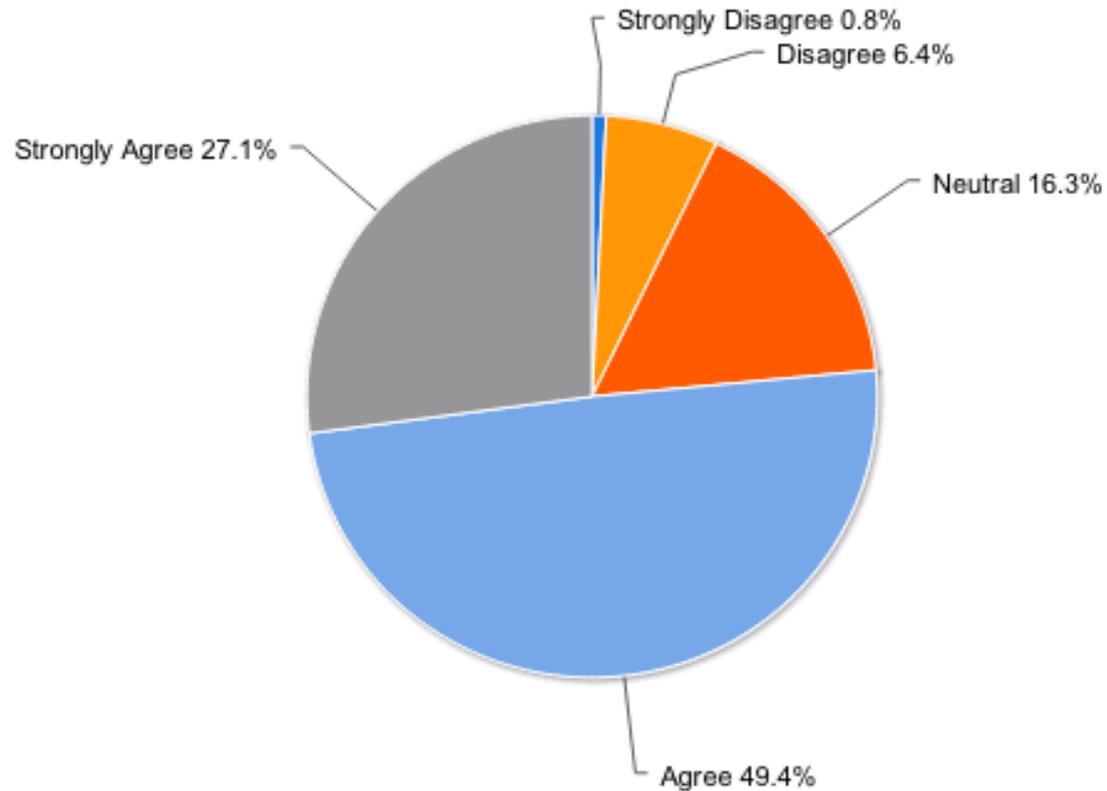
Vinton offers easy access
To both the city and
rural environments, plus
the Parkway and the Lake.

Finding 10: Making Progress

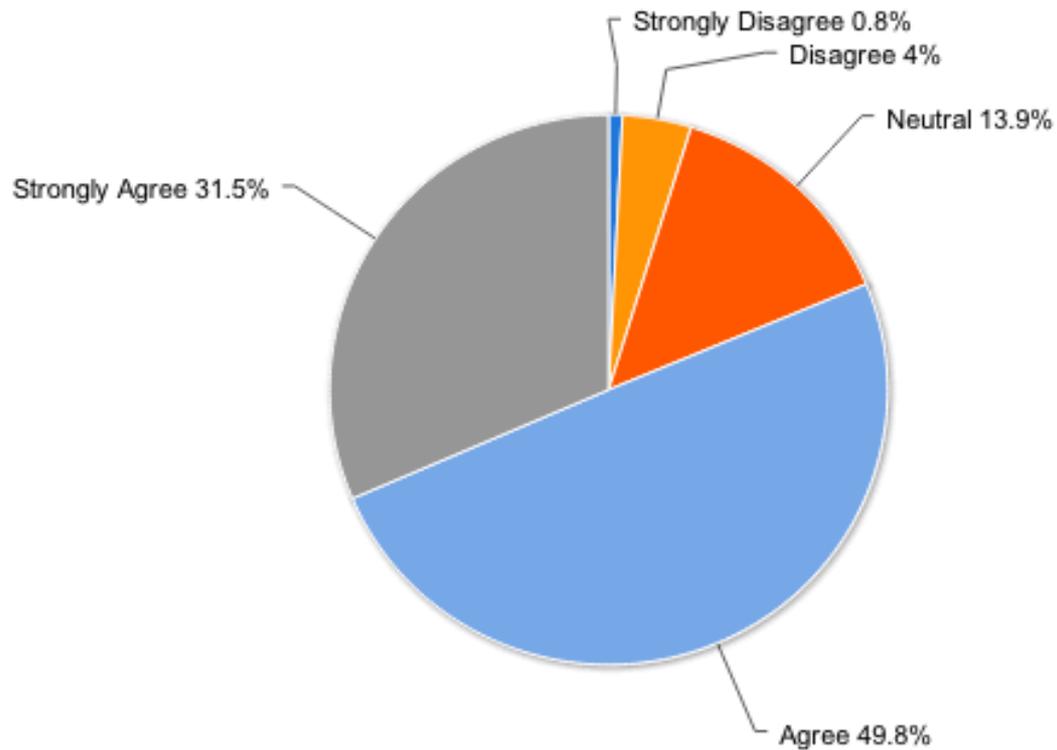
Vinton is a town on the rise that is making excellent progress and starting to turn heads.

FINDINGS FROM SURVEYS

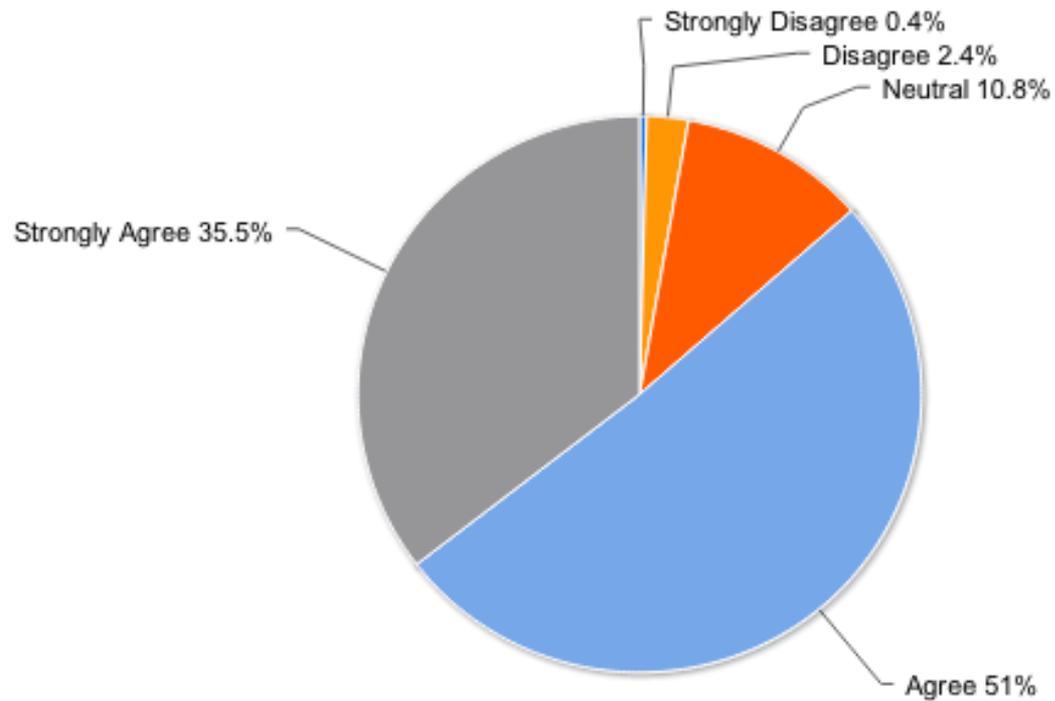
Vinton is an excellent place to live.



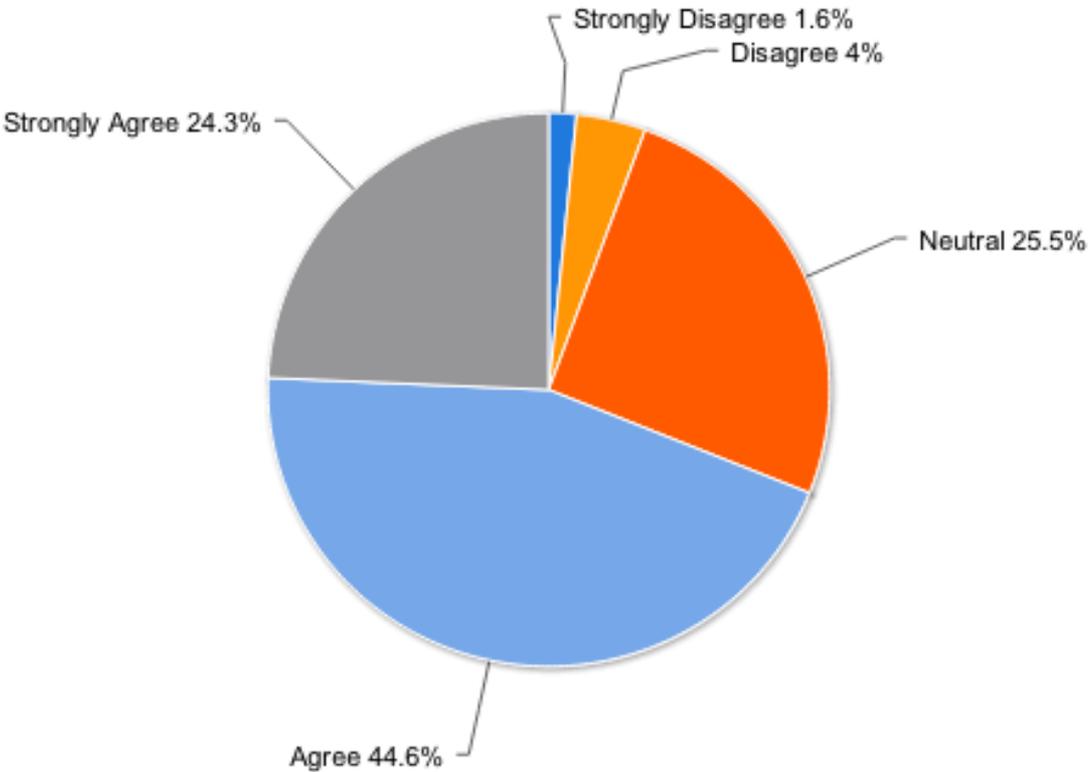
Vinton is an excellent place to raise a family.



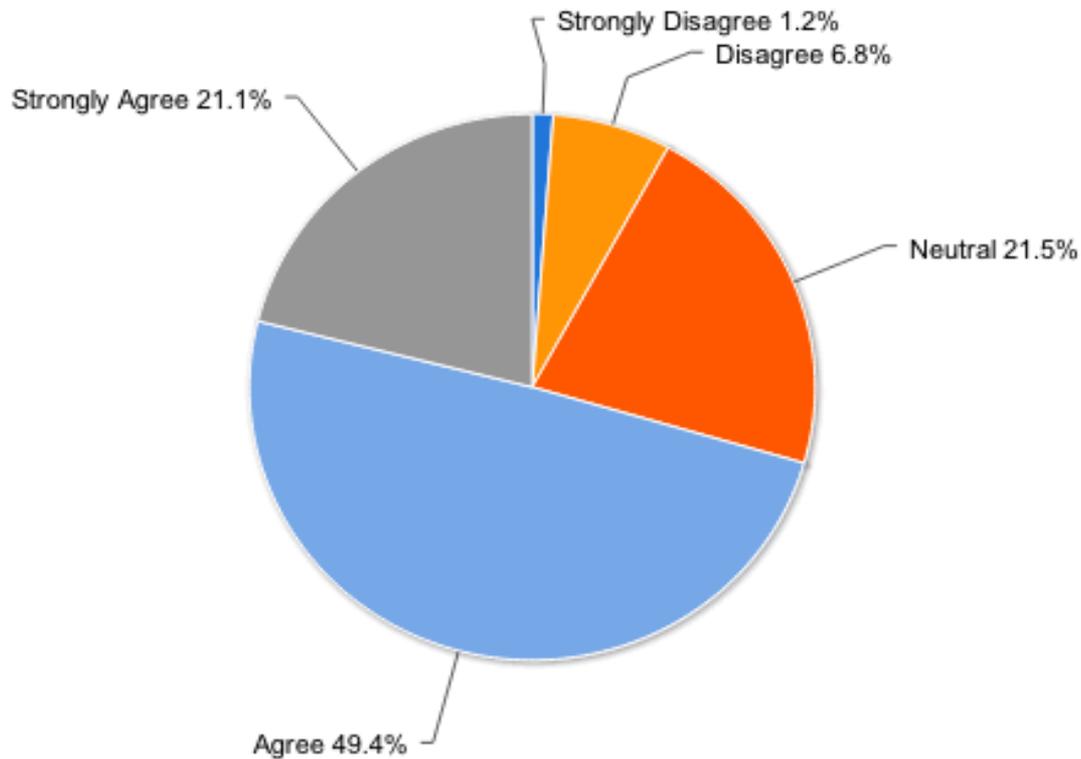
Vinton has excellent schools.



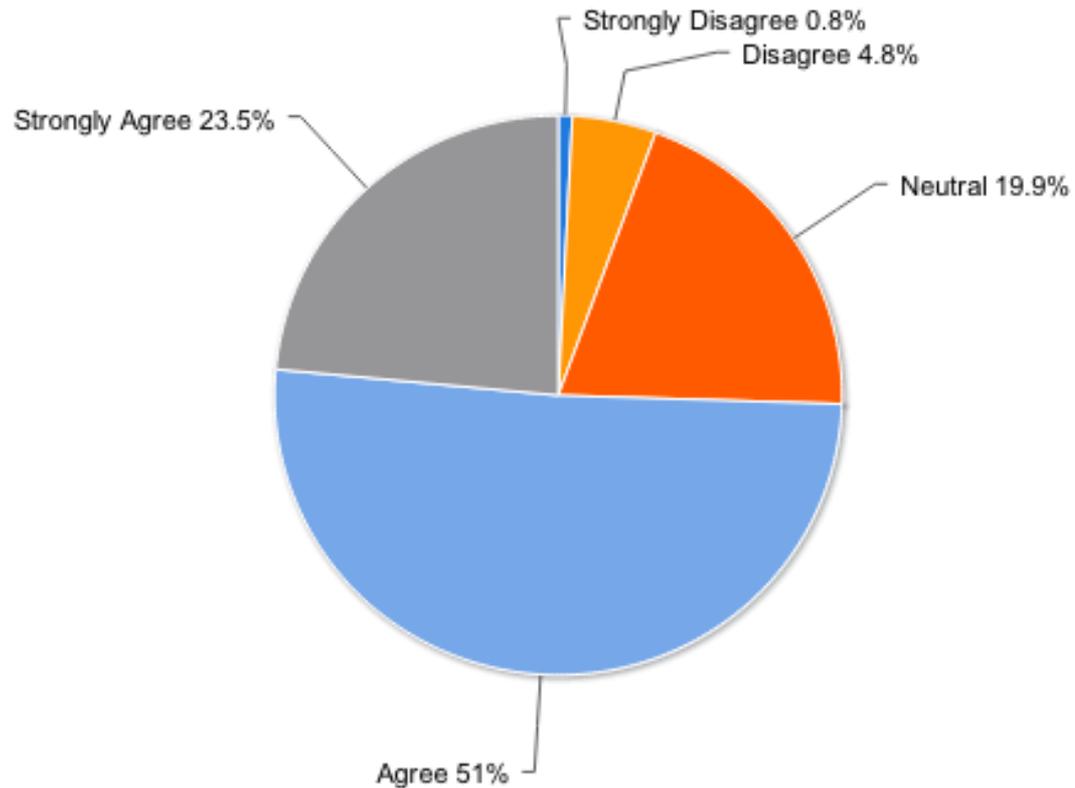
Vinton provides excellent services to its citizens.



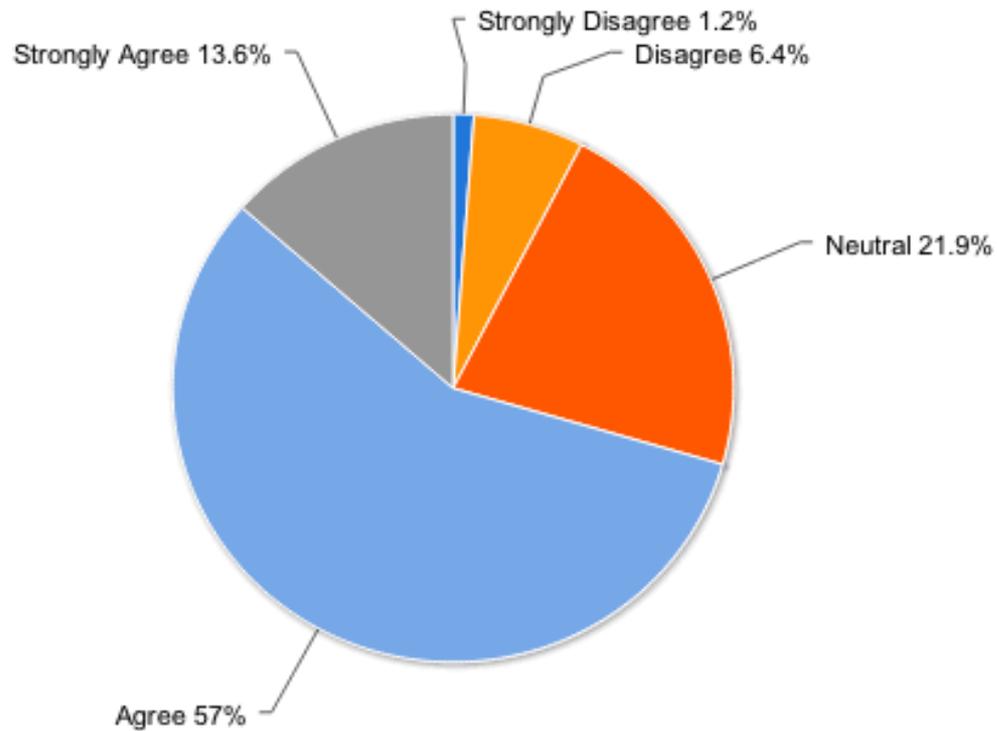
Vinton values outdoor activities and outdoor recreation.



Vinton is a caring community.



Vinton is a blue-collar town.



BUILDING THE BRAND

Potential Messages For Branding

- ▶ Warm & Welcoming
- ▶ Close Knit
- ▶ Small
- ▶ Family Focused
- ▶ Hard Working
- ▶ Caring
- ▶ Access to Nature
- ▶ Strong Services
- ▶ Convenient Location
- ▶ Making Progress

Taking A Closer Look

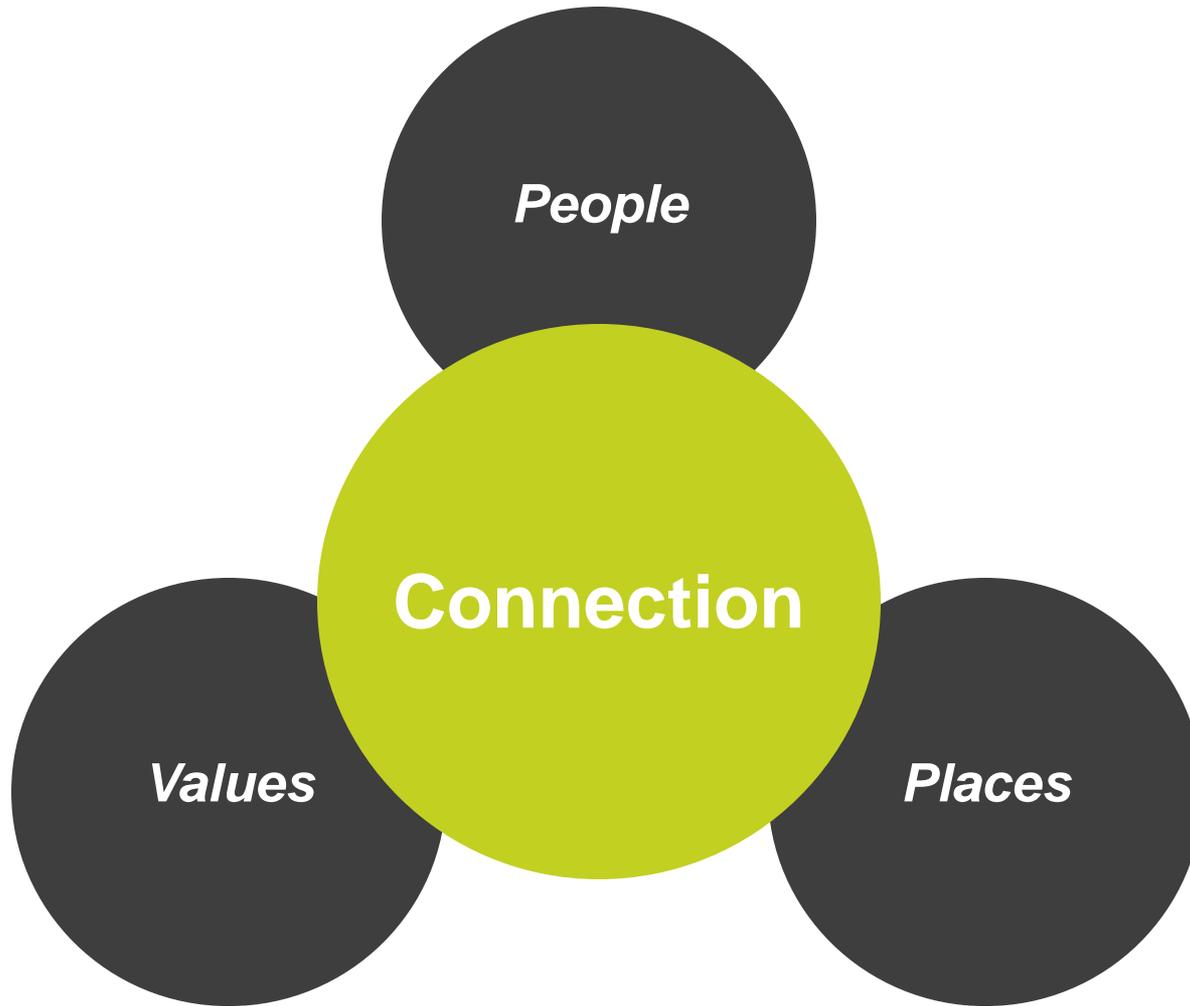
RELATIONSHIP ATTRIBUTES FUNCTIONAL ATTRIBUTES

- ▶ Warm & Welcoming
- ▶ Close Knit
- ▶ Small
- ▶ Family Focused
- ▶ Access to Nature
- ▶ Strong Services
- ▶ Convenient Location

VALUES ATTRIBUTES

- ▶ Hard Working
- ▶ Caring
- ▶ Making Progress

What Do These Things Have In Common?



Our Brand Position

Vinton is a community of connections—
where we create strong connections to others,
celebrate our connections to small-town values,
and enjoy our connections to a wealth of amenities.

A Community Of Connections...

People

Families
Neighbors
Visitors

Values

Hard Working
Caring
Civic-Minded

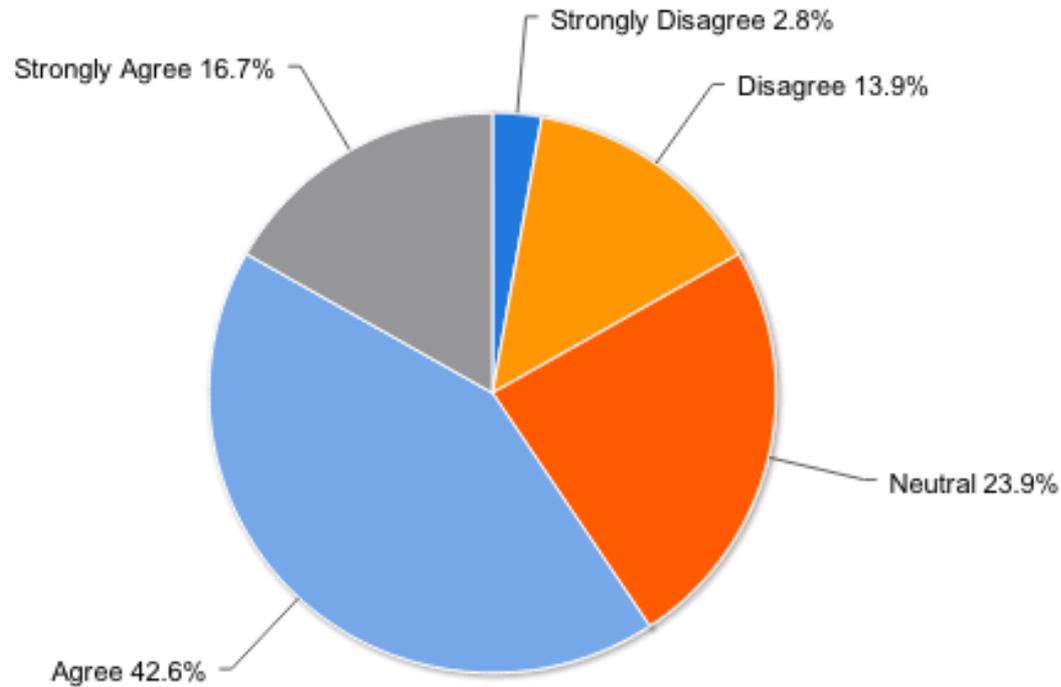
Places

City Access
Rural Access
Lake/Pkwy Access

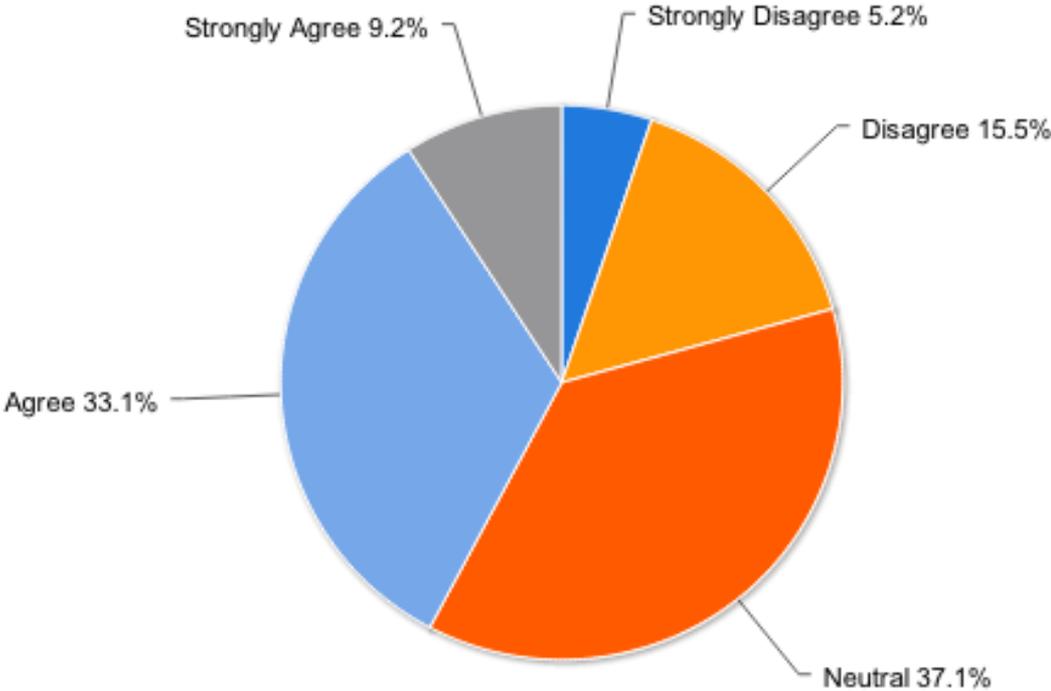
...Delivers Pleasant Surprises

YET, THERE ARE CHALLENGES

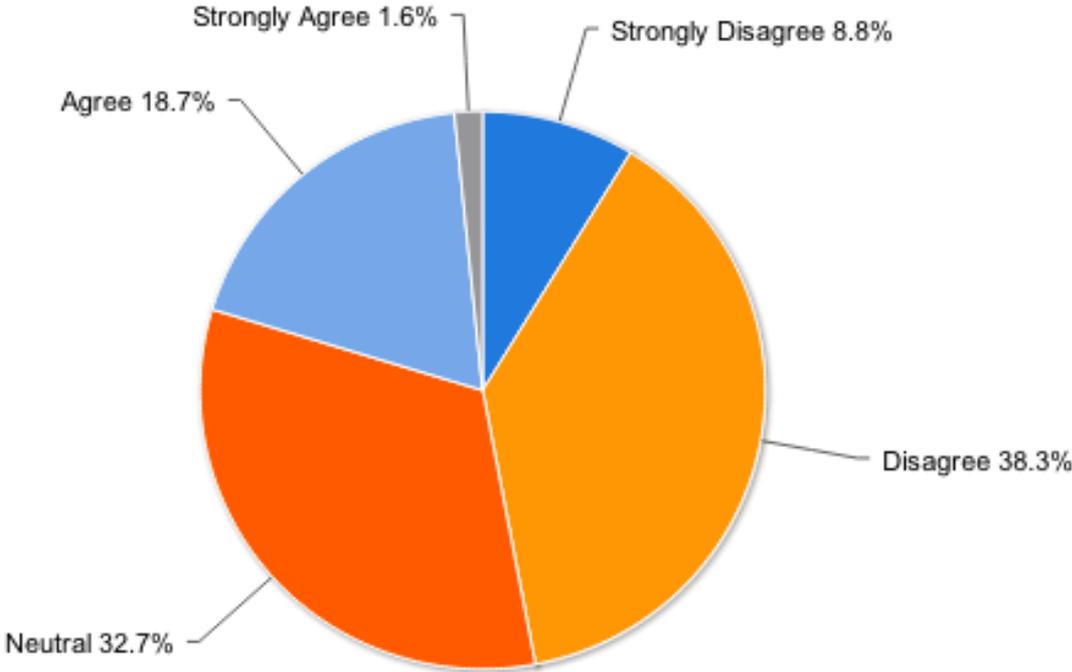
I think Vinton is a town with a bright future.



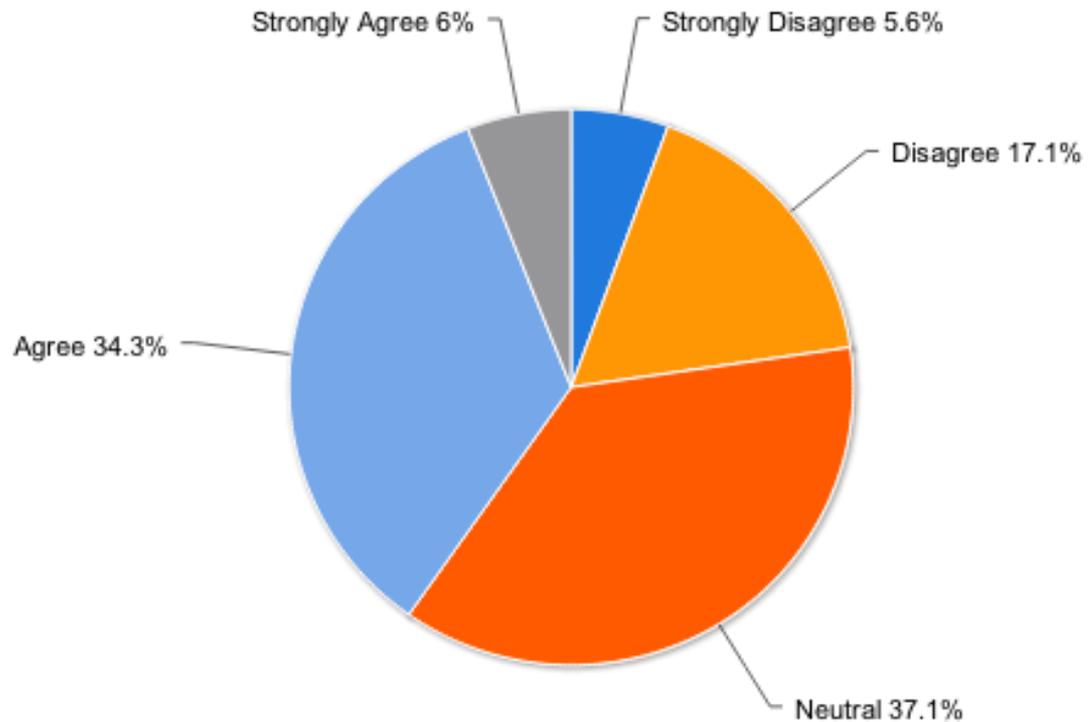
Vinton is an excellent place for business.



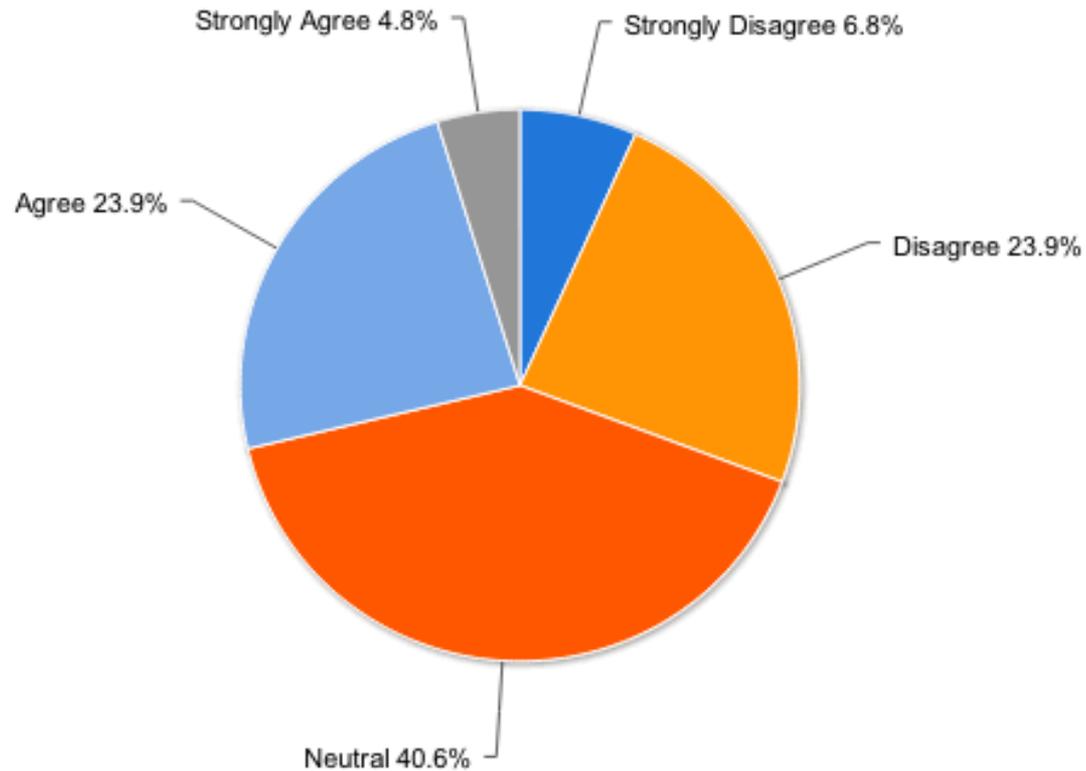
Vinton is an excellent place for shopping and dining.



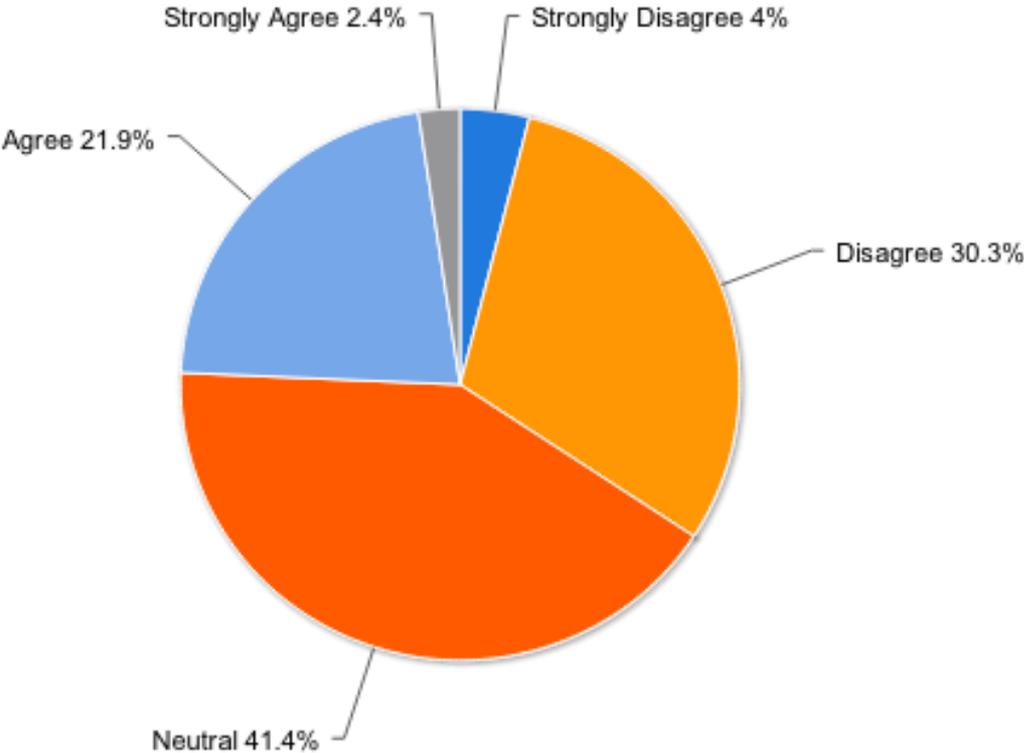
Vinton is a diverse place to live.



Vinton is a town on the move.

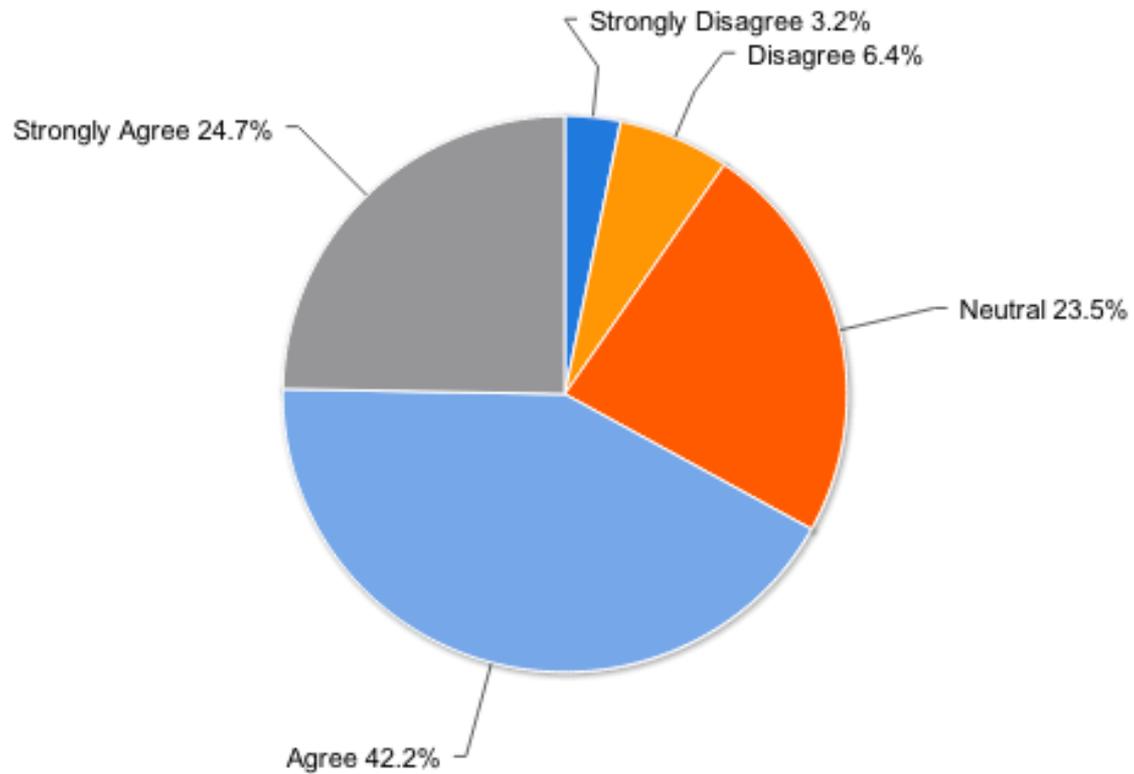


Vinton is an innovative town.

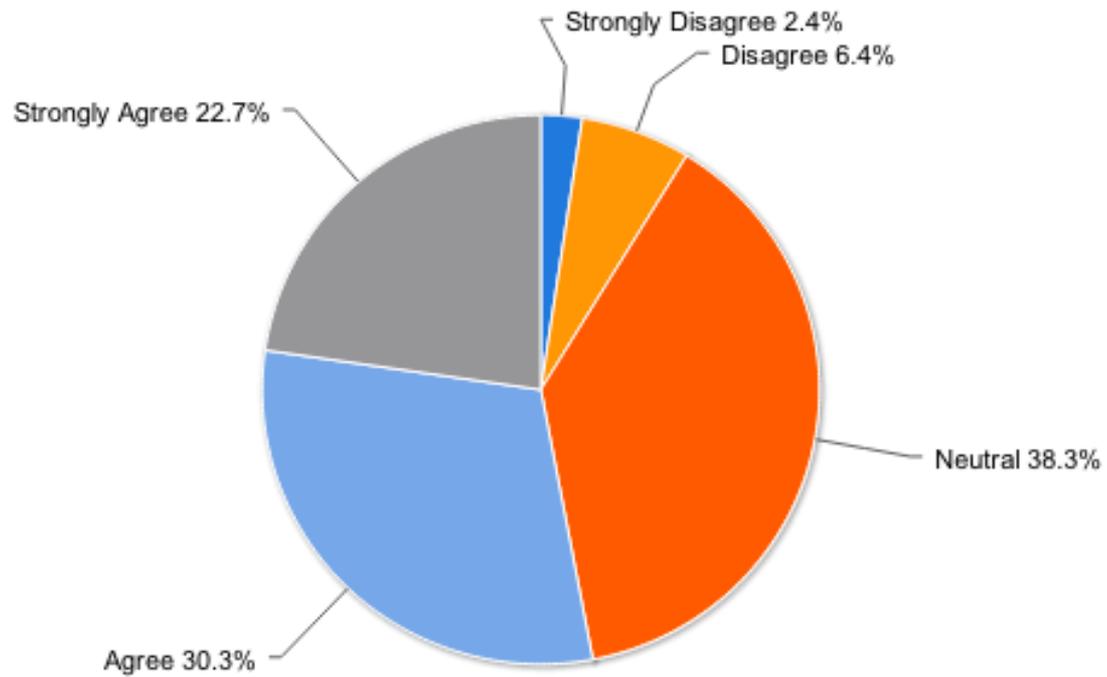


OUR CHALLENGE IN A NUTSHELL

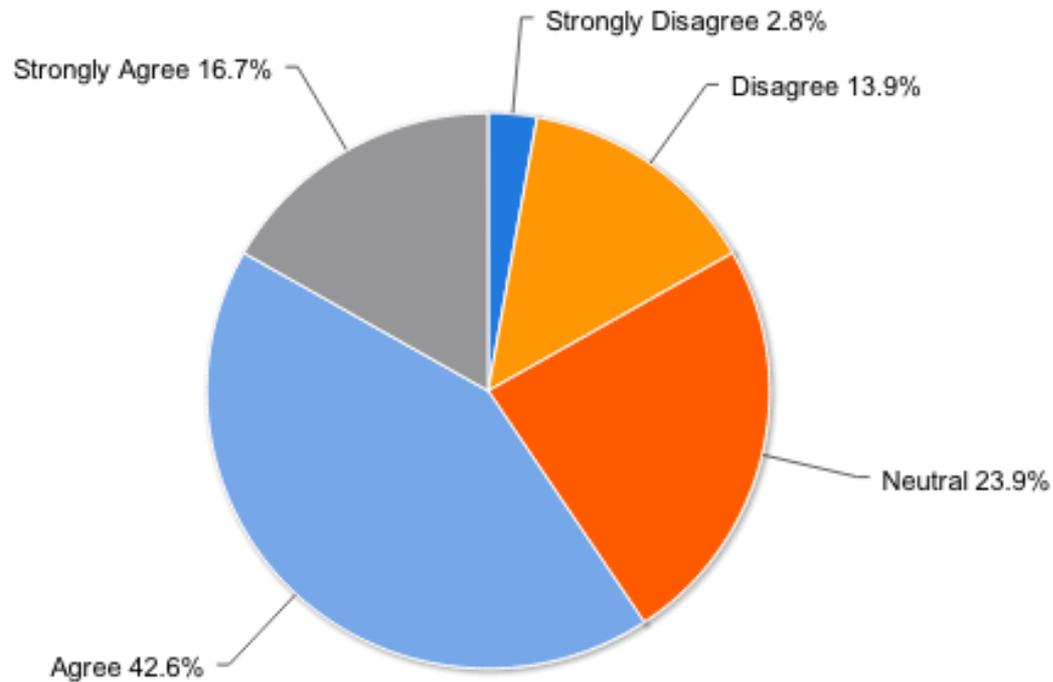
I love Vinton.



I am proud to live in Vinton.



I think Vinton is a town with a bright future.

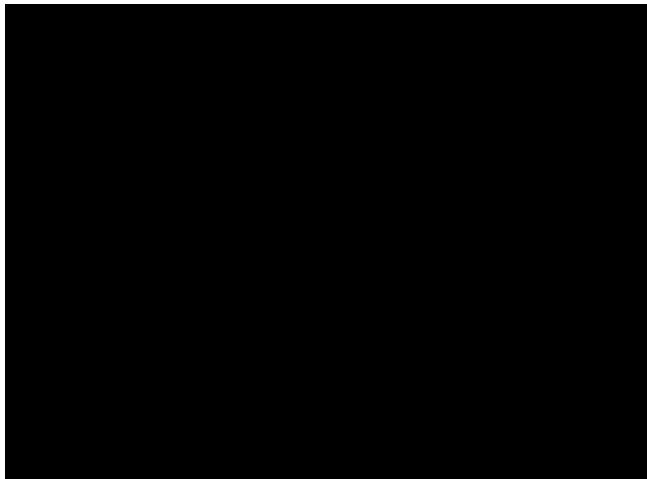


We must promote the many pleasant surprises that so many already believe to be great in Vinton—while simultaneously inspiring others to get on board.

ELEVATION'S RECOMMENDED SOLUTION

Let's Leverage Our Connections

- ▶ Our connections to people create a feeling of being “insiders”
- ▶ Our connections to small-town values create a feeling of being “in the know”
- ▶ Our connections to amenities create a feeling of being “in the middle of it all”



VINTON

**ARE
YOU** **IN** **?**
TOWN OF VINTON



TOWN OF VINTON

EAT
VINTON

SHOP
VINTON

GATHER
VINTON

PLAY
VINTON

LIVE
VINTON

MADE
VIN TON

THERE IS POWER IN OUR PROMISE!

ARE YOU **IN**?

TOWN OF VINTON

Connections to
People

Connections to
Values

Connections to
Places

Families
Neighbors
Visitors

Hard Working
Caring
Civic-Minded

City Access
Rural Access
Lake/Pkwy Access

V**IN**TON

Anatomy of the Plan

1. Essential Elements
2. Potential Elements
3. Future Elements

Elements

1. Website
2. Social Media
3. Promotional Materials
4. Environmental
5. Advertising
6. Business Marketing

Anatomy of the Plan

- 1. Essential Elements**
2. Potential Elements
3. Future Elements

Essential Elements

Website

- Create a new website: invinton.com
- Web pages:
 - Calendar of events
 - Dining, shopping information
 - Attractions, events
 - Sports information and scores
 - Pets up for adoption
- 1-question quick polls and results
- RSS feed for social media posts
- Links to local resources (Chamber of Commerce, etc.)

- Set the homepage on all public computers at the Public Library, Senior Center, etc. to new website

Essential Elements

Social Media

- Establish the hashtag #invinton
- Promote website content via social media
- Re-skin Vinton's Twitter, Facebook and YouTube pages

Essential Elements

Promotional Materials

- Bumper stickers
 - Residents post a comment about why they love living in Vinton to receive a sticker
- T-shirts
- Posters – Shop IN/Dine IN/Play IN/Live IN
- Reusable (canvas) bags

Note: all materials will include the invinton.com web address

Essential Elements

Environmental

- Series of light pole banners (Shop/Dine/Play/Live IN Vinton)
- Oversized magnets on school busses
- Bumper stickers on all town vehicles

Essential Elements

Advertising

- Banner at the Terriers football field
- Print ad in Terriers sports programs

Essential Elements

Business Marketing

- Update the Chamber of Commerce's illustrated map
- Add more content to Vinton's entry in the Blue Ridge Parkway Directory and Travel Planner
- Add more content to the interactive Blue Ridge Parkway map

Anatomy of the Plan

1. Essential Elements
- 2. Potential Elements**
3. Future Elements

Potential Elements

Website

- Create page where residents can upload videos and post comments about why they love living IN Vinton
- Create a page where residents can share what they're doing/where they're going IN Vinton
- Hold drawings for giveaways – select winners from those that have posted content
- Who's Who IN Vinton – spotlight a resident each month

Potential Elements

Promotional

- Wine Festival glasses
- Rubber stamps

Potential Elements

Environmental

- Wrap 1–2 town vehicles
- Large IN art installation (sign)
- Lights framing downtown buildings
- Series of (skyline) banners
- IN mural on the side of a building/Farmer's Market Pavilion
- Paint the Pavilion green
- Change the name of the Farmer's Market to a Community Market

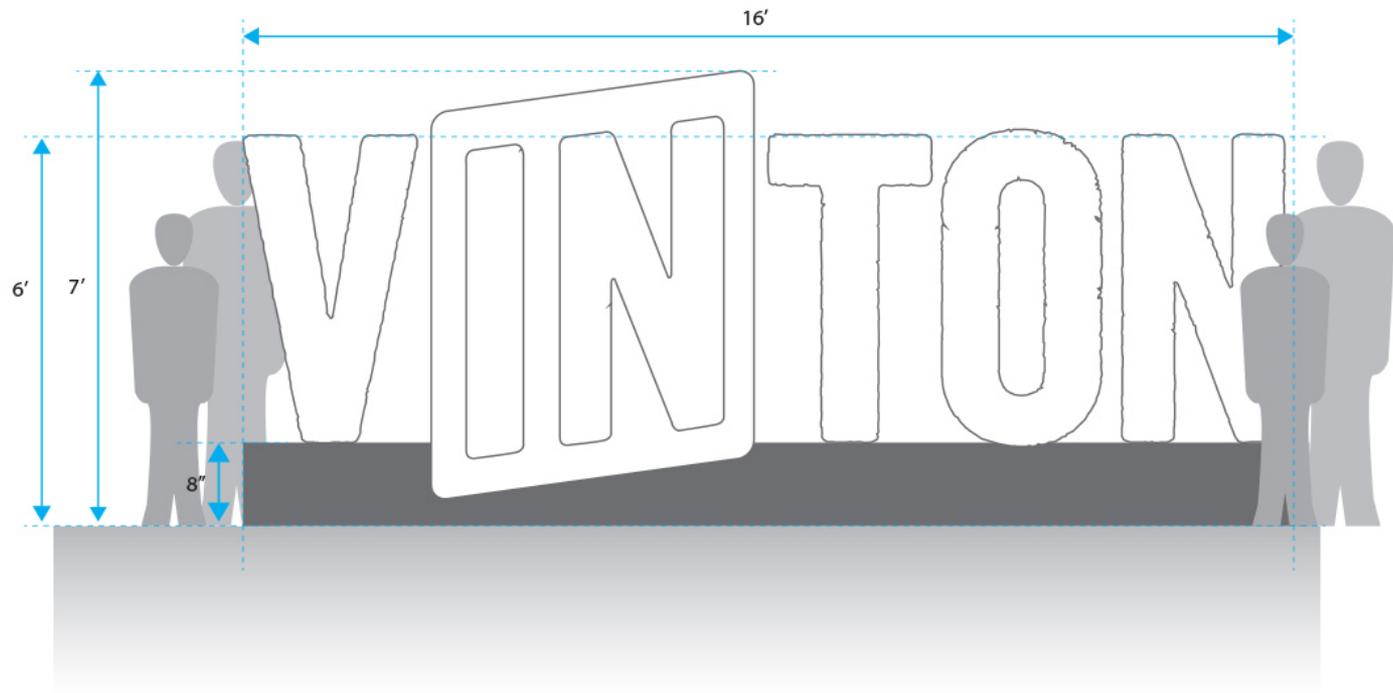
Potential Elements

VINTON



Potential Elements

VINTON



Potential Elements

Advertising

- Display Advertising (banner ads)
 - www.smithmountainlake.com
 - www.visitsmithmountainlake.com
 - www.smith-mountain-lake-visitor-center.com
- Create a co-op print ad with local Vinton businesses in *Smith Mountain Laker Magazine*

Potential Elements

Business Marketing

- Submit content for the Visit Smith Mountain Lake *Points of Interest* page
- Submit content for the Smith Mountain Lake Visitor Guide

Anatomy of the Plan

1. Essential Elements
2. Potential Elements
3. **Future Elements**

Future Elements

Website

- E-store for promotional materials

Future Elements

Promotional Materials

- Baby onesies
- Koozies
- Baseball hats
- Dog collars/shirts
- Yard flags
- Car flags
- Car magnets/window clings

Future Elements

Environmental

- Float for parades
- Art installation/banners at the Public Library/City Hall
 - Sponsor a high school art contest
 - Residents vote for the winner
- Engagement station at the Vinton Town Hall/Senior Center
 - Computer with access to invinton.com site
 - Print versions of key IN materials
- Provide the Post Office with an IN stamp for canceling stamps that are processed in Vinton

Future Elements

Advertising

- Billboards leading into Vinton
- Wrap (or advertise on the outside/inside of) a City of Roanoke bus – Vinton line
- Free coffee (with an IN sleeve) at a Blue Ridge Parkway pull-off
- Sponsor Smith Mountain Lake fireworks/glow sticks
- Sponsor Smith Mountain Lake Golf/Wake/Fishing Tournaments
- Smith Mountain Lake website coupons to Vinton events (Wine Festival) or for one-day 10% off all local Vinton businesses

Summary

Stage	Website	Social Media	Promotional Materials	Environmental	Advertising	Business Marketing
Essential	<ul style="list-style-type: none"> • Calendar of events • Vinton services pages • 1-question polls • RSS feed • Public computers set to Invinton.com 	<ul style="list-style-type: none"> • #invinton hashtag • Promote website content • Re-skin Twitter, Facebook, YouTube 	<ul style="list-style-type: none"> • T-shirts • Posters • Bumper stickers • Reusable canvas bags 	<ul style="list-style-type: none"> • Light pole banners • Oversized magnets for busses • Bumper stickers on town vehicles 	<ul style="list-style-type: none"> • Banner at football field • Print ad in football program 	<ul style="list-style-type: none"> • Update Chamber's map • BRP Directory and Travel Planner content • BRP interactive map content
Potential	<ul style="list-style-type: none"> • Post resident videos • Post resident comments • Post resident plans/activities • Giveaway drawings • Who's Who IN Vinton 	<ul style="list-style-type: none"> • Promote additional website content 	<ul style="list-style-type: none"> • Wine Festival glasses • Rubber stamps 	<ul style="list-style-type: none"> • Wrap town vehicles • IN sign (art installation) • Lights on downtown buildings • Series of skyline banners • Mural • Paint the Pavilion green 	<ul style="list-style-type: none"> • Banner ads on SML websites • Co-op print ad in SM Laker magazine • Print ads in bridal magazines 	<ul style="list-style-type: none"> • Content on SML sites
Future			<ul style="list-style-type: none"> • Baby onesies • Koozies • Baseball hats • Dog collars/shirts • Yard flags • Car flags • Car magnets/window clings 	<ul style="list-style-type: none"> • Float for parades • Art installation/banners (HS art contest) • Engagement station at City Hall/Senior Center • Post office cancel stamp 	<ul style="list-style-type: none"> • Billboards • Wrap/advertise on a City of Roanoke bus • Free coffee on BRP • Sponsor SML fireworks • Sponsor SML tournaments • Coupons to Vinton events/businesses 	

Launch Budget

Stage	Website	Social Media	Promotional Materials	Environmental	Advertising	Business Marketing
Essential	<ul style="list-style-type: none"> • Calendar of events • Vinton services pages • 1-question polls • RSS feed • Public computers set to Invinton.com 	<ul style="list-style-type: none"> • #irvinton hashtag • Promote website content • Re-skin Twitter, Facebook, YouTube 	<ul style="list-style-type: none"> • T-shirts • Posters • Bumper stickers • Reusable canvas bags 	<ul style="list-style-type: none"> • Light pole banners • Oversized magnets for busses • Bumper stickers on town vehicles 	<ul style="list-style-type: none"> • Banner at football field • Print ad in football program 	<ul style="list-style-type: none"> • Update Chamber's map • BRP Directory and Travel Planner content • BRP interactive map content

Essentials approximately \$50,000

- 50% promotional materials production
- 33% website/social media creative development
- War Memorial business marketing not included

Budget

Essential Elements*

Item	Quantity	Hard Costs (Total)	Creative Services	Total
Website				
INvinton.com	1	n/a	13,500.00	13,500.00
Social Media				
Re-skin Twitter/Facebook/YouTube	1	n/a	2,500.00	2,500.00
Promotional Materials				
T-Shirts	2,500	13,398.75	1,000.00	14,398.75
Posters (24"x36")	50	911.25	1,200.00	2,111.25
Bumper Stickers	5,000	2,362.50	75.00	2,437.50
Canvas Bags	1,000	5,197.50	75.00	5,272.50
Environmental				
Light Pole Banners	30	4,050.00	750.00	4,800.00
Bus Magnets (4'x4')	2	553.99	250.00	803.99
Advertising				
Football Banners*	1	259.20	750.00	1,009.20
Football Program Ad*	1	n/a	1,500.00	1,500.00
Business Marketing				
Chamber Map Update	1	n/a	200.00	200.00
Total		\$ 26,733.19	\$ 21,800.00	\$ 48,533.19
<i>*Media costs not included</i>				

*not including War Memorial business marketing

ARE YOU IN?
TOWN OF VINTON



Town Council Agenda Summary

Meeting Date

January 7, 2014

Department

Finance/Treasurer

Issue

Financial Report for November 2013

Summary

The Financial Report for the period ending November 30, 2013 has been placed in the Town's Dropbox and on the Town's Website.

The Finance Committee will meet on Tuesday, January 7, 2014 at 5:30 pm to discuss the report and will make a presentation of the report to Council during the Council Comment Section of the Regular Meeting.

Attachments

Financial Report Summary

Recommendations

Motion to approve the November 2013 Financial Report

Financial Report Summary
Month Ending November 30, 2013

THE TOWN OF
VINTON
 VIRGINIA



	Adopted Budget	Revised YTD Budget	MTD	YTD Posted	REMAINING BALANCE	%
General Fund 200						
Revenues	7,905,867	2,115,878	338,009	1,869,107	(246,771)	88%
Accrued Revenue Adjustment			238,337	238,337		
Total Adj. Revenues	7,905,867	2,115,878	576,346	2,107,444	(8,434)	100%
Expenditures	7,905,867	3,743,822	425,306	3,104,203	(639,619)	83%
Revenues over/(under) Expenditures		(1,627,944)	151,040	(996,759)		
Utility Fund 300						
Revenues	3,429,380	1,185,736	97,929	1,137,995	(47,741)	96%
Less: Tinker Creek Project Revenue		0	0	0		0%
Less: Bond Series 2013		0	0	0		
Operating Revenues	3,429,380	1,185,736	97,929	1,137,995	(47,741)	96%
Expenditures	3,429,380	1,490,822	293,472	1,777,774	286,953	119%
Less: Tinker Creek Project Expenditures		0	0	0	0	0%
Less: Bond Series 2013		0	0	575,025		
Operating Expenditures		1,490,822	293,472	1,202,749	(288,073)	81%
Revenues over/(under) Expenditures		(305,086)	(195,544)	(64,754)		
Total All Funds						
Revenues	11,335,247	3,301,614	674,275	3,245,439	(56,175)	98%
Expenditures	11,335,247	5,234,644	718,778	4,306,952	(927,692)	82%
Revenues over/(under) Expenditures		(1,933,030)	(44,504)	(1,061,513)		

*excludes Tinker Creek Project

*excludes 2013 Bond Issue