

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 21, 2014**

AGENDA

Consideration of:

A. 6:00 p.m. - WORK SESSION

1. Briefing by Jake Gilmer, Project Manager, for the Partnership for a Livable Roanoke Valley.
2. Briefing on stormwater development study and Steering Committee public meetings.

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

C. MOMENT OF SILENCE

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

E. UPCOMING COMMUNITY EVENTS/ANNOUNCEMENTS

F. CONSENT AGENDA

1. Consider approval of minutes for the regular Council meeting of December 17, 2013.
2. Consider approval of minutes for the regular Council meeting of January 7, 2014.

G. AWARDS, RECOGNITIONS, PRESENTATIONS

1. Officers of the Month for December – Sergeant Fabricio Drumond, Officer Daniel King, Officer James Spence.
2. Recognition of Michael W. Altizer for his eleven (11) year career as the representative of the Vinton Magisterial District on the Board of Supervisors of Roanoke County.

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

I. TOWN ATTORNEY

J. 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 appropriating funds in the amount of \$29,750.00 received from the Attorney General Forfeiture Grant Program to the Police Department for the purchase of replacement computers, software and mounts.

UPDATE ON OLD BUSINESS

K. MAYOR

L. COUNCIL

1. Appointments to Boards/Commissions.
2. Financial Report for November 2013.

M. ADJOURNMENT

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

NEXT TOWN COMMITTEE/COUNCIL MEETINGS/EVENTS:

February 3, 2014 – 5:30 p.m. – Finance Committee Meeting – Finance Conference Room

February 4, 2014 – 6:00 p.m. – Work Session followed by Regular Council meeting at 7:00 p.m. – Council Chambers

February 18, 2014 – 6:00 p.m. – Work Session followed by Regular Council meeting at 7:00 p.m. – Council Chambers



Town Council Agenda Summary

Meeting Date

January 21, 2014

Department

Administration

Issues

Briefing by Jake Gilmer, Project Manager, for the Partnership for a Livable Roanoke Valley.

Summary

Jake Gilmer will be present at the meeting to make this presentation.

Attachments

None

Recommendations

No action required



Town Council Agenda Summary

Meeting Date

January 21, 2014

Department

Planning and Zoning

Issues

Briefing on stormwater development study and Steering Committee public meetings.

Summary

Anita McMillan, Planning and Zoning Director, will be present at the meeting to give this update.

Attachments

None

Recommendations

No action required



Town Council Agenda Summary

Meeting Date

January 21, 2014

Department

Town Clerk

Issues

1. Consider approval of minutes for regular Council meeting on December 17, 2013.
2. Consider approval of minutes for regular Council meeting on January 7, 2014

Summary

None

Attachments

December 17, 2013 minutes
January 7, 2014 minutes

Recommendations

Motion to approve minutes

MINUTES OF A REGULAR MEETING OF VINTON TOWN COUNCIL HELD AT 7:00 P.M. ON TUESDAY, DECEMBER 17, 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.
Matthew S. Hare

MEMBER ABSENT: Robert R. Altice

STAFF PRESENT: Christopher S. Lawrence, Town Manager
Susan N. Johnson, Town Clerk
Susan Waddell, Town Attorney
Stephanie Dearing, Human Resources Director
Anita McMillan, Planning & Zoning Director
Gary Woodson, Public Works Director
Joey Hiner, Assistant Public Works Director

The Mayor called the regular meeting to order at 7:00 p.m.
The Town Clerk called the roll with Council Member Adams, Council Member Hare, Vice Mayor Nance, and Mayor Grose present. Council Member Altice was absent.

Roll Call

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

Under upcoming community events/ announcements, the
Town Manager commented that the Chamber is having their New Year's Eve Gala at the War Memorial. The Mayor reminded everyone of the Chamber Open House this Thursday and Vice Mayor Nance commented the reception for Mr. Altizer is also this Thursday.

Vice Mayor Nance made a motion that the consent agenda
be approved as presented; the motion was seconded by Mr. Adams and carried by the following vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

Approved minutes of the regular Council meeting of November 19, 2013

Vice Mayor Nance read a letter from Chief Cook naming
Officer Gregory Quesinberry as Officer for the month of November 2013. Officer Quesinberry was present at the meeting and recognized by the Mayor.

The next item on the agenda was consideration of public
comments on a request by Robert O. and Linda M. Quam, owners of Lot 1, Block 12; and Sherman E. and Barbara B. Sligh; owners of Lot 7, Block 9, of Plat Book 6, Page 30 showing Map of Section Number 4, Bali Hai Subdivision, property of W.E. and Olney G. Cundiff, prepared by C. B. Malcolm & Son and dated August 31, 1964, recorded in the Clerk's Office of the Circuit Court for the County of Roanoke,

Virginia, on January 5, 1965, to abandon, vacate and deed a fifty (50) foot wide by approximately one hundred and fifty (150) foot long undeveloped right-of-way, known as Daleview Drive, to the adjoining property owners.

The Mayor commented that based upon a request from Attorney Cranwell, the Town Attorney recommended that we entertain a motion stating that Attorney Dick Cranwell, on behalf of the applicants, has requested a continuance of the public hearing. Based on this request and the recommendation from the Planning Commission that the application be tabled for sixty days, he entertained a motion that the Public Hearing be continued for ninety days.

Vice Mayor Nance said he would applaud the parties for trying to rectify this issue rather than the Town perhaps making a very harsh ruling for one or two if not all of the parties involved. Mr. Nance made the motion suggested by the Town Attorney and the motion was seconded by Mr. Hare. The Mayor commented that he is also glad the parties are going to try and work out a resolution that can be agreeable with everyone. He also commented on the Planning Commission's decision to table the matter for sixty days. The motion was then carried by the following roll call vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

Public Hearing continued for ninety days

The next item on the agenda was to consider adoption of an Ordinance authorizing the Town Manager to execute a Joint Powers Agreement with VML Insurance Programs and an Advice to Pay Agreement with Lincoln Financial Group pertaining to the VMLIP Paid Leave Solution Program. The Town Manager commented that Council has been briefed on this matter several times and staff is now recommending that we participate with VML Insurance Programs through Lincoln Financial Group. This is for the legislated short-term and long-term disability coverage relative to the January 1, 2014 introduction of hybrid plan covered employees. He further commented that over the next several months, staff will be reviewing options regarding providing this same benefit to all of our current employees as part of our benefits package.

Mr. Hare asked the Town Attorney about having dealings with this group in his business and did it create a conflict of interests. Ms. Waddell asked Mr. Hare if the Lincoln Financial Group is one of many companies that he deals with or does he have some exclusive relationship with them. Mr. Hare responded that it is not exclusive. The Town Attorney then stated to Mr. Hare that generally speaking to determine conflict of interests, it would be based on the fact that he would have any financial benefit from Lincoln Financial Group being awarded this item and if it would benefit him in any way. Mr. Hare said it would not.

Vice Mayor Nance made a motion that the Ordinance be adopted as presented; the motion was seconded by Mr. Adams and carried by the following roll call vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

The Mayor then commented for those in the audience that by the time an item like this is brought to Council for action they have been briefed on it at least one time in a work session. Any decision is based on prior information that has been given by staff and reviewed by Council.

The next item on the agenda was to consider adoption of a Resolution appropriating funds in the amount of \$648.12 received through the VML Insurance Programs Risk Management Safety Grant Program to the Police Department budget.

The Town Manager commented that originally this request from the Police Department was denied because all of the funds had been allocated. Later, some additional funds became available and the Police Department was awarded \$648.12 which they used to purchase lighted batons and cones. This action is to acknowledge the revenue coming in and to appropriate it to the Police Department budget. Mr. Hare made a motion that the Resolution be adopted as presented; the motion was seconded by Vice Mayor Nance and carried by the following roll call vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

The next item was to consider adoption of a Resolution authorizing the transferring of funds in the amount of \$6,500.00 to pay the Berkley Group for the development of a park master plan. The Town Manager commented that it was discussed in the last meeting the proposal to hire The Berkley Group to work with the Town on two park-related projects, a children's pocket park and a skate park. One of the proposals from that meeting was to separate the two projects. The projects were initially grouped together to save some money.

Regarding the skate park, at this point we know there is a need for such a park, but we need to further investigate the interests of the community. The Lions Club is interested in the pocket park project through volunteering and financial resources and we have been able to identify a piece of property that is viable. This proposal would allow us to have it researched more specifically to make sure we have the right piece of property, to engage the community to find out what they want and to get more support for the project.

The Town Manager further commented that he had the consultant separate the two projects and the process

Adopted Ordinance No. 944 authorizing the Town Manager to execute a Joint Powers Agreement with VML Insurance Programs and an Advice to Pay Agreement with Lincoln Financial Group pertaining to the VMLIP Paid Leave Solution Program

Adopted Resolution No. 2046 appropriating funds in the amount of \$648.12 received through the VML Insurance Programs Risk Management Safety Grant Program to the Police Department budget.

basically stays the same. There would be a public workshop at a level where there is no specific plan, but to garner information. The consultant would take that information and develop a park master plan with some options such as type of equipment and costs. These options would then be presented at a second community workshop where a plan would be chosen and we can move forward.

There are no funds allocated in our current capital improvement budget to pay for this park master plan. However, it is important to have a solid plan to use to gather more support from the community and for use in applying for any grants. The park plan would also provide us with a budget and some suggested funding sources. The cost is \$6,500 just for the pocket park. If we decided to do the skate park at a later time, that cost will be an additional \$4,250.

Vice Mayor Nance commented that several months ago members of the Town and representatives of two of the Lions Clubs met with County officials as an informal park committee to discuss the steps that we need to take. He then asked what is it that The Berkley Group can do that this informal park committee cannot do, especially since Roanoke County has built parks before and can give us a pathway. The Town Manager responded that for projects like this the opportunity for a lot of public input and engagement is important and the consultant would be the facilitator for those types of meetings as an extension of staff. Roanoke County can provide us with experience and ideas, but when the time comes to actually designing a park the County also hires consultants. It is important to know how to engineer the site so such issues as stormwater, safety and fencing are addressed. Vice Mayor Nance asked if the issue of pedestrian traffic coming back and forth from the proposed park site to the library would be addressed and the response was yes.

Mr. Nance next asked if the consultant was aware this was going to be a partnership if it comes to fruition and the response was yes. Mr. Nance then commented that he does not want this to become a partnership where our partners would become silent partners. This park will not be built without the assistance of a civic organization, such as the Lions Club, playing a major role in it, so they need to have major input into the plan and design. The Town Manager responded that the consultant has worked with parks before that had partnerships and he will take that into account.

In response to a question about the timeframe, the Town Manager indicated the consultant can get us from point A to the deliverables or plans in hand for how to move forward within 90 days.

The Town Manager commented that there is a large stormwater pipe that goes under the suggested property and we need to make sure that the site is designed appropriately to handle stormwater issues.

Vice Mayor Nance commented that he understands with the skate park component we need to determine the interest level and if there are partnership opportunities before we ask the consultant to proceed. The Town Manager said the current challenge is that we need to do something about the lot now because it is not safe. We have to make it a viable piece of property to function as is without spending too much money.

Mr. Hare asked about the need for the second workshop and the response was it will give two design options and will allow the community and those who attend to pick what will become the final design proposal. After this workshop, he will put the best of the options together into one plan and give us a deliverable of construction style drawings. Mr. Hare commented that he is trying to make the cost as little as possible, so could the consultant give us the final document and let staff present it and the response was yes.

Mr. Hal Mabe addressed Council and commented on behalf of the Vinton Breakfast Lions Club that he appreciated the Town moving forward on this project. This idea has been mentioned for several years; however, he wants to make sure that the Town understands that the Lions Clubs have agreed to look into this project and it is something they would like to do. There is no guarantee on their end, but they will stand behind whatever they decide to do. If all the Clubs come together, there are enough members to help maintain the park and raise some money, but it is important that they are highly involved in the process and that every Club is kept informed. However, if at any time there is not a majority with the Clubs proceeding with the project, then they could pull back.

Mr. Mabe further commented that it is important to have the Town's input about the location, how it is designed and that we are providing the services that the Town needs. We want to have a Lions park that people will know the Lions Clubs stand behind and reinforces what we stand for. One that serves a need for children, handicapped accessible, and, of course, being near the library does make it a little more attractive. The Clubs are interested and excited about this and want to be involved in every step of the process.

The Mayor commented that it does sound like a great idea and the concerns about the location and safety issues are important. The consultant will be valuable in this respect. He does not like spending this much money either, but he would be afraid to proceed without something like this. Planning for the use of public land is absolutely vital and we want as much

public input as we can get. Hopefully, the consultant will make us aware of any hidden obstacles or legal issues that perhaps maybe a committee of citizens might not be aware of. In response to Mr. Hare's comments about the cost of the last presentation, he thinks if a man is going to put a plan together, he should be given the opportunity to come before Council and Council members would be able to ask questions.

Vice Mayor Nance asked if we approve the Resolution for the entire amount, but the consultant develops a plan that costs \$150,000 that Council nor the Lions Club are interested in, could we pull out a portion of the contract. The Town Manager responded that the proposal is written as a lump sum payment. However, as part of the input process, there will be questions asked as to how much can we afford which includes the Lions Clubs.

Mr. Hare asked Mr. Mabe how far into the process do we have to go before the Lions Clubs will make a decision. Mr. Mabe commented that the more he can take to the Clubs to present, what the preliminary thoughts are, we would know pretty quickly where the buy-in is. All the Clubs are bought into the idea of the park, but there is nothing else to tell them at this point. There will be stages of the process, but, again, when we commit to something, we will help to raise the money.

Vice Mayor Nance stated that he does agree we need to pay this consultant to help put the partners in a knowing position as to what they are buying into. Spending this money up front will help us figure out where we are and then allow us to have a realistic conversation with all the Clubs and with the Town and then we go from there. Mr. Adams commented that he thinks the park will be wonderful, but we have to have the money to pay for it. We want it to be right and we want to be proud of it. It is a lot of money, but we need the consultant and he should present the final plan to Council so we will be able to ask questions.

Mr. Hare made a motion that the Resolution be adopted as presented; the motion was seconded by Mr. Adams and carried by the following roll call vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

The Town Manager next commented that the Governor has issued all State employees an additional holiday on Monday, December 23rd, as part of the Christmas holidays. Anytime the Governor grants an extra holiday, he always brings it to Council's attention. In the past we have typically given an extra holiday to our employees and he would recommend that we approve the same holiday. Roanoke County has approved this extra holiday for their employees

Adopted Resolution No. 2047 authorizing the transferring of funds in the amount of \$6,500.00 to pay the Berkley Group for the development of a park master plan.

and this would include all of our non-essential employees. Our Police, Fire/Rescue and our Refuge and Recycling crews with Public Works will work. All those personnel will be given additional holiday hours that they can take off at their convenience.

Mr. Hare asked about payroll and the response was that it would be processed on Friday. Anyone that works on Saturday or Sunday outside of their regular shift will be paid through a special payroll. After further discussion concerning how the holiday would be paid out by the various departments, Mr. Hare made a motion that the extra holiday of Monday, December 23rd, be granted; the motion was seconded by Vice Mayor Nance and carried by the following roll call vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

Approved extra holiday of
Monday, December 23rd

The Mayor expressed thanks to the First Aid Crew for their Christmas dinner and also to those who attended the State of the Town address and our launch of the Vinton Branch of the library. The Christmas parade was a success again and thanks to staff who assisted with that and he wished all of staff and those present a Merry Christmas.

Comments by Council Members: Mr. Adams commented that there are a lot of good things coming up and he has appreciated working with this Council and staff and wished everyone a Merry Christmas. Vice Mayor Nance said the second meeting in December always reminds him of the loss of Mr. Obenchain. He also commented that he had the unfortunate opportunity to go to Richmond last week and saw how state-wide politics are handled. He was then able to get back and attend the First Aid Christmas party and saw the men and women that work for this Town and other men and women he has worked with while sitting on Council and realizes how blessed we are. He then commented about the few thousand dollars of taxpayer's money he was concerned about spending at the last meeting. He may have left the impression that we have things to be concerned about and we do always have to watch our bottom line since Council has been given a lot of responsibility and the power to take people's money and use it for purposes and priorities that we set. Everyone here takes that very seriously and we have set a very strong foundation for the next phase of the Town. With the tough decisions that were made over the past few years, we are beginning to see the fruits of that with the revitalization project, the investment in our wastewater and our water projects and the strengthening of our infrastructure, this Town is going to be a place of opportunity in years to come. This staff has worked to get it to the place it is and now that we have set the stage for it, he is excited to see us taking the opportunities that are within our reach to take this Town into the future. Mr. Hare wished everyone a

Merry Christmas. The Mayor reiterated the comments made by Mr. Nance and stated that it is an exciting time in the town.

Mr. Adams made a motion that Council go into a Closed Meeting pursuant to § 2.2-3711 A (1) of the 1950 Code of Virginia, as amended, for discussion regarding appointments to boards and commissions. The motion was seconded by Vice Mayor Nance and carried by the following vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice. Council went into Closed Meeting at 8:15 p.m.

At 9:05 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 Vice Mayor Nance, seconded by Mr. Hare and carried by the following vote, with all members voting: Vote 4-0; Yeas (5) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

Certification of Closed Meeting

Under appointments to Boards/Commissions, Mr. Hare made a motion to accept the following list of nominees: Re-appoint Debra P. Hagans to a new five year term ending 1/16/19 on the Board of Zoning Appeals; re-appoint Robert A. Patterson to a new three year term ending 12/31/16 on the Highway Safety Commission; appoint Wes Nance to an unexpired term ending 6/30/14, re-appoint Hal Mabe to a new unexpired term ending 6/30/14 and appoint Chris McCarty to an unexpired term ending 6/30/14, all on the Comprehensive Economic Development Strategy (CEDS); appoint Ryan Spitzer to a two year term ending 12/31/15 on the Greater Roanoke Transit Company; and appoint Thomas A. Rotenberry to an unexpired term ending 6/30/14 on the Roanoke Valley Metropolitan Planning Organization (MPO). The motion was seconded by Mr. Adams and carried by the following vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

Approved Board/Commission appointments as nominated

Vice Mayor Nance made a motion that the meeting be adjourned, the motion was seconded by Mr. Hare and carried by the following vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice. The meeting was adjourned at 9:10 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Susan N. Johnson, Town Clerk

MINUTES OF A REGULAR MEETING OF VINTON TOWN COUNCIL HELD AT 7:00 P.M. ON TUESDAY, JANUARY 7, 2014, 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.
Matthew S. Hare
- MEMBER ABSENT: Robert R. Altice
- STAFF PRESENT: Christopher S. Lawrence, Town Manager
Susan N. Johnson, Town Clerk
Elizabeth Dillon, Town Attorney
Ryan Spitzer, Assistant to the Town Manager
Barry Thompson, Finance Director/Treasurer
Gary Woodson, Public Works Director

The Mayor called the regular meeting to order at 7:00 p.m. Roll Call
The Town Clerk called the roll with Council Member Adams, Council Member Hare, Vice Mayor Nance, and Mayor Grose present. Council Member Altice was absent.

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

Under upcoming community events/ announcements, Liz
Lively with the Chamber commented that 2013 was a good year for the Chamber and its events. On January 30th, there will be a joint meeting at the Woodland Place from 7:45 a.m. to 9:00 a.m. with the Town to discuss some marketing for 2014 and 2015. The Town Manager commented that this is a tentative date.

On February 8th is the winter concert with Tru Sol Band at Woodland Place from 6:30 p.m. until 11:30 p.m.

The Mayor announced that at the next Council meeting on January 21st, we plan to recognize Mike Altizer for his years of service representing Vinton on the Roanoke County Board of Supervisors.

The Town Manager announced that staff will be hosting a community meeting on January 16th at 5:30 p.m. at the War Memorial. This will be a time for the community to see all of our downtown design plans along with preliminary designs for the Glade Creek Greenway and the Walnut Avenue sidewalk improvements.

Vice Mayor Nance made a motion that the consent agenda be approved as presented; the motion was seconded by Mr. Adams and carried by the following vote, with all Approved minutes of the regular Council meeting of December 3, 2013

members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

The next item on the agenda was to 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.

Barry Thompson commented that the Town has an opportunity to participate in the Virginia Investment Pool. This Pool is similar to the Local Government Investment Pool which the Town has participated in for a number of years. This is being sponsored by the Virginia Association of Counties and the Virginia Municipal League.

This Pool is a trustee organization that the City of Chesapeake and the City of Roanoke have committed funds to. The Town is not committing any funds to it at this time, but this is just an investment opportunity. If the rates were favorable for us to receive bids for investment monies, it would be a good and safe place for us to put some of our monies. We are very pleased with our local investment opportunities now, but this gives us another resource that has been approved by the State. This became available to us the first of January and if we want to take advantage of this opportunity, we need to amend our Investment Policy and move forward with a Joinder Agreement.

Mr. Thompson summarized by stating that an Ordinance is before Council approving the town's participation in the Investment Pool and authorizing the Treasurer/Chief Investment Officer to execute the Trust Joinder Agreement. A Resolution is also provided to allow for the amendment to our current Investment Policy.

Vice Mayor Nance commented that obviously this Pool is for long-term investments and a Town our size would only be placing funds in this Pool that we would not have to move except for unforeseen emergencies. Mr. Thompson responded that part of our monies are for operating needs and we want to keep them liquid so we can get to them. But there are some funds that we could invest for at least a year or even a little longer and this would be a good resource to look at and receive bids. Those funds now are in a money market account.

Mr. Nance said the Agreement does not appear to show any penalty if we put funds in the Pool and the emergency arose where we would have to tap into it. Mr. Thompson responded that you would have to give at least five days' notice, but does not think there is any penalty for an early withdrawal. Mr. Nance further commented that there is

some language stating that if you reduce the portfolio by over 10% they can limit the amount of withdrawal. But since there are larger cities and political subdivisions involved, the likelihood of the Town being able to invest that much would seem impossible.

Mr. Nance then asked if the portfolio mentioned is the entire group's investment or individual investments for different pools of money and the response was individual investments. In response to additional questions about the portfolio, Mr. Thompson commented that they will invest funds in different types of investments and the five days' notice is required because they will have to liquidate certain investments in order to get our funds, It will not hurt the entire portfolio.

The Mayor commented that our first action item is to approve the Ordinance adopting the Investment Pool Trust Fund. Mr. Hare commented that in keeping with our normal practice of putting action on a new item ahead to the next meeting, he would feel more comfortable if we postponed it to January 21st. Vice Mayor Nance also commented that the Finance Committee was not able to review the matter at their meeting because they ran out of time. Council then postponed action on the Ordinance regarding the Investment Pool and the Resolution approving an amendment to the Statement of Investment Policy to the January 21, 2014 meeting.

Mr. Thompson indicated that he would invite someone from the VACo/VML to come to the meeting to further explain the program and answer any questions that Council might have.

The next item on the agenda to consider adoption of a Resolution authorizing the appropriation of funds in the amount of \$10,200 to Gay and Neel for consulting work relating to the Regional Surface Transportation Project award for Walnut Avenue Phase I.

Ryan Spitzer commented that on April 16th, Council was presented three projects that staff wanted to submit for the RSTP funding through the Metropolitan Planning Commission (MPO). Through the first initial disbursement of funds, the Town was awarded \$100,000 to do sidewalk improvements along Walnut Avenue from the new bridge to the Farmer's Market. This request is an appropriation of \$10,200 in this year's budget that was not previously appropriated because we were not aware of the funds being available until after our budget was formulated. These funds will pay for the site plans to be developed by Gay and Neel. All of these funds are 100% reimbursable and after the project has started, we will be submitting invoices for this reimbursement.

Adoption of Ordinance continued to the January 21, 2014 Council meeting; adoption of Resolution approving amendment to the Statement of Investment Policy also continued to the January 21, 2014 Council meeting

Adopted Resolution No. 2048 authorizing the appropriation of funds in the amount of

Mr. Adams made a motion that the Resolution be adopted as presented; the motion was seconded by Vice Mayor Nance and carried by the following roll call vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

\$10,200.00 to Gay and Neel for consulting work relating to the Regional Surface Transportation Project award for Walnut Avenue Phase I.

The next item on the agenda to 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.

The Town Manager commented that the Town had a Rehab Response vehicle until it was retired two years ago. The Volunteer First Aid Crew has developed a proposal where they will fund completely a replacement for this vehicle with a new four-wheel drive Ford F-250 truck. The best price for this particular vehicle can be found on the State Contract. Because the Town can purchase by State contract, but the First Aid Crew cannot, this request is to acknowledge the First Aid Crew submitting \$25,348.66 to the Town and the Town ordering the truck on the State contract. When received the vehicle will be titled to the Town, insured and maintained. This request was reviewed by the Public Safety Committee in October and their recommendation was to proceed.

Chief Philpott commented that the reason the Rehab vehicle was not replaced at the time the old one was retired was due to the fact that they were putting their funds toward the replacement of an ambulance. Now, the funds have been accumulated again for this purchase. Vice Mayor Nance asked if the Crew has found a need for this vehicle since the prior one has been missing from the fleet. Chief Philpott responded that during this time they have taken all of the equipment and stuffed it into the crash truck which is a poor application.

Mr. Hare asked Chief Philpott to explain for those present what the uses for this vehicle will be. Chief Philpott commented that in an extended fire situation, there is a need for bottles to be exchanged and to supply water and food to those working the fire. We have developed a program with Roanoke County that if we work Rehab in another area and buy food and supplies, the County will reimburse us for those costs. The old vehicle was used during the derecho because of the four-wheel drive and wench and we were able to pull trees out of the street. It can be used for any type of extended activity, such as a search and is very adaptive to any situation. Also, if we get into back woods areas it is difficult to get an ambulance in that area. The Town Manager commented that it will be used for special events as well which will keep an ambulance in service, but allow the crew to have a presence.

Approved Resolution No. 2049 approving the acceptance of

Mr. Adams made a motion that the Resolution be adopted as presented; the motion was seconded by Mr. Hare and carried by the following roll call vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice.

The next item was an update on the Branding Initiative presented by Elevation to the Branding Committee. The Town Manager commented that Ryan Spitzer will be doing the briefing tonight. We will be inviting Elevation to come to an unveiling public meeting to make their presentation. We are trying to work out the details of this meeting which will include the Chamber.

Ryan Spitzer commented that the Branding Committee was given this presentation and recommendation by Elevation on December 4th and 18th. He began with a Power Point presentation setting out the objectives for branding, findings from interviews, and their recommendations.

Remember that branding is not a logo. It is the way to tell the story of the Town with a few sentences or by visual means. The goal was to create the brand that is unique to Vinton and captures the core values of the Town. One that will be easy to remember, that automatically refers you to Vinton and that will differentiate us from our surroundings.

Elevation went through a process of conducting internal interviews with six groups of two stakeholders of the community. They also sent out an external survey which was completed by 190 individuals of a good mixture of people, both male and female and different age groups as well as high school students. Primary research was also done by looking at what similar size towns have done and what the region is doing.

Mr. Spitzer next commented that there were ten major ideas that came out of the interviews: Finding 1: Warm and 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 caring community that rallies to support its own—and others, too.) Keep in mind that there are core themes that everybody mentioned in the interviews.

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—

funds from the Volunteer First Aid Crew in the amount of \$25,348.66 for the purchase of a Rehab Response Vehicle though a Virginia State Contract

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.)

Mr. Spitzer then commented on the findings from the surveys which were shown as pie charts in the presentation. The blue and gray areas showed that between 70 and 90 percent of those who took the surveys strongly agree or agree with the same findings.

From the interviews and the survey, they began to build the brand by combining the attributes into three categories, relationship, functional and values. Out of these attributes, they came up with people, values and places and how the town is a connection between all of these. 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. This is what Vinton is and what the town needs to portray to everyone else.

There are also challenges in the town that were identified in the survey below as falling below the 50 percent mark of agreeing such as are we a town that is an excellent place for business, do we have excellent place for shopping and dining, is it a diverse place to live, are we a town on the move and are we innovative. The people who were interviewed, the stakeholders of the town, knew about all the new projects in town, but the percentages in the survey went down from there. This shows a lack of communication between the town and the citizens. So, how do we better communicate to the citizens. When asked if people love Vinton, are they proud to live in Vinton and is it a town with a bright future, the percentages went back up again.

The conclusion is that 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. A solution recommended by Elevation is to leverage our connections to people creating a feeling of being “insiders”, to small-town values creating a feeling of being “in the know” and to amenities creating a feeling of being “in the middle of it all.”

Mr. Spitzer then played the short video again that was shown at the State of the Town meeting. The next slide showed the brand of “Are you IN” by emphasizing the IN from the name Vinton. This can be used in all aspects of town such as eat in Vinton, shop in Vinton, gather in Vinton, play in Vinton and live in Vinton. The distressed font that

was chosen came up in their research as being very hard working with a blue collar mentality. The bold font catches your eye and the green color is for our connection to the outdoors. The green color can be changed to other colors for different applications, such as orange for the terriers, into blue to promote the new boat ramp or blue way.

Vice Mayor Nance commented that as one of the committee members he thinks that Elevation's research and their inspiration is very appropriate. He likes the flexibility and is very enthusiastic about the brand and how it can be used in a number of ways. He hopes that the Chamber will be as excited about and that we can look into some type of promotional partnership. The Mayor expressed his excitement about the brand and its flexibility as well. It is unique that it ties into our values and traditions, but yet it has a feel of being new and fresh.

Mr. Adams said from the first time it was revealed at the War Memorial, he thought the consultant did a very good job. It will catch your eye and bring attention to Vinton.

Mr. Hare said he is pleasantly surprised and he can see a lot of uses for it. He then asked how we will be able to integrate this with the War Memorial. He sees the concept with using the font that is distressed and hardworking, but this is not what we are trying to promote about the War Memorial. Vice Mayor Nance responded that the War Memorial is a phase of the branding that we need to focus on, but this brand would not be posted on the front of the War Memorial. What we might see is a small emblem of it on the War Memorial web page, but it will not change the character of the branding initiative of the War Memorial because they are two very different products and serve two different purposes. If we have an invinton.com, which is one of their suggestions, we would have a link to the War Memorial website, but we would not have the War Memorial website being cast into this market plan.

The Town Manager commented that the Committee has another part of the presentation that is not being given tonight which is for the War Memorial. We want to get the brand done first and at a future date we will present the War Memorial side with their recommendations.

Mr. Spitzer continued by reviewing what Elevation envisions the marketing plan being for this brand. There are three phases, essential elements, potential elements and future elements. Elevation's style is more gorilla marketing than your traditional marketing which means very grassroots with Facebook, Twitter, stickers, bumper stickers, t-shirts, posting on websites and blogs. The type of marketing that gets away from your traditional paper type of marketing like

brochures that you find at hotels or a visitor's center. We are not saying we will not do any of this, but it will not be the primary focus.

Under the essential elements, they see the website as the main item, a new invinton.com website. This will be different from our current website and will have more of a calendar of events, dining and shopping information and will allow us to take quick polls and will have an RSS feed for social media posts. They recommend that we create the hashtag #invinton to start twittering about events and what is happening today. In response to a question from Mr. Hare as to who would be doing all of this, Mr. Spitzer commented that various people would be assisting with it. The Town Manager stated that there would be a little more engagement from staff to keep it up to date, but a lot of the social media side is more community driven.

Promotional materials could include bumper stickers, t-shirts, posters and reusable canvas bags. Environmental elements could include light pole banners, oversized magnets on school busses and bumper stickers on all town vehicles. Advertising could be a banner at the Terriers football field or an ad in their sports program. The business marketing would be to update the Chamber of Commerce's map, add more content to the Blue Ridge Parkway Directory and Travel Planner and to the interactive Blue Ridge Parkway map on their website.

Potential elements suggested could be creating more pages on the website, holding drawings for giveaways and creating a spotlight on a resident each month and how they are planning to promote Vinton. Other suggestions are buying Wine Festival glasses with the brand on them and some other environmental elements such as a large art installation or sign in the town or to change the name of the Farmer's Market to Community Market.

A slide was next shown of the suggested large art sign that people could stand behind and take pictures and then post them on Facebook. Other potential elements could be in advertising and business marketing particularly at Smith Mountain Lake.

Future elements could be creating an E-store to sell the promotional materials and creating additional products. Environmental elements could be a float for parades, putting the new website on the computer in the Municipal Building lobby and other methods of advertising.

Mr. Spitzer then commented that for us to do all the essential elements that Elevation's is recommending would cost approximately \$50,000. Of the total, 50% would be

for promotional materials production and 33% website/social media creative development. The War Memorial business marketing is not included in this figure. He then reviewed a breakdown of the costs as prepared by Elevation.

Mr. Hare asked about the signage that currently exists and Mr. Spitzer responded they view that as more of a wayfinding signage program such as the entrance signs. This signage will be part of the downtown grant to make those signs compliment the ones that we do for downtown. The Town Manager further commented that wayfinding signs are directional, not marketing. Mr. Spitzer stated that the lifespan of branding is about seven years, but entrance signs are for 20-30 years. It is not the best way to spend the funds by redoing those signs that could last for 20 years.

Mr. Hare next asked if we would ask businesses to take any stake in the branding or do we produce a lot of t-shirts and just give them away. Mr. Spitzer responded that to start out we would have to spend some money to get the word out, but after that we could contact businesses. He could see the Chamber doing "In Vinton" shirts instead of the "I love Vinton" shirts. The Town Manager commented that we have paid Elevation for the product and now it is ours to distribute any way we want to. If a local business wants the image, it can download it off the internet and use it. It will be so much better if the community does take it on and buys into it.

After questions and discussion about future costs, Vice Mayor Nance commented about the Chamber hopefully forming a partnership with the town to promote the brand and help with those costs. Mr. Spitzer commented that there are varying degrees to all the elements that have been presented.

The Mayor commented that our Chamber is very community oriented and there has already been a lot of interest expressed in the new branding. Mr. Adams stated that with everything else that is going on there could not be a better time to begin promoting this new branding.

The Town Manager summarized that at this time staff needs a consensus from Council to proceed with the branding. A consensus of Council present was given.

Consensus of Council to proceed with the branding

The Mayor commented that we do have a lot of excitement and momentum in the town right now. We have gotten some exposure and publicity and 2014 is shaping up to be an exciting year. We need to make a lot of decisions on economic development to build on this excitement and the moving ahead on the branding initiative is very important.

Mr. Hare commented that the Finance Committee met right before the Council meeting. We spent most of the meeting discussing some of the audit comments and our intent is to try and start working on these items so they will clear off of the next audit. With that, he asked if we could postpone the review of the November 2013 Financial Report until January 21st.

The Committee did focus some again on the cigarette tax and in December we asked the Town Manager to review our capital spending and see if there were items we could delay to see how these funds continue to come in. At the end of November we were down about \$60,000 and as of the end of December, we are now down about \$90,000. The Town Manager has put together a very helpful memo setting out the CIP for the year showing what has already been spent or committed, what is still outstanding and the recommendation from staff as to what they will do to counteract the shortage in revenues.

We are still running favorable in sales and meals taxes and in early April once we have the March statements, we will be more inclined to make a final determination and what we will possibly need to move to next year.

Mr. Adams commented about the very quick response at 3:00 am this morning in the extreme cold from the volunteer and career staff in helping to find an elderly gentleman who was missing from his home.

Mr. Hare made a motion that the meeting be adjourned, the motion was seconded by Vice Mayor Nance and carried by the following vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Hare, Nance, Grose; Nays (0) – None; Absent (1) - Altice. The meeting was adjourned at 8:50 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Susan N. Johnson, Town Clerk



Town Council Agenda Summary

Meeting Date

January 21, 2014

Department

Police

Issue

Officers of the Month for December 2013 – Sergeant Fabricio Drumond, Officer Daniel King, Officer James Spence

Summary

Sergeant Drumond, Officer King and Officer Spence were selected as Officers of the month for December and will be recognized at the meeting

Attachments

Memo from Chief Cook

Recommendations

Read Memo



Vinton Police Department
311 SOUTH POLLARD STREET
VINTON, VIRGINIA 24179
PHONE (540) 983-0617
FAX (540) 983-0624
A State Accredited Agency

BENJAMIN L. COOK
CHIEF OF POLICE

To: Sergeant Fabricio Drumond, Officer Daniel King, Officer James Spence

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

Date: January 8, 2014

Subject: Officer of the Month – December 2013

Congratulations! You have been nominated and selected as Officer of the Month for December, 2013.

Officer Spence and Sergeant Drumond

On December 7th, 2013, Officer Spence and Sergeant Drumond responded to a silent business alarm at Vinton Pawn. The situation turned out to be a medical emergency where a man had collapsed in the parking lot of the business suffering from cardiac arrest. Officer Spence quickly assessed the patient and determined that the victim was not breathing and had no pulse. Officer Spence began chest compressions while Sergeant Drumond retrieved the defibrillator from his patrol vehicle. Officer Spence continued to administer CPR after the arrival of EMS personnel to help them care for the patient. Their efforts were successful as the victims pulse and breathing returned and he was subsequently transported to a local hospital by EMS personnel. He has since been discharged from the hospital and is a long term care facility.

Sergeant Drumond and Officer King

On December 25th, 2013, Sergeant Drumond and Officer King responded to a residence on Olney Rd. for a medical emergency. Upon arrival, they found an unresponsive woman lying on the floor with a blue color to her face, initially appearing deceased. Sergeant Drumond assessed the victim and determined that she was choking on a piece of ham. The officers rolled the victim over and Sergeant Drumond performed the Heimlich maneuver. After several attempts, the victim vomited and the airway was cleared. Further assessment indicated the need for CPR and Officer King administered chest compressions until the arrival of EMS personnel. The victims pulse and breathing returned and she was transported to a local hospital by rescue.

After both of these incidents, the department received calls commending the officers on their quick action and professionalism. There is no greater service that we can provide than to save the life of another person and your quick thinking and actions have saved the lives of two of our citizens. We are proud of each of you and commend you on a job well done!



Town Council Agenda Summary

Meeting Date

January 21, 2014

Department

Council

Issues

Recognition of Michael W. Altizer for his eleven (11) year career as the representative of the Vinton Magisterial District on the Board of Supervisors of Roanoke County

Summary

Council will recognize Mr. Altizer with a Proclamation and other gift items at the meeting.

Attachments

Proclamation

Recommendations

Read Proclamation and present along with other gift items.



PROCLAMATION

WHEREAS, Michael W. Altizer concluded his eleven (11) year career as the representative of the Vinton Magisterial District on the Board of Supervisors of Roanoke County on December 31, 2013; and

WHEREAS, in recognition of his leadership ability, Mr. Altizer was chosen by his fellow Board members to serve as Chairman of the Board of Supervisors in the years 2005, 2009 and 2013; and

WHEREAS, Mr. Altizer served in said capacity as Supervisor and Chairman with dedication and distinction and played a vital role in the development and progress of the entire County of Roanoke and the Vinton community; and

WHEREAS, during his tenure, Mr. Altizer recognized the importance of regional partnerships in helping to create a positive environment for economic development efforts and was instrumental in creating many of those partnerships which the Town has participated in and benefited from; and

WHEREAS, Mr. Altizer also negotiated a 99 year lease to renew and expand recreational opportunities at Explore Park and convened the regional Economic Development Summit, which subsequently led to the formation of the Western Virginia Regional Industrial Facility Authority, all of which will benefit the Town; and

WHEREAS, Mr. Altizer played a vital role in conceiving the vision and the completion of "High Ground" Vinton-Roanoke County Veterans Monument at the Vinton War Memorial, having served on the Capital Campaign Committee, and bought about the approval of a new library branch in the downtown area which will be a centerpiece of the revitalization efforts of the Town.

NOW, THEREFORE, I, Bradley E. Grose, Mayor of the Town of Vinton, and on behalf of Town Council and all our citizens, do hereby express our sincere appreciation and thanks to Michael W. Altizer for his distinguished and outstanding commitment to public service and especially for his service to the Vinton community and extend best wishes to him and his family for many happy and successful years in the future.

IN WITNESS WHEREOF, I have set my hand and caused the seal of the Town of Vinton, Virginia to be affixed on this 21st day of January 2014.

Bradley E. Grose, Mayor



Town Council Agenda Summary

Meeting Date

January 21, 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
County of Chesterfield

James P. DuVal
City of Richmond

Ellen Minga
Town of Smithfield

Francis X. O'Leary
Arlington County

Fred W. Parker
County of Washington

Laura M. Rudy
County of Stafford

B. Allen Scarbrough
Prince William County

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*)



Table of Contents

Introduction	4
Eligibility	4
Investment Objective	4
Investment Risk	5
Rating and Compliance Monitoring	6
Authorized Investments	6
Investment Policies & Procedures	8
Procedure for Opening an Account	8
Contributions	9
Dividends	9
Redemptions	9
Withdrawal & Termination	10
Portfolio Valuations & Total Return Calculations	10
Accounting Policies	11
Fees and Expenses	11
Reports to the Participants	11
Liability and Indemnification	11
Administrator	11
Investment Manager	12
Custodian	12
Legal Counsel	12
Notices	12
Additional Information	12
Appendices	13



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:

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.



VACo/VML Virginia Investment Pool INFORMATIONAL STATEMENT

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:



VACo/VML Virginia Investment Pool INFORMATIONAL STATEMENT

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



VACo/VML Virginia Investment Pool INFORMATIONAL STATEMENT

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



VACo/VML Virginia Investment Pool
INFORMATIONAL STATEMENT

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



VACo/VML Virginia Investment Pool INFORMATIONAL STATEMENT

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 21, 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 21, 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 21, 2014.

RESOLUTION NO.

AT A REGULAR MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, JANUARY 21, 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 needs to be 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 21, 2014

Department

Police

Issue

Consider adoption of a Resolution appropriating funds in the amount of \$29,750.00 received from the Attorney General Asset Forfeiture Grant Program to the Police Department budget.

Summary

The Department is requesting that Council adopt the Resolution that appropriates funding received from the Attorney General Asset Forfeiture Grant Program in the amount of \$29,750.00.

The grant was approved for the department's replacement of computers that will no longer be supported by the Roanoke County IT Department on April 1st. This grant will replace 12 computers, software and mounting equipment along with installation and setup fees and there are no matching funds needed.

Attachments

Asset Forfeiture Grant Approval letter
Resolution

Recommendations

Motion to adopt Resolution



COMMONWEALTH of VIRGINIA

Office of the Attorney General

Kenneth T. Cuccinelli, II
Attorney General

900 East Main Street
Richmond, Virginia 23219
804-786-2071
FAX 804-786-1991
Virginia Relay Services
800-828-1120
7-1-1

November 26, 2013

Town of Vinton Police Department
Attn: Benjamin Cook, Chief
311 S. Pollard Street
Vinton, Virginia 24179

Re: One-Time Asset Forfeiture Transfer

Dear Chief Cook:

On behalf of Attorney General Ken Cuccinelli, I am pleased to announce that your department has been approved for an asset forfeiture transfer based upon your submitted proposal in the amount of \$29,750.00.

We will be in touch after the Thanksgiving holiday with more details regarding how the transfer will be accomplished. We will prepare a Memorandum of Understanding (MOU) between your department and the Commonwealth of Virginia, Office of the Attorney General. The MOU will explain the exact amount and nature of the award approved by the U.S. Department of Treasury. Please note the award amount may differ from your department's original request.

Congratulations on the approval of your request.

Sincerely,

A handwritten signature in black ink, appearing to read "John Childrey".

John F. Childrey
Deputy Attorney General
Public Safety and Enforcement Division
Office of the Attorney General of Virginia

RESOLUTION NO.

AT A REGULAR MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, JANUARY 21, 2014 AT 7:00 P.M., IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING, 311 SOUTH POLLARD STREET, VINTON, VIRGINIA

WHEREAS, the Town of Vinton Police Department strives to keep all essential equipment updated and operational; and

WHEREAS, the current computers will no longer be functional as of April 1, 2014 due to the program software expiring and no longer being supported by Roanoke County IT; and

WHEREAS the Town of Vinton Police Department has received a grant from the Attorney General Asset Forfeiture Grant Program in the amount of \$29,750.00, to purchase replacement computers, software and mounts.

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

From:	200.2404.046	Revenue Asset Forfeiture Grant	\$29,750.00
To:	200.3105.368	Expenditure Asset Forfeiture Grant	\$29,750.00
		TOTAL	\$29,750.00

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 21, 2014

Department

Council

Issues

Appointments to Boards/Commissions

Summary

The terms of three members of the Highway Safety Commission expire on February 4, 2014: Carolyn Fidler, Roy G. McCarty, Jr. and Doug Adams. All three have been contacted and they are willing to serve another three-year term.

Attachments

None

Recommendations

Motion to reappoint Carolyn Fidler, Roy G. McCarty, Jr. and Doug Adams to three-year terms ending February 4, 2017 on the Highway Safety Commission.



Town Council Agenda Summary

Meeting Date

January 21, 2014

Department

Finance/Treasurer

Issue

Financial Report for November 2013

Summary

The Finance Committee 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