

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, February 18, 2014**

AGENDA

Consideration of:

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

1. Update on the Revolving Loan Program Plan for the \$700,000 CDBG Downtown and Economic Revitalization Grant.
2. General update on revenues for FY2014-2015.

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 February 4, 2014.
2. Approve Slate of Officers for the Volunteer Fire Department for 2014-2015.

G. AWARDS, RECOGNITIONS, PRESENTATIONS

1. Officer of the Month for January – Sergeant Tim Lawless

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 designating the Plant CML Emergency Communications System as surplus and authorizing its donation to the Bedford County Communications Center.

UPDATE ON OLD BUSINESS

K. MAYOR

L. COUNCIL

1. Appointments to Board/Commissions and administering Oaths of Office

M. CLOSED MEETING

1. Request to Convene in Closed Meeting, Pursuant to § 2.2-3711 A (1) of the 1950 Code of Virginia, as amended, for discussion or consideration of personnel matters.

N. RECONVENE AND ADOPT CERTIFICATION OF CLOSED MEETING

O. 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:

March 4, 2014 – 6:00 p.m. – Joint Work Session with the Vinton Planning Commission followed by Regular Council meeting at 7:00 p.m. – Council Chambers

March 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

February 18, 2014

Department

Administration

Issue

Update on the Revolving Loan Program Plan for the \$700,000 CDBG Downtown and Economic Revitalization Grant

Summary

The Loan Review Committee has met once since its formation to go over the previous Loan Review Application document presented to Council several months ago. The Committee was scheduled to meet again on February 12, 2014, but the meeting had to be cancelled because of the weather.

The meeting is now scheduled for Tuesday, February 18th, at which time the Committee will discuss the application process, collateral arrangements and interest rate and make a recommendation to Council. Mr. Spitzer will give an update and report the Committee's recommendation at the Council meeting.

Attachments

None

Recommendations

No action required



Town Council Agenda Summary

Meeting Date

February 18, 2014

Department

Finance

Issue

General update on revenues for FY2014-2015

Summary

Barry Thompson, Finance Director/Treasurer will give an update on the projected revenues for FY2014-2015

Attachments

None

Recommendations

No action required



Town Council Agenda Summary

Meeting Date

February 18, 2014

Department

Town Clerk

Issues

Consider approval of minutes for regular Council meeting on February 4, 2014.

Summary

None

Attachments

February 4, 2014 minutes

Recommendations

Motion to approve minutes

MINUTES OF A REGULAR MEETING OF VINTON TOWN COUNCIL HELD AT 5:30 P.M. ON TUESDAY, FEBRUARY 4, 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.
Robert R. Altice

MEMBER ABSENT: Matthew S. Hare

STAFF PRESENT: Ryan Spitzer, Assistant to the Town Manager
Susan N. Johnson, Town Clerk
Elizabeth Dillon, Town Attorney
Stephanie Dearing, Human Resources Director
Barry Thompson, Finance Director/Treasurer
Ben Cook, Police Chief
Mark Vaught, Lieutenant-Services
Anita McMillan, Planning & Zoning Director
Gary Woodson, Public Works Director
Joey Hiner, Assistant Public Works Director
Chris Linkous, Fire/EMS Captain

The Mayor called the work session to order at 5:30 p.m. The first item was a briefing on the Virginia Stormwater Management Program (VSMP) and Municipal Separate Storm Sewer Systems (MS4s), Roanoke County/Town of Vinton Stormwater Management (SWM) Development Study and Stormwater Advisory Committee (SAC) Meetings. Anita McMillan began by commenting that the cover sheet included with the agenda gave an update on the Stormwater Advisory Committee and the study by AMEC that the Town is participating in with Roanoke County to evaluate our existing program and how much the new requirements will cost the Town and the County over the next five years. Ms. McMillan then began her Power Point presentation.

There are three focus areas of the Virginia Stormwater Management Program in the Town as a result of the changes that came about last year. All localities in Virginia have to start adopting this Program by July 1, 2014.

Regarding the Municipal Separate Storm Sewer System, we are still operating under the current program and starting the permitting in 2003. In the 2000 Census, we were informed that the Town meets the definition of urbanized, which has a threshold of 2,000 per square feet and we are at 3.2 square miles with a population of 8,082. That makes us an MS-4 locality. The MS-4 permit is good for five years and we re-submitted in 2008 and again in April 2013 for the next five years. The new permit has requirements that have to be addressed by 2015, but the annual report due in September must state what we are going to do to meet the VSMP.

There are six minimum control measures required by the MS-4 Permit—public education and outreach, public participation and involvement, illicit discharge detection and elimination, construction site stormwater runoff control, post-construction stormwater management for new development and redevelopment and good housekeeping/pollution prevention for municipal facilities. These measures are posted on the Town website along with the components of the actual Permit.

The VSMP applies to every locality which is very similar to the Erosion and Sediment Control (ESC) laws. Roanoke County has been the Town's agent for the ESC since 1984. However, the Stormwater Permit and the MS-4 cannot be transferred to Roanoke County. Certain components can be contracted out such as the review and inspection, but the administration and enforcement is the Town's responsibility. The VSMP applies to an acre or greater.

Vice Mayor Nance asked if the disturbance itself has to be one acre or the whole lot that the disturbance is taking place on. The response was the size of the lot. If the property is a part of a common plan development, such as a subdivision, and the original plan does not address the stormwater, a property owner that buys a lot will have to apply for the VSMP Permit. We have been asking about this requirement in all of our meetings because all of the Town properties are part of a subdivision which is considered common plan development. We have developed a policy with Roanoke County to define what we consider common plan development for a residential lot and we included that with our draft submittal prior to January 15, 2014. We are waiting to hear from the DEQ.

Even though the set effective date is July 1, 2014, localities across Virginia have submitted legislation that the implementation be delayed for another year, but they do not think it will be approved.

Ms. McMillan continued with her presentation and commented that the Program is being transferred from the Virginia Department of Conservation Recreation to the Department of Environmental Quality. Some other changes will require land owners to be responsible for the long-term maintenance of the stormwater management facilities. Some properties in the Town have these facilities underground and even though they show up on the subdivision plats, some of the land owners are not aware of them. We sent letters in 2007 to advise these land owners. It will be interesting to see how we will be able to enforce this requirement. Roanoke County's attorney has reservations about County and Town personnel going on these private properties to enforce the maintenance and we are waiting to get an answer from DEQ on this as well.

As mentioned before, when the annual report is submitted, we have to be more specific about how we plan to implement the new

requirements. Regionally we have met several times over the past year and continue to meet with Roanoke City, Roanoke County and the City of Salem to discuss the three areas that we need to put emphasis on.

There is also the area of illicit discharge detection and elimination procedures, the training schedule and program that needs to be improved for each locality and the last one is to inspect the Town's stormwater management facilities once a year and all private ones once every five years. The Town has four stormwater detention basins-Gladetown area, two on Hardy Road and one at the War Memorial. There are about 62 private facilities in the Town including those that are underground. This year we have to start sending letters to the private property owners because we only have stormwater maintenance agreements for recent developments.

The Mayor asked if these inspections were being performed by Roanoke County and Ms. McMillan responded yes pursuant to the Memorandum of Understanding that we have for them to review our stormwater plan and to do our inspections.

Some of the changes also relate to the single-family stormwater management criteria to try and encourage more low-impact development instead of detention ponds in subdivisions. This would create more individual facilities for the Town to have to inspect to be sure they meet the guidelines. There has been a problem with getting homeowners associations to maintain facilities, so the feeling is that individual homeowners will be more responsible and it will be easier to contact them rather than a group.

Another change is known as Stormwater Pollution Prevention Plan (SWPPP) for all the Town's high priority facilities. By 2015 we have to have a SWPPP for each of the facilities, such as the Town garage, the fuel station, and the Fire Department if they have storage tanks. A Nutrient Management Plan will also be required for town-owned properties, such as the War Memorial, to use fertilizer.

Ms. McMillan continued with the requirements for homeowners associations such as a legally binding maintenance agreement, regular and on-going inspections. They have to submit that they inspect every year, but the town will be required to inspect every five years.

Regarding training, in the annual reports over the past ten years, we have been stating that individual employees attended off-site training, but now the Town is required to have a specific training program on the illicit discharge detection and elimination and we will have to document if personnel have gone through haz-mat training.

Roanoke County, as our current E&S agent and stormwater inspector, has developed written procedures which were submitted with our initial draft, all of which will have to be approved and adopted by Council by the end of April for submittal to the DEQ by May 15th. Ms. McMillan made further comments that this is the Town's permit and everyone will have to have ownership. Everyone needs to be trained to recognize illicit discharge during the course of their regular jobs.

There are two localities being used as a pilot study for the E-Permitting process, one in Alexandria and one in the Chesapeake area. So far we have not been told of any locality in Southwest Virginia. Roanoke County is going to start doing the training that we will be able to participate in.

The major area of concern now is the Total Maximum Daily Load Watershed Implementation Plan that is being developed by DEQ. We started in June of last year with public meetings and working groups. The three TMDLs for the Town are sediment, e-coli/bacteria and PCB. For some reason when DEQ did the study on PCB, they did not include the Town, but Roanoke County does have PCB in the Wolf Creek.

In closing, Ms. McMillan responded to a question about where this process is now. There are five public meetings scheduled for this week. After these meetings, the Stormwater Advisory Committee will have a final meeting to review all the public comments and then will meet with the consultant. As far as how we are going to fund this program, that will require additional meetings to discuss whether to have a stormwater utility fund or other source of funding.

The next item was a briefing by Jake Gilmer, Roanoke Valley Alleghany Regional Commission, Project Manager, for the Partnership for a Livable Roanoke Valley. Mr. Gilmer began his Power Point presentation by stating the mission of the Partnership is to promote economic opportunity and quality of life in the Roanoke Valley.

The Steering Committee was formed over two years ago and its desired outcomes were to invite and engage citizens from all over the Roanoke Valley above and beyond what would be done on a regional level. The Committee wanted to identify issues and opportunities that needed to be addressed and priorities and goals. Scenarios for the future were looked at as well as defining strategies and a plan to move forward by developing a livability plan. This committee was comprised of representatives of all the local governments and over 60 partnering organizations in the Roanoke Valley. In May 2012 was the first meeting of all the stakeholders and in October seven meetings were held for the general public. At the October meeting, they shared the results of a Virginia Tech Livability Survey comprised of input of over 1,030 people in the region.

Tonight represents one of the strategy public meetings we are having to share with all of our local governments as well as the partnering organizations to get feedback. In February we plan to adopt the Livability Plan and start the implementation process.

Mr. Gilmer next commented on the Virginia Tech survey conducted by telephone asking each individual a list of 20 questions. Some of the highest priorities from the survey were economic development, job creation and keeping jobs in the region at 92%. The second highest priority at 85% was clean water and air, preventative health care and lowering health care costs was at 77% and educational options and academic performance rated at 76%. The survey results were also broken down by zip code, so the information specific to Vinton can be provided if requested.

From the survey results and the public input, the Committee created a vision and goals. The four goals created were economic development, workforce development, healthy Roanoke and natural assets. Four working groups were formed and over a six-month period, these groups developed detailed strategies and actions for their specific area. Mr. Gilmer next reviewed his slides and commented on each of these strategies and actions.

In closing, Mr. Gilmer commented that after briefing all the local Boards and Councils and other partnering organizations and receiving comments, the Committee plans to meet again. They will review the draft plan again and all the public input received after which a public hearing will be held and the final plan adopted. The Committee will be seeking endorsements from the local governing boards in the Spring. The Committee has made a commitment to stay together for at least another year to be able to track progress and report back to those partnering with the Plan. The Mayor commented that he had enjoyed serving on the Steering Committee and that the Virginia Tech survey was a real eye-opener.

The next item was the annual update by Beth Doughty for the Roanoke Regional Partnership. Ms. Doughty handed Council a copy of their printed 2013 Annual Report. She began her presentation by commenting that this is 30th anniversary year of the Partnership. During these 30 years, their program of work has expanded to try to feel needs in the area, specifically those relating to economic development, job creation and investment attraction. One of those expanded areas was their market intelligence business information function. They filled 285 information requests in 2013, not related to business expansions or location projects, just information requests. The core mission of job creation, business attractions and expansions starts with inquiries. The inquiries that came to them or contacts that were made in their outreach were a total of 297 in 2013.

Ms. Doughty continued by commenting there were 49 projects completed in 2013 and there were 24 prospects. Almost 80% of their prospects are looking for an existing building and this region does not have one of any size. All of the projects result in an end gain and that end gain is an investment and the jobs that are created. The investment number for 2013 was very high at \$122 million and largely due to the Ardagh project in Roanoke County. This project was the largest new business location in Virginia last year from an investment standpoint and perhaps the largest in Roanoke County history. New jobs created were only 296 in 2013 and this is because modern manufacturing is automated and technology oriented activity and jobs are not what they were 10 to 15 years ago. A better judge of impact now is the investment. Normally 80% of your projects are going to come from expansions and in Virginia last year it was 87%. The region only had three projects that were expansions, so 2013 was a really good year in bringing in new businesses.

Another area of their responsibility is image-building, visibility raising, taking the region and making people notice it. A lot of that is done through social media and it is important because we can really track it and all indicators were up. The region also made 31 "Best of Lists", up from 20 in 2012.

Back to the product, Ms. Doughty commented that more than 50% of the site requests are for large, 50+ acre sites. There is not one that is prepared, which means it has the road in and is fully utility served. That is why the creation of the Western Virginia Regional Industrial Facility Authority is really so important. The region is topographically challenged and all governments are financially challenged as well. The only way to be able to compete like this is by joining forces. The Regional Partnership has been awarded a \$65,000 grant from DHCD and they have the match money to put toward the technical assistance to identify and rate properties.

The Partnership also uses the outdoors as an economic sector to generate revenue and this year they created a 501C that gives additional fund raising capacity for outdoor brand building. This is not tourism. It continues to strength the message that this is an outdoor region that will attract people and investments that want to be associated with that brand. Three grants have already been received for this purpose. In this regard, the Blue Ridge Marathon had almost half a million dollars in economic impact this past year and over the four years that it has been held, it totaled \$1.5 million.

The Mayor commented on the great job that the Partnership does for the region and how as he has watched this group over the past few years, he has been amazed. They are out in front of all of the economic development.

The work session ended at 6:40 p.m. Council recessed for a 20 minute break before starting the regular meeting.

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

Under the upcoming community events, the Mayor reminded everyone of the Stormwater Advisory Committee meeting on February 6th at 6 p.m. at the War Memorial. On February 8th is the Tru-Sol concert at the Woodland Place sponsored by the Chamber. Vice Mayor Nance announced the Chamber meeting on February 20th at 8 a.m. to kick off the new branding project for the Town.

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, Altice, Nance, Grose; Nays (0) – None; Absent (1) - Hare.

Approved minutes of the meetings of December 17, 2013 and January 7, 2014

Vice Mayor Nance read a letter from Chief Cook naming Sergeant Fabricio Drumond, Officer Daniel King and Officer James Spence as Officers for the month of December 2013.

Under awards, recognitions and presentations, Council and staff recognized 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. The Mayor began by reading a Proclamation and presented it to Mr. Altizer. After additional comments by the Mayor, Mr. Adams, Mr. Altice and Vice Mayor Nance made comments. Mr. Nance next presented Mr. Altizer with a key to the Town and all of Council presented him with a framed print by Lisa R. Floyd. Susan Johnson, Town Clerk, presented Mr. Altizer a basket on behalf of Town staff. Following the presentations by Council, Clay Goodman, Roanoke County Administrator made comments. Closing comments were made by Mr. Altizer.

Under citizens' comments, Raymond Stanley of 415 Cedar Avenue, asked about getting trashcans for the residents. The Mayor responded that the issue will be discussed as part of the upcoming budget process.

The next item on the agenda was to 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.

Mark Vaught, Police Lieutenant, commented that these funds were part of the settlement of the Abbott Labs lawsuit that Virginia had and \$33 million was received by the Attorney General's Office. These settlement funds were distributed out

to all the law enforcement agencies throughout Virginia. The \$29,750 received by the Vinton Police Department does not require a match. The funds will be used to replace computers, software and other related equipment.

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

The next item on the agenda was to consider adoption of a Resolution allowing the Town Treasurer/Finance Director to remove outstanding Personal Property delinquent taxes over five years old from the active records to a permanent file. Mr. Thompson commented that according to State Code Section 58.1-3940 of the 1950 Code of Virginia, as amended, every five years localities are to write off personal property taxes. This will include the 2008 taxes in the amount of \$4,818.42 and the Vehicle License Fees in the amount of \$9,565.17. The personal property taxes amount represents a 0.977% write off. The Vehicle License Fees represents a 5% write off.

Mr. Altice made a motion that the Resolution be approved 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, Altice, Nance, Grose; Nays (0) – None; Absent (1) - Hare.

The next item on the agenda was to consider adoption of a Resolution allowing the Town Treasurer/Finance Director to remove outstanding Water and Sewer delinquent bills over five years old from the active records to a permanent file. Mr. Thompson commented that we also have a practice of writing off the delinquent water and sewer bills. For 2008, those bills total \$6,340.64. He reminded Council of the \$100 deposit that was implemented to try and off-set the delinquent bills and this has shown an improvement in the collection of final bills. This amount represents a 0.25% write off. Vice Mayor Nance asked if the \$100 deposit has had an impact on the number of delinquencies and the response was that it has.

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

Mr. Spitzer commented that the Town Manager wanted to express his appreciation to Public Works for their hard work during the last two small snow events. He also is appreciative to all staff for the way they communicated with each other during those events. He also wanted to express appreciation to

Adopted Resolution No. 2050 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.

Adopted Resolution No. 2051 allowing the Town Treasurer/Finance Director to remove outstanding Personal Property delinquent taxes over five years old from the active records to a permanent file

Adopted Resolution No. 2052 allowing the Town Treasurer/Finance Director to remove outstanding Water and Sewer delinquent bills over five years old from the active records to a permanent file

the Police Department for their work on the tough case the past couple of weeks.

The Mayor also expressed his appreciation to the Police Department and Public Works for the incredible jobs they have been doing recently.

Under the Council section, the next item on the agenda was appointments to Boards/Commissions. This related to reappointments of three members to the Highway Safety Commission. Mr. Altice made a 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; 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, Altice, Nance, Grose; Nays (0) – None; Absent (1) - Hare.

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

The Town Clerk commented that on December 17, 2013, Council appointed Ryan Spitzer to the Greater Roanoke Transit Company Board to a two-year term ending December 31, 2015. The beginning term was in the record to begin January 1, 2014. However, the City of Salem representative will not come off the Board until June 30, 2014. Mr. Spitzer's term will actually begin July 2, 2014 and will end June 30, 2015.

Corrected Ryan Spitzer's term on the Greater Roanoke Transit Company Board to end on June 30, 2015

Vice Mayor Nance began by commenting that the Finance Committee did not discuss the November 2013 report. Therefore, he will discuss the December 2013 report and the Committee meeting that was had yesterday.

Mary Beth Layman provided the Finance Committee an update on the pool and the Farmers' Market. Regarding the pool, the 2013 expenditures and revenues were reviewed and compared to those in 2012. Council will recall that in 2009 we voted to close the pool because we were losing approximately \$40,000 if not a little more per year because revenues were not covering the expenses. After that, our local churches formed a unique partnership with the pool to use it as a way to serve their community and as a ministry for their churches. For the year 2013, the May to October timeframe, the expenditures were right at \$50,000; revenue was a little below \$28,000. This left us with between \$22-23,000 as a supplement to the pool. Approximately \$5,600 of that cost is for water to the Town which has not been tracked before the past two years. We have basically cut the supplement in half. We are providing a great benefit to the citizens of Vinton and the region at a very comparatively low cost. This was also a very good revenue figure considering the amount of rain that we had this past summer and the participation was down by half.

Regarding the Farmers Market, there was an update on the EBT and debit cards program. Ms. Layman was hoping to find

a volunteer that would have defrayed some of the costs, but this did not happen. The Town received a \$3,500 grant that was used to hire a part-time employee for Saturdays. Debit purchases for those Saturdays were right at \$250 and the EBT purchases were at \$246, with a net profit of \$496. The vendors through those purchases made a total of \$742. This program does bring more flexibility to those who visit the Market and Ms. Layman is interested in finding additional grants to help pay for the program. With the recent issues in regard to the Farm Bill, we are unsure whether the dollar for dollar match before for the EBT purchases will be available next year. It is, however, a small step in the right direction.

Mr. Nance then commented on the December financial report. A lot of the revenue that the Town receives is in the second half of the year, but it is good to see where we are at this point. On the General Fund, it shows that we are \$104,000 behind our forecast or 96%. That is a little low for where we are because at least \$55,000 of that is due to a payment that we receive from Roanoke County each year for trash collection.

We are still finding ourselves lagging behind in the cigarette tax, which is approximately \$90,000 less than what we were forecasting. The other major area is the gain-sharing agreement with Roanoke County which came in \$92,000 less than the forecasted amount. This is possibly because of real estate assessments going down for the second straight year. On the good side, sales tax is approximately \$60,000 over our target. The April meeting of the Finance Committee will give us a good idea where we will be for the rest of the year and we should be able to make a recommendation to the rest of Council as far as the capital improvement purchases that we discussed previously.

In response to a question about the BPOL taxes, Mr. Nance stated that those taxes along with personal property taxes will come in the second-half of the year. Mr. Thompson commented that our real estate, personal property and BPOL taxes come in during the latter part of the year which is our major revenue source.

Mr. Nance continued by stating that our revenues are very slightly below projection, but our expenditures are only at 86%. With the Utility Fund, we are at 97% of where we forecasted in revenues. Mr. Nance asked that Council accept the November and December 2013 financial reports as presented by the Finance Committee. Mr. Altice made a motion that the reports 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, Altice, Nance, Grose; Nays (0) – None; Absent (1) - Hare.

Approved the November
2013 and December 2013
Financial reports

The Mayor thanked the members of the Finance Committee for their report. He also expressed thanks to the churches who have partnered with the Town to help keep the pool open.

Comments by Council Members: Mr. Nance expressed his thanks to Public Works for their work during the recent snow events. He also commented that the Police Department had to deal with a very difficult matter since the last meeting and it is very reassuring that we have a Department that is so thorough, fair and professional. Mr. Altice commented that the weather has been a challenge for Public Works and they have done a great job. Mr. Adams also said thanks to Public Works. He also commented that the Rescue Squad had been hearing that with the new Obama Care if a member answered more than 30 hours of service per month, there was a chance that we would have to provide health insurance. The Attorney General has removed this requirement.

Vice Mayor Nance made a motion to adjourn the meeting; the motion was seconded by Mr. Adams and carried by the following vote, with all members voting: Vote 4-0; Yeas (4) – Adams, Altice, Nance, Grose; Nays (0) – None; Absent (1) - Hare. The meeting was adjourned at 8:10 p.m.

APPROVED:

Bradley E. Grose, Mayor

ATTEST:

Susan N. Johnson, Town Clerk



Town Council Agenda Summary

Meeting Date

February 18, 2014

Department

Volunteer Fire Department

Issues

Approve Slate of Officers for the Volunteer Fire Department for 2014-2015.

Summary

None

Attachments

Slate of Officers

Recommendations

Motion to approve

OFFICERS FOR 2014-2015

CHIEF: RICHARD OAKES

ASST. CHIEF: CHRIS HEPTINSTALL

CAPTAIN : BENJAMIN COOK

LIEUTENANT: SCOTT MORFITT

BUSINESS OFFICERS

PRESIDENT: WILLIAM "DIP" ENGLISH

VICE PRESIDENT: PRESTON GONZALAZ

SECRETARY: JONAH LOYD

TREASUER: MATT THOMAS



Town Council Agenda Summary

Meeting Date

February 18, 2014

Department

Police

Issue

Officer of the Month for January 2014 – Sergeant Tim Lawless

Summary

Sergeant Tim Lawless was selected as Officer of the month for January 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

BENJAMIN L. COOK
CHIEF OF POLICE

A State Accredited Agency

To: Tim Lawless, Sergeant

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

Date: February 7, 2014

Subject: Officer of the Month – January 2014

Congratulations! You have been nominated and selected as Officer of the Month for January 2014.

On January 30, 2014, you stopped a vehicle for traveling 61 mph in a 35 mph zone. During the stop you detected the odor of marijuana coming from the vehicle. Further investigation and subsequent search of the vehicle located 5.6 ounces of marijuana, (some of that found inside a hidden compartment within the vehicle), scales, packaging materials, cash and a concealed handgun. The individual was arrested and charged with Possession with Intent to Distribute Drugs and Possession of a Concealed Weapon (subsequent offense), which are both felonies. The vehicle the suspect was operating was tied to drug distribution and was also seized.

This is a perfect example of looking past the ticket and using training and experience to detect additional criminal activity. As a result, a gun and drugs were taken off the street which makes our community safer. Good job and keep up the great work!



Town Council Agenda Summary

Meeting Date

February 18, 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.

Steve Mulroy and Robert Laurenburger will be at the Council meeting to make this presentation and answer any questions that Council might have.

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:



VACo/VML Virginia Investment Pool INFORMATIONAL STATEMENT

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, FEBRUARY 18, 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

February 18, 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, FEBRUARY 18, 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

February 18, 2014

Department

Administration

Issue

Consider adoption of a Resolution designating the Plant CML Emergency Communications System as surplus and authorizing its donation to the Bedford County Communications Center.

Summary

The Town of Vinton and Roanoke County no longer has a use for the Plant CML Emergency Communication System since the Town's emergency services are being dispatched by the joint center located in Roanoke County. The Police Department has, in the past, tried to find other organizations to take the system to free up needed space in the old dispatch center located in the Municipal Building. Bedford County E-911 currently uses the same Plant CML System and needs another system for back-up and spare parts in case of an emergency. The Town of Vinton thinks that surplus this system for Bedford County's use is the best option since there is no longer any value to the system.

The Police Department is also working the Roanoke County IT to remove other outdated and non-used systems and hardware in the old dispatch center in order to reorganize the room for a new use to better accommodate the Police Department.

Attachments

Memo
Resolution

Recommendations

Motion to adopt Resolution



MEMORANDUM

TO: Vinton Town Council

FROM: Ryan Spitzer, Asst. to the Town Manager

DATE: February 18, 2014

SUBJECT: Surplus of the Emergency Communications System

Dear Mayor and Members of Council:

Bedford County Communications Center has shown an interest in the Town's Plant CML Emergency Communications System which would be used to backup to their current Emergency System. This system is the telephone dispatch system that was used in the Vinton Communications Center, but was taken out of service when the Town integrated with the County for emergency dispatch. This system logged all calls into and out of the center and integrated with the CAD system to identify geographical locations and input data used for calls for service. The Town and the County do not have a use for this system anymore as Roanoke County uses a different type of emergency communications system and there is no other identified use for the equipment by the Town.

This system is sitting unused in the computer equipment room of the Vinton Police Department. It is staff's recommendation that Council surplus the system and give it to Bedford County for their use. Roanoke County IT has also agreed that this is the best course of action. There is currently no monetary value of the system as it is out of date. The Town has tried to surplus the system in the past without any luck.

The items that the Town would surplus are:

1. The Plant CML Emergency Communications System
2. SMC EL Switch 10/100 Network, SMC – EZ1016DT
3. Plant CML system VNTNSQL; Image: WSO3G; S/O: 74544
4. VNTNDC1; Image: WSO3G; S/O: 74544

RESOLUTION NO.

AT A REGULAR MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, FEBRUARY 18, 2014, AT 7:00 PM IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING, 311 SOUTH POLLARD STREET, VINTON, VIRGINIA

WHEREAS, certain equipment has been identified as no longer of use by the Vinton Police Department; and

WHEREAS, the County of Bedford has expressed an interest in the use of the equipment for emergency purposes; and

WHEREAS, the Assistant to the Town Manager is requesting authorization to dispose of the surplus equipment in the most cost effective manner, either by sale, donation or disposal if necessary; and

WHEREAS, the Town of Vinton prefers to donate the surplus equipment to Bedford County E-911 for emergency communication purposes.

NOW, THEREFORE, BE IT RESOLVED that the Vinton Town Council does hereby designate the following equipment as surplus and authorize its transfer to another department, or to another County in Virginia for the purposes of emergency communications:

Plant CML Emergency Communication System and its components

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

February 18, 2014

Department

Council

Issues

Appointments to Boards/Commissions and administering of Oaths of Office

Summary

We need to appoint four members to the newly formed Western Virginia Regional Industrial Facility Authority. The following individuals are willing to serve for the specified terms:

Christopher S. Lawrence, Board Member, four-year term
Gary W. Woodson, Board Member, two-year term
Bradley E. Grose, Alternate Board Member, four-year term
William W. Nance, Alternate Board Member, two-year term

Attachments

None

Recommendations

Motion to appoint Christopher S. Lawrence, Gary W. Woodson, Bradley E. Grose and William W. Nance to the Western Virginia Regional Industrial Facility Authority for the specified terms

Town Clerk will administer Oaths of Office



Town Council Agenda Summary

Meeting Date

February 18, 2014

Department

Council

Issue

Request to Convene in Closed Meeting, Pursuant to § 2.2-3711 A (1) of the 1950 Code of Virginia, as amended, for discussion or consideration of personnel matters.

Summary

None

Attachments

Certification of Closed Meeting

Recommendations

Reconvene and adopt Certification of Closed Meeting

AT A CLOSED MEETING OF THE VINTON TOWN COUNCIL HELD ON TUESDAY, FEBRUARY 18, 2014, AT 7:00 P.M. IN THE COUNCIL CHAMBERS OF THE VINTON MUNICIPAL BUILDING, 311 SOUTH POLLARD STREET, VINTON, VIRGINIA.

**CERTIFICATION THAT A CLOSED MEETING WAS HELD
IN CONFORMITY WITH THE CODE OF VIRGINIA**

WHEREAS, the Town Council of the Town of Vinton, Virginia has convened a closed meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Vinton Town Council that such closed meeting was conducted in conformity with Virginia Law.

NOW, THEREFORE, BE IT RESOLVED that the Vinton Town Council hereby certifies that to the best of each member's knowledge:

1. Only public business matters lawfully exempted from opening meeting requirements by Virginia law were discussed in the closed meeting to which this certification applies; and
2. Only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Town Council.

Motion made by Council Member _____, and seconded by Council Member _____, with all in favor.

Clerk of Council