



**AGENDA  
PURCELLVILLE TOWN COUNCIL REGULAR MEETING  
DECEMBER 13, 2016, 7:00 PM  
TOWN HALL COUNCIL CHAMBERS**

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- 1. CALL TO ORDER OF REGULAR MEETING** (Mayor Fraser)
- 2. PLEDGE OF ALLEGIANCE**
- 3. INVOCATION** (Mayor Fraser)
- 4. SUMMARY OF MOTIONS** (*provided separately*)
- 5. AGENDA AMENDMENTS/APPROVAL** (Town Council and Staff)
- 6. PROCLAMATIONS/RECOGNITIONS** (Town Council)
  - a. None
- 7. PUBLIC HEARINGS**
  - a. SUP16-03 Mary's House of Hope (Transitional Housing) (D. Galindo) (pgs. 5-20)
  - b. SUP16-04 Makersmiths (Public or Government Building, Facility, or Use Not Otherwise Defined) (D. Galindo) (pgs. 21-40)
  - c. Ordinance 16-12-01: Adding an Environmental Sustainability Component to the Powers and Duties of the Tree and Beautification Commission (S. Hankins/M. Scoggins) (pgs. 41-50)
  - d. Ordinance 16-12-02: Amending the Town Code to add the Purcellville Arts Council as a Standing Committee of the Town Council (S. Hankins/M. Scoggins) (pgs. 51-55)
  - e. Ordinance 16-12-03 – An ordinance to establish a procedure and rules under which an owner, lessee, custodian, or person lawfully in charge of real property may designate each sworn officer of the Town Police as a “person lawfully in charge of the property” for the purpose of forbidding a person from entering or remaining on the property (C. McAlister/B. Dufek) (pgs. ) (*information forthcoming in supplemental agenda*)
  - f. Participation in Virginia Investment Pool Trust Fund (L. Krens) (pgs. 57-113)
- 8. PRESENTATIONS**
  - a. FY16 Comprehensive Annual Financial Report, Matt McLearen, CPA, CFE, Robinson, Farmer, Cox Associates (*5 minutes*)
- 9. STANDING COMMITTEE/COMMISSION/BOARD REPORTS**
  - a. Purcellville Arts Council (L. Jarvis, Chair/D. McCollum, Council Liaison)

- b. Planning Commission (T. Stein, Chairman/K. Grim, Council Liaison)
- c. Board of Architectural Review (P. Giglio, Chairman/N. Ogelman, Council Liaison)
- d. Parks and Recreation Advisory Board (E. Coy, Chairman/R. Cool, Council Liaison)
- e. Economic Development Advisory Committee (D. Abramson, Chairman/C. Bledsoe, Council Liaison)

**10. CITIZEN/BUSINESS COMMENTS**

*(All citizens who wish to speak will be given an opportunity. Limits will be imposed on all speakers. All speakers should sign up prior to speaking, and Town residents will be given the first opportunity to speak.)*

**11. MAYOR AND COUNCIL COMMENTS (Mayor Fraser)**

**12. ACTION ITEMS**

- a. Lot 6F, Valley Industrial Park - Valley Self Storage\* (S. Hankins/R. Lohr/D. Lehnig) (pgs. 115-122) (Motion pg. 119)
- b. SUP16-03 Mary's House of Hope (Transitional Housing)\* (D. Galindo) *see public hearing item 7a.* (pgs. 5-20) (Motion pgs. 9-10)
- c. SUP16-04 Makersmiths (Public or Government Building, Facility, or Use Not Otherwise Defined)\* (D. Galindo) *see public hearing item 7b.* (pgs. 21-40) (Motion pgs. 26-27)
- d. Request for Rezoning and Comprehensive Plan Amendment – Patricia DiPalma-Kipfer\* (D. Galindo) (pgs. 123-125) (Motion pg. 125)
- e. Non-Potable Connections\* (A. Vanegas/R. Lohr) (pgs. 127-132) (Motion pg. 130)
- f. Ordinance 16-12-01: Adding an Environmental Sustainability Component to the Powers and Duties of the Tree and Beautification Commission\* (S. Hankins/M. Scoggins) *see public hearing item 7c* (pgs. 41-50) (Motion pg. 43)
- g. Ordinance 16-12-02: Amending the Town Code to add the Purcellville Arts Council as a Standing Committee of Town Council\* (S. Hankins/M. Scoggins) *see public hearing item 7d* (pgs. 51-55) (Motion pg. 52)
- h. Participation in Virginia Investment Pool Trust Fund\* (L. Krens) *see public hearing item 7f* (pgs. 57-113) (Motion pgs. 63-64)
- i. FY 2018 Budget Development Calendar\* (L. Krens/T. Angus) (pgs. 133-138) (Motion pg. 134)
- j. Recreation Facility - Bike Park\* (D. Davis/M. Scoggins) (pgs. 139-153) (Motion pgs. 140-141)
- k. Parks and Recreation Advisory Board Ordinance Amendment\* (S. Hankins/M. Scoggins) (pgs. 155-160) (Motion pg. 155)
- l. Extension of Fireman's Field Lease with Loudoun County\* (R. Lohr) (pgs. 161-171) (Motion pg. 163)

- m. Initiation of Zoning Ordinance Text Amendment to Amend the Floodplain District & Authorization for Public Hearings\* (D. Galindo) (pgs. 173-175) (Motion pg. 174)
- n. Paralegal Staffing for Town Attorney's Office\* (Town Council/S. Hankins/R. Lohr) (pgs. 177-195) (Motion pg. 179)

**13. DISCUSSION/INFORMATIONAL ITEMS** *(items a-c are informational)*

- a. Public Safety Reports
  - i. Purcellville Volunteer Rescue Squad (Aaron Kahn, President)
  - ii. Purcellville Volunteer Fire Company (Brad Quin, President)
  - iii. Purcellville Police Citizens Support Team (James Taylor, President/Dawn Mabe, Vice President) (pg. 197)
  - iv. Purcellville Police Department (Lt. Joe Schroeck/Chief C. McAlister) (pgs. )
- b. Economic Development Update – Oct. 2016 (P. Sullivan) (pgs. 199-212)
- c. Public Works Monthly Operations Report (A. Vanegas) (pgs. 213-223)
- d. Classification and Compensation Study (D. Davis/S. Rauch) (pgs. 225-237)

**14. DISCUSSION OF ITEMS PROPOSED FOR FUTURE PRESENTATIONS / RECOGNITION**

- a. Recognition Request – Loudoun Valley High School Boys Cross Country State Champs (pg. 239)

**15. APPROVAL OF MINUTES**

- a. November 3, 2016 Town Council Special Meeting (pgs. 242-246) (Motion pg. 241)
- b. November 8, 2016 Town Council Meeting (pgs. 247-276) (Motion pg. 241)
- c. November 16, 2016 Town Council Special Meeting (pgs. 277-293) (Motion pg. 241)

**16. CLOSED MEETING\*** (pgs. 295-297) (Motion pg. 296)

The purpose of the closed meeting is to discuss the legal process by which the watershed property was placed into protective easement.

**17. ADJOURNMENT**

\*Roll Call Votes

IF YOU REQUIRE ANY TYPE OF REASONABLE ACCOMMODATION AS A RESULT OF PHYSICAL, SENSORY OR MENTAL DISABILITY IN ORDER TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT DIANA HAYS, TOWN CLERK, AT 540-338-7421. THREE DAYS NOTICE IS REQUESTED.

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**STAFF REPORT**  
**PUBLIC HEARING & ACTION ITEM**

Item # 7a & 12b

**SUBJECT:** SUP16-03 – Mary’s House of Hope (Transitional Housing)

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACT:** Daniel Galindo, AICP – Senior Planner

<b>Application Information</b>		
<b>Applicant</b> Vickie Koth The Good Shepherd Alliance, Inc. 20684 Ashburn Road Ashburn, VA 20147	<b>Property Owner</b> Town of Purcellville 221 South Nursery Avenue Purcellville, VA 20132	<b>Designer/Engineer</b> N/A
<b>Submission Date</b> October 6, 2016	<b>Planning Commission Public Hearing Date</b> November 3, 2016	<b>Town Council Public Hearing Date</b> December 13, 2016

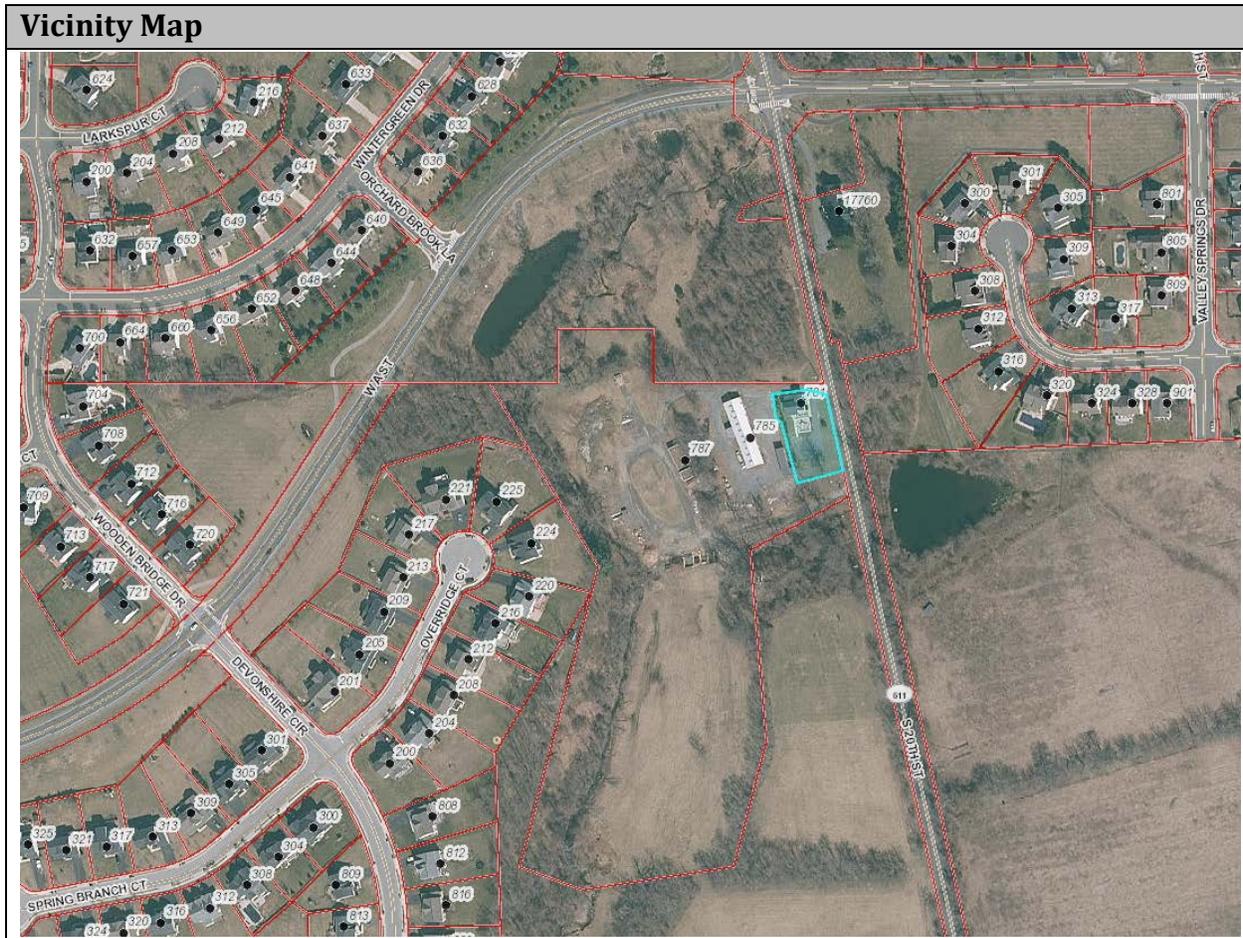
<b>Property Information</b>				
<b>PIN</b>	<b>Tax Map</b>	<b>Address</b>	<b>Current Zoning</b>	<b>Acres</b>
489-38-4477-000	/44//43/////A/	781 South 20th Street	R-2	0.3471

<b>Special Use Requested</b>
<b>SUP16-03</b>
Transitional Housing

**SUMMARY and RECOMMENDATIONS:**

The Town of Purcellville and The Good Shepherd Alliance, Inc. have initiated an application, coded as SUP16-03 (Attachments 1 & 2), to authorize the special use of “transitional housing” on a Town-owned, 0.3471 acre parcel (displayed on Attachments 3 & 4) addressed as 781 South 20th Street, Purcellville, Virginia (the “Property”). The Property has a zoning district designation of R-2 (Single-Family Residential), and currently contains a building that was originally a single-family detached dwelling but is now occupied by Mary’s House of Hope, a facility that is operated by The Good Shepherd Alliance to provide transitional housing to single mothers. No additional development is currently proposed for the Property. A joint public hearing on SUP16-03 was held before the Planning Commission and Town Council on

November 3, 2016. As recommended by Town Staff, the Planning Commission approved a motion recommending that Town Council approve SUP16-03 with one condition on November 17, 2016. The condition recommended by the Planning Commission is incorporated in to Resolution 16-12-02 (Attachment 6). Another public hearing on SUP16-03 is scheduled before Town Council on December 13, 2016.



**BACKGROUND:**

**Property Description**

Special use permit application SUP16-03 involves a Town-owned, 0.3471 acre parcel addressed as 781 South 20th Street, Purcellville, Virginia (the “Property”) and further identified in the Loudoun County land records as Tax Map Number /44/43/////A/ and Parcel Identification Number 489-38-4477-000. The Property, located southwest of the intersection of A Street and South 20th Street, is bounded to the east by the South 20th Street right-of-way and on the south, west and north by property owned by the Town of Purcellville

which is subject to the SUP16-04 application. The Property has a planned land use designation of “Residential – 2 Dwelling Units Per Acre” and a zoning district designation of R-2 (Single-Family Residential).

### **SUP16-03 Description**

The SUP16-03 application consists of the following documents:

1. A Completed Special Use Permit Application Form;
2. A Statement of Justification (including the Written Statement describing the proposed use);
3. A Special Use Permit Concept Plan;
4. An Aerial Image of the Property; and
5. A Traffic Impact Analysis Waiver Letter from the Director of Public Works.

SUP16-03 seeks authorization for the special use of “transitional housing” on the Property. The transitional housing use is defined by the *Zoning Ordinance for the Town of Purcellville, Virginia* as “a residential facility managed by a government or nonprofit agency which provides temporary accommodations to women, with or without children, for a period of up to two years, and which also may provide meals, counseling, and other appropriate program activities designed to facilitate independent living.” The Property currently contains a building that was originally a single-family detached dwelling but is now occupied by Mary’s House of Hope which has provided transitional housing to single mothers and their children for the past nine years. No additional development or change in use is currently proposed by SUP16-03. The Good Shepherd Alliance plans to continue to use the Property for transitional housing, and approval of SUP16-03 would bring the existing use in to compliance with the Town’s Zoning Ordinance.

### **Previous Action on Related Applications**

In order to prepare the Property for sale, the Town took the following actions earlier this year:

1. RZ15-01, approved via Ordinance 16-04-05 on April 12, 2016, rezoned the Property from IP, Institutional and Public Use District to R-2, Single-Family Residential District;
2. CPA15-02, approved via Ordinance 16-04-05 on April 12, 2016, amended the comprehensive plan to designate the Property with a planned land use of Residential – 2 Dwelling Units Per Acre; and
3. OA15-04, approved via Ordinance 16-04-06 on April 12, 2016, amended the Zoning Ordinance to:

- add transitional housing as a use listed in the Use Table and allow transitional housing as a use allowed by special use permit in the R-2 zoning district (i.e. shown as “SUP” in the Use Table);
- add standards for the transitional housing use; and
- add a definition for the transitional housing use.

The Town initiated these three applications in preparation for the possible sale of the Property to The Good Shepherd Alliance—the non-profit which operates Mary’s House of Hope—and because the rezoning to R-2 allows the building on the Property to revert to its historic use as a single-family detached dwelling at a future time, if necessary. However, as noted above, no additional development or change in use is currently proposed.

**ANALYSIS:**

There are certain relevant factors that should be considered for any special use permit application. Article 8, Section 1.2 of the *Zoning Ordinance of the Town of Purcellville, Virginia* states:

A special use permit should be approved only if it is listed as allowed by special use permit in the district regulations and only if it is found that the location is appropriate and not in conflict with the comprehensive plan, that the public health, safety, morals, and general welfare will not be adversely affected, that adequate utilities and off-street parking facilities, if applicable, will be provided, and that necessary safeguards will be provided for the protection of surrounding property, persons, and neighborhood values, and further provided that the additional standards of this article are complied with.

The requested use is listed in Article 4, Section 1.1 of the Zoning Ordinance as a use allowed by special use permit in the R-2 zoning district while the remaining factors to be considered are addressed in the applicant’s Statement of Justification. Article 4, Section 1.2 of the Zoning Ordinance also requires transitional housing to “have a maximum occupancy of three adults and six children, excluding any resident staff persons” as well as be located “at least 250 feet from any existing residential dwelling.” Mary’s House of Hope complies with both standards.

Since being submitted, the SUP16-03 application was distributed for review by the Town and external review agencies, and the Town has received review comments from all referral agencies to which the SUP16-03 application was sent. No concerns were expressed. Town Staff agrees with the contents of application. Overall, the requested special use complies

with the comprehensive plan and satisfies the other issues listed for consideration in the Zoning Ordinance as demonstrated during its nine years in operation on the site. The necessary utilities are already in place on the site, and there should be no adverse impact to water quality or air quality. After reviewing SUP16-03, the Director of Public Works waived the requirement for a Traffic Impact Analysis, as permitted by Article 8, Section 1.4.C.6 of the Zoning Ordinance, in a letter dated October 5, 2016 (Attachment 5). The letter stated that vehicle traffic associated with Mary's House of Hope will "not generate additional significant vehicle trips during peak hours." Finally, as noted in the Background section above, approval of SUP16-03 would also bring Mary's House of Hope in to compliance with the Town's Zoning Ordinance.

**FINDINGS:**

1. The proposed use is allowed in the R-2 district by special use permit (Zoning Ordinance – Article 4, Section 1.1).
2. The proposed use complies with all applicable use standards (Zoning Ordinance – Article 4, Section 1.2).
3. The application complies with Article 8, Section 1 (Special Use Permit) of the Zoning Ordinance.
4. The proposed use advances the goals and strategies established in the *Purcellville, Virginia 2025 Comprehensive Plan*.

**MOTIONS:**

***Suspend the Rules (if desired)***

I move that Town Council suspend the rules to allow action on SUP16-03 the same night as the public hearing. (approval requires two-thirds affirmative vote)

*AND THEN (if motion to suspend the rules is adopted)*

***Approval of SUP16-03 via Resolution 16-12-02, as presented – RECOMMENDED***

For the reasons stated in the staff report dated December 13, 2016 and as recommended by the Planning Commission on November 17, 2016, I move that the Purcellville Town Council approve Resolution 16-12-02 which approves SUP16-03 allowing transitional housing at 781 South 20<sup>th</sup> Street, subject to the condition stated therein.

***Approval of SUP16-03 via Resolution 16-12-02, with modifications***

For the reasons stated in the staff report dated December 13, 2016 and as recommended by the Planning Commission on November 17, 2016, I move that the Purcellville Town Council

approve Resolution 16-12-02 which approves SUP16-03 allowing transitional housing at 781 South 20<sup>th</sup> Street, subject to the condition stated therein, with the following modifications:

- 1.
- 2.
- 3.

***Disapproval***

I move that the Purcellville Town Council disapprove for the following reasons, SUP16-03 allowing transitional housing to be located at 781 South 20<sup>th</sup> Street:

- 1.
- 2.
- 3.

**ATTACHMENTS:**

1. SUP16-03 Application
2. SUP16-03 Written Statement and Statement of Justification
3. SUP16-03 Concept Plan
4. SUP16-03 Aerial Image of the Property
5. SUP16-03 Traffic Impact Analysis Waiver Letter
6. Resolution 16-12-02

These materials and others pertaining to SUP16-03 can be found at:  
<http://purcellvilleva.gov/DocumentCenter/Index/256>



Department of Community Development
221 S. Nursery Avenue, Purcellville, VA 20132
(540) 338-2304 Fax (540) 338-7460

Special Use Permit Application

SUP# 16-03

This application must be filled out in its entirety. An incomplete application form will result in rejection of the application prior to checklist review. Do not write in shaded areas.

A special use permit is requested for Transitional Housing
as per Article 4 Section 1 Subsection 1.1

General Project Information:

- 1. Project Title: Mary's House of Hope
2. Location of Property: 781 South 20th Street, Purcellville
3. Property Owner: Town of Purcellville
4. Owner Address: 221 South Nursery Avenue, Purcellville
5. Owner Telephone: 540-338-7421 Fax: 540-338-6205 Email rlohr@purcellvilleva.gov
6. Applicant/Agent: Vickie Koth, Executive Director, The Good Shepherd Alliance
7. Agent Address: 20684 Ashburn Road, Ashburn, VA 20147
8. Agent Telephone: 703-887-5775 Fax: Email vkoth@goodshepherdalliance.org
9. Designer/Engineer: N/A
10. Designer Address:
11. Designer Telephone: Fax: Email

Correspondence to be sent to: X Owner; X Agent; Designer; Other:

- 12. Total Acreage of Parcel: .3471
13. Acreage to be Developed: N/A
14. Property Identification #(s): 489384477000
15. LC Tax Map #(s): /44//43/////A/
16. Current Zoning: R-2 Single Family Residential



**Special Use Permit Application**  
**The Good Shepherd Alliance – Mary’s House of Hope**  
**781 South 20<sup>th</sup> Street, Purcellville, VA**

**Current Property Owner:** Town of Purcellville

**Tax Map:** /44//43/////A/

**Parcel ID:** 489-38-4477

**Written Statement:**

The Town of Purcellville and The Good Shepherd Alliance are requesting a Special Use Permit as part of the proposed sale of the property for the purpose of continued use of the dwelling as a transitional home for the safe refuge of at risk single mothers and their children.

The Town originally acquired this property as part of a larger parcel in 1973. The dwelling was used as a single family tenant home until May 2005. At that time, The Good Shepherd Alliance entered into a lease with the Town and completed significant renovations to the old tenant house. Since 2007, the home has been utilized to provide shelter, counseling and support to homeless single mothers and their children. This program has assisted many women and children transition from homelessness to a stable living situation. With this support and assistance, the occupants have also been able to develop and maintain stability in employment as well as parenting skills.

The maximum occupancy of the home never exceeds 3 mothers with their children (under the age of 13) and 1 adult home monitor. The prospective tenants are screened and criminal background checks are completed. This is a 24-hour operation.

The Good Shepherd Alliance has maintained the property in an exemplary manner, caring for and preserving the house and property which they have improved by the addition of a paved parking area and playground. They have also been an excellent community partner and neighbor. The Town has never received any complaints from surrounding property owners.

The property was rezoned by the Town from IP to R-2 (single-family residential) to allow for residential use. In order to continue use as transitional housing, and as part of the sale of this property to The Good Shepherd Alliance, the Town is seeking a Special Use Permit.

The continued use in the capacity stated above, is consistent with a residential district and compatible with general residential surroundings.

**Statement of Justification:**

- 1) *Whether the proposed application is consistent with the comprehensive plan. & 2) Whether the proposed special use at the specified location will contribute to or promote the welfare and convenience of the public.*

While the comprehensive plan is intended to provide a framework for the management of growth, public needs and quality of life, it also speaks to small town character and sense of place. The Good Shepherd Alliance made a financial and community commitment over 11

years ago to refurbish an otherwise dilapidated structure so that they could provide shelter and support to women and children in need. This type of aid and assistance is critical to society and our community. While affluence in Loudoun County abounds, there are so many in our greater community in need.

- 3) *Whether the proposed use is compatible with other existing or proposed uses in the neighborhood, and adjacent parcels.*

The adjacent parcels are primarily public use and residential. The proposed continued use is residential in nature and is compatible with other uses in this neighborhood.

- 4) *Whether the level and impact of any noise or odor emanating from the site, including that generated by the proposed special use, negatively impacts the uses in the immediate area.*

Over the last 9 years of the use as transitional housing, there has not been any noise or odor associated with the site that would differ from that of any other residential property atmosphere in the community.

- 5) *Whether the proposed special use will result in the preservation or damage of any existing habitats, vegetation, topographic or physical, natural, scenic, archeological, or historical feature of significant importance.*

There are no features of significant importance on the site, and no changes are proposed for the site as part of this application.

- 6) *Whether the proposed special use will impact existing water quality or air quality.*

No impacts are expected that would differ from that of any other residential property atmosphere in the community.

- 7) *Whether the traffic generated by the proposed use will be adequately and safely served by roads, pedestrian connections, and other transportation services.*

There has been no change in the associated vehicle traffic over the last 9 years of use nor is it expected to increase. The existing roads safely and effectively serve this use. Unfortunately, at this time, there are no pedestrian connections or other mass transit services available at the site although they are in close proximity to the north of the property.

- 8) *Whether the proposed use will negatively impact orderly and safe road development and transportation in accordance with the comprehensive plan and all relevant transportation and corridor plans.*

There should be no negative impacts.

- 9) *Whether the proposed use will be served adequately by essential public facilities and services.*

Existing facilities and services have been and will continue to be more than adequate.

- 10) *Whether, in the case of existing structures to be converted to uses requiring a special use permit, the existing structures can be converted in such a way that retains the character of the neighborhood in which the existing structures are located, especially when an application seeks to convert a building of historic significance.*

There will be no change to the structure.

11) *Whether the proposed special use contributes to the economic development needs of the town.*  
Not applicable to this use.

12) *Whether adequate on and off site infrastructure is available.*  
All infrastructure is adequate.

13) *Whether the proposed special use illustrates sufficient measure to mitigate the impact of construction traffic on existing neighborhoods and schools.*  
Not applicable since there will be no construction.



# 781 South 20th Street



**Town Manager**  
Robert W. Lohr, Jr.

**Assistant Town Manager**  
Daniel C. Davis

221 S. Nursery Avenue  
Purcellville, VA 20132  
(540) 338-7421  
www.purcellvilleva.gov



**Town Attorney**  
Sally G. Hankins

**Chief of Police**  
Cynthia A. McAlister

**Department Directors**  
Elizabeth Krens, Finance  
Alex Vanegas, Public Works  
Patrick Sullivan, Community Development  
Shannon Bohince, Information Technology  
Hooper McCann, Administration

October 5, 2016

Patrick Sullivan, AICP.  
Director of Community Development  
Town of Purcellville  
221 S. Nursery Avenue  
Purcellville, VA. 20132

RE: SUP Applications for Mary's House of Hope

Mr. Sullivan,

Staff has reviewed the information regarding the proposed Special Use Permit (SUP) Application for Mary's House of Hope with respect to potential traffic impacts to S. 20<sup>th</sup> Street. Based on the facts provided, I do hereby waive the traffic impact analysis (TIA) requirement for this SUP. This decision is grounded in the following observations. First, this facility has been in operation for the last 9 years as a dwelling unit for the sole purpose of providing safe refuge for single mothers and children and in accordance with the lease agreement whereby the maximum occupancy of the home never exceeds 3 mothers and 1 adult home monitor. Second, the associated vehicle traffic has not changed over the last 9 years and is expected to continue to be compatible with a single family dwelling thereby not generating additional significant vehicle trips during peak hours. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alex Vanegas".

Alex Vanegas, CPM  
Director of Public Works

cc: Robert W. Lohr, Jr. Town Manager  
Sally Hankins, Town Attorney

**TOWN OF PURCELLVILLE  
IN  
LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 16-12-02**

**PRESENTED:  
ADOPTED:**

**December 13, 2016**

**A RESOLUTION: APPROVING SPECIAL USE PERMIT SUP16-03 FOR TRANSITIONAL HOUSING AT 781 SOUTH 20<sup>TH</sup> STREET.**

**WHEREAS,** on October 6, 2016 the Town of Purcellville and The Good Shepherd Alliance, Inc. submitted an application for a special use permit (SUP16-03) to permit transitional housing to be located at 781 South 20th Street on a parcel that is further identified in Loudoun County land records as Tax Map Number /44//43/////A/ and Parcel Identification Number 489-38-4477-000; and

**WHEREAS,** the property is in the R-2 (Single-Family Residential) Zoning District; and

**WHEREAS,** transitional housing requires a special use permit to operate in the R-2 Zoning District; and

**WHEREAS,** following required public notice the Planning Commission held a public hearing on this application on November 3, 2016, and following that hearing, made a recommendation for approval on November 17, 2016; and

**WHEREAS,** following required public notice this Council held a public hearing on this application on December 13, 2016; and

**WHEREAS,** this Council finds that this application meets the use standards for transitional housing as well as the general standards for special uses contained in Article 4, Section 1 and Article 8, Section 1 of the *Zoning Ordinance for the Town of Purcellville, Virginia*, respectively, and further finds that the location is appropriate and not in conflict with the comprehensive plan, that the public health, safety, morals, and general welfare will not be adversely affected, that adequate utilities and off-street parking facilities will be provided, and that necessary safeguards will be provided for the protection of surrounding property, persons, and neighborhood values;

**THEREFORE BE IT RESOLVED** that the Purcellville Town Council hereby approves SUP16-03, a special use permit for transitional housing to be located at 781 South 20th Street on a parcel that is further identified in Loudoun County Land Records as Tax Map Number /44//43/////A/ and Parcel Identification Number 489-38-4477-000, subject to the following

additional conditions imposed to protect the public health, safety, and welfare:

1. The use shall be developed as shown on the concept plan submitted with the application, and attached hereto, entitled "Concept Plan, 781 S. 20<sup>th</sup> Street, Purcellville, VA," dated October 4, 2016.

**PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2016.**

\_\_\_\_\_  
Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

\_\_\_\_\_  
Diana Hays, Town Clerk



**STAFF REPORT**  
**PUBLIC HEARING & ACTION ITEM**

Item # 7b & 12c

**SUBJECT:** SUP16-04 – Makersmiths (Public or Government Building, Facility, or Use Not Otherwise Defined)

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACT:** Daniel Galindo, AICP – Senior Planner

<b>Application Information</b>		
<b>Applicant</b> Thomas Hill 17256 Pickwick Drive Purcellville, VA 20132	<b>Property Owner</b> Town of Purcellville 221 South Nursery Avenue Purcellville, VA 20132	<b>Designer/Engineer</b> N/A
<b>Submission Date</b> October 7, 2016	<b>Planning Commission Public Hearing Date</b> November 3, 2016	<b>Town Council Public Hearing Date</b> December 13, 2016

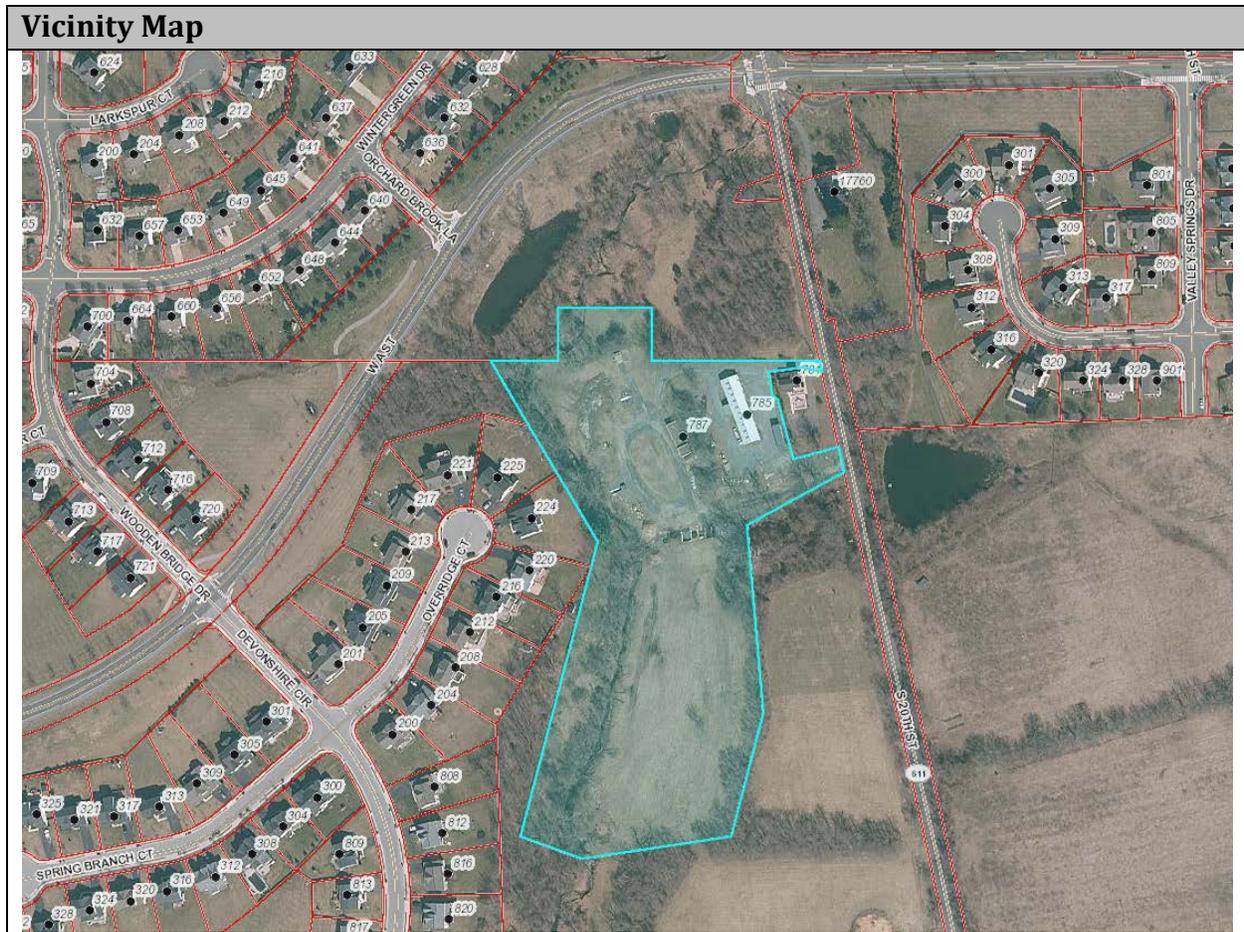
<b>Property Information</b>				
<b>PIN</b>	<b>Tax Map</b>	<b>Address</b>	<b>Current Zoning</b>	<b>Acres</b>
489-28-1645-000	/44//43/////B/	785 & 787 South 20th Street	IP	8.8699

<b>Special Use Requested</b>
<b>SUP16-04</b>
Public or Government Building, Facility, or Use Not Otherwise Defined (for a “makerspace”)

**SUMMARY and RECOMMENDATIONS:**

The Town of Purcellville and Thomas Hill (on behalf of Makersmiths Inc.) have initiated an application, coded as SUP16-04 (Attachments 1 & 2), to authorize the special use of “public or government building, facility, or use not otherwise defined” on a Town-owned, 8.8699 acre parcel (displayed on Attachment 3) addressed as 785 South 20th Street and 787 South 20th Street, Purcellville, Virginia (the “Property”). The Property has a zoning district designation of IP (Institutional and Public Use), and contains buildings and structures previously used by the Town for vehicle storage and water treatment. These existing facilities and surrounding outdoor area would be repurposed by Makersmiths Inc. to conduct “makerspace” activities; no additional development is currently proposed for the Property.

A joint public hearing on SUP16-04 was held before the Planning Commission and Town Council on November 3, 2016. As recommended by Town Staff, the Planning Commission approved a motion recommending that Town Council approve SUP16-04 with seven conditions on November 17, 2016. The conditions recommended by the Planning Commission are incorporated in to Resolution 16-12-03 (Attachment 5). Another public hearing on SUP16-04 is scheduled before Town Council on December 13, 2016.



**BACKGROUND:**

**Property Description**

Special use permit application SUP16-04 involves a Town-owned, 8.8699 acre parcel addressed as 785 South 20th Street and 787 South 20th Street, Purcellville, Virginia (the “Property”), located southwest of the intersection of A Street and South 20th Street, and further identified in the Loudoun County land records as Tax Map Number /44//43/////B/ and Parcel Identification Number 489-28-1645-000. The Property is bounded to the east by the South 20th Street right-of-way and the 781 South 20<sup>th</sup> Street property which is subject

to the SUP16-03 application, on the south by property owned by the Town of Purcellville, on the west by property owned by the Town of Purcellville as well as residential lots and an open space parcel owned by the Hirst Farm Homeowners Association, and on the north by an open space parcel owned by the Locust Grove Homeowners Association. The Property has a zoning district designation of IP (Institutional and Public Use) and three planned land use designations. A rectangular projection on the north of the Property is designated “Private Open Space,” the remainder of the northern half of the Property (i.e. the area where structures are present that is generally wider from west to east than the southern portion of the Property) is designated “Institutional/Government,” and the remainder of the southern half of the Property (i.e. the area where no structures are present that is generally narrower from west to east than the northern portion of the Property) is designated “Public Open Space.”

### **SUP16-04 Description**

The SUP16-04 application consists of the following documents:

1. A Completed Special Use Permit Application Form;
2. A Statement of Justification (including the Written Statement describing the proposed use);
3. A Special Use Permit Concept Plan; and
4. A Traffic Impact Analysis Waiver Letter from the Director of Public Works.

SUP16-04 seeks authorization for the special use of “public or government building, facility, or use not otherwise defined” on the Property. This use is defined by the *Zoning Ordinance for the Town of Purcellville, Virginia* as “any facility owned or operated by a public utility or an agency of local, regional, state or federal government and not otherwise defined within this article.” The Property currently contains buildings and structures previously used by the Town for vehicle storage and water treatment, and approval of SUP16-04 would specifically allow Makersmiths Inc. to conduct “makerspace” activities on the Property by repurposing these existing facilities and the surrounding outdoor area. No additional development is currently proposed for the Property.

A “makerspace” is a workshop that allows members of the community to work with and learn about old and new technologies where a wide range of activities may occur. Possible “makerspace” activities on the Property may include but are not limited to: woodworking, metalworking, electronics and robotics fabrication, classroom instruction, computer coding, 3-D printing, and crafting.

### **Previous Consideration**

At the Town Council meeting on January 12, 2016, Mayor Fraser first discussed a proposal submitted by Makersmiths to use the Town's former maintenance facility at the Property for a makerspace, and Patrick Scannell of Makersmiths gave a presentation to Council about the proposal at its February 9, 2016 meeting. In the spring, Makersmiths submitted a Letter of Intent with a lease proposal for the Property, and at its April 12, 2016 meeting, Town Council directed Town Staff to move forward with the proposal including beginning the necessary zoning process and the process to enter into a lease arrangement with Makersmiths. Council also agreed with the Town Manager's suggestion that the Planning Commission be consulted and asked to recommend the best option to pursue that would allow Makersmiths to operate in compliance with the Town's Zoning Ordinance.

At the Planning Commission's meeting on May 5, 2016, the Commission considered the zoning issues presented by Makersmiths. The staff report noted that the various functions of a makerspace were not clearly encapsulated by any existing use allowed by the Zoning Ordinance (with one possible exception). For the Commission's consideration, the staff report included four primary options for further action that would allow Makersmiths to operate in compliance with the Zoning Ordinance at the proposed location of the former maintenance facility:

1. Rezone the Property to CM-1, Local Service Industrial or M-1, Limited Industrial;
2. Amend the text of the Zoning Ordinance to allow a newly created use in the IP district that would be defined broadly enough to fit a makerspace but narrowly enough to avoid any use that would be a significant departure from the public and institutional uses allowed in the district (in conjunction with standards for the new use, if needed);
3. Rezone the Property to another zoning district in conjunction with a text amendment that would allow a makerspace in that district; or
4. Submit a special use permit application utilizing the "public or government building, facility, or use not otherwise defined" land use allowed in the IP zoning district by special use permit.

Staff recommended the second option and specifically recommended creating a new land use (and accompanying definition) that would be allowed in the IP district by special use permit. This option would have resulted in the creation of a long-term solution. Instead, the Planning Commission recommended the fourth option which has resulted in the submission of SUP16-04. The downside of this option is that it only results in a short-term fix because the use is only valid on a publicly-owned property. If Makersmiths or some other private or non-profit entity were to buy the property in the future, the makerspace would become a nonconforming use that could not be expanded.

**ANALYSIS:**

There are certain relevant factors that should be considered for any special use permit application. Article 8, Section 1.2 of the *Zoning Ordinance of the Town of Purcellville, Virginia* states:

A special use permit should be approved only if it is listed as allowed by special use permit in the district regulations and only if it is found that the location is appropriate and not in conflict with the comprehensive plan, that the public health, safety, morals, and general welfare will not be adversely affected, that adequate utilities and off-street parking facilities, if applicable, will be provided, and that necessary safeguards will be provided for the protection of surrounding property, persons, and neighborhood values, and further provided that the additional standards of this article are complied with.

The requested use is listed in Article 4, Section 1.1 of the Zoning Ordinance as a use allowed by special use permit in the IP zoning district while the remaining factors to be considered are addressed in the applicant's Statement of Justification.

Since being submitted, the SUP16-04 application was distributed for review by the Town and external review agencies. The Town has received review comments from all referral agencies to which the SUP16-04 application was sent, and no concerns were expressed. Town Staff largely agrees with the contents of application. Overall, the requested special use complies with the comprehensive plan and generally satisfies the other issues listed for consideration in the Zoning Ordinance. The necessary utilities are already in place on the site, and there should be no adverse impact to water quality or air quality. After reviewing SUP16-04, the Director of Public Works waived the requirement for a Traffic Impact Analysis, as permitted by Article 8, Section 1.4.C.6 of the Zoning Ordinance, in a letter dated October 5, 2016 (Attachment 4). The letter stated that "it does not appear that the facility will generate significant peak hour trips" which he calculated at a total of 20 or less.

In response to the public comments received during the November 3<sup>rd</sup> public hearing and the Planning Commission's discussion of SUP16-04, Town Staff met jointly with representatives for Makersmiths and The Good Shepherd Alliance (operator of Mary's House of Hope on an adjacent property to the east). Based on the results of this meeting and all other input received, Staff recommends seven conditions to ensure that the use is well

adjusted to the environment of its location. As further recommended by the Planning Commission, these conditions have been incorporated in to Resolution 16-12-03.

**FINDINGS:**

1. The proposed use is allowed in the IP district by special use permit (Zoning Ordinance – Article 4, Section 1.1).
2. The application complies with Article 8, Section 1 (Special Use Permit) of the Zoning Ordinance.
3. The proposed use advances the goals and strategies established in the *Purcellville, Virginia 2025 Comprehensive Plan*.

**MOTIONS:**

***Suspend the Rules (if desired)***

I move that Town Council suspend the rules to allow action on SUP16-04 the same night as the public hearing. (approval requires two-thirds affirmative vote)

*AND THEN (if motion to suspend the rules is adopted)*

***Approval of SUP16-04 via Resolution 16-12-03, as presented*** – RECOMMENDED

For the reasons stated in the staff report dated December 13, 2016 and as recommended by the Planning Commission on November 17, 2016, I move that the Purcellville Town Council approve Resolution 16-12-03 which approves SUP16-04 allowing a makerspace as a public or government building, facility, or use not otherwise defined at 785 and 787 South 20<sup>th</sup> Street, subject to the conditions stated therein.

***Approval of SUP16-04 via Resolution 16-12-03, with modifications***

For the reasons stated in the staff report dated December 13, 2016 and as recommended by the Planning Commission on November 17, 2016, I move that the Purcellville Town Council approve Resolution 16-12-03 which approves SUP16-04 allowing a makerspace as a public or government building, facility, or use not otherwise defined at 785 and 787 South 20<sup>th</sup> Street, subject to the conditions stated therein, with the following modifications:

- 1.
- 2.
- 3.

***Disapproval***

I move that the Purcellville Town Council disapprove for the following reasons, SUP16-04 allowing a makerspace as a public or government building, facility, or use not otherwise defined to be located at 785 and 787 South 20<sup>th</sup> Street:

- 1.
- 2.
- 3.

**ATTACHMENTS:**

1. SUP16-04 Application
2. SUP16-04 Written Statement and Statement of Justification
3. SUP16-04 Concept Plan
4. SUP16-04 Traffic Impact Analysis Waiver Letter
5. Resolution 16-12-03

These materials and others pertaining to SUP16-04 can be found at:  
<http://purcellvilleva.gov/DocumentCenter/Index/257>



**Department of Community Development**  
 221 S. Nursery Avenue, Purcellville, VA 20132  
 (540) 338-2304 Fax (540) 338-7460

**Special Use Permit  
 Application**

SUP# 16-04

**This application must be filled out in its entirety. An incomplete application form will result in rejection of the application prior to checklist review. Do not write in shaded areas.**

A special use permit is requested for Public or government building, facility, or use not otherwise defined  
 as per Article 4 Section 1 Subsection 1.1.

**General Project Information:**

- 1. Project Title: Makersmiths - Purcellville
- 2. Location of Property: 785 & 787 South 20th Street, Purcellville
- 3. Property Owner: Town of Purcellville
- 4. Owner Address: 221 South Nursery Avenue, Purcellville
- 5. Owner Telephone: 540-338-7421 Fax: 540-338-6205 Email rlohr@purcellvilleva.gov
- 6. Applicant/Agent: Thomas Hill
- 7. Agent Address: 17256 Pickwick Dr., Purcellville, VA 20132
- 8. Agent Telephone: 301-928-0728 Fax: \_\_\_\_\_ Email hillkid@earthlink.net
- 9. Designer/Engineer: N/A
- 10. Designer Address: \_\_\_\_\_
- 11. Designer Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email \_\_\_\_\_

**Correspondence to be sent to:**  **Owner;**  **Agent;**  **Designer;**  **Other:** \_\_\_\_\_

- 12. Total Acreage of Parcel: 8.87
- 13. Acreage to be Developed: N/A
- 14. Property Identification #(s): 489281645000
- 15. LC Tax Map #(s): /44//43/////B/
- 16. Current Zoning: IP - Industrial and Public Use

- 17. Current Use(s): Public Use
- 18. Adjoining Property Uses(s): Public Use & Residential
- 19. Adjoining Property ID #s & owners: Please attach with a separate sheet provided below.
- 20. Related Applications: N/A
- 21. Pre-submission Meeting Date (if any) \_\_\_\_\_

**Additional Submission Requirements:**

- A Statement of Justification and Explanation.* Applicant must file a statement in support of their request in accordance with the requirements of Article 8, Section 1.4.D of the Purcellville Zoning Ordinance. This statement should address all issues for consideration located within that section. In a separate statement, the proposal should be explained/outlined including details such as hours of operation.
- A Concept Plan for the Property.* The Concept Plan does not need to be engineered; however; it must be sufficiently detailed to be judged for its superiority to other forms of development. See Article 8, Section 1.4.C for the requirements on the concept plan. If a concept plan is not applicable, please indicate with "n/a."
- Traffic Study.* A traffic study is required for special use permits, unless waived by the Director of Public Works. The waiver or the traffic study must be provided at the time of submission. (Waiver requested)
- Payment of Fee.* The fee for a special use permit application must be paid at the time of submission. FEES ARE NON-REFUNDABLE. N/A

**Property Owner:**

I have read this completed application, understand its intent and freely consent to its filing. The information provided is accurate and completed to the best of my knowledge and capabilities. I understand that the Town may deny, approve, or conditionally approve that for which I am applying. Furthermore, I grant permission to the Town or authorized government agents to enter the property and make such investigations or inspections and tests they deem necessary. I also understand that someone must be present at all public meetings to represent my application, and if no one is present, the item will be tabled to the next available meeting.

Robert W. Lohr, Jr. October 7, 2016  
 Owner's Signature Robert W. Lohr, Jr., Town Manager Date

**Required Materials (as applicable, completed by Town Staff):**

**For all special use permit applications:**

Application (2 copies)     Concept Plan (12 folded Copies)     Required Fees(s)

Completed Checklist     Statements of Justification & Explanation     Traffic Study or waiver of study

Application Complete \_\_\_\_\_ Fee \$ \_\_\_\_\_ Paid \_\_\_\_\_ Planning Initials \_\_\_\_\_

Taxes Paid \_\_\_\_\_ Finance Initials \_\_\_\_\_

Project Manager Assigned \_\_\_\_\_

File Number \_\_\_\_\_ Approved On: \_\_\_\_\_ Valid Until: \_\_\_\_\_

Ordinance/Resolution Number(s): \_\_\_\_\_

## Introduction/Written Statement

Makersmiths is proposing to lease the buildings and share use of the surrounding fenced land formerly used by the Town of Purcellville for vehicle storage and water treatment at 785 and 787 S. 20<sup>th</sup> St. Makersmiths is a non-profit organization operating maker spaces in Western Loudoun County. Maker spaces are community workshops that allow members of the community to work with and learn about new and old technologies. By locating a maker space on this Town-owned property, we believe it qualifies as a “public or government building, facility, or use not otherwise defined” which is allowed by special use permit within the IP (Institutional and Public Use) zoning district. The maker space would be open 24 hours a day, but there would be required quiet hours from the time of 10 PM – 8 AM.

There are several hundred makerspaces around the country, and the activity in each is a reflection of the needs and interests of the community in which it operates. Generally, there are some common kinds of activities you might see in a makerspace, and we anticipate these activities in our Purcellville location:

- Wood working shop (e.g. table saw, band saw, sanders, routers, planers, drill press, hand and portable power tools, etc.)
- Metal working shop (e.g. metal lathe, metal bandsaw, metal milling machines, metal bending, and some welding [consistent with activities performed in a muffler shop, for example])
- Craft area: (cutting of fabrics, paper, gluing, painting, plant potting, pumpkin carving, etc.)
- Classroom
- Electronics lab: circuit testers, breadboards, modular electronics devices like Arduino/Little Bits, some minor soldering
- Electronics and robotics fabrication: building robots, drones, FIRST robotics platforms, science fair projects, etc.
- CAD/Coding laboratories: computer labs
- 3D printing/computer lab: Multiple computers, connected to 3D printers
- CNC mill/router: Computers hooked up to 3D computer controlled router
- Laser cutters: easy to use tools that cut materials into various shapes

In addition to these common areas, we anticipate working with local residents, artists and entrepreneurs on other types of making that reflect the passions and interests of Purcellville.

This could include:

- Expanded art resources, such as a ceramic studio, painting, glass blowing
- A focus on agricultural innovation, with projects aimed at prototyping new ways to harness technological innovation to improve crops and produce from the area. Examples of this might be wirelessly enabling honey production and bee research, the use of drones to monitor fields, harnessing DIYBio activities to improve understanding of the biological sciences, developing technologies to keep pests away from crops, and using electronics or just plain best practices to yield better garden results. (Any plantings, if they occur on site, will occur using soil from off-site, in raised beds)

## Issues for Consideration

1. *Whether the proposed application is consistent with the comprehensive plan.*

We seek to enhance community character and the environment by rehabilitating the proposed property, while building opportunities for citizens to learn, make and inspire. The community, tools, and innovation incubated in this facilities will develop an environment where public/private organizations and citizens forge economic partnerships, which create incentives for tech-based, and innovative businesses to locate in Purcellville and brand the town as a tech-incubator with a “home town” feel.

2. *Whether the proposed special use at the specified location will contribute to or promote the welfare and convenience of the public.*

A maker space at the proposed location will give area residents (including current and future Town of Purcellville residents, as well as people who come from outside of Purcellville) opportunities to learn about new things that can become life skills or business opportunities. This supports the community’s educational assets, economic development and diversification, and other quality of life attributes. They may do this by taking part in a variety of Makersmiths programming, from free events to paid workshops, or by becoming regular members and users of the space.

3. *Whether the proposed use is compatible with other existing or proposed uses in the neighborhood, and adjacent parcels.*

Many surrounding parcels are zoned residential, including one quite close to the main gate entrance to the proposed property. As a new use for this property, Makersmiths is aware of its responsibility for being a good neighbor and plans to invoke practices such as quiet hours as required. Makersmiths and the Town of Purcellville have received favorable endorsements from the closest neighbors, indicating their support for and interest in using the Makersmiths makerspace.

4. *Whether the level and impact of any noise or odor emanating from the site, including that generated by the proposed special use, negatively impacts the uses in the immediate area.*

Makersmiths believes there will be only occasional daytime noise emanating from the site, and no odors emanating from the site

These sounds, if heard during the day, would be from machines like woodworking tools, or similar to the kinds of sounds you might hear outside of an automobile repair place (pneumatic air tools). These tools (wood planers, joiners and some saw equipment, and some air tools), make enough noise that they might be heard outside of our building, particularly if there is an open door, but not so much that they would carry off of the site at a disturbing level. Generally, most of the tools used in a makerspace don't generate audible noise that would reach out past the property. These kinds of tools that make some noise inside the building but little outside the building include 3D printers, laser cutters and metal bending and milling equipment. A very large amount of tools used in a makerspace generate little or no noise. Soldering electronics, making ceramics, programming a robot, or painting in an arts class are good examples of this.

In addition, we will maintain quiet hours from the time of 10 PM – 8 AM where there will be NO machine noise emanating from the site.

We base this on our operating history of our current space in Leesburg, which is co-located in a building that houses, among other tenants, a community of medically fragile people who are very sensitive to loud noises, disturbances and odors. In a year of co-residency in very close proximity, we have zero reports of disturbances or complaints. Reference contacts for the co-tenants are available as additional reference.

A similar situation exists at Nova Labs, a Reston-based makerspace that is the closest makerspace to the Leesburg and planned Purcellville space. They share a building with a daycare and have not had any noise or smell issues, even though they share a building.

Likewise, Techshop, the for-profit makerspace in Alexandria, Virginia, shares space with retail establishments, including restaurants, and they co-exist very well, even though they are in direct proximity in an enclosed urban space.

Issues may come up, and Makersmiths will maintain a phone/contact tree for any neighbors to report any inconveniences that may come up so that they can be immediately remediated.

5. *Whether the proposed special use will result in the preservation or damage of any existing habitats, vegetation, topographic or physical, natural, scenic, archeological, or historic feature of significant importance.*

No activities are planned that would cause any such damage.

6. *Whether the proposed special use will impact existing water quality or air quality.*

The facility does not anticipate dumping any chemicals into the sewers that are not traditionally part of household water waste (e.g. dishsoap and other things that are normally sent down the drain in a responsible household).

We do use tools that produce minor exhaust. This includes 3D printers and laser cutters, soldering, some welding equipment, and occasional painting activities. In our current facility, these odors have been negligible and have caused no discomfort or disturbance to the medically fragile residents who are in the same building with us (and there are gaps and airflow between our spaces). We anticipate following industry standard best practices in filtering and mitigating any exhaust so that there is no impact to any adjacent neighbors.

Furthermore, we plan on maintaining a “hotline” whereby residents can report any disturbing noise or odor, so they can be immediately ameliorated.

7. *Whether the traffic generated by the proposed use will be adequately and safely served by roads, pedestrian connections, and other transportation services.*

Normal activities on the property will be served adequately and safely by roads. The nearest sidewalk/multi-use path leads only to the intersection of 20<sup>th</sup> and A Street, so it will not be recommended that people walk to the facility. Any large events hosted at the facility would be handled as a town event, requiring greater parking and different safety concerns.

8. *Whether the proposed use will negatively impact orderly and safe road development and transportation in accordance with the comprehensive plan and all relevant transportation and corridor plans.*

The proposed use will make no changes to the exterior portion of the property, so it will not impact orderly and safe road development.

9. *Whether the proposed use will be served adequately by essential public facilities and services.*

Initial surveys show there to be adequate power (including three-phase on site) at the facility. Makersmiths has been told that town water and sewer service will be connected, which will be sufficient. Trash removal, internet, and other services will be procured by Makersmiths.

10. *Whether, in the case of existing structures to be converted to uses requiring a special use permit, the existing structures can be converted in such a way that retains the character of the neighborhood in which the existing structures are located, especially when an application seeks to convert a building of historic significance.*

As determined by the Town Council and professional staff, this is a unique application of the special use term because of the type of organization Makersmiths is. The facilities will not be altered to allow special use. Modifications to any existing structure will match the structure's existing materials and style of design.

11. *Whether the proposed special use contributes to the economic development needs of the town.*

A maker space can become the creative and entrepreneurial engine of a town. Between people coming to the site to build, inventors using the facility

to learn new skills for their plans, or small businesses incubating within its walls, the space provides immediate (greater traffic for town supply stores and restaurants) and long-term (businesses founded within the town staying and providing a larger tax base) economic development.

*12. Whether adequate on and off site infrastructure is available.*

Based on surveys completed to date, and all existing plans, the on-site and nearby infrastructure is adequate.

*13. Whether the proposed special use illustrates sufficient measure to mitigate the impact of construction traffic on existing neighborhoods and schools.*

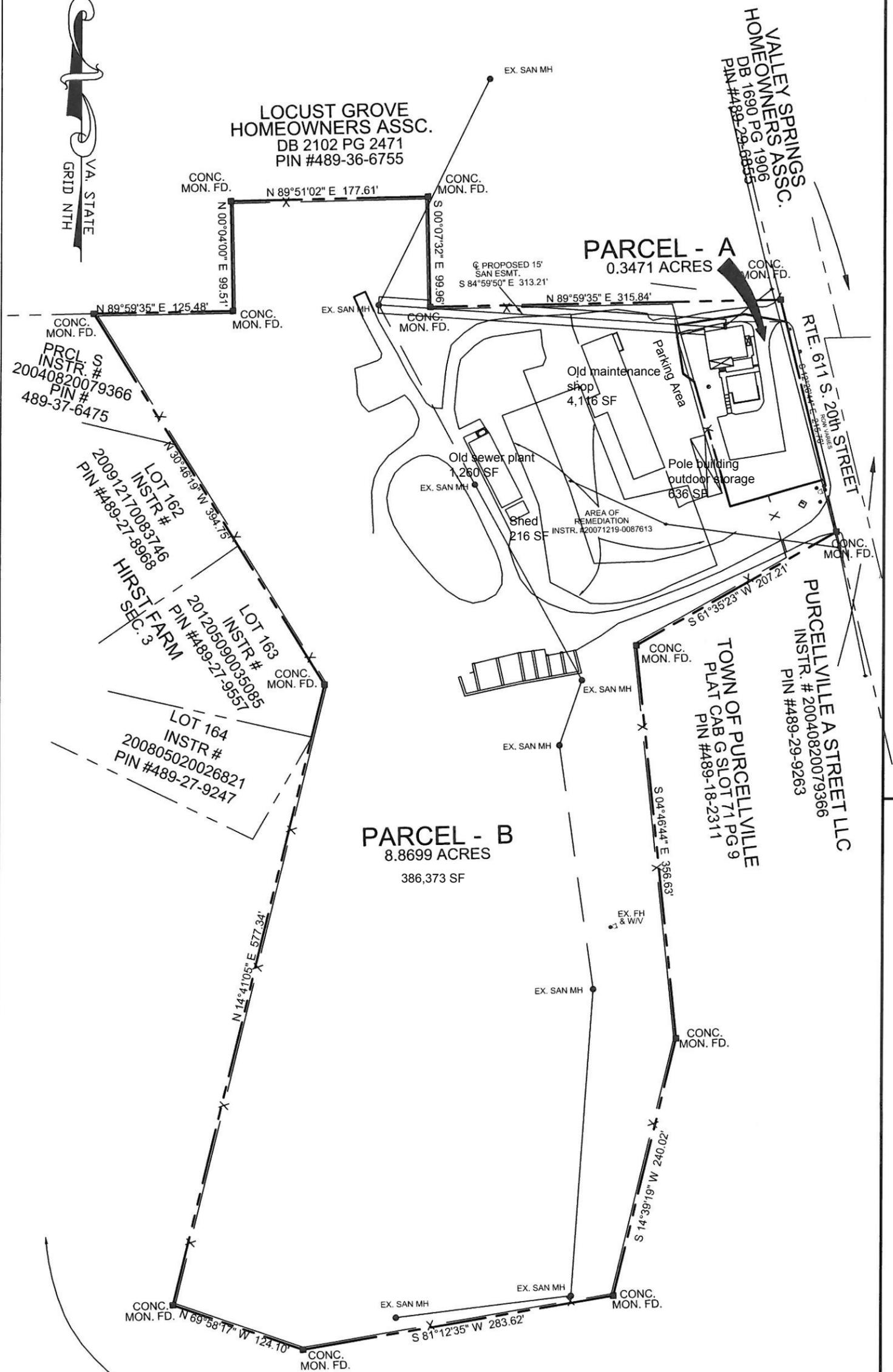
Not Applicable: We do not plan any heavy construction that might affect neighborhoods or schools. Modifications to any existing structure will match the structure's existing materials and style of design. Modifications that are done are likely to be similar to traditional homeowner repairs: a pickup truck to Nichols or Home Depot, and a few people coming over to the space to work together on repairing drywall and other aspects of the structure.

If there are any major changes to this plan, we will work with Town Staff to ensure there is no undo impact to residents or schools.

## **Concept Plan**

Makersmiths intends to use the leased property "as is", putting tools, computers, and equipment in the existing buildings. There will be no change to the outside appearance or layout of the property. Therefore, the site plan will be unchanged.

CONCEPT PLAN  
785 S. 20th Street  
Purcellville, VA  
October 4, 2016



PRCL S  
INSTR. #  
20040820079366  
PIN #  
489-37-6475

LOT 162  
INSTR. #  
200912170083746  
PIN #489-27-8968  
HIRST FARM  
SEC. 3

LOT 163  
INSTR. #  
201205090035085  
PIN #489-27-9557

LOT 164  
INSTR. #  
200805020026821  
PIN #489-27-9247

TOWN OF PURCELLVILLE  
PLAT CAB G SLOT 71 PG 9  
PIN #489-18-2311



- GENERAL NOTES
1. No changes to the site are proposed.
  2. No stormwater management is required, since no additional impervious area is proposed.
  3. Use: Public or government building, facility or use not otherwise defined.

**Town Manager**  
Robert W. Lohr, Jr.

**Assistant Town Manager**  
Daniel C. Davis

221 S. Nursery Avenue  
Purcellville, VA 20132  
(540) 338-7421  
www.purcellvilleva.gov



**Town Attorney**  
Sally G. Hankins

**Chief of Police**  
Cynthia A. McAlister

**Department Directors**  
Elizabeth Krens, Finance  
Alex Vanegas, Public Works  
Patrick Sullivan, Community Development  
Shannon Bohince, Information Technology  
Hooper McCann, Administration

October 5, 2016

Patrick Sullivan, AICP.  
Director of Community Development  
Town of Purcellville  
221 S. Nursery Avenue  
Purcellville, VA. 20132

RE: SUP Applications for Makersmiths

Mr. Sullivan,

Staff has reviewed the information regarding the proposed Special Use Permit (SUP) Application for Makersmiths with respect to potential traffic impacts to S. 20<sup>th</sup> Street. Reviewing the information provided by the applicant, it does not appear that the facility will generate significant peak hour trips. If you combine a class and typical activity, it appears that the total peak hour trips will be 20 or less. In addition, the property associated with this application was designed and previously utilized as a municipal maintenance facility and wastewater reclamation facility – open for use not only on a work week basis but as the nature of municipal maintenance service and wastewater treatment is expected around the clock, realistically, it was utilized as a 7 day/week – 365 days/year operation. As such, there was not only Town vehicles and equipment traffic but also that of the employees. The intended use is not expected to produce any increased amount of traffic/daily trips. Based on the aforementioned facts, I do hereby waive the traffic impact analysis (TIA) requirement for this SUP. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alex Vanegas".

Alex Vanegas, CPM  
Director of Public Works

cc: Robert W. Lohr, Jr. Town Manager  
Sally Hankins, Town Attorney

**TOWN OF PURCELLVILLE  
IN  
LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 16-12-03**

**PRESENTED:  
ADOPTED:**

**December 13, 2016**

**A RESOLUTION: APPROVING SPECIAL USE PERMIT SUP16-04 FOR A MAKERSPACE AS A PUBLIC OR GOVERNMENT BUILDING, FACILITY, OR USE NOT OTHERWISE DEFINED AT 785 AND 787 SOUTH 20<sup>TH</sup> STREET.**

**WHEREAS,** on October 7, 2016 the Town of Purcellville and Thomas Hill, on behalf of Makersmiths, Inc., submitted an application for a special use permit (SUP16-04) to permit a makerspace as a public or government building, facility, or use not otherwise defined to be located at 785 and 787 South 20th Street on a parcel that is further identified in Loudoun County land records as Tax Map Number /44//43/////B/ and Parcel Identification Number 489-28-1645-000; and

**WHEREAS,** the property is in the IP (Institutional and Public Use) Zoning District; and

**WHEREAS,** a public or government building, facility, or use not otherwise defined requires a special use permit to operate in the IP Zoning District; and

**WHEREAS,** following required public notice the Planning Commission held a public hearing on this application on November 3, 2016, and following that hearing, made a recommendation for approval on November 17, 2016; and

**WHEREAS,** following required public notice this Council held a public hearing on this application on December 13, 2016; and

**WHEREAS,** this Council finds that a makerspace qualifies as a public or government building, facility, or use not otherwise defined and meets the general standards for special uses contained in Article 8, Section 1 of the *Zoning Ordinance for the Town of Purcellville, Virginia* and further finds that the location is appropriate and not in conflict with the comprehensive plan, that the public health, safety, morals, and general welfare will not be adversely affected, that adequate utilities and off-street parking facilities will be provided, and that necessary safeguards will be provided for the protection of surrounding property, persons, and neighborhood values;

**THEREFORE BE IT RESOLVED** that the Purcellville Town Council hereby approves SUP16-04, a special use permit for a makerspace as a public or government building, facility, or use not otherwise defined to be located at

785 and 787 South 20th Street on a parcel that is further identified in Loudoun County land records as Tax Map Number /44//43/////B/ and Parcel Identification Number 489-28-1645-000, subject to the following additional conditions imposed to protect the public health, safety, and welfare:

1. The makerspace shall be developed as shown on the concept plan submitted with the application, and attached hereto, entitled “Concept Plan, 785 S. 20th Street, Purcellville, VA,” dated October 4, 2016.
2. The southern driveway shall serve as the primary ingress/egress point for the makerspace. The makerspace may only utilize the northern driveway for occasional deliveries between 9:00 a.m. and 6:00 p.m. or during periods of inclement weather when authorized by the Town Manager. Prior to any use of the northern driveway for the makerspace, the operators of the makerspace must give advance notice to the owners of the adjoining property to the east currently addressed as 781 South 20th Street, Purcellville, Virginia. The adjoining property is further identified in the Loudoun County land records as Tax Map Number /44//43/////A/ and Parcel Identification Number 489-38-4477-000.
3. In addition to compliance with the Town’s noise ordinance, as it may be amended, the makerspace shall emit no noise above 55 decibels between the hours of 10:00 p.m. and 8:00 a.m. as measured at the property line of the adjoining property to the east identified in the second condition.
4. Screening shall be constructed between the building identified as the “Old maintenance shop” on the Concept Plan and the building on the adjoining property to the east identified in the second condition. Such screening, which may be located on either property, shall consist of vegetative and/or architectural components which create a definite visual separation between the two properties.
5. Between the hours of 9:00 p.m. and 8:00 a.m., there shall be no outside activity or congregation of people within the parking area on the east side of the building identified as the “Old maintenance shop” on the Concept Plan.
6. As required by the Declaration of Restrictive Covenants recorded in the Loudoun County land records as Instrument 20071219-0087614, the groundwater beneath the remediation area identified on the Concept Plan shall not be used for any purpose other than environmental monitoring and testing.
7. As required by the Declaration of Restrictive Covenants recorded in the Loudoun County land records as Instrument 20071219-0087614, the remediation area identified on the Concept Plan shall not be used for residential purposes, children’s daycare facilities, schools or playground purposes.

**PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2016.**

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Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

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Diana Hays, Town Clerk



**STAFF REPORT**  
**PUBLIC HEARING & ACTION ITEM**

Item #7c & 12f

**SUBJECT:** Ordinance 16-12-01: Adding an Environmental Sustainability Component to the Powers and Duties of the Tree and Beautification Commission

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Sally Hankins, Town Attorney  
Melanie Scoggins, Division Manager, Parks and Recreation

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**SUMMARY and RECOMMENDATION:**

Town Council is holding a public hearing to receive comments from the public on the adoption of Ordinance 16-12-01, which would amend Town Code Chapter 26 (“Community Development”), Article V, Sections 26-38 and 26-39, to add an environmental sustainability component to the powers and duties of the Tree and Beautification Commission, to increase the maximum number of members on the Commission, and to establish a minimum number of members.

At its meeting on November 8, 2016, Town Council directed staff to advertise Ordinance 16-12-01 for public hearing. The public hearing was duly advertised in a qualified newspaper on November 25, 2016, and December 2, 2016. The proposed Ordinance 16-12-01 is attached to this Staff Report.

Staff recommends adoption of the Ordinance.

**BACKGROUND:**

In 2004, the Town Council created the Tree and Beautification Commission (“Commission”), which is governed under Town Code Sections 26-38, and 26-39. The Commission is currently authorized to undertake educational and advocacy actions within the Town as relates to tree preservation and planting, and is also authorized to initiate and execute beautification projects within the Town that are related to landscaping. The Town Council

would like to broaden the educational, advocacy, and project-management roles of the Commission to include all aspects of environmental sustainability.

A suggestion was made to change the name of the Commission to reflect its broader environmental role. Such a name change is within the discretion of Town Council. However, it should be noted that a change to the name of the Commission would trigger approximately 20 amendments to the Town Code and Zoning Ordinance, collectively, where the “Commission” is referenced. Any such amendment to the Zoning Ordinance must be properly initiated, then sent to the Planning Commission for review and public hearing before the amendment can come before the Town Council for review and a public hearing. For that reason, a name change is not recommended at this time.

The Town does not currently have an environmental committee. In 2008, the Town Council created the *Committee on the Environment*, as an ad hoc committee for the purpose of determining whether the Town could provide incentives for residents and businesses to engage in more environmentally friendly practices. The committee was established for a one-year period, which expired without extension. Consequently, the Committee on the Environment no longer exists.

**ISSUES:**

1. Because the Town Council Rules of Procedure prohibit taking action on an item at the same meeting as the public hearing, Council may vote on this item on December 13, 2016, only if it first suspends the Rule. A motion to suspend the Rule must be adopted by a two-thirds vote of those members present and voting. A motion has been included for that purpose.
2. The Town has been designated a “Tree City USA,” which requires that the Town designate a person or body that is responsible for the care of all trees on town-owned property, and recommends that an advisory tree committee be established. Currently, the Town assigns that duty to the Tree and Beautification Commission. Adoption of Ordinance 16-12-01 should have no impact on that function of the Commission.

**BUDGET IMPACT:**

None

**MOTIONS:**

(1) “I move that Town Council suspend the rules to allow adoption of Ordinance 16-12-01 on the same night as the public hearing.”

AND (if motion to suspend the rules is adopted by two-thirds vote)

(2) “I move that Town Council adopt Ordinance 16-12-01, to add an environmental sustainability component to the powers and duties of the Tree and Beautification Commission, and to amend the Commission’s membership rules.”

**ATTACHMENT:**

1. Ordinance 16-12-01
2. A redline of Town Code Sections 26-38 and 26-39, highlighting the amendments proposed by Ordinance 16-12-01

**TOWN OF PURCELLVILLE**  
**IN**  
**LOUDOUN COUNTY, VIRGINIA**

**ORDINANCE NO. 16-12-01**

**PRESENTED:           November 8, 2016**  
**ADOPTED:**

**AN ORDINANCE: AMENDING TOWN CODE CHAPTER 26 (“COMMUNITY DEVELOPMENT”), ARTICLE V (“TREE AND BEAUTIFICATION COMMISSION”), SECTIONS 26-38 AND 26-39 TO EXPAND THE DUTIES OF THE TREE AND BEAUTIFICATION COMMISSION TO INCLUDE ALL ASPECTS OF ENVIRONMENTAL SUSTAINABILITY, TO INCREASE THE MAXIMUM NUMBER OF MEMBERS ON THE COMMISSION, AND TO ESTABLISH A MINIMUM NUMBER OF MEMBERS**

**WHEREAS**, at its meeting on November 8, 2016, the Purcellville Town Council directed staff to prepare and advertise an ordinance for public hearing that would amend Town Code Chapter 26, Article V, Sections 26-38 and 26-39 to expand the duties of the Tree and Beautification Commission to include all aspects of environmental sustainability, to increase the maximum number of members on the Commission, and to establish a minimum number of members; and

**WHEREAS**, an advertisement for Ordinance 16-12-01 was published in a qualified newspaper on November 25, 2016 and December 2, 2016, for the Town Council public hearing on December 13, 2016.

**NOW, THEREFORE**, the Council of the Town of Purcellville, Virginia hereby ordains:

**Section 1.** That Town Code Sections 26-38 and 26-39, of Chapter 26 (“Community Development”), Article V (“Tree and Beautification Commission”) are hereby amended to read in-full as follows:

**TOWN CODE ARTICLE V. – TREE AND BEAUTIFICATION COMMISSION**

**Sec. 26-38. – Commission Established; Membership, Meetings.**

(a) *Composition, appointments and terms.* The Purcellville Tree and Beautification Commission is hereby established. Such commission shall consist of at least five but no more than nine members, five of which shall be residents of the town unless there is a deficiency of town residents interested in membership on the commission, then the council

may appoint members from outside the corporate limits of the town. At least one member shall be an arborist. A member of council, appointed by the council, shall serve as an ex officio member of the commission. An appointment to fill a vacancy shall be for the unexpired term. Members shall serve two-year terms.

(1) *The commission shall elect its chairperson annually.* The commission shall meet monthly or more often as necessary upon the call of the chairperson or his designee. A member may be dismissed by the Town Council if he or she is absent for three or more meetings within a calendar year.

**Sec. 26-39. - Duties.**

The Purcellville Tree and Beautification Commission shall have the following duties:

- (1) The tree and beautification commission shall recommend tree preservation and enhancement ordinances that promote environmental sustainability.
- (2) The tree and beautification commission shall disseminate technical information for professional groups and developers, and shall strive to inform the general public on the need for environmental and tree planning and preservation.
- (3) The tree and beautification commission shall advise the town council in the development and maintenance of the policies, standards and guidelines of the Town Code and zoning ordinance which will provide guidance for persons involved in planting, preserving, protecting or replacing trees with consideration for environmental sustainability (tree management program).
- (4) The tree and beautification commission shall act as an advocate group to increase the tree canopy in the community by assisting in coordinating the efforts of the town council with public/private groups such as homeowners associations.
- (5) The tree and beautification commission shall promote programs that educate citizens about trees and their benefits and assist in choosing appropriate trees and sites for planting.
- (6) The tree and beautification commission shall promote, practice, and advance environmental stewardship and education activities.
- (7) The tree and beautification commission shall establish partnerships with citizens, business owners, and other stakeholders to plan and implement measurable environmentally responsible and sustainable initiatives.

- (8) The tree and beautification commission shall present an annual report each calendar year to the town council, such report shall include:
- a. A description of the activities conducted.
  - b. A report of activities ongoing and forecast for future projects.
- (9) The tree and beautification commission shall enact by-laws to aid in its efficient operation.
- (10) All beautification projects related to landscaping, tree planting and other similar projects will be undertaken and coordinated by this commission.
- (11) To assist in such other duties as assigned.

**Section 2.** That this ordinance shall be effective upon its adoption.

**PASSED THIS \_\_\_ DAY OF \_\_\_\_\_, 2016.**

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Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

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Diana Hays, Town Clerk

**TOWN CODE ARTICLE V. – TREE AND BEAUTIFICATION COMMISSION****Sec. 26-38. – Commission Established; Membership, Meetings.**

(a) *Composition, appointments and terms.* The Purcellville Tree and Beautification Commission is hereby established. Such commission shall consist of at least five but no more than ~~seven~~nine members, ~~four~~five of which shall be residents of the town unless there is a deficiency of town residents interested in membership on the commission, then the council may appoint members from outside the corporate limits of the town. ~~Of the three or more nonresident members of the commission as qualified above, at~~At least one member shall be an arborist. A member of council, appointed by the council, shall serve as an ex officio member of the commission. An appointment to fill a vacancy shall be for the unexpired term. ~~Two members' terms shall expire on September 1, 2006. Thereafter, members~~Members shall serve two-year terms.

(1) *The commission shall elect its chairperson annually.* The commission shall meet monthly or more often as necessary upon the call of the chairperson or his designee. A member may be dismissed by the Town Council if he or she is absent for three or more meetings within a calendar year.

(Ord. No. 04-09-01, 11-9-2004; Ord. No. 05-04-02, 4-12-2005)

**Sec. 26-39. - Duties.**

The Purcellville Tree and Beautification Commission shall have the following duties:

- (1) The tree and beautification commission shall recommend tree preservation and enhancement ordinances that promote environmental sustainability.
- (2) The tree and beautification commission shall disseminate technical information for professional groups and developers, and shall strive to inform the general public on the need for environmental and tree planning and preservation.
- (3) The tree and beautification commission shall advise the town council in the development and maintenance of the policies, standards and guidelines of the Town Code and zoning ordinance which will provide guidance for persons involved in planting, preserving, protecting or replacing trees with consideration for environmental sustainability (tree management program).
- (4) The tree and beautification commission shall act as an advocate group to increase the tree canopy in the community by assisting in coordinating the efforts of the town council with public/private groups such as homeowners associations.

(5) The tree and beautification commission shall promote programs that educate citizens about trees and their benefits and assist in choosing appropriate trees and sites for planting.

(6) The tree and beautification commission shall ~~develop a capital tree management program for the public and private sector. This plan will be updated every five years.~~ promote, practice, and advance environmental stewardship and education activities.

(7) The tree and beautification commission shall establish partnerships with citizens, business owners, and other stakeholders to plan and implement measurable environmentally responsible and sustainable initiatives.

(8) ~~(7)~~ The tree and beautification commission shall present an annual report each calendar year to the town council, such report shall include:  
a. A description of the activities conducted.  
b. A report of activities ongoing and forecast for future projects.

(9) ~~(8)~~ The tree and beautification commission may shall enact by-laws ~~as may be required~~ to aid in its efficient operation ~~and such by laws shall be incorporated by reference in part.~~

(10) ~~(9)~~ All beautification projects related to landscaping, tree planting and other similar projects will be undertaken and coordinated by this commission.

(11) ~~(10)~~ To assist in such other duties as assigned.

(Ord. No. 04-09-01, 11-9-2004)

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Rendering set	Standard

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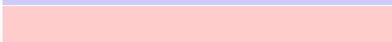
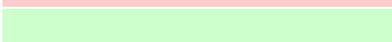
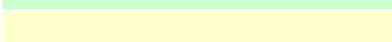
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Total changes	27
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**STAFF REPORT**  
**PUBLIC HEARING & ACTION ITEM**

Item #7d & 12g

**SUBJECT:**                   **Ordinance 16-12-02:** Amending the Town Code to add the Purcellville Arts Council as a Standing Committee of the Town Council

**DATE OF MEETING:**       December 13, 2016

**STAFF CONTACTS:**       Sally Hankins, Town Attorney  
                                  Melanie Scoggins, Division Manager, Parks and Recreation

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**SUMMARY and RECOMMENDATION:**

Town Council is holding a public hearing to receive comments from the public on the adoption of Ordinance 16-12-02, creating the Purcellville Arts Council. The Arts Council is proposed to have the following powers and duties:

- (1) Identify, pursue, obtain, and spend, or allocate the spending of, funding grants for art purposes;
- (2) Review the Town’s proposed annual budget for expenditures related to art; make budgetary recommendations to the Town Council;
- (3) Recommend to Town Council policies for the expansion of art in Town;
- (4) Provide financial and organizational support to artists and art organizations who provide active and passive art programs and events to the community; and
- (5) Identify art programs and events that will enhance the community, and recommend to the Town Council how the Town can support such programs and events

This public hearing was duly advertised in a qualified newspaper on November 25, 2016, and December 2, 2016. The proposed Ordinance 16-12-02 is attached to this Staff Report. Staff recommends adoption of the Ordinance.

**ISSUE:**

Because the Town Council Rules of Procedure prohibit taking action on an item at the same meeting as the public hearing, Council may vote on this item on December 13, 2016, only if it first suspends the Rule. A motion to suspend the Rule must be adopted by a two-thirds vote of those members present and voting. A motion has been included for that purpose.

**BUDGET IMPACT:**

The Purcellville Arts Council will be staffed by a member of the Town Staff, adding to the overall staff hours worked and compensated. However, since the Purcellville Arts Council has been operating unofficially for a period of time, this Budget Impact should be similar to the impact of previous years.

**MOTIONS:**

(1) "I move that Town Council suspend the rules to allow adoption of Ordinance 16-12-02 on the same night as the public hearing."

AND (if motion to suspend the rules is adopted by two-thirds vote)

(2) "I move that Town Council adopt Ordinance 16-12-02, creating the Purcellville Arts Council as a standing committee of the Town Council and establishing its powers and duties."

**ATTACHMENT:**

1. Ordinance 16-12-02

**TOWN OF PURCELLVILLE**  
**IN**  
**LOUDOUN COUNTY, VIRGINIA**

**ORDINANCE NO. 16-12-02**

**PRESENTED:**

**November 8, 2016**

**ADOPTED:**

**AN ORDINANCE: AMENDING CHAPTER 26 (“COMMUNITY DEVELOPMENT”) OF THE TOWN CODE BY ADDING ARTICLE VIII, CREATING THE PURCELLVILLE ARTS COUNCIL**

**WHEREAS**, at its meeting on November 8, 2016, the Purcellville Town Council directed staff to prepare an ordinance creating the Purcellville Arts Council and to schedule a public hearing regarding the same; and

**WHEREAS**, an advertisement for Ordinance 16-12-02 was published in a qualified newspaper on November 25, 2016 and December 2, 2016, advertising the creation of the Purcellville Arts Council and its proposed duties and powers under the ordinance.

**NOW, THEREFORE**, the Council of the Town of Purcellville, Virginia hereby ordains:

**Section 1.** That Chapter 26 (“Community Development”) of the Town Code is hereby amended to add Article VIII, “Purcellville Arts Council,” as follows:

**ARTICLE VIII. – PURCELLVILLE ARTS COUNCIL**

Sec. 26-43. - Established; membership composition, appointments and terms.

The Purcellville Arts Council is hereby established. The Arts Council shall consist of at least five but no more than eleven members, all of whom are appointed by Town Council.

Five of the members shall be residents of the town unless there is a deficiency of town residents interested in membership on the Arts Council, then the Town Council may appoint members from outside the corporate limits of the town.

One seat on the Arts Council shall be reserved for a member of Town Council, who shall be appointed by the Town Council to serve as an ex officio member of the Arts Council.

Two seats on the Arts Council shall be reserved for Junior Members, who shall serve as ex officio members but for a term no longer than one-year. Junior members must currently be attending public/private school, college or home school and cannot exceed the age of 21. Junior Members shall be appointed by Town Council, and the term may begin upon appointment.

All members who are not “ex officio” members shall be appointed to the Arts Council for a two-year term, beginning on September 1 of the year of appointment, provided, however, that of the initial eight non “ex officio” appointments, the first four shall be for two-year terms, and the remaining four appointments shall be for a one-year term. Thereafter all non “ex-officio” appointments shall be for a two-year term.

Sec. 26-44. - Election of officers; meetings.

The Arts Council shall elect its chairperson and vice chairperson annually. The town manager, or his designee, shall serve as secretary. The Arts Council shall meet as often as necessary to accomplish its duties, with such meetings called by the chairperson, or the vice chairperson in the chairperson’s absence. A member may be removed from the Arts Council by the Town Council if he or she is absent from three or more meetings within a calendar year.

Sec. 26-45. - Bylaws

The Arts Council shall adopt bylaws for the conduct of meetings, after review by the Town Attorney.

Sec. 26-46. - Powers and duties.

The Purcellville Arts Council shall have the following powers and duties:

- (1) Identify, pursue, obtain, and spend, or allocate the spending of, funding grants for art purposes;
- (2) Review the Town’s proposed annual budget for expenditures related to art; make budgetary recommendations to the Town Council;
- (3) Recommend to Town Council policies for the expansion of art in Town;
- (4) Provide financial and organizational support to artists and art organizations who provide active and passive art programs and events to the community; and
- (5) Identify art programs and events that will enhance the community, and recommend to the Town Council how the Town can support such programs and events.

**Section 2.** That this ordinance shall be effective upon its adoption.

**PASSED THIS \_\_\_ DAY OF \_\_\_\_\_, 2016.**

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Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

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Diana Hays, Town Clerk

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**STAFF REPORT**  
**PUBLIC HEARING & ACTION ITEM**

Item #7f & 12h

**SUBJECT:** Participation in Virginia Investment Pool Trust Fund

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Elizabeth Krens, Director of Finance

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**SUMMARY and RECOMMENDATIONS:**

The purpose of this report is to provide an overview of investment options for public funds. After reviewing potential investment risks, historical investment returns and professional advisory costs, staff recommends Council consider joining the Virginia Investment Pool Trust Fund (VIP) administered by the Virginia Local Government Finance Corporation (dba VML/VACo Finance). As the governing body is required to adopt an ordinance to authorize the Town's participation in the VIP, a public hearing will be held during the December 13, 2016 Town Council meeting to receive comments on Ordinance No. 16-12-04.

**BACKGROUND:**

**PRIORITY OF INVESTMENT OBJECTIVES:** Universally held investment objectives for managers of the public trust are prioritized as follows:

1. **Safety**- Safety of principal is the foremost objective of any public funds investment program.
2. **Liquidity**- The investment portfolio should be sufficiently liquid to enable the entity to meet all operational requirements which might be reasonably anticipated.
3. **Return on Investment**- Select investments consistent with the VIPFA and the Town's Investment Policy with the objective of obtaining a market rate of return, taking into account investment risk constraints and cash flow characteristics of the portfolio.

A discussion of how each investment objective relates to the Town's investment opportunities is provided below.

**SAFETY:**

There are a number of statutes in the Code of Virginia created with the intent to safeguard public funds. Before making banking or investment decisions, Council and staff should understand these requirements.

**Virginia Security for Public Deposits Act (VSPDA) (Virginia Code 2.2-4400 et seq.)**: The VSPDA provides a single body of law to protect Virginia public deposits held in banking and savings institutions through collateralization of securities. The Virginia Treasury Board administers the VSPDA and is responsible for oversight of the collateralization of public deposits and management of the listing of “qualified depositories.” Virginia local governments may only use qualified depositories for the deposit of public funds. The collateralization requirement for public funds was increased in 2009 in response to the national banking crisis. This cost of business is passed to the Town by the bank in the form a monthly usage fee based on the account’s average daily balance (called the deposit usage fee on Town’s BB&T account analysis). In addition to these collateralization requirements, the Federal Deposit Insurance Corporation (FDIC) provides another level of security for public demand deposits and certificates of deposits. Although the FDIC insurance limits were increased from \$100,000 to \$250,000 following the national banking crisis, the coverage is inadequate to fully cover potential losses of most local government’s checking accounts.

**Virginia Investment of Public Funds Act (VIPFA) (Virginia Code 2.2-4500 et seq.)**: The VIPFA specifies the types of investments localities are permitted to use for the purpose of investing public funds. This act requires public officials to use a high standard of care when investing public funds which, “shall be held in trust for the citizens of the Commonwealth.”

**Investments allowed by the VIPFA and Town Investment Policy:**

- **Local Government Investment Pool (LGIP)** managed by the State Treasurer. The Town currently participates in the LGIP.
- **Certificates of Deposits** fully collateralized with local, qualified banks. The Town has participated in the past.
- **US Treasury Bills, Notes and other direct obligations of the U.S. Government** with an unconditional guarantee as to the payment of principal and interest.
- **Repurchase Agreements** collateralized by U.S. Treasury Securities. The Town used this investment vehicle in the past.

**Other Investments permitted by the VIPFA but not currently included in the Town's Investment Policy:**

- **Virginia Investment Pool Trust Fund (VIP)** administered by the Virginia Local Government Finance Corporation (dba VML/VACo Finance).
- **Obligations of the Commonwealth of Virginia** with an unconditional guarantee as to the payment of principal and interest.
- **Obligations of Other Local Governments and Public Bodies in the Commonwealth of Virginia** meeting certain default requirements.
- **Obligations of Other States and their Local Governments** meeting certain default requirements.
- **Prime Quality Commercial Paper** meeting certain ratings and requirements.
- **Bankers' Acceptances**
- **High Quality Corporate Notes** meeting certain ratings and requirements.
- **Asset-Backed Securities** meeting certain ratings and requirements.

**Town's Investment Policy:** The Town's Investment Policy (Attachment 2) establishes investment guidelines as set by Town Council in accordance with Code of Virginia and delegates investment responsibility to the Treasurer upon consultation with the Town Manager. The policy recognizes safety of principal as the foremost objective and currently limits the permitted investment instruments to the LGIP, fully collateralized CD's, Obligations of the US Government and Repurchase Agreements collateralized by US Treasuries. The Treasurer provides Town Council a monthly summary of all Town deposits and investments via the Combined Financial Report sent by email with a hard copy placed on the Council Reading Board.

**LIQUIDITY:**

An investment portfolio should be balanced in a way that provides sufficient liquidity to meet all operating requirements that may be reasonably anticipated. In addition, the Town's Investment Policy limits maturities to one year or less and at least 10% of the portfolio must have one day liquidity. Therefore, the Treasurer must evaluate policy requirements as well as short term (accounts payable and payroll) and long term (debt service and capital projects) cash needs before making investment decisions.

The Town's cash flows graphs (Attachment 3) provide some insights regarding cash levels required for regular operating needs. The "available" or purple line shows cash levels available in the Town's checking and investment accounts less funds designated for capital projects. The Governmental Fund's (General Fund and Special Parks and Recreation Fund) annual budget is \$11.5 million including debt service of \$1,544,812. Peak cash inflows

occur during the heavy tax collection periods of June and December with the largest outflows associated with debt service payments in July and January. As the FY17-21 Capital Improvement Plan (CIP) lists \$2 million in general capital projects with “unidentified” funding sources (12<sup>th</sup> St. and 32<sup>nd</sup> St. Improvements), more information is required to effectively forecast future cash needs and timing. The General Fund cash balance is now about \$6 million including about \$1 million invested in the LGIP with fluctuations of about \$3 million annually. *Of this balance, staff believes \$1,000,000 can be directed from the checking account to other investment opportunities as well as a realignment of the LGIP by fund.*

The Town’s utility funds saw a dramatic drawdown in available cash prior to the 2013 debt restructure and the Mayfair water and sewer agreement with annual availability payments beginning in 2015. During that period, utility fund investments were curtailed but cash balances have now recovered allowing for additional investment opportunities.

The Water Fund’s annual budget is \$4.5 million including debt service of \$780,887. In addition, the CIP lists \$5.8 million in water projects with “unidentified” funding sources so more information is needed to effectively forecast future cash needs and timing. The fund’s cash balance is now about \$4 million including about \$6,000 invested in the LGIP with fluctuations of about \$1 million annually. *Of this balance, staff believes \$2,000,000 can be directed from the checking account to other investment opportunities as well as a realignment of the LGIP by fund.*

The Sewer Fund’s annual budget is \$4.5 million including debt service of \$1,125,805. The fund’s cash balance is now about \$3 million with no investments and fluctuations of about \$1 million annually. *Of this balance, staff believes \$1,000,000 can be directed from the checking account to other investment opportunities as well as a realignment of the LGIP by fund.*

**RETURN ON INVESTMENT:**

As only the safest investments are permitted for public funds, investment returns tend to be less than could be realized by an individual who is free to invest in more risky instruments such as equity securities. Also limiting the potential return on investment are historically low yields on fixed income investments. For example, in 2015 average return on investment on the 10 year Treasury bond was 1.28% and the 3 month Treasury bill was .21%. The following is an overview of various investment options and returns:

- **Investment Rate Comparison (Attachment 4)**- The attached table provides comparison of rates for various investments as of November 28, 2016.

- **Local Government Investment Pool (LGIP)**- The Town's LGIP current account balance is \$1,019,337 with an average monthly yield of .605% (Attachment 5&6). The LGIP is managed by the State Treasurer, holds a AAAM rating (highest rating) from Standard and Poor's and is extremely liquid with low management costs (4 basis point management fee or cost per \$1,000 invested of \$0.40 annually). The LGIP meets the Investment Policy's 1 day liquidity requirement for at least 10% of the investment portfolio.
- **Certificates of Deposits (CD)**- The Town successfully utilized CD's with local banks in the past but current rates are less attractive than other investment options as weighed against liquidity risk. Although recently market rates have risen slightly, CD rates remain extremely low ranging from .05% to .6% with various early withdrawal penalties (Attachment 4). The Town has no current holdings in CD's.
- **Repurchase Agreements**- In the past the Town successfully employed a repo agreement with our checking depository, BB&T. Unfortunately, this program has been temporarily phased out as current market rates are insufficient to support overnight investment program costs.
- **Interest Bearing Checking Account**- Although investment opportunities have been limited during this period of low interest rates, staff worked with the Town's checking depository, BB&T, to establish an interest bearing checking account in which a monthly earnings credit (.27% of average deposit balance) offsets bank service fees (fees ranged between \$2,100 and \$3,200 a month). As discussed in the VSPDA section above, over 68% of the bank service fees are a result of higher collateralization requirements for public funds put into place following the national banking crisis. The other bank service fees are a direct result of operations such as deposited items, checks paid, NSF fees on deposited items, ACH services, treasury management services and cash management services. The October 2016 account analysis is attached (Attachment 7).
- **VACO/VML Virginia Investment Pool (VIP) (New Investment Option Recommended by Staff)**- A more recent investment option for Virginia local governments is the VIP created in 2013 through the joint exercise of powers of the two founding localities (City of Chesapeake and City of Roanoke). The program is open to Virginia local governments and has grown to \$380 million with between 35-40 participants. The VIP is rated AAF/S1 by Standard and Poor's (AAF defined as "the fund's portfolio holdings provide very strong protection against losses from credit defaults"; S1 is the lowest level of volatility or sensitivity to market conditions). The trust invests in high-quality

corporate and government securities permitted by the VIPFA with an average duration of between 1-2 years. The fund achieves a higher expected rate of return compared to tradition money market funds by investing in slightly longer-term securities. The pooled investment approach is beneficial in that it provides economies of scale for an increased level of investment diversification, preferred investment pricing and shared cost for professional investment management services. In addition, the trust offers four levels of active oversight: Public Trust Advisors (profession fund manager), a Board of Trustees composed of Treasurers and Chief Investment Offices from 14 Virginia localities, a full-time program administrator and regular reporting to participants. The VIP minimum investment is \$75,000 and yield tends to be about 50 basis points higher than the LGIP as a result of the longer investment horizon. Liquidity is lower than the LGIP (approximately 20 days as 5 days' notice is required for withdrawals paid on the 15<sup>th</sup> or last day of the month) and there is no penalty for early withdrawal.

- **Proposed Investment Scenario**- Staff prepared an analysis to estimate the net benefit to the Town if cash beyond levels needed for current liquidity was moved from the Town's checking account to the VIP fund (Attachment 8). In this model, a VIP investment of \$4,000,000 is estimated to yield a return of \$39,000 after bank service fees (assuming an average VIP yield of 1%). Attachment 9 shows the proposed cash and investment profile for this scenario.

#### **ISSUES:**

According to VML/VACO Finance, joining the VIP trust involves three steps:

1. **Governing Body adopts Ordinance / Resolution.** The first step is for the governing body to adopt an ordinance or resolution. Joining the trust is legally authorized as a joint exercise of public powers under Va. Code Section 15.2-1-1300. The law requires counties, cities or towns to adopt an ordinance to approve any arrangement to exercise powers jointly with other governmental units. Commissions, boards or authorities that do not typically adopt ordinances may use a resolution for that purpose. Attached is a model ordinance or resolution, as appropriate.
2. **Treasurer / Chief Investment Officer executes Trust Joinder Agreement.** Once the ordinance/resolution has been approved by the governing body, the Treasurer or Chief Investment Officer executes a Trust Joinder Agreement, which indicates that the political subdivision is becoming a participant in the VACo/VML Virginia Investment Pool and is bound by the terms of the Trust Agreement. Attached is the Trust Joinder Agreement

(Attachment 1b) and a copy of the Trust Agreement (Attachment 1a). The Trust Agreement has been executed by the founding participants, the Cities of Chesapeake and Roanoke.

- 3. Submit VIP Registration Form and executed documents.** The final step is to complete the attached registration form and submit it along with the executed Ordinance/Resolution and Trust Joinder Agreement. As soon as the Board of Trustees of the Virginia Investment Pool accepts the Joinder Agreement, we will open a Participant account for your political subdivision. We will then send to you wire/deposit instructions for Wells Fargo (the custodian bank).

A public hearing will be held by Town Council on December 13, 2016 regarding the adoption of Ordinance 16-12-04. In order to allow Council to take action on the same night as a public hearing, a motion has been crafted to allow Council to suspend the rules of procedure that otherwise prohibit such action.

As the VIP is not currently listed as a permitted investment in the Town's Investment Policy, an amendment to the policy is also needed (Attachment 2).

**BUDGET IMPACT:**

The proposed investment model (Attachment 8), estimates an annual increase in investment earnings of approximately \$39,000 which will be distributed to the three funds based on account balances.

**MOTION(S):**

(1) I move that Town Council suspend the rules to allow action on Ordinance 16-12-04 the same night as the public hearing. (approval requires two-thirds affirmative vote)

AND (if motion to suspend the rules is adopted)

(2) "I move that Town Council adopt Ordinance 16-12-04, authorizing participation by the Town in the VACO/VML Virginia Investment Pool Trust Fund for the purpose of investing in accordance with Section 2.2-4501 of the Virginia Code and further directing the Town Treasurer to execute the VIP Trust Joinder Agreement on behalf of the Town."

(3) “I further move that Town Council direct the Town Treasurer to complete all forms needed to effectuate the Town’s membership in the Virginia Investment Pool Trust Fund as authorized under Ordinance 16-12-04.”

AND

(4) “I further move that Town Council amend the Town’s Investment Policy to add the Virginia Investment Pool (VIP) as an approved investment.”

**ATTACHMENTS:**

1. Ordinance No. 16-12-04, Authorizing Participation in the Virginia Investment Pool
  - a. Exhibit A to Ordinance 16-12-04: *Virginia Investment Pool Trust Fund Agreement*
  - b. Exhibit B to Ordinance 16-12-04: *Trust Joinder Agreement for Participating Political Subdivisions in the VACo/VML Virginia Investment Pool*
2. Town’s Investment Policy Amendment
3. Town’s Cash Flow Graphs by Fund
4. Investment Rate Comparison
5. Town’s LGIP Statement for October 2016
6. LGIP Sept. 30, 2016 Participant Newsletter
7. Town’s BB&T Account Analysis for October 2016
8. Central Depository and Investment Scenario Analysis
9. Proposed Cash & Investment Summary

**TOWN OF PURCELLVILLE**  
**IN**  
**LOUDOUN COUNTY, VIRGINIA**

**ORDINANCE NO. 16-12-04**

**PRESENTED: December 13, 2016**

**ADOPTED:** \_\_\_\_\_

**AN ORDINANCE: AUTHORIZING PARTICIPATION BY THE TOWN OF PURCELLVILLE IN THE VACO/VML VIRGINIA INVESTMENT POOL TRUST FUND FOR THE PURPOSE OF INVESTING IN ACCORDANCE WITH SECTION 2.2-4501 OF THE CODE OF VIRGINIA**

**WHEREAS**, the Investment of Public Funds Act (Va. Code §§ 2.2-4500 through 2.2-4519) details the eligible categories of securities and investments in which municipal corporations, other political subdivisions and other public bodies are authorized to invest funds other than sinking funds, belonging to them or within their control; and

**WHEREAS**, Va. Code § 15.2-1300 provides that any power, privilege or authority exercised by any political subdivision of the Commonwealth of Virginia may be exercised jointly with any other political subdivision having a similar power, privilege or authority, by agreements with one another for joint action in accordance with the provisions of that Code section; and

**WHEREAS**, the City of Chesapeake, Virginia and the City of Roanoke, Virginia have jointly established and participate in the VACo/VML Virginia Investment Pool Trust Fund (the “**Trust Fund**”); and

**WHEREAS**, it appearing to the Town Council of the Town of Purcellville that it is in the best interest of the Town of Purcellville to become a participating locality in the Trust Fund; and

**WHEREAS**, the Town’s Director of Finance, also referred to in the Town Charter as the “Treasurer,” has the authority and responsibility under Virginia law and the Town’s adopted Investment Policy to determine the manner in which public funds other than sinking funds under his/her control will be invested;

**NOW, THEREFORE, the Town Council of the Town of Purcellville, Virginia, hereby ordains:**

1. That pursuant to Section 2.2-4501 of the Code of Virginia, the Town of Purcellville hereby establishes a trust for the purpose of investing moneys belonging to or within the control of the Town, as allowed by law.

2. That investments into the trust shall be made as authorized under the Virginia Investment of Public Funds Act, and shall be made jointly with other political subdivisions and public bodies participating in the Trust Fund.

3. That the Town of Purcellville agrees to be bound by the VACo/VML *Virginia Investment Pool Trust Fund Agreement* (the “**Agreement**”) as a “Participating Political Subdivision,” as that term is defined under the Agreement. The Agreement is attached and incorporated into this ordinance as **Exhibit A**.

4. That the Town of Purcellville’s Director of Finance is hereby designated to serve as the trustee of the Town of Purcellville with respect to the Trust Fund, and is hereby authorized, in accordance with the Town’s Investment Policy, to determine what moneys belonging to or under the control of the Town of Purcellville shall be invested in the Trust Fund.

5. That the Town of Purcellville’s Director of Finance shall execute and deliver the *Trust Joinder Agreement for Participating Political Subdivisions in the VACo/VML Virginia Investment Pool* (“**Trust Joinder Agreement**”), a copy of which is attached and incorporated into this ordinance as **Exhibit B**.

6. That this ordinance shall become effective upon its adoption.

**PASSED THIS \_\_\_ DAY OF \_\_\_\_\_, 2016.**

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Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

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Diana Hays, 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 107 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**, Chapter 45 of Title 2.2 of the Virginia Code (§§ 2.2-4500 *et seq.*) 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 Chapter 45 of Title 2.2 of the Virginia Code (§§ 2.2-4500 *et. seq.*); 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. NAME

The name of the trust created by this Agreement shall be the “Virginia Investment Pool Trust Fund” and the Board shall conduct the Trust’s activities, execute all documents and sue or be sued under that name. The Board may use such other designations, including “VIP”, and may adopt such other names for the Trust as the Board deems proper, and the Trust may hold property and conduct its activities under such designations or names. The Board shall take such action as they, acting with the advice of counsel, shall deem necessary or appropriate to file or register such names in accordance with the laws of the Commonwealth of Virginia or the United States of America so as to protect and reserve the right of the Trust in and to such names.

Section 102. 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. Business Day. Means a day on which banks are not required or authorized by law to close in the State and on which the Investment Advisor or Custodian is not closed.

D. 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.

E. 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.

F. 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.

G. 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, or is otherwise entitled to participate in accordance with State law, 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.

H. 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, nor 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.

I. 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.

J. 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.

K. Investment Advisor. Shall mean any person or persons appointed, employed or contracted with by the Administrator on behalf of the Trust pursuant to Section 202 C. hereof.

L. 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.

M. 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.

N. State. The term “State” means the Commonwealth of Virginia.

O. Trust Fund. The term “Trust Fund” means the Virginia Investment Pool Trust Fund, comprised of all of the assets set aside hereunder.

P. 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.

Q. Trustees. The term “Trustees” means the individuals who serve on the Board of Trustees of the Trust Fund pursuant to Section 107 hereof and their successors.

R. 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.

S. VIP Stable NAV Liquidity Pool. The name of one of the portfolios of the Virginia Investment Pool Trust Fund in which assets are invested to facilitate overnight liquidity and the maintenance of a stable Net Asset Value, with the price of shares in the portfolio targeted to maintain a value of \$1.00.

T. VIP 1-3 Year High Quality Bond Fund. The name of one of the portfolios of the Virginia Investment Pool Trust Fund in which assets are invested in fixed income securities benchmarked with the Bank of America Merrill Lynch 1-3 Year Corporate/Government Index. The Pool is intended for the management of assets that Participating Political Subdivisions intend to invest for one year or longer.

Section 103. 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 Title 2.2 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 U. S. mail to the respective addresses of the Trustees as recorded in the office of the Trust Fund or by electronic mail. 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 (11<sup>th</sup> 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 official 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 104. 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.

5. 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.

6. 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.

7. To do all other acts that it may deem necessary or proper to carry out any of the powers set forth in this Section 104 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 action unless in its opinion there are sufficient Trust Fund assets available for the expense thereof.

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

9. 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.

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

levels.

11. 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.

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

13. 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.

14. 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.

15. 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.

16. 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.

17. 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 105. 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 106. 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 107. 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 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 or has received a delegation of authority according to the requirements of Section 107(A)(8). 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. A Treasurer or Chief Investment Officer may delegate to a subordinate officer who holds investment responsibilities the authority to seek election to and serve as a member of the Board of Trustees as a representative of the Participating Political Subdivision. Such officers will be entitled to the same rights and responsibilities as Treasurers and Chief Investment Officers with respect to seeking election to and serving on the Board of Trustees. The delegation of authority and any subsequent rescission of a delegation of authority must be delivered in writing to the Secretary of the Board of Trustees. If a delegation of authority is rescinded, the affected position on the Board of Trustees will be considered vacated. All references to "Treasurers" and "Chief Investment Officers" in Section 107 will pertain equally to such individuals delegated authority under this provision.

9. 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 108. 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 written Investment Policies establishing guidelines applicable to the investment of the assets of the Trust Fund, and from time to time shall modify such Investment Policies, in light of the short and long-term financial interests of the Participating Political Subdivisions and the Trust Fund. The Investment Policies shall serve as the description of the funding policies 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. Custodian. 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 contract between the Trust and the Custodian.

The Board on behalf of the Trust shall employ a bank or trust company organized under the laws of the United States of America or the Commonwealth of Virginia. The Custodian shall be subject to such restrictions, limitations, and other requirements set forth in a Custodian Agreement to be entered into between the Board and the Custodian.

The Custodian shall have such duties as are set forth in the Custodian Agreement. Such Agreement shall also provide that it may be terminated at any time without cause and without the payment of any penalty on 45 days' written notice.

In the event that, at any time, the Custodian shall resign or shall be terminated the Board shall appoint a successor.

F. Absence of Trustees' Responsibility for Investment Advisor and Manager. Except to the extent provided in paragraph A of Section 103 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.

I. Record of Shares. The Trust shall maintain records which shall contain:

- i. The names and addresses of Participating Political Subdivisions;
- ii. The number of shares representing their respective interests hereunder; and
- iii. A record of all allocations and redemptions.

Such records shall be conclusive as to the identity of the Participating Political Subdivisions to which shares are allocated. Only those Participating Political Subdivisions whose allocation of shares is recorded in the Trust records shall be entitled to receive distributions with respect to shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interests represented by the shares. No Participant shall be entitled to receive any distribution, nor to have notices given to it, until it has given its appropriate address to the Trust.

J. Maintenance of Records. The Administrator, or such other entity appointed by the Board, shall record the allocations of shares in the records of the Trust,

K. No Transfer of Shares. The beneficial interests measured by the shares shall not be transferable, in whole or in part, other than to the Trust itself for purposes of redemption. However, shares may be redeemed from one Participating Political Subdivision's account and the proceeds deposited directly into another Participating Political Subdivision's account upon instructions received from both respective Participants.

L. Limitation of Responsibility. The Board shall not, nor shall the Participating Political Subdivisions or any officer or other agent of the Trust, be bound to determine the existence of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the shares or any interest therein are subject, or to ascertain or inquire whether any redemption of any such shares by any Participating Political Subdivision or its representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein except the Participating Political Subdivision recorded as the Participating Political Subdivision to which such shares are allocated. The receipt of moneys by the Participating Political Subdivision in whose name any share is recorded or by the duly authorized agent of such Participating Political Subdivision shall be a sufficient discharge for all moneys payable or deliverable in respect of such shares and from all responsibility to see the proper application thereof.

#### 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. 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. Payments from the Trust to Participating Political Subdivisions. Any and all allocated shares may be redeemed at the option and as directed by the Treasurer or Chief Investment Officer of each Participating Political Subdivision upon and subject to the terms and conditions provided in this Agreement and the Informational Statement(s). The Trust shall, upon application of any Participating Political Subdivision, redeem from such Participating Political Subdivision allocated shares for an amount per share equivalent to the proportional interest in the net assets of the Trust at the time of the redemption. The procedures for effecting redemption shall be prescribed by the Board; provided, however, that such procedures shall not be structured so as to substantially and materially restrict the ability of the Participating Political Subdivisions to withdraw funds from the Trust.

C. 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 PORTFOLIOS.

The Trustees shall establish two (2) investment portfolios within the Trust Fund pursuant to the Investment Policies, for communication to, and acceptance by, Treasurers and Chief Investment Officers:

- i. VIP Stable NAV Liquidity Pool. Assets in this portfolio will be invested in such a manner to facilitate overnight liquidity as well as the maintenance of a stable Net Asset Value, with the price of shares in the portfolio targeted to maintain a value of \$1.00.
- ii. VIP 1-3 Year High Quality Bond Fund. Assets in this portfolio will be invested in fixed income securities benchmarked with the Bank of America Merrill Lynch 1-3 Year Corporate/Government Index. The Pool is intended for the management of assets that Participating Political Subdivisions intend to invest for one year or longer.

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 current investment options. The determination to add alternative investment options to the Investment Policies, 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.

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 1<sup>st</sup> and October 31<sup>st</sup> 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 (10<sup>th</sup>)* 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. A delegation of authority issued under Section 106(A) (8) does not replace the requirement for a written and signed proxy at meetings of the Treasurers and Chief Investment Officers of Participating Political Subdivisions.

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.

Approved by Board of Trustees, September 13, 2013  
Amended by Board of Trustees, January 24, 2014  
Amended by Board of Trustees, June 19, 2015  
Amended by Board of Trustees, September 23, 2016

**[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 \_\_\_\_\_, Virginia (herein referred to as the “Treasurer/Chief Investment Officer”), the \_\_\_\_\_, 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 \_\_\_\_\_, Virginia, desires to submit this Trust Joinder Agreement to the Trustees to enable \_\_\_\_\_, 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 \_\_\_\_\_, 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 \_\_\_\_\_, 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 Political Subdivision 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 shall provide 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 \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**TREASURER/CHIEF INVESTMENT  
OFFICER OF**

\_\_\_\_\_, **VIRGINIA**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST:

\_\_\_\_\_

\* \* \* \*

ACCEPTANCE:

**VACo/VML VIRGINIA INVESTMENT POOL**

By: \_\_\_\_\_

## **TOWN OF PURCELLVILLE INVESTMENT POLICIES**

~~November 2002~~

Version 2- December 13, 2016

### **SCOPE**

This investment policy applies to the investment activities of the government of the Town of Purcellville. All financial assets of its funds, including the general fund, the water and sewer fund, and other funds that may be created from time to time, shall be administered in accordance with the provisions of these policies.

### **OBJECTIVES**

Safety of principal is the foremost objective of the government of the Town of Purcellville. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value.

The Town also seeks to maintain liquidity sufficient to meet all operating requirements that may be reasonable anticipated.

The government of the Town of Purcellville seeks to attain rates of return on its investments comparable to those of other Virginia local governments. Return on investments is of secondary importance compared to the safety and liquidity objectives described above.

All participants in the investment process shall seek and act responsibly as custodians of the public trust. Investment officials shall avoid any transaction that might impair public confidence in the government of the Town of Purcellville ability to govern effectively.

### **DELEGATION OF AUTHORITY**

Management responsibility for the investment program is hereby delegated to the Treasurer, after consultation with the Town Manager who shall establish written procedures for the operation of the investment program, consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transaction. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transaction undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

### **PRUDENCE**

The standard of prudence to be investment officials shall be the “prudent person” and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual

security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

### **ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the chief executive officer any material interest in financial institutions that shall disclose to the chief executive officer any material interest in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to performance of this jurisdiction's portfolio. Employees and officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

### **INTERIM AND ANNUAL REPORTING**

The treasurer shall submit investment reports at least quarterly, that summarize recent market conditions, economic developments and anticipated investment conditions. The reports shall summarize the investment strategies employed in the most recent period, and describe the portfolio in terms of investment securities, maturates, risk characteristics and other features. The reports shall explain the year-to-date total investment return and compare the return with budgetary expectations. The report shall indicate any areas of policy concern and suggested or planned revision of investment strategies.

### **INSTRUMENTS**

Funds of the government of the Town of Purcellville may be invested in:

- a) U.S. Treasury bills;
- b) Treasury notes on bonds
- c) Insured or fully collateralized certificates of deposit of banks and saving and loan
- d) Associations approved by the State Treasurer;
- e) Repurchase agreements collateralized by U.S. Treasury securities market-to-market;
- f) ~~The state investment pool~~ **Local Government Investment Pool (LGIP);**
- g) Fully secured/insured U.S. government securities
- h) **VACO/VML Virginia Investment Pool (VIP)**

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### **SELECTION OF BANKS AND DEALERS**

Before accepting funds or engaging in investment transactions with the government of the Town of Purcellville, the supervising officer at each depository and recognized securities broker/dealer shall submit a certification. The document will certify that the officer has reviewed the investment policies and objective and agrees to disclose potential conflicts or risks to public funds that might arise out of business transactions between the firm/depository and the government of the Town of Purcellville. All

financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving this entity's funds.

The supervising officer shall agree to exercise due diligence in monitoring the activities of other officers and subordinate staff members engaged in transaction with this entity. Employees of any firm or financial institution offering securities of investments to the government of the Town of Purcellville shall be trained in the precautions appropriate to public-sector investment and shall be required to familiarize themselves with our investment objectives, policies and constraints.

### **MATURITIES AND VOLATILITY**

Investments of the government of the Town of Purcellville shall be limited to instruments maturing within one year at the time of purchase.

### **LIQUIDITY**

At least 10 percent of the portfolio shall be invested in instruments that can be liquidated in one day's notice.

### **RISKS**

No individual investment transaction shall be undertaken that jeopardizes the capital position of the portfolio, and that does not bear the full faith and credit the United States government or which is not fully collateralized or insured.

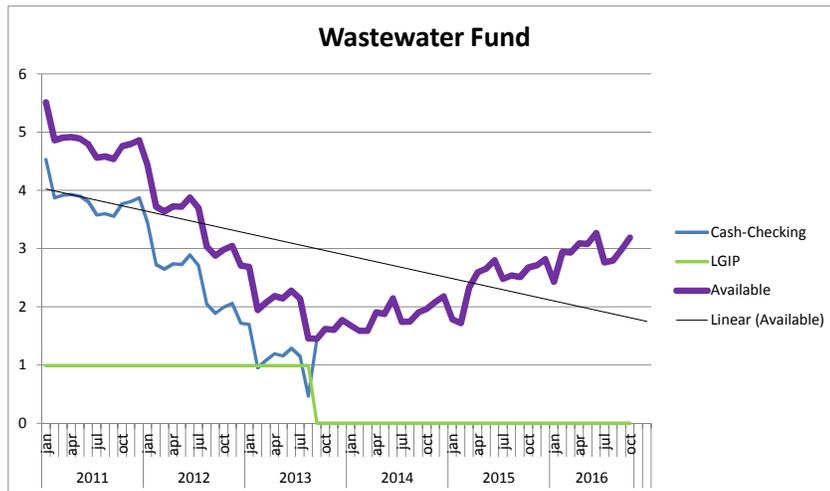
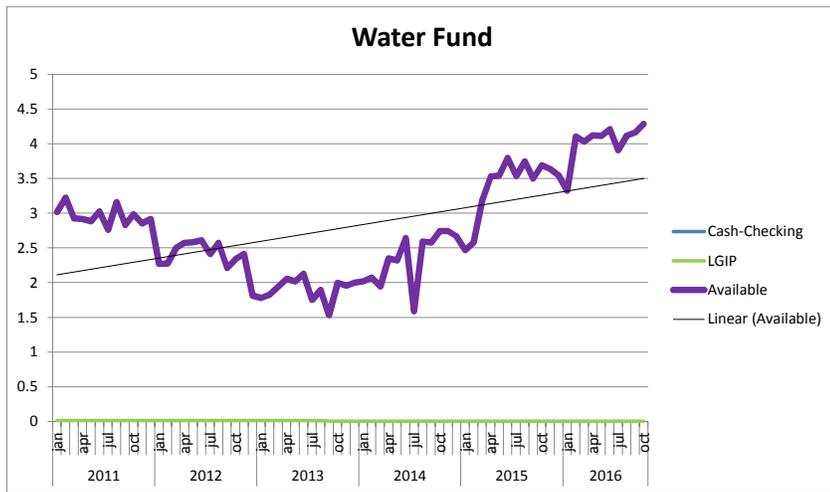
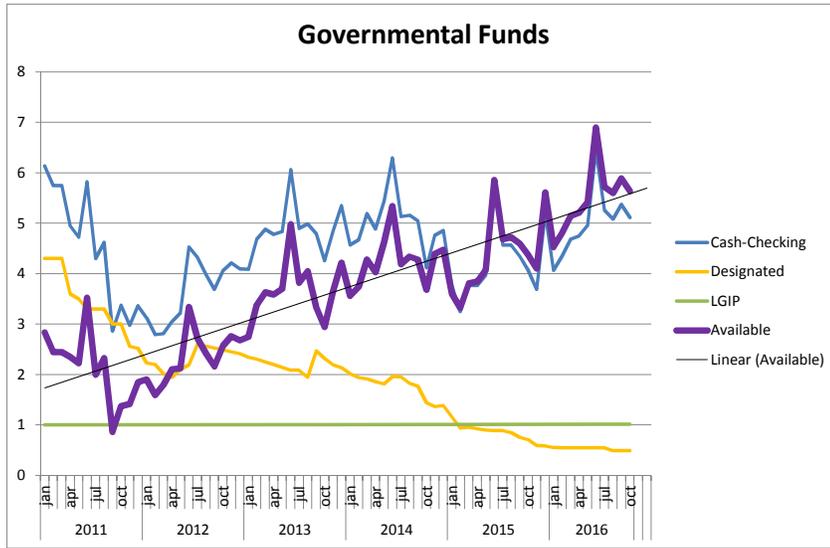
### **SAFEKEEPING AND CUSTODY**

To protect against potential fraud and embezzlement, the assets of the government of the Town of Purcellville shall be secured through third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. Investment officials shall be bonded to protect the public against embezzlement and malfeasance. Collateralized securities such as repurchase agreements shall be purchased using the delivery vs. payment procedure. Unless prevailing practices or economic circumstances dictate otherwise, ownership shall be protected through third-party custodial safekeeping. The independent auditor shall review safekeeping procedures annually. The independent auditor shall conduct periodic surprise audits of safekeeping and custodial systems.

### **PERFORMANCE EVALUATION AND OPERATIONS AUDIT**

The annual investment reports shall contain sufficient information to permit an independent evaluation of the performance of the investment program.

TOWN OF PURCELLVILLE  
 GRAPHIC CASH DISPLAY BY FUND  
 AS OF OCTOBER 31, 2016



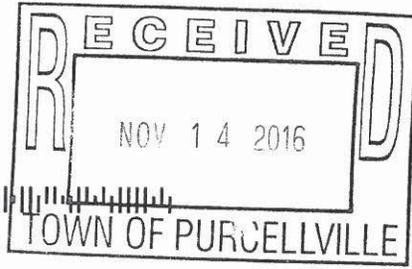
**Town of Purcellville  
Investment Rate Comparison (as of November 28, 2016)**

**CD Rate Comparison:**

Banks / Investment Company in Town of Purcellville	12 month CD Rates based on \$100,000 investment	Higher Rate if more invested?	If yes, what is higher rate?	Early Withdrawal Penalty	Comments
Bank of Clarke County	0.60%	No	N/A	1. penalty free withdrawal	Can offer a 1% rate if duration is 24 months with 1 penalty free withdrawal
BB&T	0.30%	No	N/A	\$25 or 3 months interest, whichever is greater	N/A
Cardinal Bank	0.55%	No	N/A	3 months interest	Confirmed with David at Cardinal Bank
Middleburg Bank	0.50%	No	N/A	3 months interest	N/A
Wells Fargo	0.05%	No	N/A	6 months interest	Wells Fargo offers a financial advisor if we wanted to seek additional investment possibilities or a higher rate.
PNC	0.17%	Yes	0.19%	6 months interest	PNC only has Giant Foods branch in Purcellville now; Received national PNC when called local number
Suntrust	0.20%	No	N/A	3 months interest	Rate increases for 24 mo CD at 0.35% and 36 mo CD at 0.55%

**Other Investments:**

LGIP	0.61%	N/A	N/A	None; 1 day liquidity	per Oct. statement
Virginia Investment Pool	1.13%	N/A	N/A	None; @ 20 day liquidity	per website for Oct. rate
BB&T Checking	0.27%	N/A	N/A	None; goal is to maintain balance at levels to offset banking fees	earnings credit offset banking service fees of \$2,455 in Oct.



TOWN OF PURCELLVILLE  
221 S NURSERY AVE  
PURCELLVILLE VA 20132-3204

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## Investor Statement

Page 1 of 1

for the period of: October 1, 2016 - October 31, 2016

Investor Services: 1-800-643-7800

Investment Rep: Default  
Investment Rep. No: DEFAULT

Broker/Dealer: Town Of Purcellville  
130 East Main Street  
Purcellville VA 20132-3162

Dealer/Branch: 10266/PURCELL

### Portfolio at-a-Glance

<b>Portfolio Value Beginning 10/01/2016</b>	<b>\$1,018,814.04</b>
+ Purchases	\$0.00
- Withdrawals	\$0.00
<b>Portfolio Value Ending 10/31/2016</b>	<b>\$1,019,337.55</b>

### Investor Information

The Average Monthly Yield for October 2016 was 0.605%  
The Effective Monthly Yield for October 2016 was 0.607%

### Portfolio Summary

		Shares	Share Price	Market Value on 10/31/2016	% of Account Holdings
TOWN OF PURCELLVILLE	Commonwealth Of Virginia - LGIP	1,019,337.550	\$1.00	\$1,019,337.55	100.0%

### Account Transactions

	Date	Transaction Description	Dollar Amount	Share Price	Shares this Transaction	Total Shares Owned
Commonwealth Of Virginia - LGIP/3064		Beginning Balance as of 10/01/2016	\$1,018,814.04	\$1.00		1,018,814.040
TOWN OF PURCELLVILLE	10/31/16	INCOME REINVEST	\$523.51	\$1.00	523.510	1,019,337.550
		Ending Balance as of 10/31/2016	\$1,019,337.55	\$1.00		1,019,337.550

Distributions: Dividends Cap Gains  
REINVEST REINVEST

### Account Earnings Summary

	Fund Name	Capital Gains	Income Distributions	Period to Date	Year to Date
TOWN OF PURCELLVILLE	Commonwealth Of Virginia - LGIP	\$ .00	\$523.51	\$523.51	\$4,217.49
	<b>Total Portfolio</b>	<b>\$ .00</b>	<b>\$523.51</b>	<b>\$523.51</b>	<b>\$4,217.49</b>





**COMMONWEALTH OF VIRGINIA**  
**Department of the Treasury**  
**Manju S. Ganeriwala, State Treasurer**  
 P. O. Box 1879  
 Richmond, Virginia 23218

Toll-Free (800) 643-7800  
 Phone (804) 786-1156  
 Fax (804) 225-3478

## Participant Newsletter September 30, 2016

### Investment Guidelines Compliance (09-30-16):

	<u>Actual</u>	<u>Max.</u>
● Diversification:		
U. S. Treasury/Agency	24%	100%
Repurchase Agreements	11%	50%
Negotiable CDs & BAs	37%	40%
Commercial Paper	28%	35%
Corporate	0%	25%
AAA Sovereign Govt	0%	10%
● Maturity Limitations:	29 days	60 days

### Monthly Statistics:

- Avg NAV: 3,269,989,000
- Simple Yield: 0.59%
- Active Accounts: 783
- Effective Yield: 0.59%

### Quarterly Performance:

	<u>1st Qtr</u>	<u>FY 17</u>	<u>FY 16</u>
● Average Yield:			
LGIP	0.54%	0.32%	
Institutional Money Funds <sup>1</sup>	0.16%	0.09%	
Treasury 3-Mo. Constant Maturity <sup>2</sup>	0.30%	0.18%	

<sup>1</sup>Consists of 502 institutional money market funds totaling \$1,700.0 billion as reported by iMoneyNet as of 09-30-16

<sup>2</sup>Federal Reserve Bank H.15 Release.

### GASB and the LGIP

The following is provided regarding financial statement disclosures and reporting relative to investments in the LGIP:

The LGIP is in compliance with the requirements of GASB Statement 79 and elects to measure its investments at amortized cost for financial reporting. Therefore, participants in the LGIP should also measure their investments in the LGIP at amortized cost for financial reporting. The LGIP does not have any limitation or restrictions on participant withdrawals.

According to GASB 72 investments in the LGIP should be excluded from measurement at Fair Value and thus exempt from the Fair Value Hierarchy Classifications.

### Money Market Reform has Bolstered the LGIP Yield

The yield on the LGIP Investment portfolio has benefited from money market reform. The LGIP is exempt from the floating NAV and gates and fees requirements of registered money market funds. Therefore, as institutional prime funds have exited their normal investment behavior due to a loss of assets, it has created a supply/demand imbalance in short-term markets forcing yields higher on non-government securities. This has benefited the LGIP in several ways. First the absolute yield on short-term securities has significantly increased, plus both LIBOR and the spread to LIBOR on floating rate securities has increased. A large percentage of the LGIP portfolio is comprised of LIBOR based floating rate securities and thus benefited from the increase in LIBOR rates without adding additional duration risk. The impact of the increase in yields could be equated to what would have been expected relative to a Fed rate increase. Most market observers expect this structural premium to remain after the October 14 money market reform deadline.

Another aspect of money market reform not necessarily anticipated is the increased cost to muni issuers of VRDN securities. The decreased demand for VRDN securities has pushed the SIFMA Index significantly higher, recently setting at 87 basis points, the highest level in eight years.

### **Market and Economic News**

While the FOMC left rates unchanged at their September 20-21 meeting, as expected, there were increasing signs of division among voting members. Three voters dissented, only the fourth time in the last 25 years that three or more voters dissented, voicing their preference to raise policy rates and noting increasing risk of economic overheating. In the accompanying statement, the FOMC admitted ‘that the case for an increase in the federal funds rate has strengthened but decided, for the time being, to wait for further evidence of continued progress toward its objectives.’ In the Summary of Economic Projections (SEP) addendum, the FOMC pared down expectations for economic growth and flattened the path of policy rates over the next several years. Participants slightly increased expectations for the rate of unemployment, lowered the inflation forecast, and changed the long-run growth rate forecast for the US economy to 1.8 percent from 2.0 percent. Accordingly, the projected path of monetary policy rates was lowered 25 basis points in 2016, 50 basis points in 2017 and 2018. Most market analysts interpreted the actions by voting members of the FOMC as an acknowledgement that a rate hike is needed soon but that the pace of tightening should be more gradual than previously thought and the long run rate objective should be adjusted down to compensate for lower long term economic growth rate expectations.

Most market observers acknowledge the high likelihood of at least one 25 basis point hike to policy rates during the remaining three months of 2016 (the first hike since December 2015), there is a general consensus that the uncertainty around the November elections will keep the Fed on hold until the December 13-14 meeting. Current implied probabilities calculated from Fed Funds futures contracts indicate approximately 20 percent chance of a Fed rate hike during the November FOMC meeting and 65 percent chance of a hike at the December meeting. Market participants have also directed their focus toward significant moves higher in bank funding rates, particularly in 3- and 6-month LIBOR tenors, since late June. While the initial move higher in LIBOR rates was attributed to market uncertainty following the UK’s unexpected decision to split from the EU (‘Brexit’), upward pressure since mid-July has been driven by accelerating redemptions out of prime money market funds ahead of the October 14 US money market fund reform compliance deadline. As a result, increased exposure to corporate credit and LIBOR-indexed floating rate securities has bolstered the LGIP fund yield during the quarter and will likely continue to be additive going forward.



11-04-2016

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TOWN OF PURCELLVILLE  
221 S NURSERY AVE  
PURCELLVILLE VA 20132-3204

FROM 10-01-2016  
TO 10-31-2016

PAGE 1

X



AVERAGE BALANCE			12,512,120.70
LESS: AVERAGE FLOAT			49,300.00
AVERAGE COLLECTED BALANCE			12,462,820.70
AVG POSITIVE COLLECTED BAL			12,462,820.70
LESS: REQUIRED RESERVES			.00
AVG POSITIVE AVAILABLE BAL			12,462,820.70
NET AVAILABLE BALANCE			1,725,377.69
EARNINGS CREDIT ALLOWANCE	RATE	.270	2,850.10
BANK SERVICES			2,455.53
NET EARNINGS VALUE			394.57
PLUS: PRIOR CREDIT FOR PERIOD			2,619.71
SERVICE CREDIT FOR PERIOD			3,014.28
***SERVICE CHARGE AMOUNT			.00

BANK SERVICES SECTION	UNITS	RATE	AMOUNT	BAL REQUIRED
** BALANCE RELATED SERVICES **				
DEP ACCT USAGE FEE \$.1333/\$1K	12,512,120	15.996	1,667.86	7,293,151.25
** SUBTOTAL **			1,667.86	7,293,151.25
** GENERAL BANKING SERVICES **				
MAINTENANCE FEE	2	20.000	40.00	174,910.39
CREDITS POSTED	26	.750	19.50	85,268.81
ITEMS DEPOSITED - BB&T	220	.130	28.60	125,060.93
ITEMS DEPOSITED - IN STATE	558	.130	72.54	317,200.00
ITEMS DEPOSITED - OTHER	605	.130	78.65	343,917.56
CHECKS PAID AND OTHER DEBITS	233	.190	44.27	193,582.07
CHECK PAID-REJECT	5	.500	2.50	10,931.89
COIN AND CURRENCY DEPOSITED	10,822	.002	21.64	94,626.52
DEPOSIT CORRECTIONS	1	7.500	7.50	32,795.69
CHECK RETURNS WITH STATEMENT	2	5.000	10.00	43,727.59

11-04-2016

AA 482-02-01-00  
 TOWN OF PURCELLVILLE  
 221 S NURSERY AVE  
 PURCELLVILLE VA 20132-3204

FROM 10-01-2016  
 TO 10-31-2016

PAGE 2

X



BANK SERVICES SECTION	UNITS	RATE	AMOUNT	BAL REQUIRED
ADD. FEE PER ENCLOSED CHECK	195	.060	11.70	51,161.29
RETURNED DEPOSIT/CASH ITEM FEE	2	12.000	24.00	104,946.23
** SUBTOTAL **			360.90	1,578,128.97
** ACH SERVICES **				
ACH RECEIVED CREDIT	46	.750	34.50	150,860.21
ACH RECEIVED DEBIT	11	.190	2.09	9,139.06
ACH RETURN ITEMS	3	6.000	18.00	78,709.67
ACH MONTHLY MAINTENANCE	2	45.000	90.00	393,548.38
TOTAL ACH ORIGINATED ITEMS	622	.140	87.08	380,779.92
CMOL ACH FILE	5	12.000	60.00	262,365.59
** SUBTOTAL **			291.67	1,275,402.83
** INFORMATION SERVICES **				
CMOL BUSINESS BANKING	1	35.000	35.00	153,046.59
CMOL BUSBANK - PD LOADED ITEMS	86	.350	30.10	131,620.07
CMOL BUSBANK - PD LOADED ITEMS	200	.000	.00	
CMOL BUSBANK - IMAGE RETRIEVED	3	.000	.00	
** SUBTOTAL **			65.10	284,666.66
** CASH MANAGEMENT SERVICES **				
ZBA MASTER ACCOUNT MAINTENANCE	1	45.000	45.00	196,774.19
ZBA ACCOUNT MAINTENANCE	1	25.000	25.00	109,318.99
** SUBTOTAL **			70.00	306,093.18
BANK SERVICES			2,455.53	10,737,443.01



11-04-2016

AA 482-02-01-00  
TOWN OF PURCELLVILLE  
GENERAL FUND  
221 S NURSERY AVE  
PURCELLVILLE VA 20132-3204

FROM 10-01-2016  
TO 10-31-2016

PAGE 3 X



AVERAGE BALANCE	12,512,120.70
LESS: AVERAGE FLOAT	49,300.00
<hr/>	
AVERAGE COLLECTED BALANCE	12,462,820.70
AVG POSITIVE COLLECTED BAL	12,462,820.70
LESS: REQUIRED RESERVES	.00
<hr/>	
AVG POSITIVE AVAILABLE BAL	12,462,820.70
<hr/>	
NET AVAILABLE BALANCE	1,783,651.50-
AVERAGE BALANCE DEFICIT	1,783,651.50-
<hr/>	
EARNINGS CREDIT ALLOWANCE	RATE .190 2,005.62
BANK SERVICES	2,292.67-
<hr/>	
NET EARNINGS VALUE	287.05-

\*\*\*SERVICE CHARGE AMOUNT 287.05

BANK SERVICES SECTION	UNITS	RATE	AMOUNT	BAL REQUIRED
** BALANCE RELATED SERVICES **				
DEP ACCT USAGE FEE \$.1333/\$1K	12,512,120	15.996	1,667.86	10,363,951.78
** SUBTOTAL **				1,667.86 10,363,951.78

** GENERAL BANKING SERVICES **				
MAINTENANCE FEE	1	20.000	20.00	124,278.43
CREDITS POSTED	23	.750	17.25	107,190.15
ITEMS DEPOSITED - BB&T	220	.130	28.60	177,718.16
ITEMS DEPOSITED - IN STATE	558	.130	72.54	450,757.89
ITEMS DEPOSITED - OTHER	605	.130	78.65	488,724.95
CHECKS PAID AND OTHER DEBITS	230	.190	43.70	271,548.38
CHECK PAID-REJECT	5	.500	2.50	15,534.80
COIN AND CURRENCY DEPOSITED	10,822	.002	21.64	134,469.26
DEPOSIT CORRECTIONS	1	7.500	7.50	46,604.41
CHECK RETURNS WITH STATEMENT	1	5.000	5.00	31,069.60
ADD. FEE PER ENCLOSED CHECK	194	.060	11.64	72,330.05
RETURNED DEPOSIT/CASH ITEM FEE	2	12.000	24.00	149,134.12
** SUBTOTAL **				333.02 2,069,360.20

11-04-2016

AA 482-02-01-00  
 TOWN OF PURCELLVILLE  
 GENERAL FUND  
 221 S NURSERY AVE  
 PURCELLVILLE VA 20132-3204

FROM 10-01-2016  
 TO 10-31-2016

PAGE 4

X

BANK SERVICES SECTION	UNITS	RATE	AMOUNT	BAL REQUIRED
** ACH SERVICES **				
ACH RECEIVED CREDIT	46	.750	34.50	214,380.30
ACH RECEIVED DEBIT	11	.190	2.09	12,987.09
ACH RETURN ITEMS	3	6.000	18.00	111,850.59
ACH MONTHLY MAINTENANCE	1	45.000	45.00	279,626.48
TOTAL ACH ORIGINATED ITEMS	415	.140	58.10	361,028.86
CMOL ACH FILE	2	12.000	24.00	149,134.12
** SUBTOTAL **			181.69	1,129,007.44
** INFORMATION SERVICES **				
CMOL BUSINESS BANKING	1	35.000	35.00	217,487.26
CMOL BUSBANK - PD LOADED ITEMS	86	.350	30.10	187,039.04
CMOL BUSBANK - PD LOADED ITEMS	200	.000	.00	
CMOL BUSBANK - IMAGE RETRIEVED	3	.000	.00	
** SUBTOTAL **			65.10	404,526.30
** CASH MANAGEMENT SERVICES **				
ZBA MASTER ACCOUNT MAINTENANCE	1	45.000	45.00	279,626.48
** SUBTOTAL **			45.00	279,626.48
BANK SERVICES			2,292.67	14,246,472.20



11-04-2016

AA 482-02-01-00  
TOWN OF PURCELLVILLE  
PAYROLL ACCT  
221 S NURSERY AVE  
PURCELLVILLE VA 20132-3204

FROM 10-01-2016  
TO 10-31-2016

PAGE 5

X



AVERAGE BALANCE			.00
LESS: AVERAGE FLOAT			.00
			-----
AVERAGE COLLECTED BALANCE			.00
AVG POSITIVE COLLECTED BAL			.00
LESS: REQUIRED RESERVES			.00
			-----
AVG POSITIVE AVAILABLE BAL			.00
			-----
NET AVAILABLE BALANCE			1,201,749.16-
AVERAGE BALANCE DEFICIT			1,201,749.16-
EARNINGS CREDIT ALLOWANCE	RATE	.160	.00
BANK SERVICES			162.86-
			-----
NET EARNINGS VALUE			162.86-
			-----
***SERVICE CHARGE AMOUNT			162.86

BANK SERVICES SECTION	UNITS	RATE	AMOUNT	BAL REQUIRED
** GENERAL BANKING SERVICES **				
MAINTENANCE FEE	1	20.000	20.00	147,580.64
CREDITS POSTED	3	.750	2.25	16,602.82
CHECKS PAID AND OTHER DEBITS	3	.190	.57	4,206.04
CHECK RETURNS WITH STATEMENT	1	5.000	5.00	36,895.16
ADD. FEE PER ENCLOSED CHECK	1	.060	.06	442.74
			-----	
** SUBTOTAL **			27.88	205,727.40
** ACH SERVICES **				
ACH MONTHLY MAINTENANCE	1	45.000	45.00	332,056.45
TOTAL ACH ORIGINATED ITEMS	207	.140	28.98	213,844.35
CMOL ACH FILE	3	12.000	36.00	265,645.16
			-----	
** SUBTOTAL **			109.98	811,545.96
** CASH MANAGEMENT SERVICES **				
ZBA ACCOUNT MAINTENANCE	1	25.000	25.00	184,475.80
			-----	
** SUBTOTAL **			25.00	184,475.80
			-----	
BANK SERVICES			162.86	1,201,749.16

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**Town of Purcellville  
Central Depository & Investment Scenario Analysis**

	November 2015	December 2015	January 2016	February 2016	March 2016	April 2016	May 2016	June 2016	July 2016	August 2016	September 2016	October 2016
CURRENT AVERAGE CHECKING BALANCE	10,439,647.88	11,176,028.07	11,646,293.37	10,784,815.24	11,756,755.27	11,659,124.72	11,963,219.12	12,924,201.89	13,625,337.01	12,056,889.47	12,424,593.33	12,512,120.70
The following investment scenarios estimate the impact to the Town's interest bearing checking account.												
LESS PROPOSED INVESTMENT SCENARIO:												
<b>4,000,000</b>												
ADJUSTED AVERAGE CHECKING BALANCE	6,439,647.88	7,176,028.07	7,646,293.37	6,784,815.24	7,756,755.27	7,659,124.72	7,963,219.12	8,924,201.89	9,625,337.01	8,056,889.47	8,424,593.33	8,512,120.70
ADJUSTED AVERAGE COLLECTED BALANCE	6,384,330.08	6,987,888.26	7,603,704.08	6,519,034.00	7,658,256.92	7,609,764.15	7,915,098.18	8,682,743.32	9,582,299.11	7,994,232.50	8,272,621.13	8,462,820.70
EARNINGS CREDIT ALLOWANCE (.27%)	1,460.02	1,598.05	1,738.88	1,490.83	1,751.36	1,740.27	1,810.09	1,985.64	2,191.36	1,828.19	1,891.85	1,935.35
BANK SERVICE CHARGES:												
Usage Fee (\$1333/\$1000)	(858.41)	(956.56)	(1,019.25)	(904.42)	(1,033.98)	(1,020.96)	(1,061.50)	(1,189.60)	(1,283.06)	(1,073.98)	(1,123.00)	(1,134.67)
Activity Based Service Fees	(725.97)	(896.53)	(631.46)	(722.93)	(761.83)	(747.17)	(794.92)	(1,354.60)	(835.09)	(919.57)	(660.78)	(787.67)
NET EARNINGS VALUE	(124.35)	(255.04)	88.17	(136.52)	(44.45)	(27.87)	(46.32)	(558.55)	73.21	(165.36)	108.08	13.01
MONTHLY INVESTMENT EARNINGS (VIP 1%)	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33

Annual VIP Investment Opportunity	40,000.00
Annual Checking Account Net Earnings Value	(1,076.00)
Annual Investment Scenario Return	38,924.00

Earnings Credit: interest earned on "Average Collected Balance" used to offset Town's bank charges.  
 Usage Fee: Fee based on checking account's "Average Balance" to offset bank's regulatory collateral requirements.  
 Activity Based Fees: maintenance fee, items deposited, checks paid, coin and currency, deposit corrections, returned checks, ACHs, payroll direct deposit, utility ACH program

**TOWN OF PURCELLVILLE**  
**PROPOSED CASH & INVESTMENT SUMMARY**  
*(based on October 31, 2016 cash holdings)*

<b>Cash and Investment Overview</b>		
<b>Governmental Funds</b>		
BB&T Checking	\$4,116,854.20	
BB&T Payroll Account (Zero Balance)	0.00	
LGIP (45%)	458,466.00	
VIP	1,000,000.00	\$5,575,320.20
<i>(GF balance includes approximately \$490K in designated funds)</i>		
<b>Water Fund:</b>		
BB&T Checking	2,282,719.31	
LGIP (32%)	326,020.00	
VIP	2,000,000.00	\$4,608,739.31
<b>Sewer Fund:</b>		
BB&T Checking	2,190,066.61	
LGIP (23%)	234,327.00	
VIP	1,000,000.00	\$3,424,393.61
<b>Total Deposits and Investments</b>		<b>\$13,608,453.12</b>
<u>Monthly BB&amp;T Checking Analysis:</u>		
Earnings Credit	1,935.35	
Less Bank Service Fees	(1,922.34)	
Net Earnings Value for Month		13.01
<u>Investment Yield Summary:</u>		
	<u>Account Balance</u>	<u>Yield</u>
BB&T Interest Bearing Checking Account	8,589,640.12	0.270%
Local Government Investment Pool (LGIP)	1,018,813.00	0.605%
Virginia Investment Pool (VIP)	4,000,000.00	1.130%

<b>Bond Proceed Overview</b>		
<b>Managed in the State Non-Arbitrage Program (SNAP)</b>		
<b><u>Bond Proceed Summary:</u></b>		
2012 Cardinal Bank SNAP	163,704.96	0.260%

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**STAFF REPORT**  
**ACTION ITEM**

Item #12.a.

**SUBJECT:** Lot 6F, Valley Industrial Park – Valley Self Storage

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Sally G. Hankins, Town Attorney  
Robert W. Lohr, Jr., Town Manager  
Dale Lehnig, P.E., Capital Projects & Engineering Manager

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**QUESTION POSED:**

Town Council is asked to advise Staff whether it is willing to accept the risk to the Town, as outlined below, from approval of a site plan for Lot 6F of the Valley Industrial Park that shows a stormwater management facility designed to accommodate runoff from the Benefitted Lots (defined below) at up to 90% impervious coverage, in lieu of 100% impervious coverage.

**BACKGROUND:**

Lot 6F (the “Lot” or “Lot 6F”) of the Valley Industrial Park is currently vacant. Mr. Frank Leone is seeking to develop it with a climate controlled self-storage building. The Lot was created by the Valley Industrial Park subdivision plat, which was approved by the Town in 1987, and recorded in the Loudoun County land records in January of 1988.

Only a year later, in 1989, the owners of Lot 6F signed a Deed of Resubdivision and Dedication, under which they agreed to the “dedications for streets, storm sewers .... and other conditions as shown on the annexed plat” and declared that property comprising the resubdivision shall be governed by the notes and conditions shown on the annexed plat...” Note 5 on said annexed plat read,

“Lot 6 reserved for future stormwater management facilities, if required.” (“Note 5”)

Note 5 creates an encumbrance on Lot 6F for the benefit of those lot owners in the Valley Industrial Park who drain to Lot 6F (the “**Benefitted Lots**”), as well as for the benefit of the Town as the owner of Richardson Lane, which also drains to Lot 6F.

Mr. Leone’s proposal to convert Lot 6F to a use other than stormwater management has the potential to affect the rights of the Benefitted Lots and the Town. Once Lot 6F is developed, the storage available for stormwater runoff on Lot 6F is set and cannot be modified. For that reason, the Town has conditioned Mr. Leone’s site plan approval on providing a stormwater management system that will capture the maximum possible stormwater runoff from the Benefitted Lots. The maximum possible stormwater runoff is calculated by assuming that the Benefitted Lots are developed at some time in the future with 100% impervious coverage. Mr. Leone is requesting that the Town instead assume that the Benefitted Lots are never developed at more than 90% impervious coverage.<sup>1, 2</sup>

The authority to make decisions about stormwater management has been delegated from the Town Council to the Director of Public Works subject to standards established by local and state stormwater management regulations. As a result, stormwater management decisions are not typically made by, or influenced by Town Council. However, in this case, Note 5 creates an unusual circumstance that requires more discretion than is typically exercised by staff. Because acts of discretion belong to the legislative body, the Town Staff is seeking Council’s input on this matter.

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<sup>1</sup> Notes For Reference: The maximum impervious coverage currently allowed under the Town Zoning Ordinance for Valley Industrial Park is 85%. Loudoun County requires that during site plan review, an applicant assume that the impervious coverage on industrial properties draining to the subject site be at least 90% of the buildable area of the lot.

<sup>2</sup> Bohler Engineering has always asserted that their originally submitted stormwater design meets the stormwater management regulation requirements. Such a determination would be made by Loudoun County Building and Development, in cooperation with the Town, by verifying all of the applicant’s stormwater runoff calculations for compliance with regulations. In this case, however, the applicant has not fully provided the data underlying its calculations, so that neither Loudoun County nor Town staff has been able to verify Bohler’s assertion. The data has been requested by Staff. In a recent letter dated December of 2016, Bohler asserts that it has a new stormwater design that assumes a higher, but unidentified, percentage of impervious coverage on the upstream lots. A recent phone call indicates that the unidentified percentage might be 90%. The Town has not received a new plan or new data to verify this assertion.

Ordinarily, the Town requires the owner of a downstream lot, such as Lot 6F, to accommodate the stormwater runoff from upstream properties so long as those upstream lots naturally drain to the downstream lot by virtue of the earth's topography. In the typical case, the owner of the downstream lot would be required to accommodate the actual runoff from the upstream lots, and would not be required to anticipate future development or redevelopment of the upstream lots. What is different in the case of Lot 6F is the existence of Note 5, which reserves Lot 6F in perpetuity (or until otherwise amended by agreement of the owners) for the stormwater management of many other lots in the Valley Industrial Park, plus Richardson Lane.

With the existence of Note 5, the Town is of the opinion that there is some risk to the Town of assuming less than 100% impervious coverage on the Benefitted Lots. The risks are as follows:

1. The owner of a Benefitted Lot may, in the course of a future redevelopment, be required to provide a stormwater management facility at his or her expense because Lot 6F has been fully developed and cannot handle any additional stormwater runoff. While this scenario, from a purely legal perspective, is a private problem between the Benefitted Lot owners and the owner of Lot 6F, practically speaking, citizens often pressure the Town to provide solutions at public expense for stormwater management problems.
2. The risk to the Benefitted Lot owners described above also applies to the Town, since the Town owns public property that drains to Lot 6F (i.e. Richardson Lane). If the roadway floods because of a lack of capacity on Lot 6F to capture stormwater runoff, then the Town will be responsible for finding a solution at its own expense.
3. The Benefitted Lot owners may believe they have a cause of action against the Town for diminishing their right to drain to Lot 6F. While the Town is not legally responsible for enforcing the Benefitted Lot owners' rights against a private property owner, the Town may be forced to argue that point in court if the Benefitted Lot owners believe the Town's actions have caused them harm.

**ADDITIONAL BACKGROUND:**

Land records indicate that the reservation of Lot 6F for future stormwater management purposes rendered the property almost worthless. Tax records indicate that only nominal real property taxes have been paid on Lot 6F since the reservation was put into place. The

first person to own Lot 6F after the reservation was put into effect took the property by Quit Claim Deed from the Valley Industrial Park partnership, indicating that the property may have been acquired for little to no money. These facts support the Town's interpretation that Lot 6F was intended to serve the stormwater management needs of the Benefitted Lots for all time, unless the encumbrance was removed.

In 1998, all interest in Lot 6F was conveyed from Valley Industrial Park partnership by Quit Claim Deed to Robert Shea, in what appears to be a speculative endeavor. With that Quit Claim Deed, Valley Industrial Park partnership conveyed away its stormwater management obligations to the Benefitted Lots, and the new owner of Lot 6F acquired those stormwater management obligations, speculating that a profit could be made on the land while still fulfilling those obligations. Mr. Shea died in 2003, and Lot 6F passed to his sister, Elizabeth A. Leone, in 2007. Mr. Leone is now trying to make use of the land.

**ISSUES:**

1. Risks, as stated above.
2. It should be noted that once the issue outlined above is resolved (ie; 90% vs. 100% impervious coverage assumptions), other issues remain to be resolved before the site plan application can be approved. Town and County staff have requested additional data from the applicant so that its stormwater calculations can be verified, including runoff calculations showing the time of concentration, the curve number (which relates directly to the impervious area), and the area used to calculate the storage volume. These comments and multiple other comments remain to be addressed by the applicant.
3. If the Town Council decides to accept the risks described in this Staff Report by assuming 90% impervious coverage on the upstream lots, then Staff recommends that the Town provide notice of the decision to the Benefitted Lot owners. If staff receives inquiries from the Benefitted Lot owners after such notice, staff will share all public documents on the matter and state that the Town cannot provide legal advice.

**BUDGET IMPACT:**

If Lot 6F can develop as something more valuable than a stormwater management pond, then the property will be assessed at a higher value, resulting in higher tax revenues. Potentially, the risks outlined in this Staff Report from assuming 90% impervious coverage will never be realized and there will be no negative fiscal impact to the Town.

If, however, the risks outlined above are realized, there will likely be expenses to the Town resulting therefrom.

**MOTIONS:**

“I move that Town Council advise staff that an assumption of 90% impervious coverage on the lots draining to Lot 6F of the Valley Industrial Park is an acceptable risk to the Town in this case, and direct staff to deliver notice of the decision to the owners of property currently draining to Lot 6F.”

OR

“I move that Town Council advise staff that an assumption of 90% impervious coverage on the lots draining to Lot 6F of the Valley Industrial Park is an unacceptable risk to the Town, and 100% impervious coverage should be assumed.”

**ATTACHMENT:**

1. Letter from Bohler Engineering to Frank Leone, dated December 2, 2016, explaining why the Town should not require the applicant to assume 100% impervious coverage on upstream lots.

December 02, 2016  
Via Electronic Mail

Frank Leone  
18993 Sea Glass Ct.  
Rehoboth Beach, DE 19971

RE: TP15-10  
Technical Letter of Reference  
Climate Controlled Self Storage Facility  
Valley Self Storage  
Valley Industrial Park  
37221 East Richardson Lane  
Purcellville, Loudoun County, VA  
BEVA #S152134

Dear Mr. Leone:

In regard to the above referenced project, please find below a history of the property.

March 12, 1998: The property in question, with the 54,300 Cubic Foot above-ground pond, that was previously constructed, was acquired by Robert Shea via Quitclaim Deed from the Valley Industrial Park Partnership.

August 19, 1999: A Site Plan was submitted and approved by Robert Shea. In this plan, a pond was designed to handle the adjacent lots.

June 25, 2001: Deeds were recorded conveying a 25' stormwater detention easement to the Town of Purcellville ("Town") for underground Stormwater Management.

February 11, 2003: A Site Plan with a revised layout was submitted by Robert Shea. The plan began going through the review process at the Town. In this plan, a pond was designed to handle the adjacent lots and provided 51,000 Cubic Feet of storage in a combination of above and below ground storage.

June 20, 2003: Robert Shea passed away. No further action was immediately taken on the Site Plan. The property was retained by the Shea Trust.

March 11, 2005: Frank Leone contacted the Town regarding the Site Plan to which the Town replied with a letter on May 24, 2005 stating the process needed to start over. During this time, the applicants had changed, the process and several Town requirements had changed, and the commenting agencies experienced process changes as well.

November 9, 2015: Bohler Engineering VA, LLC ("Bohler") submitted the Site Plan to the Town. In this plan, a pond was designed to handle the adjacent lots and provided 51,000 Cubic Feet of storage in a combination of above and below ground storage.

June 1, 2016: Bohler submitted the Site Plan. In this plan, a pond was designed to handle the adjacent lots and provided 37,000 Cubic Feet of storage in a below ground pond.

Comments have been received and the Town is requesting with this Site Plan that 100% of the Off-site Area draining to the Pond shall be considered impervious. In my opinion as a Professional Engineer working in Northern Virginia for the last 17 years, the following are the reasons why the Town Council should modify Staff's request.

A. Industry Standard Regulations

1. State Regulations refer to the Storm Water Management Manual "Urban Hydrology for Small Watersheds, Technical Release 55 (TR-55)" that has been in place and used for the last 30 years since its release in June 1986, assume Industrial Developments have an average percent impervious area of 72%.
2. The same State Regulations and the TR-55 Manual assume Commercial Developments have an average percent impervious area of 85%.
3. The existing impervious area off-site is 85%.
4. Our current design exceeds the 72% industrial zone standard and meets the 85% commercial zone standard while meeting the current Stormwater Management Regulations. Our modified design to be submitted will account for 97,900 Cubic Feet of storage on-site in underground pipes.
5. While it is impossible to know what future zoning ordinances will require, other nearby and comparable Jurisdictional Ordinances are currently trending to provide more and wider buffers and setbacks, more interior parking lot landscaping and tree canopy coverage. If the Town were to follow these trends, then the 100% impervious area assumption would never be needed.

B. Negative Site Impacts

1. Approximately 150' of Additional Storm Pipe would be required, increasing easement widths and preventing any trees from being planted.
2. Construction Costs would escalate by a minimum of \$30,000, risking profitability and the Client backing out of the development.

C. Tax Benefits

1. Lot 6F is currently a non-income lot with a tax value below \$6 annually.
2. The adjacent lots 7F and 8F currently pay \$14,845.94 and \$25,540.91 respectively annually in taxes. Since this lot will produce a climate-controlled facility, there will be a higher demand which will generate a possibly higher value in taxes.

D. No Known Flooding or Erosion Issues

1. Since it was built, there have been no complaints or observations that the current pond experiences any flooding. It also does not back water up into the street, or any of the adjacent lots.

2. Increase in stormwater management storage volume from 54,300 Cubic Feet to 97,900 Cubic Feet, a 155% increase, which further reduces flooding and erosion concerns.

Based on these points, it is my professional and technical recommendation that the Stormwater Management Pond that is being provided under our Site Plan application has been conservatively sized and will not serve as a risk to the adjacent owners.

Upon your review, should you have any questions or require additional information, please do not hesitate to contact this office at (703) 709-9500.

Sincerely,

**Bohler Engineering**



Keith G. Simpson, P.E.  
Associate

KGS/kr

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**STAFF REPORT**  
**ACTION ITEM**

Item # 12d

**SUBJECT:** Request for Rezoning and Comprehensive Plan Amendment –  
Patricia DiPalma-Kipfer

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACT:** Daniel Galindo, AICP – Senior Planner

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**BACKGROUND:**

Patricia DiPalma-Kipfer emailed a letter to Town Council on November 4, 2016 requesting that the Town initiate a comprehensive plan amendment and rezoning of her property at 38038 Colonial Highway. Ms. DiPalma-Kipfer also read the letter during public comments at the November 8<sup>th</sup> meeting of Town Council. Ms. DiPalma-Kipfer made a similar request during public comments at the November 17<sup>th</sup> Planning Commission meeting and emailed a written copy of her comments to the Planning Commission on November 18<sup>th</sup>.

In her original letter and comments to Town Council, Ms. DiPalma-Kipfer requested that Town Council “initiate an Amendment to the Comprehensive Plan changing my property zoning from ‘Transition X’ to a Dual Re-Zone of ‘Residential/Mixed Commercial.’” However, in her later comments to the Planning Commission, Ms. DiPalma-Kipfer requested “to have CPA11-01 included in the final content of the updated Comprehensive Plan” and the Commission’s “consideration, approval, and forwarding to the Town Council a recommendation for an amendment to change my zoning from Transition X to Dual Rezone of ‘Residential/Mixed Use Commercial.’” [CPA11-01 designated the planned land use of her property as “mixed use commercial.”]

**ISSUES:**

1. While the overall wording of Ms. DiPalma-Kipfer’s request changed between her initial request to Town Council and her later request to the Planning Commission, in both cases she requested that her property be rezoned from its current zoning district designation of X, Transitional to what she terms a “Dual Rezone” of Residential/Mixed Commercial or Residential/Mixed Use Commercial. When Ms. DiPalma-Kipfer has

previously discussed the concept of a “Dual Rezone” with Town Staff, she has been informed that her request is not legally possible. There is no "Residential/Mixed Commercial" district within the Zoning Ordinance nor is there a mechanism that would allow a property to be simultaneously governed by two base zoning districts (e.g. R-2, Single-Family Residential and MC, Mixed Commercial). In order to accommodate Ms. DiPalma-Kipfer, the Town would have to create a new zoning district for her property, or she would have to request that the Town initiate a rezoning to a zoning district classification that currently exists within the Zoning Ordinance.

Depending on the actual zoning district designation desired, the *Purcellville, Virginia 2025 Comprehensive Plan* may not have to be amended. Because the property already has a planned land use designation of Mixed Use Commercial, a comprehensive plan amendment would only be needed if the Town were to initiate a rezoning to an existing residential district or a newly created zoning district.

2. Unless related to the comprehensive rezoning of the town as the result of the adoption of the *Purcellville, Virginia 2025 Comprehensive Plan*, all recent commercial rezonings have been the result of an application submitted and paid for by a property owner or contract purchaser which included proffers. There is no recent precedent for the Town to initiate a rezoning to a commercial zoning designation at the request of the property owner. If the Town were to initiate Ms. DiPalma-Kipfer’s requested comprehensive plan amendment and/or her requested rezoning, it would forego the application fees which are designed to cover the cost of the Town’s review and processing of such applications as well as the possibility of any proffered funds or physical improvements that would offset the impacts of any development on the property. Proffers may only be offered during the rezoning process, and once the Town rezones a property, it no longer has the ability to obtain proffers for that property.

**BUDGET IMPACT:**

Should Council choose to initiate a comprehensive plan amendment and/or rezoning, it would forego the comprehensive plan amendment application fee of \$2,500 and/or the rezoning application fee of \$2,500 (for a 0-5 acre parcel). Should a new zoning district need to be created as part of this effort, the Town would also forego the ordinance text amendment application fee of \$2,500. Finally, should the Town initiate and grant a rezoning, it would forego the ability to collect any proffered funds or physical improvements. While a specific

value of any potential proffers is impossible to determine, they would likely range from tens to hundreds of thousands of dollars in total value.

**MOTIONS:**

I move that Town Council not initiate the requested comprehensive plan amendment and rezoning for Patricia Dipalma-Kipfer's property at 38038 Colonial Highway and direct staff to cease all further work on these requests.

-OR-

I move that Town Council not initiate the requested comprehensive plan amendment and rezoning for Patricia Dipalma-Kipfer's property at 38038 Colonial Highway and request the Planning Commission to consider maintaining a planned land use designation of Mixed Use Commercial, or equivalent category of use, for the property in the new comprehensive plan.

-OR-

I move that Town Council defer action on this item until \_\_\_\_\_.

-OR-

I move that Town Council direct staff to prepare a resolution to initiate a [*Choose one or both:* comprehensive plan amendment to  (state what such amendment would do)  and/or rezoning to  (state zoning district) ] for Patricia Dipalma-Kipfer's property at 38038 Colonial Highway [*If a new zoning district is to be created:* and a zoning text amendment to  (state what such amendment would do) ]. This resolution shall be included on the agenda of Town Council's \_\_\_\_\_ meeting for action.

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**STAFF REPORT**  
**ACTION ITEM**

Item # 12e

**SUBJECT:** Non-Potable Connections

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACT:** Alex Vanegas, CPM, Director, Public Works  
Robert W. Lohr, Jr., Town Manager

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**SUMMARY and RECOMMENDATIONS:**

Over the past few months, two customers have requested that the Town reconsider allowing the use of non-potable meters for irrigation purposes. This particular type of use would allow the customer to pay for only the water that they use while not incurring any sewer fees since the water did not enter into the sanitary sewer collection system. Staff previously placed this item on the agenda for discussion based on the recent requests. To obtain a better understanding of the financial impacts associated with the potential loss in sewer revenue and the implication to other system users, the Town Council deferred any decision until after the rate setting workshop. Due to the aforementioned fiscal impact, staff recommends that the Town Council not approve additional non-potable meter connections at this time.

**BACKGROUND:**

In 1999, the Public Works Committee initiated a Non-Potable Water Meter Policy which allowed a homeowner or business to install a second meter which would be for uses that would not involve sending the water to the sewer plant. The water from this meter would be used for outside water uses where the water would not be transmitted to the wastewater plant for treatment. Since the

water would not be treated at the wastewater plant, the user would not be charged a sewer fee. This would overall allow a user who watered their lawn, washed their car, or topped off their pool to only pay water fees for this water and not sewer fees. Between 1999 and 2001, the Town had only three requests for non-potable water meters and only two meters were actually installed. The first was a residential location where the residents kept a small plant nursery. The second was a water only meter at the concrete mixing facility for the water needed to mix concrete. The third request was never installed. Between 2001 and 2002, the town allowed 6 additional non-potable connections. In the first month of 2003, the Town received 8 more applications for non-potable meters. Due to the significant increase in applications, staff became concerned that the requests were becoming too numerous and recommended that the Town Council terminate the policy. Accordingly, on February 11, 2003, the Town Council approved eliminating the Non-Potable Water Meter Policy which prevented any new non-potable water meter connections and grandfathered pre-existing approved non-potable water meters. Currently, there are 13 existing non-potable meter connections. The three elements in the aforementioned policy change are listed below:

**For Non-Potable Water Connections:**

1. No new non-potable water connections may be purchased. Existing connections continue under a grandfather clause.
2. The purchased connections continue indefinitely and are passed onto new owners of the property.
3. A minimum usage charge of 1000 gallons for water and sewer will be assessed bi-monthly.

Due to the fact that the Town must maintain a record for these non-potable water connections, a cost is incurred by the Town to manage these files. Accordingly the town charged a minimum usage charge of 1000 gallons for water and sewer assessed for non-potable water connections that are not used during a given month. At the direction of the Infrastructure Committee, staff was instructed to present the recommendation to the Town Council for removal of any minimal usage fees for the non-potable connections. At the May 13, 2008, Town Council meeting, the Non-

Potable Water Meter policy was modifying to eliminate any charges related to minimal use for existing non-potable account holders.

**ISSUES:**

The need for a non- potable water meter connection was driven by growth and development in the community so that individuals could water their newly established lawns and shrubs while not paying any sewer fees. There will be a significant amount of requests if the Town Council decides to re-establish the non-potable meter connections policy.

There are several issues that are relevant for this discussion if the Town decides to proceed with allowing addition non-potable connections. The first is dealing with the lost revenue in the sewer enterprise fund. This aforementioned fund is experiencing challenges with debt service payments and any decrease in revenue must be offset with additional revenue income or major expenditure cuts or a combination of the two strategies. Second, the Town must decide how to set a non-potable rate that is fair and equitable. Do we use a fixed fee like suggested for the bulk water or do we use the current multi-tiered system with rates increasing based on higher volumes. Regardless of the approach, public hearings must be arranged and the fees must be adopted by ordinance.

Another important item germane to the non-potable water connections discussion is the location of the meter and how to guarantee that individuals will only use the water for irrigation purposes and not inside their home or business. What precludes an individual from running a hose inside the house for cleaning and the end product would enter into our sewer collection system?

Lastly, do we limit this opportunity to a selective group such as businesses only or to all system users since this decision will impact all users in future rate considerations.

**BUDGET IMPACT:**

Any additional non-potable water meter connection will have a negative variance on the revenue of the sewer enterprise fund. Due to the separation of enterprise funds, the Town would experience an increase in revenue on the water enterprise fund. Furthermore, due

to this division in enterprise funds, the decrease in revenue of one fund would not be offset the increase in revenue of the other fund.

**MOTION:**

“I move that the Town Council approve the request to re-instate the non-potable water meter policy thereby allowing individuals to apply for non-potable water meters.”

or

“I move that the Town Council deny the request to re-instate the non-potable water meter policy at this time.”

**ATTACHMENT:**

1. Policy for Non –Potable Water Meters.

**Town of Purcellville****Policy for Non-potable Water Meters Within the Incorporated Limits of the Town of Purcellville**

Date Revised: July 15, 1998

In order to provide water to town residents and businesses at an affordable rate the Town has developed the following policy which will allow a household which is already connected to town water and sewer to install a second water meter (non-potable water meter) which will not be connected to the sewer system which can be used for watering activities outside the house which have no possibility of going into the sewer system. This non-potable water meter account would not be charged for sewer but only water. This policy provides an affordable method for homeowners to use extra water for irrigation and filling of pools as the water used from the non-potable water account will not be charged for sewer.

The following policy must be followed in order to obtain a non-potable water meter.

1. The applicant of a non-potable water meter must be the owner of the residence or business and must be currently connected to the Town of Purcellville water and sewer system with all availability, connection and meter fees paid. Non-potable water meters will not be allowed for renters of any sort.
2. The owner of the property is responsible for the cost of the additional connection to the existing water meter. This will include but is not limited to the meter box, suitable cross-connection control, all connectors, tubing and the frost proof hydrant. The owner has the option of hiring a contractor to install the non-potable water meter with mandatory inspection by the Town of Purcellville or hiring the Town to complete this project at the Town's billable rates. Installation of the meter box and lateral must be in accordance with the *Town of Purcellville Facilities Standards Manual*. If the meter is not installed within 1 year of the signing of this policy, then the approval of the meter is no longer valid.
3. If the applicant chooses to complete the work themselves or through a contractor, the applicant must schedule the construction project with the Town Inspector complete with an initial pre-construct meeting.
4. No availability will be charged for the non-potable water meter when a 5/8" meter is requested. Availabilities for larger water-only meter sizes will be determined by the Public Works Committee.
5. The non-potable water meter will be connected with a "Y" off of the existing water lateral serving the water and sewer meter and must be installed beside the existing water and sewer meter just within the property line. A corporation stop must be included just after the "Y" on the non-potable water meter lateral to allow the town to shut down the connection if necessary.
6. Any required repairs to the non-potable water lateral and meter will be handled following the current Water and Sewer Lateral Maintenance Policy.
7. Approval of the non-potable water meter will be handled administratively for a request for a 5/8" meter with no more than a 3/4" lateral feed line. Any requests for larger than a 5/8" non-potable water meter must be approved by the Public Works Committee.

8. The non-potable water meter may be attached to an outside frost proof hydrant within the yard of the house but is not permitted to connect to any portions of the house or any other buildings and cannot discharge through any means to the wastewater collection system.
9. Any homeowner or business using the non-potable water meter must permit inspection of the yard, home and all plumbing by the Town of Purcellville. If it is found that the non-potable water meter is being used incorrectly or does not meet the requirements of this policy, the non-potable water meter will be disconnected immediately.
10. The non-potable water meter will be considered a separate account. The party being billed for the water and sewer meter will also be responsible for paying the non-potable water account. This non-potable water account will be required to pay the appropriate service charge applied to each separate account and will also be required to pay the once per year primacy fee required by the state. Failure to pay all necessary fees will result in the Town following their policy for delinquent water or sewer bills.
11. The non-potable water connection will be a non-potable connection. This means that the water should not be used for human consumption at any time.
12. If the current owner chooses not to continue to use the non-potable water meter, then they must request in writing to the Town that the non-potable water meter account be discontinued. Once the Town receives this request, the Town will secure non-potable water meter box by locking the box or removing the water meter. Outstanding account balances will be addressed following the Town policy for delinquent water or sewer bills.
13. Should the billable party change, the Town will discontinue the non-potable water meter account on the date requested by the departing owner and will not be reconnect the water-only meter account until such time as the new billable party has reviewed and signed the water-only meter policy and provided the Town with all the necessary set up fees and deposits.
14. The owner requesting the non-potable water meter must agree to follow all aspects of this Policy by signing the attached Water-Only Meter Request Form. If the owner is found to be violating any aspect of the policy the non-potable water account will be discontinued immediately and will not be reconnected until all violations have been addressed to the satisfaction of the Public Works Committee.



**STAFF REPORT**  
**ACTION ITEM**

Item # 12.i.

**SUBJECT:** FY 2018 Budget Development Calendar

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Tom Angus, Budget Specialist  
Liz Krens, Director of Finance

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**SUMMARY AND RECOMMENDATIONS:**

The attached budget development calendar details the internal schedule of the various tasks that need to take place, on a monthly basis, in order to prepare and adopt the FY 2018 Budget consistent with the Code of Virginia as detailed below.

**BACKGROUND:**

According to Code of Virginia, Section 15.2-2503, the officers of the local government should prepare and submit to the governing body an estimate of the amount of money needed during the ensuing fiscal year by April 1<sup>st</sup> each year. This section also requires that the governing body approve the budget and fix a tax rate before the new fiscal year begins on July 1<sup>st</sup> each year. Section 15.2 -2506 addresses publication and timing of notice and public hearings associated with budget presentation and adoption.

As Code of Virginia, Section 58.1-3321 establishes special public hearing notice requirements for real property tax rates, the public hearing is typically held in March each year. Furthermore, in order for staff to prepare and issue the spring real and personal property tax bills in early May with the June 5<sup>th</sup> due date, Council must set property tax rates in early April. While the Code of Virginia only requires tax bills to be issued 14 days before the due date, the Town has always tried to provide around a 30 day notice to taxpayers. The Town typically schedules the budget and other tax and fees public hearing in April.

Staff's budget calendar addresses both the FY 2018 Budget and FY 2018-2022 Capital Improvement Program (CIP). This schedule will allow for a comprehensive in-depth review of program and project requirements and for any needed adjustments. For reference purposes, council meeting dates throughout the fiscal year have been highlighted in yellow and special and budget meeting dates are highlighted in light blue.

The attached schedule and the associated budget processes contained within that schedule will comply with the Code of Virginia as outlined above and will adjust for current staff and work load conditions.

**ISSUES:**

None.

**BUDGET IMPACT:**

There is no budget impact with this item.

**MOTION(S):**

“I move to adopt the public meeting dates as shown on the FY 2018 Budget Calendar, with the understanding that budget meeting dates may be amended as necessary.”

**ATTACHMENT(S):**

1. FY 2018 Budget Development Calendar

FY 2018 Budget Development Calendar

FY 2017 - 1<sup>st</sup> Quarter

July - 2016							August - 2016							September - 2016						
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<b>July 12</b>							<b>August 1</b>							<b>September 13</b>						
<ul style="list-style-type: none"> <li>Town Council Meeting 7:00 PM</li> </ul>							<ul style="list-style-type: none"> <li>Begin Updating Budget Worksheets for FY 2018 Budget</li> </ul>							<ul style="list-style-type: none"> <li>Town Council Meeting 7:00 PM</li> <li>Monthly CIP Staff Meeting 2:00 PM</li> <li>Process Budget Adjustment for FY 2017 CIP Rollover</li> <li>Town Council Meeting 7:00 PM</li> </ul>						
<b>July 26</b>																				
<ul style="list-style-type: none"> <li>Town Council Meeting 7:00 PM</li> </ul>																				

# FY 2018 Budget Development Calendar

## FY 2017 – 2<sup>nd</sup> Quarter

	<u>October – 2016</u>	<u>November - 2016</u>	<u>December – 2016</u>																																																																																																																	
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<ul style="list-style-type: none"> <li>▪ <b>October 11</b> Town Council Meeting 7:00 PM</li> <li>▪ <b>October 12</b> Begin Preliminary Budget Meetings with Department Heads</li> <li>▪ <b>October 17</b> Town Council Special Meeting: Utility Rate Presentation and Workshop 6:30 PM</li> <li>▪ <b>October 19</b> Monthly CIP Staff Meeting 2:00 PM</li> <li>▪ <b>October 21</b> Quarterly Budget Compliance Report to Town Manager</li> <li>▪ <b>October 21</b> Distribute FY 2018-2022 CIP Worksheets</li> <li>▪ <b>October 25</b> Town Council Meeting 7:00 PM</li> <li>▪ <b>October 28</b> Assistant Town Manager Distributes Town Council Strategic Initiatives to Department Managers</li> <li>▪ Assistant Town Manager and Budget Specialist meet with Department Managers to develop Budget Request</li> </ul>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td></td><td></td><td></td><td></td><td></td><td></td><td>1</td></tr> <tr><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td></tr> <tr><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td></tr> <tr><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td><td>22</td></tr> <tr><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td><td>28</td><td>29</td></tr> <tr><td>30</td><td>31</td><td></td><td></td><td></td><td></td><td></td></tr> </table>							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td></td><td></td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr> <tr><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td><td>12</td></tr> <tr><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td><td>19</td></tr> <tr><td>20</td><td>21</td><td>22</td><td>23</td><td>24</td><td>25</td><td>26</td></tr> <tr><td>27</td><td>28</td><td>29</td><td>30</td><td></td><td></td><td></td></tr> </table>			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td></td><td></td><td></td><td>1</td><td>2</td><td>3</td></tr> <tr><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td></tr> <tr><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td></tr> <tr><td>16</td><td>17</td><td>18</td><td>19</td><td>20</td><td>21</td></tr> <tr><td>22</td><td>23</td><td>24</td><td>25</td><td>26</td><td>27</td></tr> <tr><td>28</td><td>29</td><td>30</td><td>31</td><td></td><td></td></tr> </table>				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31		
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<ul style="list-style-type: none"> <li>▪ <b>November 8</b> Town Council Meeting 7:00 PM</li> <li>▪ <b>November 9</b> Human Resources Begin Updating FY 2017 Compensation Analysis</li> <li>▪ <b>November 14</b> CIP Worksheets Due to Finance</li> <li>▪ <b>November 16</b> Monthly CIP Staff Meeting 2:00 PM</li> <li>▪ <b>November 17</b> Town Council Financial Strategy Session 7:00 PM</li> <li>▪ <b>November 19</b> Distribute FY 2017 Budget Estimates, FY 2018 Budget Narratives, Enhancement Justification and Request Worksheets to Department Managers</li> <li>▪ <b>November 22</b> FY 2018-2022 CIP Review Staff Meeting</li> <li>▪ <del>Town Council Meeting (Cancelled)</del></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>December 6</b> FY 2018-2022 CIP Review Staff Meeting 3PM</li> <li>▪ <b>December 7</b> FY 2018 Staff Budget Kickoff Session with Town Manager 10:00 AM</li> <li>▪ Budget Specialist Reviews GFOA FY 2017 Budget Award Comments with Town Manager</li> <li>▪ Prepare Mid-Year Budget Amendment and Review Public Hearing Criteria (if needed)</li> <li>▪ <b>December 13</b> Town Council Meeting 7:00 PM</li> <li>▪ <b>December 19</b> FY 2017 Budget Estimates, FY 2018 Budget Narratives, Enhancement Justification and Request Worksheets Due to Budget Specialist</li> <li>▪ Advertise Public Hearing for Mid-Year Budget Amendment, if needed (12/30/16 ad 7 days prior to PH)</li> <li>▪ <b>December 20</b> Master Tax &amp; Fee Summary Changes Due to Budget Specialist</li> <li>▪ <b>December 21</b> Monthly CIP Staff Meeting 2:00pm</li> <li>▪ <b>December 27</b> Town Council Meeting (cancelled)</li> <li>▪ <b>December 28</b> Budget Worksheets to Assistant Town Manager for Review</li> <li>▪ <b>December 29</b> Open Logics Module for FY 2108 Budget</li> </ul>																																																																																																																			

# FY 2018 Budget Development Calendar

## FY 2017 – 3<sup>rd</sup> Quarter

	<u>January - 2017</u>	<u>February - 2017</u>	<u>March - 2017</u>																																																														
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<ul style="list-style-type: none"> <li>▪ Final Pay Compensation Analysis Due</li> <li>▪ Assistant Town Manager and Budget Specialist Meet with Department Heads as Needed to Refine Budget Requests</li> <li>▪ <b>Town Council Meeting 7:00 PM</b> <ul style="list-style-type: none"> <li>➢ Hold Public Hearing on Mid-Year Budget Amendment (if needed)</li> </ul> </li> <li>▪ Update Financial Graphs and Trend Data</li> <li>▪ Final FY 2018 – 2022 CIP Worksheets Due</li> <li>▪ Final Department Worksheets Approved by Assistant Town Manager</li> <li>▪ <b>January 18</b> Monthly CIP Meeting 2:00 PM</li> <li>▪ FY 2018-2022 CIP Budget Work Session 7:00 PM</li> <li>▪ <b>January 20</b> Revenue Estimates from Director of Finance</li> <li>▪ Final Department Worksheets to Town Manager</li> <li>▪ Quarterly Budget Compliance Report to Town Manager</li> <li>▪ Final FY 2018 – 2022 CIP to Financial Advisor and Rate Consultant</li> <li>▪ <b>January 24</b> Town Council Meeting 7:00 PM</li> <li>▪ <b>January 30</b> Finance Director Develops Real Estate Assessment Rates Based on Information from the County / Prepares Real Estate Tax Ad</li> </ul>	<table border="1" style="width: 100%; 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Rate Study Consultant</li> <li>▪ <b>February 22</b> Monthly CIP Staff Meeting 2:00 PM</li> <li>▪ Financial Strategy Session 7:00 PM</li> <li>▪ Budget Work Session 8:30 PM <ul style="list-style-type: none"> <li>➢ Preliminary Budget Discussion</li> </ul> </li> <li>▪ Budget Specialist provides Town Manager with outline of Key Budget Points</li> <li>▪ <b>February 28</b> Town Council Meeting 7:00 PM</li> </ul>	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31					<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <tr><td style="text-align: center;">5</td><td style="text-align: center;">6</td><td style="text-align: center;">7</td><td style="text-align: center;">8</td><td style="text-align: center;">9</td><td style="text-align: center;">10</td><td style="text-align: center;">11</td></tr> <tr><td style="text-align: center;">12</td><td style="text-align: center;">13</td><td style="text-align: center;">14</td><td style="text-align: center;">15</td><td style="text-align: center;">16</td><td style="text-align: center;">17</td><td style="text-align: center;">18</td></tr> <tr><td style="text-align: center;">19</td><td style="text-align: center;">20</td><td style="text-align: center;">21</td><td style="text-align: center;">22</td><td style="text-align: center;">23</td><td style="text-align: center;">24</td><td style="text-align: center;">25</td></tr> <tr><td style="text-align: center;">26</td><td style="text-align: center;">27</td><td style="text-align: center;">28</td><td style="text-align: center;">29</td><td style="text-align: center;">30</td><td style="text-align: center;">31</td><td></td></tr> </table> <ul style="list-style-type: none"> <li>▪ <b>March 14</b> Town Council Meeting 7:00 PM</li> <li>▪ Hold Public Hearing on: <ul style="list-style-type: none"> <li>➢ Real Estate Tax Rates</li> <li>➢ Personal Property Tax Rates (if needed)</li> </ul> </li> <li>▪ <b>March 16</b> Advertise Public Hearing on FY 2018 Budget and Other Taxes &amp; Fees (3/24/17 &amp; 3/31/17 ad 7 days prior to Public Hearing)</li> <li>▪ <b>March 22</b> Budget Work Session 7:00 PM <ul style="list-style-type: none"> <li>➢ Town Manager Delivers Proposed FY 2018 Budget</li> <li>➢ Presentation on Long-Term Financial Plan &amp; Projections from Financial Advisor (MFSG) &amp; Utility Rate Consultant (Davenport)</li> </ul> </li> <li>▪ Monthly CIP Staff Meeting 2:00 PM</li> <li>▪ <b>March 28</b> Town Council Meeting 7:00 PM</li> <li>▪ <b>March 30</b> Budget Work Session 7:00 PM</li> </ul>	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	
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# FY 2018 Budget Development Calendar

## FY 2017 – 4<sup>th</sup> Quarter

	<u>April - 2017</u>	<u>May - 2017</u>	<u>June - 2017</u>																																																																																																																																														
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**STAFF REPORT**  
**ACTION ITEM**

Item #12j

**SUBJECT:** Recreation Facility - Bike Park

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Melanie Scoggins; Division Manager- Parks and Recreation  
Daniel Davis; Assistant Town Manager

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**SUMMARY and RECOMMENDATIONS:**

Following a tour of Town properties the Parks and Recreation Advisory Board (PRAB) began exploring options to use some of the properties shown to expand recreational offerings to Town Residents in a cost effective manner. PRAB has conducted initial exploration of bike park facilities and requests Town Council to direct them to perform a detailed exploration of building a bike park on Town Property along South 20<sup>th</sup> Street.

**BACKGROUND:**

In September of 2016 the PRAB went on a tour of Town properties to have a better understanding of Town assets as they relate to recreational opportunities. Following that tour the PRAB was very enthusiastic about weighing the potential for the uses of the properties that they were introduced to with the need to protect and conserve resources on those properties. While brainstorming possible uses for some of the properties, a few ideas came to the forefront as high priorities for investigation. One of which is investigating building a Pump Track bike park on the South 20<sup>th</sup> Street property (vacant property adjacent to the Wastewater Treatment Plant and Maintenance Facility).

A Pump Track is a small track using as little as 10 x 30 feet of land and is a looping trail system of berms and “rollers” for bicycling without the rider pedaling. The name comes from the pumping motion used by the cyclist's upper and lower body as they ride around the track. Pump tracks can be made from a variety of materials including dirt, lumber, steel, or concrete. In many cases they are dynamic structures that can be transported, stored, added to and changed as user need dictates, or removed if Town priorities for property use change. Although more expensive, pump tracks that are constructed from

materials other than dirt will serve the needs of bikers, rollerbladers, scooters and skateboarders.

Initial research reveals that these Pump Tracks can range in price from \$5000 (as shown in the attached case study from Chambersburg, Pennsylvania) to \$159,000 or more (as shown in the top of the line example in the attachment from the American Ramp Company). Each type of track has its advantages and disadvantages. Typically construction takes approximately 1.5 - 2 months.

PRAB has received positive feedback regarding general interest for this type of facility from the local mountain bike community. At the time of writing this report, the planned publish date for the attached “Purcellville Bike Park Survey” was December 6, 2016 to the Mountain Bike Loudoun County (MTBLoCo) organization. PRAB will collect results for several weeks before analyzing responses. If Town Council determines that they would like to continue investigating this possibility, PRAB will create a more detailed survey form to collect community feedback regarding need and desire for this type of facility and use several avenues for collection to ensure a broad audience range.

Additionally, if Town Council is comfortable with this direction, PRAB plans to investigate outside funding sources including individual contributions, grants through The Recreational Trails Program, local bike nonprofit groups such as MTBLoCo, and support from local private businesses.

PRAB would like to continue moving forward with this project and they want to ensure that Town Council is comfortable with them continuing to research using the referenced property for the purpose of a bike park recreational facility. PRAB is also interested in any comments and feedback from Town Council on how they can ensure this project meets the priorities set forth by Town Council

**MOTION(S):**

I move that The Parks and Recreation Advisory Board move forward with researching the opportunity to place a bike park recreational facility on the South 20<sup>th</sup> Street property and return to council with a project plan that reflects the desires of the community and includes information regarding costs, funding structure, liability mitigation, and time line prior to project approval.

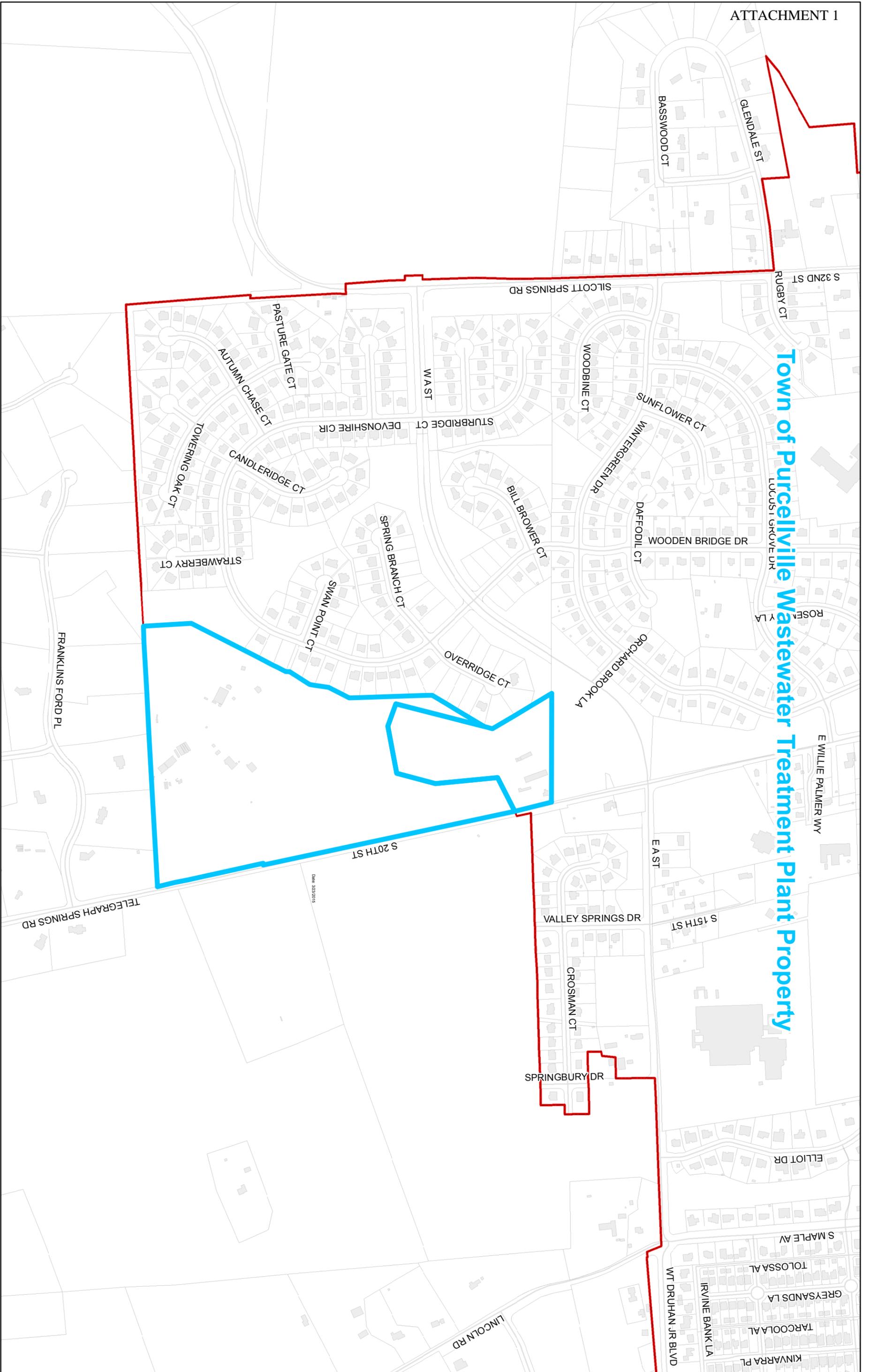
Or

I move another motion.....

**ATTACHMENT(S):**

1. Wastewater treatment property map
2. Chambersburg Pennsylvania Case study and Testimonials
3. Pump track comparison from American Ramp company
4. Purcellville Bike Park Survey

**Town of Purcellville Wastewater Treatment Plant Property**



# Chambersburg Pump Track

[www.chambersburgbikepark.com](http://www.chambersburgbikepark.com)

Chambersburg, PA



## The Chambersburg Pump Track (built in 2008)

- Small, 3000 sq ft.
  - low-to-mid skill level
- professional on-site design-build
- ~100 cubic yds of soil (topsoil and some clay)
- 1 week to build with a professional track builder and a handful of volunteers
- \$5000 cost (with free soil). Cost to Borough - \$2500, and \$2500 was raised by Mountain Bikers of Michaux.
  - Mountain Bikers of Michaux agreed to maintain the track for 2 years.
  - The Borough got a new park in their inventory and a 2-year maintenance agreement for a \$2500 investment. They are very happy with the track.



## Usage

Kids, and especially the local neighborhood kids, have used the track regularly since opening. Many parents bring a carload of kids for a summer evening session, then ride the rail-trail, and grab some ice cream across the street. The track fits in very nicely with the downtown economic development goals.

With older kids, teens, and adults, the usage was very high at first, but faded within a season or two among skilled riders who became bored with the lack of challenge.

*The track has been modified several times to add variety and challenge. The most recent change (adding a jump) has brought back a lot of the older skilled riders.*

## Benefits to Chambersburg

- Economic opportunities for the coffee shops, restaurants, and ice cream shops within walking distance of the track. Sales and service for the local bike shop
- Health – kids are getting outdoor exercise, having fun, and building bike skills that will transfer directly to all forms of cycling and to other sports.
- The track location was a previously ignored, unattractive space. A local Boy Scout landscaped the track area for his Eagle badge.
- Community - Many local kids have become track volunteers for maintenance and litter pick-up. Many have developed a sense of ownership, since it is “their” track.
- Role models - Kids are getting the chance to recreate with other kids, older kids, adults, and often their own parents. All are able to be challenged, and get exercise from a single facility. There is a lot of teaching and bike-sharing

that goes on at the track, with older folks trying to help the younger ones. And, the skilled teens trying to teach the old adults.

### **What we'd do differently if building again:**

- Simple, *build more advanced features and jump lines*. Little kids and beginners can and will ride anything, including large expert features. They just won't have the necessary speed and skill to jump them. The opposite is not true: Expert riders will *not* ride anything. They won't bother with non-challenging tracks and parks. Skilled riders also make our most experienced and dedicated volunteers, so we want to attract and retain their interest and numbers.



To Whom It May Concern:

As the council representative for the 4<sup>th</sup> Ward in the Borough of Chambersburg, I take great pride in my ward, and have worked diligently to keep it clean and safe for our residents.

In 2008, when members of the Michaux Biking Club first approached the Chambersburg Recreation Department Board and presented us with the idea of putting in a pump track, we all had to ask *“what’s a pump track?”*

Three years later, I can happily say that our pump track has been a great addition to Chambersburg, and particularly to my ward, which experienced the loss of a playground that same year due to construction of an elementary school.

A pump track not only provides exercise for all ages, it also becomes a place for socializing and interaction, and even more importantly, provides a venue for kids to get out from in front of the television and/or computer and enjoy themselves outside.

Our borough has worked in conjunction with the Mountain Bikers of Michaux to create an opportunity to get families and community members on bikes having fun. We will be forever grateful to them for approaching us with this project, and for helping us to make it a reality.

I heartily endorse having a pump track in my neighborhood, and if you have the chance to have one developed in your area, you owe it to your residents to take a good look at the benefits it can bring to all of them. Don’t miss out!

FYI – The benefits of outdoor play.

Many of today’s children have become disconnected from the natural world, and recent studies have proven that this is having a detrimental effect on both body and mind. Research suggests that a connection to nature is biologically innate; as humans, we have an affinity for the natural world, and when children spend most of their time indoors, they miss out. Problems associated with alienation from nature include familiar maladies: depression, obesity, and attention deficit disorder. Kids who have direct access to nature are better learners, and exposure to the outdoors has been shown to reduce stress and increase attention spans.

If you have any questions, or would like to visit our facility, please let me know.

Sincerely,

Sharon Bigler, Councilwoman  
Fourth Ward, Borough of Chambersburg

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At 8:00 PM on Sunday, there were kids riding their bikes on the pump track. Larry Camp, Ben Blitch and everyone at Mountain Bikers of Michaux have given the people of Chambersburg a great thing. People are having fun, and getting fit without even knowing it. Everyone, far and near, should come to Chambersburg to ride the pump track; then have your municipality talk to our Borough Council. Let's get some more of these things built, and develop a true bike culture in this area. This thing is just fun. Thank-you Mountain Bikers of Michaux.

Mike Albert

Resident, business owner

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Things have come together well this week, we have had the turnouts I would expect from day to day of kids calling kids and us having a lot of hands to do the work. A lot of these kids are the forgotten bunch, you know the ones who don't really get guidance. I think it is great that in a setting like a pump track they get to see their elders experimenting with style and technique and they might learn a lesson or two about life. But the setting is so fun, they don't really realize it.

The community around this corner that has formed is so multi faceted you can't help but be inspired. A four year old who just learned to ride is on the track being followed by a forty year old who is trying to ride his cyclocross bike on the track because it feels more comfortable. But, my sound byte and user for the day was a mom with a baby jogger who said, "the rhythm must be perfect, my kid was awake and I took a spin on it with the jogger, just to try it out, when I came off the track little one was asleep." I don't really know why but, I like that.

There are a lot of great things that came out of this project and one of them was meeting someone like Larry, he had never undertaken a project like this before and he has given a great gift to the community, even if it disappeared tomorrow. The friendships and camaraderie that were formed around Hood St. will last lifetimes. It is these little ripples in the universe and the smiles they come with that make this such satisfying work. I believe if we all took on little missions in life, to do a project like this, our world would be a better place.

B4 Consulting and Construction

Ben Blitch

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## WHAT IS A PUMPTRACK?



A Pumptrack is a progressive kind of structure that uses an up and down 'pumping' motion to propel the bicycle forward instead of pedaling.

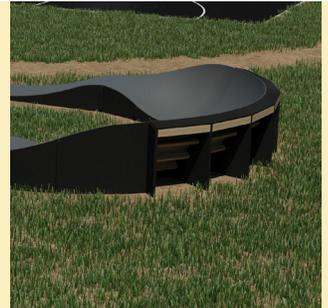
Pumptracks are a perfect structure for practicing balance, learning skills and improving confidence on the bike. They are safe and fun to ride for all ages and skill levels. Pumptracks are suitable for bikes of all sizes, skateboards, rollerblades and scooters.

They create a community environment by bridging the generation gap between parents, small children and adolescents. Our structures are modular, flexible and movable to suit any type of terrain and land usage issues and can be made from various kinds of materials to suit the needs of the client and the surroundings.

## CHECK OUT OUR LINEUP!

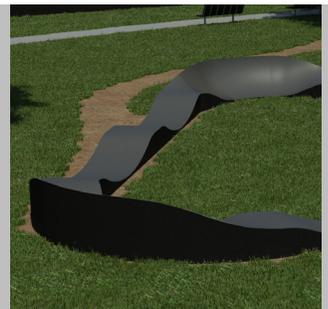
### Lumberjack Series

The Lumberjack series has a substructure that is made from a marine grade lumber and is topped with our ultra grip composite surface. This surface has a texture to it that means that you can ride no matter what Mother Nature throws at you. Because of the modular design it can easily be rearranged or added to at anytime. This line is ideal for indoor settings, mobile setups, resorts, and bike shops. It is easily stored, setup, and transported.



### Blacksmith Series

The Blacksmith Series is built with the same galvanized steel that we use on our park and trail features. The framework has a powder-coat finish for extra protection and is laser cut for precision, and repeatability. It is topped with the same ultra grip composite surface as the Lumberjack Series and comes with a 10 year warranty. It can be permanently installed or installed for temporary portable use. This line is ideal for re-purposing a tennis court, parking lot, or any other hard surface. It can also be dropped into a field, any park, or in conjunction with a skatepark. Because of the modular design it can easily be rearranged or added to at anytime. Perfect for municipalities, resorts, events, or bike shops.



### Mason Series

The Mason Series is constructed with high strength precast concrete. We manufacture these structures using precision molds that give you a perfect shape and riding surface. Each piece is the exact same size and shape as the Lumberjack and Blacksmith Series, meaning you get the same amazing ride in a more permanent aesthetically pleasing manner. The Mason Series can be used for repurposing a tennis court, parking lot or any other pad, or it can be placed as a standalone feature with added landscaping. While it is more difficult the Mason Series can be added to or reconfigured at a later date. The Mason Series is perfect for any municipality or resort that is looking for a worry free progressive biking structure.



Lumberjack

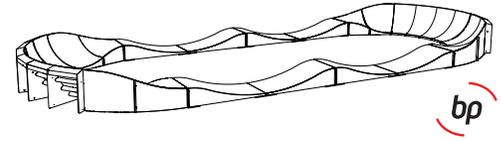
Blacksmith

Mason



## Speed Ring

The Speed Ring is the entry level smallest possible track to build with only one possible layout. It is a great "starter" track as it can be added to over the years to become a larger track. This is a perfect track to learn how to ride pumptrack, or fine-tune your skills. Track Length 125'



\$27,500

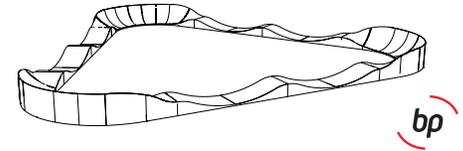
\$35,000

\$45,000



## Triple Threat

You will have a blast flying around the Triple Threat with its three 60 degree turns and equilateral triangle design. The speed you get from this configuration is where the real fun is at. Ride the Triple Threat clockwise or counter-clockwise to see which direction you are faster. Track Length 158'



\$33,000

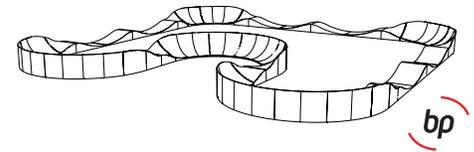
\$42,000

\$54,000



## Sidewinder

The Sidewinder delivers turning in both directions and offers multiple layout possibilities with over 200' of track. The Sidewinder is a great track for improving your agility in the corners. Track Length 215'



\$53,000

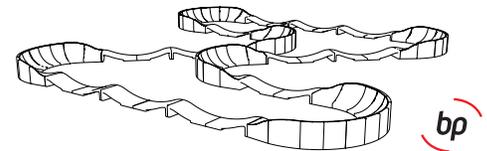
\$67,000

\$86,000



## Mach 6

The Mach 6 is a pumped up version of The Sidewinder containing 6 berms, over 100' more of track and multiple configurations. Host a time trial and post the fastest times on our facebook page to see how your riders compare to others around the globe. Track Length 330'



\$74,500

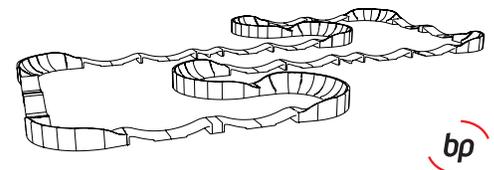
\$94,500

\$121,500



## Grand Prix

The name really says it all, as the Grand Prix is the largest package we offer (of course if you want bigger we will be happy to oblige) being longer than a football field yet compact enough to fit in a 115'x88' space. The Grand Prix has numerous layout possibilities and enough parts to create two of our smaller tracks for head-to-head racing. Track Length 440'



\$97,500

\$124,000

\$159,000

## Purcellville Bike Park Survey

We want to hear from you! If you or your family are interested in getting a bike park in Purcellville, please take some time to fill out this survey. To get help provide more information to the town, we are asking for a name and ZIP code to show how many residents this will benefit. You can leave your contact information if you wish, but it is not required and will be kept private. There is also a comments section at the bottom. Let's get this rolling!

\* Required

Would you use a bike park in Purcellville? \*

- Yes
- No

Where are you from? Please enter your ZIP code \*

Your answer

How often would you or family members use it? \*

- 1-5 times a month
- 6-10 times a month
- 10-20 times a month
- I love bikes, I'll be there every day!

Which features would you like to see? Check all that apply. \*

- Pump track
- Jump line
- Skills course
- Singletrack trail

Do you plan to frequent local businesses or restaurants during your visit to the park? \*

- Yes
- No
- I'm a town resident



Who in your family would be riding here? \*

- Just me
- Just my kids
- The whole family

Would you volunteer for trailwork days to help build and maintain the features? \*

- Yes
- No

Would you be willing to attend and possibly voice your opinion at a future town council meeting? \*

- Yes
- No

Should MTBLoCo donate funds to help build/maintain the park?

- Yes
- No
- Not a member of MTBLoCo

Please leave comments or questions (optional):

Your answer

Name \*

Your answer

Your Contact information (optional):

Your answer

SUBMIT

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**STAFF REPORT**  
**ACTION ITEM**

Item #12.k.

**SUBJECT:** Parks and Recreation Advisory Board Ordinance Amendment

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Melanie Scoggins, Division Manager, Parks and Recreation  
Sally G. Hankins, Town Attorney

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**SUMMARY and RECOMMENDATIONS:**

At its meeting on November 8, 2016, the Town Council adopted a policy that requires all proposed ordinances and ordinance amendments to be directed by Town Council, so that Town resources are properly managed and allocated.

The Parks and Recreation Advisory Board (PRAB) would like to amend the Town Code provisions governing its operation, and seeks Council direction to staff to (1) review the Board's proposed ordinance amendment, (2) prepare a final ordinance for public hearing, and (3) advertise the public hearing. The proposed ordinance amendment is attached to this staff report.

The purpose of the proposed ordinance amendment is as follows: to clarify responsibilities of the PRAB and interaction with other Town committees (the current ordinance refers to non-existent Council standing committees); to clarify duties of the PRAB; and to allow the "junior member" to have voting status. The PRAB is also asking the Town Council to approve revisions to its by-laws, as attached.

**BUDGET IMPACT:**

None.

**MOTION(S):**

"I move that Town Council direct staff to review and finalize the Parks and Recreation Advisory Board's proposed ordinance amendments, advertise the ordinance for a public hearing before Town Council, and review the Board's proposed by-law amendments."

**ATTACHMENTS:**

1. Parks and Recreation Advisory Board's proposed ordinance amendments.
2. Parks and Recreation Advisory Board's proposed by-laws amendments.

## ARTICLE III. - PARKS AND RECREATION ADVISORY BOARD

## Sec. 26-33. - Established; membership; meetings.

- (a) Composition, appointments and terms. The town parks and recreation advisory board is hereby established. Such board shall consist of no more than seven members with priority given to residents from the town. In the event there are not enough residents to fill vacant positions, the town council may appoint up to two individuals who reside outside the incorporated limits of the town to serve. A member of council, appointed by the council, shall serve as an ex officio member of the board. The town manager ~~or his designee and a representative of the Loudoun County Parks and Recreation Department~~ can provide professional support to the board. The members shall be appointed by council to serve two-year terms beginning on September 1 of the year of appointment. The initial terms will be staggered with four members appointed for two year terms and three members appointed for a term of one year.
- (b) Election of officers; meetings. The parks and recreation advisory board shall elect its chairman and vice chairman annually. The town manager, or his designee, shall serve as secretary. Such committee shall meet ~~b~~monthly or more often, as determined by such board.
- (c) The board shall be responsible for the preparation of bylaws for the conduct of meetings. Once prepared and adopted by the board, the bylaws shall be sent to the town council for approval.
- (d) The town manager or his designee ~~manager and a representative of the Loudoun County Parks and Recreation Department~~ can provide professional support to the board. In addition, the parks and recreation advisory board can appoint up to two junior members.

These members will be appointed for a one year term in order to complete this educational experience. Junior members must currently be attending public/private school, college or home school and cannot exceed the age of 21. The junior member is an ex officio voting member.

(Ord. No. 01-11-3, 2-12-2002; Ord. No. 02-10-2, 10-8-2002)

## Sec. 26-34. - Powers and duties.

The parks and recreation advisory board shall have the following powers and duties:

- (1) Adopt rules governing the conduct of its business and meetings.
- (2) Make general policy recommendations to ~~the public works committee~~staff regarding park development and recreation opportunities.
- (3) Identify and pursue grant funding for park and recreation purposes.
- (4) Review proposed annual budgets for town expenditures related to parks and recreation development and make budgetary recommendations to ~~the public works committee~~staff for budget submittal.
- (5) Recommend policies for the expansion of the town park system and the provision of an array of active and passive recreation opportunities.
- (6) Help identify possible improvements and/or expansions to community services and programs, both public and private, which enhance the residential and business community quality of life.

(Ord. No. 01-11-3, 2-12-2002)

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**PURCELLVILLE PARKS AND RECREATION ADVISORY BOARD**

**BY-LAWS**

*Adopted June 21<sup>st</sup>, 2016*

**Article I: Purpose of the Organization**

The Purpose of this Organization is:

- To advise and make recommendations to Purcellville Town Council on recreation and park matters.
- To seek the development of a broad variety of programs, facilities, and services to meet the total needs and demands utilizing the total resources of the Town.
- To inform and educate the public about the importance of and the need for recreation programs, facilities, and services.
- To strive to involve the citizens in the planning and development of the recreation system and identify local needs.
- To establish and maintain an effective public relations program utilizing all appropriate communications media.
- To advise on financial planning and assist in securing adequate budget support.
- To provide close coordination with other organizations, such as community groups, local businesses, park and recreation departments from other municipalities, Loudoun County Public Schools etc., to ensure total cooperative community effort to provide the most effective and economical recreation services possible.
- To evaluate the department's programs, facilities, services and relationships periodically to assure that its goals and objectives are being achieved.
- To provide encouragement, support, and work in partnership with the Council and Town Manager to provide a team approach to solving departmental problems.

**Article II: Membership**

Section 1

The Park and Recreation Advisory Board shall consist of seven (7) members approved by the Purcellville Town Council as specified in the Town Ordinance. Members shall serve without pay. Terms of office shall be two (2) years. A member of council, appointed by the council, shall serve as an ex officio member of the board. The Parks and Recreation Advisory Board can appoint up to two junior members as per Town Ordinance and they shall serve as ex official members. All members, except for the member of council, shall be full voting members.

Section 2

Members are subject to Town ethics policies and the Code of Conduct for Committees Commissions and Boards

**Article III: Officers**

Section 1

Once a year, at the February meeting, the members of Parks and Recreation Advisory Board shall elect from its membership a Chairperson and a Vice-Chairperson.

Section 2

The Chairperson shall preside at meetings of the Parks and Recreation Advisory Board, set an agenda with input from members and town staff, appoint committees and perform all duties generally pertaining to the Office of Chairperson.

Section 3

The Vice-Chairperson shall perform these duties in the absence of the Chairperson.

Section 4

The Secretary, who will be a member of town staff, shall keep a record of the meetings of the Parks and Recreation Advisory Board, record all official actions, and have custody of its books and records, give notices to the members of meetings and perform other duties as may be assigned by the Town Manager. In the absence of the Secretary, a member shall keep a record of the meeting.

**Article IV: Meetings**

Section 1

The Parks and Recreation Advisory Board shall meet on a regular basis and all meetings and records shall be in compliance with the Virginia Freedom of Information Act. Meetings will be generally run following guidelines established by Roberts Rules of Order.

Section 2

Special meetings may be called by the Chairperson or a majority of board members at any time deemed necessary or desirable.

Section 3

A majority of Recreation Advisory Board shall at all times constitute a quorum.

Section 4

The Town Manager or his designee shall be responsible for notifying the media and general public of meetings.

**Article V: Responsibilities**

The Park and Recreation Advisory shall have the following powers and duties as per Town Ordinance:

The parks and recreation advisory board shall have the following powers and duties:

- (1) Adopt rules governing the conduct of its business and meetings.

- (2) Make general policy recommendations to staff regarding park development and recreation opportunities.
- (3) Identify and pursue grant funding for park and recreation purposes.
- (4) Review proposed annual budgets for town expenditures related to parks and recreation development and make budgetary recommendations to staff for budget submittal.
- (5) Recommend policies for the expansion of the town park system and the provision of an array of active and passive recreation opportunities.
- (6) Help identify possible improvements and/or expansions to community services and programs, both public and private, which enhance the residential and business community quality of life.

## **Article VI: Amendments**

### Section 1

Proposed amendments to these by-laws must be submitted in writing at a regularly scheduled meeting. They cannot be voted on until the next regularly scheduled meeting or a subsequent meeting.

### Section 2

An amendment cannot become effective until reviewed and approved by the Purcellville Town Council.



**STAFF REPORT**  
**ACTION ITEM**

Item #12.l.

**SUBJECT:** Extension of Fireman’s Field Lease with Loudoun County

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Robert W. Lohr, Jr., Town Manager

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**SUMMARY and RECOMMENDATIONS:**

The Town’s Fourth Amendment to the License Agreement which allows the County to lease the stadium at Fireman’s Field is scheduled to expire on December 31, 2016. Staff recommends Town Council provide for a one-year extension while the Town Council explores management agreements with other public and private sector entities.

**BACKGROUND:**

The original lease, approved in April 1984, was between Loudoun County Parks and Recreation and Purcellville Volunteer Fire Department. In 1995, the Fire Department granted an extension to the original lease until February 28, 2015. Under the original terms of this lease, the County did not pay the Fire Department an annual lease payment or compensation. It did include some renovations and other upgrades/maintenance items that the County was obligated to install during the period of the lease.

In April 2008, the Town of Purcellville purchased all of Fireman’s Field which included the stadium and effectively inherited the existing lease. With the pending expiration of the First Amendment in 2015, the Town staff met in February 2014 with County leadership and the Department of Parks and Recreation to discuss the County’s interest in remaining at the facility and the terms for an upgraded license/lease agreement. As discussions continued and the Town requested the County to put a place holder in the budget for rent, the Town and County entered into two additional extensions which were dated February 2015 and July 2015. The purpose of these extensions were to give the Town and County time to further discuss the future of the facility and work out potential agreements that would be suitable to all parties. After multiple meetings and telephone calls, the Town Council put it

on the agenda for the meeting on October 27, 2015 to explore options with the County considering a takeover of Fireman's Field or purchase of the assets at that location. A letter was sent to the County Administrator on November 9, 2015 requesting the County to study and fund options for the purchase of Fireman's Field or entering into a capital lease purchase agreement in the upcoming budget. A copy of this letter is included under *Attachment I*. As a result of no successful renegotiation of the existing terms, the Council extended the lease for the fourth time for a period of nine months which took the Town through December 31, 2016. This gave the new Council and Board members time to sit down and discuss all options. After the new Council took office July 1, 2016, the Mayor appointed Council member Cool to help spearhead these discussions. On October 21, 2016, Mayor Fraser, Council member Cool, Town staff, County staff and Supervisor Buffington met to explore all options and alternatives. At this meeting, the consensus from both the Town and County was that we needed to proceed in the following direction:

- 1) The Town and County would need to issue a Fifth Amendment to the License Agreement to extend the agreement through December 31, 2017 which would make sure that we have no interruption in services to our youth sports organizations, Babe Ruth, American Legion and other groups that have scheduled tournaments at this location through the summer of 2017. The County would continue to maintain the facilities as they have for decades under the same agreement.
- 2) During this period, the Town would issue a Request for Proposal (RFP) or solicitation of companies that would be willing to manage a portion or all of Fireman's Field for the Town in order to generate the most return on our investments while covering a debt service of approximately \$286,000 per year. This would help the Town recover some of the \$6,000,000 that we have invested in the facility.
- 3) Based on the response we receive from these inquires, the Town and County will then work together to either negotiate a new extended lease agreement or complete a transition of the field's operations and maintenance to a new management company.

**BUDGET IMPACT:**

Based on feedback that we received from our solicitations, the Town will be able to better look at both the revenue and expenses needed to continue operations at Fireman's Field.

**MOTIONS/OPTIONS:**

"I move that we adopt the attached Fifth Amendment to the License Agreement which extends the lease for twelve months from January 1, 2017 through December 31, 2017 with the County of Loudoun."

**ATTACHMENT(S):**

1. November 9, 2015 letter from Town to Loudoun County
2. March 16, 2016 letter from Loudoun County to Town
3. Original lease and Fourth Amendment to the License Agreement
4. Fifth Amendment to the License Agreement

**Town Manager**  
Robert W. Lohr, Jr.

**Assistant Town Manager**  
Daniel C. Davis

221 S. Nursery Avenue  
Purcellville, VA 20132  
(540) 338-7421  
www.purcellvilleva.gov



**Town Attorney**  
Sally G. Hankins

**Chief of Police**  
Cynthia A. McAlister

**Department Directors**  
Elizabeth Krens, Finance  
Alex Vanegas, Public Works  
Patrick Sullivan, Community Development  
Hooper McCann, Administration

November 9, 2015

Tim Hemstreet  
County Administrator  
Loudoun County, Virginia  
PO Box 7000  
Leesburg, VA 20177-7000

Mr. Hemstreet:

Thank you for the opportunity to request funding from Loudoun County as part of the County’s Capital Improvement Program (CIP). At its October 27, 2015 Council Work Session, the Purcellville Town Council voted (5-2) to direct the Town Manager to work with the County on a possible sale of the Fireman’s Field/Bush Tabernacle property to the County. In short, we propose two options for your consideration, which will be discussed in more detail below. First, we propose an outright purchase of the property by Loudoun County, in which case the County will take over immediate ownership at the time of purchase. Alternatively, we propose a capital lease-purchase arrangement, whereby the County would spread payments to the Town over a longer period of time and would assume ownership at the end of this payment arrangement.

The Town of Purcellville recognizes the importance of Fireman’s Field to the community. It has been a resource for local sports, recreation, and community activities for decades. In 2006, the Town of Purcellville purchased the property from the Purcellville Volunteer Fire Department for \$1,700,000, and since that time the Town has invested over \$4,337,000 into the fields and Bush Tabernacle. The County has and continues to be a significant partner in this property, investing capital funds and maintenance costs to support the activities on the ballfields.

The Town’s primary goal is to ensure that Fireman’s Field and Bush Tabernacle remain public amenities with access to local leagues, groups, tournaments, and the public. Residents and the Council have been clear that this property is one of the hallmarks of our community.

Nonetheless, the Town’s ability to continue supporting these fields, ongoing maintenance, and operations is limited. It is for this reason that Council directed us to work on options to negotiate a sale to the County.

The first option is to sell the property to the County outright. The Town's request on this option is that the County program the purchase of the property in the FY 2017 CIP at the amount of \$5,200,000. This option is the quickest and immediately removes this financial burden from the Town's budget for FY 2017 and beyond.

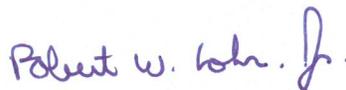
The second option is to develop a capital lease-purchase agreement in which the County contributes a share of capital funding to the Town for the next 10-15 years, at which time the County would assume ownership of the property. Although it would require additional time to develop an agreement, this arrangement might be beneficial to both parties. It reduces the immediate funding request from the Town to an amount that may be easier for the County to assume beginning in FY 2017. It also gives the Town additional time to work with residents and partners to prepare for the transition of the property to the County. For this option, at a 10 year lease-purchase, the Town requests \$540,000 per year (total \$5,400,000), or for a 15 year lease-purchase, the Town requests \$375,000 per year (total \$5,625,000).

The Town recognizes that the County is seen as the *de facto* owner of the property by many in the community, as the field scheduling and maintenance is already handled by the County. There would be little direct impact to the community in either of these arrangements.

The Town also notes that certain details about parking and Town events would need to be considered as part of any purchase agreement, as would details about access to local leagues and continuation of the concessionaire at the Bush Tabernacle. We appreciate your recognition of our ongoing obligations and needs in these areas.

Thank you for the opportunity to make this formal request to the County. As you present this to your Board as part of the FY 2017 Budget, we will be prepared to provide additional information or respond to any questions that may arise.

Sincerely,



Robert W. Lohr, Jr.  
Town Manager  
Purcellville, VA

ATTACHMENT



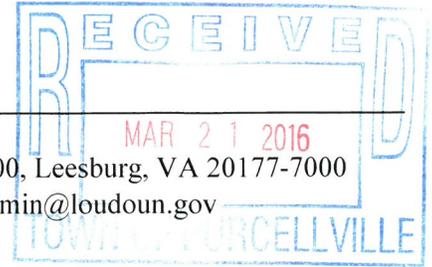
Loudoun County, Virginia

[www.loudoun.gov](http://www.loudoun.gov)

Office of the County Administrator

1 Harrison Street, S.E., MSC #2, 5th Floor, P.O. Box 7000, Leesburg, VA 20177-7000

Telephone (703) 777-0200 • Fax (703) 777-0325 • [coadmin@loudoun.gov](mailto:coadmin@loudoun.gov)



March 16, 2016

Robert W. Lohr, Jr., Town Manager  
Town of Purcellville  
221 South Nursery Avenue  
Purcellville, VA 20132

Re: Fireman's Field

Dear Mr. Lohr:

I am writing in response to the Town of Purcellville's request for a status update regarding possible County funding for either the lease or purchase of Fireman's Field. The Town had requested that the County consider acquiring Fireman's Field from the Town via either of these mechanisms. Our staff analysis of the Town's request indicates that the County does not have an operational need for Fireman's Field. Therefore, I was not able to recommend the acquisition of this facility for funding in the proposed FY17 Capital Improvement Program budget.

As you know, the County's current lease with the Town expires on March 31<sup>st</sup>, 2016. At this point, it is unknown if the Town will extend the lease beyond that date. The County has enjoyed the long standing and mutually beneficial relationship with the Town of Purcellville and prior to the Town's ownership of Fireman's Field, with the Purcellville Volunteer Fire Department. At this time, staff has developed a plan, should it become necessary, to redirect all league and individual team use from Fireman's Field starting April 1, 2016.

I have asked staff from the Department of Parks, Recreation and Community Services (PRCS) to reach out to you next week to discuss whether or not the Town desires to continue our long standing relationship at this facility. We are prepared to discuss continuing our relationship substantially as it exists today. Alternatively, we are also prepared to discuss the handover of the facility back to the Town should that be your decision.

Additionally, as you are aware, there are two scheduled activities that are not league related. One is the Collegiate Baseball Tournament on May 6-8, 2016 and the other is the Purcellville Cannons who are scheduled to play their 21 home games at Fireman's Field this summer beginning in June. PRCS staff would like to discuss with you how we can work together to ensure these events occur without disruption as both of these are considered beneficial to the County and the Town. Finally, PRCS staff would like to discuss with you the process you would like us to follow or who to contact if we receive requests from the public for future use of the facility.

Letter to Rob Lohr  
March 15, 2016  
Page Two

I would like to thank you again for the long standing partnership between the County and Town. The County looks forward to continuing to work collaboratively with the Town to provide recreational opportunities for the citizens of County and the Town.

Sincerely,



Tim Hemstreet  
County Administrator

Cc: Board of Supervisors  
Robert C. Middaugh, Assistant County Administrator  
Steve Torpy, Director, PRCS

This lease agreement made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between the County of Loudoun in Virginia (Department of Parks and Recreation), Lessee and Purcellville Volunteer Fire Department, Lessor.

WITNESSETH:

1. The lease agreement shall cover the premises known as Purcellville Fireman's Field in Purcellville, Virginia, less the skating rink, picnic area and little league field, but including the concession stand, maintenance storage shed, and football press box.
2. The term of this lease shall be 120 months beginning on November 1, 1984 and ending on October 31, 1994. The Lessee shall have complete control of scheduling the premises mentioned in paragraph 1 during the term.
3. The Lessee agrees to lease the large ballfield, concession stand, and storage area for no rent or cost. The Lessee shall incur maintenance cost for the large ballfield lights and concession stand due to breakage from ordinary usage. The Lessor will not be responsible for damage incurred by act of God.
4. The Lessee shall replace lights and will be responsible for paying the electrical bill for the lights during said term mentioned in paragraph 2. The electric bill will be placed in the name of the County of Loudoun for billing purposes.
5. The Lessee agrees to mow and maintain the large ballfield and area enclosed within the outer chain link fence.
6. The Lessee shall be responsible for running the concession stand for all events and may lease the use of the concession stand to other groups who use and rent the field.
7. The Lessee is responsible for policing the parking lot for trash and debris; for maintaining and keeping the bathrooms in good working condition; for clean-up of leaves; for maintenance of the grounds including trimming of tree limbs within the chain link fenced area.
8. The Lessee will honor agreements for this term made between the Purcellville Fire Department and community organizations for the use of the field for special events or activities. Community groups who in years past have not used the field, must contact the Lessee to make arrangements for the field's use for the term of the lease. Lessor will provide a list of organizations to use the field each year.
9. The Lessor will be responsible for scheduling the picnic area and is responsible for trash pick-up in that area.
10. The Lessor will lease for no charge the following items to the Lessee for use at their discretion: 1 popcorn machine; 1 ice cream cabinet; 1 Hotpoint refrigerator; 2 tables; 1 electrical heater.
11. The Lessee to install new ballfield lights as per Loudoun County Parks & Recreation proposal to the Lessor. To be installed before December 1, 1985. (Proposal attached).
12. If the Lessor terminates the Lease before the term expires, the Lessor would be responsible on the following basis:
  - 1st year to 2.5 years - 100% of total capital cost
  - 2.5 years to 5th year - 75% of total capital cost
  - 5th year to 7.5 years - 50% of total capital cost
  - 7.5 years to 10th year - 25% of total capital cost

13. If the Lessee breaches the agreements of this contract there will be no cost to the Lessor. Either party may terminate this lease, by notifying the other party in writing at least ninety (90) days in advance.

14. The Lessee will be charged for water usage during the term mentioned in paragraph 2.

15. The Lessor shall not be liable to the Lessee or any other person for the loss or damage suffered during the lease on account of any defective condition or depreciation of the leased premises or any building, structure, or equipment upon leased premises resulting from the negligence of the party due to potential defects in the leased premises and fixtures thereon, during the term of this lease.

16. The Lessee may change the locks on the concession stand, maintenance shed and gates provided the Purcellville Fire Department representative is given a set of keys.

17. A Board of Arbitration will be formed, two representatives from the Lessor, two from the Lessee, and one outsider chosen by both parties.

18. Any capital improvements to be made in the area mentioned in the lease, the Lessee will notify the Lessor in writing at lease fifteen (15) days in advance.

Signed \_\_\_\_\_

Date \_\_\_\_\_

President \_\_\_\_\_

APPROVED AND ACCEPTED BY AND FOR THE COUNTY OF LOUDOUN, VIRGINIA  
IN BEHALF OF THE DEPARTMENT OF PARKS & RECREATION.

Signed \_\_\_\_\_  
Chairman, Board of Supervisors

Date \_\_\_\_\_

Signed \_\_\_\_\_  
County Administrator

Approved as to form: Date \_\_\_\_\_

Signed \_\_\_\_\_  
Director, Parks & Recreation

Approved as to form: Date \_\_\_\_\_

Signed \_\_\_\_\_  
Director, Account & Purchasing

Date \_\_\_\_\_

Signed \_\_\_\_\_  
County Attorney

PROPOSAL

The County of Loudoun will install Mercury Vapor Metal Halide Lights (36) at the Purcellville Fireman's Field. The County will be responsible for all cost for the new lighting system, such expenses as wiring, new service, installation, the light units and maintenance of the system. The County will accept responsibility for all cost and liability.

**FIFTH AMENDMENT TO THE LICENSE AGREEMENT**

By mutual agreement, the Lease dated March 4, 1984, as subsequently amended (collectively the "Lease"), concerning Fireman's Field, 250 South Nursery Avenue, Purcellville, Virginia 20132 (PIN 488-27-5623), between **THE TOWN OF PURCELLVILLE** ("Lessor") successor in interest to the Purcellville Volunteer Fire Department, Incorporated and the **BOARD OF SUPERVISORS OF THE COUNTY OF LOUDOUN, VIRGINIA** (the "County" or "Lessee") (collectively, the "Parties") is hereby amended as follows, effective on the date of the last of the signatures below.

1. By Deed Dated April 29, 2008, recorded among the land records of Loudoun County, Virginia, Instrument Number 20080501-0026432, The Town of Purcellville is the Owner and Landlord of the Premises that is the subject of the March 4, 1984 Lease.
2. This Lease shall be extended for twelve (12) months, from January 1, 2017 through December 31, 2017. In all other respects, the terms and conditions of said Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures:

**LESSEE:**

**BOARD OF SUPERVISORS OF  
THE COUNTY OF LOUDOUN, VIRGINIA**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Director of General Services

Date: \_\_\_\_\_

**LESSOR:**

**TOWN OF PURCELLVILLE**

By: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Kenneth M. Golski  
Assistant County Attorney  
County of Loudoun, Virginia

Name: Robert W. Lohr, Jr.

Title: Town Manager

Date: \_\_\_\_\_

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**STAFF REPORT**  
**ACTION ITEM**

Item # 12m

**SUBJECT:** Initiation of Zoning Ordinance Text Amendment to Amend the Floodplain District & Authorization for Public Hearings

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACT:** Daniel Galindo, AICP – Senior Planner

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**SUMMARY and RECOMMENDATIONS:**

Prior to February 17, 2017, the Town of Purcellville must adopt a new Flood Insurance Rate Map and revise its floodplain regulations to comply with the current standards of the National Flood Insurance Program (NFIP). Failure to do so would result in the Town's removal from the NFIP. The Town's participation in the NFIP allows the Town to be eligible for certain federal funds in the event our infrastructure is damaged during a flood and also ensures that flood insurance is available for purchase by property owners within the Town. Staff recommends that Town Council initiate a zoning text amendment to amend our floodplain regulations and authorize public hearings on the amendment in January.

**BACKGROUND:**

Since early 2014, the Federal Emergency Management Agency (FEMA) has worked with Loudoun County and its towns to update and improve the accuracy of the county-wide Flood Insurance Rate Map (FIRM). The new FIRM has been finalized, and the Town must adopt the new FIRM by February 17, 2017 in order to remain in the National Flood Insurance Program (NFIP). Before then, Purcellville must amend the floodplain regulations in its Zoning Ordinance (Article 12) to adopt the new FIRM and satisfy the current standards of the NFIP. Staff has prepared a draft ordinance to amend our floodplain regulations which was sent to the Virginia Department of Conservation and Recreation (DCR), which administers the NFIP in the Commonwealth, in early November to be reviewed for compliance with NFIP standards. Within the past few days, DCR has returned comments requesting and suggesting a few minor changes to the draft ordinance to ensure its compliance with these standards, and Staff will incorporate the changes in to the ordinance in coming days.

The attached Resolution proposes initiating the required zoning text amendment. The recommended motion (below) to adopt the Resolution also authorizes Staff to schedule separate public hearings on the zoning text amendment for both the Planning Commission and Town Council. In order to adopt the amendment and provide adequate time for FEMA to review the Town's revised regulations for compliance with the NFIP prior to February 17<sup>th</sup>, the public hearing and adoption processes for both the Commission and Council would run in parallel in January on the following timelines:

	<i><b>Planning Commission</b></i>	<i><b>Town Council</b></i>
Public Hearing Date:	January 5	January 10
Target Date for Vote:	January 19	January 24

**FINDINGS:**

1. Failure to adopt the new FIRM and amend our current floodplain regulations by February 17, 2017 will result in the Town's removal from the NFIP.

**BUDGET IMPACT:**

There is no significant budgetary impact to initiate and adopt new floodplain regulations. If new regulations are not adopted and the Town is removed from the NFIP, there could be significant budget impacts in the event of a flood that damages Town infrastructure as we would no longer be eligible for certain federal disaster relief funds.

**MOTIONS:**

I move that Town Council adopt Resolution 16-12-04 initiating amendments to Article 12 of the Zoning Ordinance and authorize Town Staff to schedule the Planning Commission's public hearing on this amendment for January 5 and Town Council's public hearing for January 10.

**ATTACHMENT:**

1. Resolution 16-12-04

**TOWN OF PURCELLVILLE  
IN  
LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 16-12-04**

**PRESENTED:  
ADOPTED:**

**December 13, 2016**

**A RESOLUTION:     INITIATING AMENDMENTS TO ARTICLE 12 (FLOODPLAIN DISTRICT) OF THE ZONING ORDINANCE**

**WHEREAS,** the Town of Purcellville participates in the National Flood Insurance Program; and

**WHEREAS,** a new Flood Insurance Rate Map covering the Town's corporate limits will become effective on February 17, 2017; and

**WHEREAS,** the Town of Purcellville must adopt the new Flood Insurance Rate Map and revise its floodplain regulations in Article 12 of the Zoning Ordinance to comply with the current standards of the National Flood Insurance Program in order to maintain its participation in the Program.

**NOW, THEREFORE, BE IT RESOLVED** that the Council of the Town of Purcellville, Virginia hereby initiates a text amendment to Article 12 of the Zoning Ordinance to amend the Town's floodplain regulations, as necessary, to maintain the Town's participation in the National Flood Insurance Program.

**PASSED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2016.**

\_\_\_\_\_  
Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

\_\_\_\_\_  
Diana Hays, Town Clerk

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**STAFF REPORT**  
**ACTION ITEM**

Item # 12.n.

**SUBJECT:** Paralegal Staffing for Town Attorney’s Office

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Sally G. Hankins, Town Attorney  
Robert W. Lohr, Jr., Town Manager

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**SUMMARY and RECOMMENDATIONS:**

In June of 2016, the Town Council adopted and appropriated the FY 2017 Budget, which included the appropriation of funds for a part-time paralegal. The position was approved after discussion by Town Council, which included a presentation by Staff of the documents attached to this Staff Report as Attachment 1 (“Enhancement Request December 2015”) and Attachment 2 (“Paralegal Justification Statement”).

The Town advertised the paralegal position in November and December of 2016, indicating that the Town would accept applications through December 21, 2016. The Town published the job advertisement in the Loudoun Times Mirror and Loudoun Now newspapers, posted the job on the Town’s website and on the National Legal Assistants Association (“NALA”) website, and circulated the job advertisement by email to all members of Virginia’s Local Government Paralegal Association.

In July of 2016, several new members were seated on the Town Council who would like to better understand and consider the appropriation of funds for the paralegal position.

The Town Attorney and Town Manager recommend that Town Council continue the existing appropriation for a part-time paralegal.

**BACKGROUND:**

The Town hired its first in-house full-time attorney in June of 2012. The position was new, with legal needs previously met by hiring outside legal counsel who served the Town on a part-time basis and also had other clients. The Town’s need for full-time legal counsel

dedicated only to the Town of Purcellville was identified by the Town in 2008, evidenced by a backlog of legal work and, in some cases, a lack of legal review prior to action by the Town when legal review was advisable.

The Town Attorney is responsible for the tasks shown on Attachment 3 to this Staff Report, entitled "Responsibilities of the Town Attorney's Office". To get a flavor of the type of work done on a day-to-day basis, please review Attachment 4 ("Town Attorney Work Done in October-November 2016") and Attachment 5 ("Town Attorney Work to be done in December - January and possibly February").

Through experience with the Town over the last 4 years, the Town Attorney has identified work that is in the Town's best interest to perform, or has been requested by Staff but is currently in "backlog" status. This work is identified in Attachment 6 ("Town Attorney Backlog Work") to this Staff Report.

**ISSUES:**

The first and foremost reason to hire a paralegal is one of tracking. With the volume of work in the Town, there is a real risk that something time-sensitive will be overlooked unless there is a person designated to track such items. Such an oversight would put the Town at risk of liability or expenses, or both.

The second most important issue is that the Town's ordinances be lawfully adopted and routinely amended to remain lawful. Court opinions and statutory changes have altered laws in a way that affects several of the Town's ordinances. These ordinances need to be updated. Ordinance amendment is an inter-departmental undertaking. The Town Attorney recommended at the Town Council's strategic planning session that a standing committee comprised of key staff and council member representatives be created for the purpose of updating existing ordinances. This recommendation remains in place.

The third most important issue is one of progress. Town Council should consider how much it wants to accomplish from the Backlog Work list at Attachment 6. The Town has made steady progress since hiring a full time Town Attorney on backlogged items, including: resolving many long-standing lawsuits, resolving disputes and ambiguities under the Farm Market ordinance, resolving tax issues under the Events Ordinance, creating policies for the Town Clerk regarding Meeting Minutes, Agendas, the Town Calendar and Legal Advertisements in order to improve the uniformity of the product and to prevent errors; creating forms and processes to ensure the Town uniformly collects delinquent taxes and fees; and creating an annexation policy. The Town's status quo of

“slow but steady progress” can be continued, or additional personnel can be added to accelerate the pace at which tasks can be completed.

**BUDGET IMPACT:**

The Town Council voted to allocate \$33,609 for the part-time paralegal position. If that position is removed, that cash outlay may be saved by the Town. While the cash outlay may be saved, the Town's risk exposure will remain unnecessarily elevated and cost efficiencies will not be realized: the Town Attorney currently performs administrative tasks such as file management, email and records management, copying/scanning, calendar tracking, and mail items that would be more cost-effectively handled by a paralegal.

**MOTIONS:**

“I move that Town Council affirm the appropriation of funds to hire a part-time paralegal in Fiscal Year 2017.”

OR

“I move that Town Council direct staff to cease all hiring efforts for a part-time paralegal, and to refrain from such efforts until further notice.”

**ATTACHMENTS:**

1. “Enhancement Request December 2015”
2. “Paralegal Justification Statement” dated March 2016
3. “Responsibilities of the Town Attorney's Office”
4. “Town Attorney Work Done in October-November 2016”
5. “Town Attorney Work to be done in December – January and possibly February”
6. “Town Attorney Backlog Work” dated December 2016

**Administration****Paralegal (part-time 20 hours)**

1. Describe the enhancement and what problem it is meant to address. Who are the customers that will be served by this enhancement? Does the enhancement create a new program/activity or improve an existing one?

A part-time paralegal will increase efficiencies in the Town Attorney's office. The proposed enhancement will allow an administrative professional to perform the Town Attorney's administrative work, in lieu of that work being performed at a higher cost by the Town Attorney. The Town Attorney's office was first created in 2012, and had no existing infrastructure. A system needs to be developed for the Town Attorney's office that includes developing and updating the Town's legal forms, tracking incoming and outgoing legal work, calendaring legal deadlines, filing and storing legal documents for the Town. Once those systems have been created and implemented, the paralegal can switch his or her focus to performing pro-forma legal work, such as preparing FOIA responses and reviewing submitted deeds and contracts. Currently, the Town Attorney sends overflow work of a pro-forma nature to outside counsel, which generally costs in the neighborhood of \$250 per hour. I expect that once the administrative systems are in place and running smoothly, the paralegal can devote 10 of the 20 hours per week to pro-forma legal review at a savings to the Town of about \$250 per hour. Additionally, the paralegal can perform legal research at a cost lower than that of the Town Attorney.

2. Which key performance measures indicate there is a need for this enhancement? How will the enhancement impact service delivery and improve efficiencies? How will the performance measures improve if the enhancement is funded and to what extent? Please refer to specific performance measures.

Please see above.

3. What will be the impact on the program and key performance measures if the enhancement is not funded? Please refer to specific performance measures.

If a paralegal is not funded, the Town Attorney's office will continue to function, but with less efficiency than is possible with a paralegal.

4. How does this enhancement specifically align with Council's priorities and strategic initiatives? How does this enhancement contribute to the Department's mission, goals, and/or service plan?

This enhancement furthers the Town Council's "Good Governance" initiative, which states that defined roles shall be performed efficiently. Currently, the Town Attorney is performing both legal and paralegal functions. This enhancement will allow better definition of the role of the Town Attorney, and will allow the Town Attorney to more effectively use her time.

5. Were alternatives to this enhancement considered (for example, outsourcing)? Why was this enhancement chosen over its alternatives?

Alternatives were considered to address the administrative functions that a paralegal would serve. At one point, the Town Clerk was considered as a possible administrative professional to assist the Town Attorney, however it became apparent that the Town Clerk's responsibilities constitute a full-time position without assisting the Town Attorney. Also, using the front-desk staff was considered. However, there are four such staff members and the resulting lack of continuity would be problematic.

6. Does this enhancement impact other departments? If it is not funded, how will it impact other departments?

The Town Attorney's office serves all Town departments. All Town departments would be benefitted by the increased capacity.

7. Has this enhancement been proposed during prior budget processes?

No

8. If yes, what was the reason it was not funded previously?

9. What timing considerations are involved with this enhancement? For example: When will the facility open? When will office space need to be configured? When will technology and vehicles need to be purchased? When will positions need to be recruited and hired? How will the collection of new revenue be coordinated?

There are no timing constraints.

**Question: Paralegal part-time position – would like details on value added from position and identify risk of not having the position. Potential dollars saved by not outsourcing?  
(3/29/16 Mayor Fraser & Council member Lehr)**

A part-time paralegal will increase efficiencies in the Town Attorney's office.

The Town Attorney's office was first created in 2012, and had no existing infrastructure. A system needs to be developed for the Town Attorney's office that includes developing and updating the Town's legal forms, tracking incoming and outgoing legal work, calendaring legal deadlines, and filing and storing legal documents for the Town. Once those systems have been created and implemented, the paralegal can switch his or her focus to performing pro-forma legal work, such as preparing FOIA responses and reviewing submitted deeds and contracts, in addition to performing the ongoing administrative tasks of the Town Attorney's office.

The proposed enhancement will allow the Town Attorney to diminish time spent on administrative and paralegal tasks. Administrative and paralegal tasks currently done by the Town Attorney include: (a) review and approval of invoices from outside counsel, (b) filing, (c) copying and scanning, (d) occasional delivery of documents for recordation to the Courthouse, (e) meeting arrangements, (f) making reservations to attend required conferences, (g) ordering or renewing reference material or software for the Town Attorney's office, (h) checking and correcting references to the Virginia Code and the Town Ordinances, contained in the Town Code, (i) gathering historical documents in order to research a topic, and (j) review of public records in response to FOIA requests. The Town Attorney spends approximately 5 to 10 hours per week on such tasks. With these tasks transferred to a paralegal, the Town Attorney can spend this time on projects that require legal review. This will result in an increased speed of review for requests that come from all of the Town departments, and a more cost-efficient allocation of resources.

Currently, the Town Attorney sends overflow work of a pro-forma nature to outside counsel, which generally costs in the neighborhood of \$250 per hour. It is expected that once the administrative systems are in place and running smoothly, the paralegal can devote 10 of his or her 20 hours per week to pro forma legal review, and the remaining 10 to more administrative tasks. If the paralegal prevents even 5 billable hours per week from flowing to outside counsel, the annualized result will be the retention of \$65,000 per year that would otherwise be paid to outside counsel – an amount that is almost double the requested \$33,000 annual compensation.

Prior to this request, Town Administration attempted to utilize existing resources in order to address the administrative functions that a paralegal would serve. At one point, the Town Clerk was assigned to the Town Attorney to serve an administrative role, however it became apparent that the Town Clerk's responsibilities constitute a full-time position without assisting the Town

Attorney. Also, using the front-desk staff was considered. However, there are four such staff members and the resulting lack of continuity would be problematic.

This requested enhancement furthers the Town Council's "Good Governance" initiative, which states that defined roles shall be performed efficiently. Currently, the Town Attorney is performing both legal and paralegal functions. This enhancement will allow better definition of the role of the Town Attorney, and will allow the Town Attorney to more effectively use her time. If a paralegal is not funded, the Town Attorney's office will continue to function, but with less efficiency than is possible with a paralegal.

**Responsibilities of the Town Attorney's Office**  
**Updated December 2016**

**Town Council**

1. Keep Town Council informed of all litigation and legal matters affecting the Town
2. Research and answer legal and ethical questions for Town Council regarding:
  - a. Authority of Town Council to act on any given matter
  - b. Virginia Freedom of Information Act, including rules governing closed sessions and attorney-client privilege
  - c. Rules of Procedure
  - d. Statements of Economic Interest
  - e. Conflict of Interest Act
  - f. Appointments and Management of Committees, Commissions, and Boards
3. Assist all Staff in drafting staff reports to Town Council, so Council's action is based on a record that is sufficient to survive challenge
4. Defend Town against legal challenges
5. Prepare Ordinances, Resolutions, and Motions for adoption by Town Council
6. Advise on procedures for calling a Special Meeting and other actions by Council
7. Update Council on new state legislation affecting Town
8. Lobby state or other local governments on behalf of Town to obtain legislative changes

**Administration / Procurement**

1. Draft or review contracts, including those pertaining to:
  - a. sale, lease, or license of public property
  - b. special events
  - c. construction projects
  - d. purchase of goods and services (including: construction projects, Town uniforms, cleaning services, financial audits, software, events management services, management of the Bush Tabernacle, public relations services, mailing services, Town security systems)
2. Research and answer questions regarding the Virginia Public Procurement Act (eg; cooperative procurement, change to contract subsequent to its publication with the request for bids, debarment, electronic signatures, pro bono services, on-call service contracts)
3. Research authority for Town to make or receive donations of cash or in-kind services
4. Advise staff regarding special projects, such as "Shop Purcellville," special events, conservation easements, naming rights
5. Update ordinances to reflect changes to state law and other recommended improvements
6. Provide advice concerning, and draft Town Policies
7. Draft legal advertisements

**Responsibilities of the Town Attorney's Office**  
**Updated December 2016**

8. Continue legal education; participate in Local Government Attorneys' Association
9. Maintain case files and legal research files
10. Review and approve invoices from outside counsel

**Finance**

1. Assist with the collection of delinquent taxes and fees: Prepare Treasurer's liens, distress warrants, and summons. Research law as needed.
2. Research and answer questions regarding Tax and Fee Laws, including: Meals Tax, Business Professional Occupancy License Tax, Real Property Tax, Special Tax Districts, Personal Property Tax, Elderly Tax Relief, Tax Exemptions, Tax Refunds; special voting requirements for matters regarding taxes and fees
3. Review documents on bond issues/refinancing
4. Respond to bankruptcy pleadings when residents owe taxes and have filed for bankruptcy
5. Draft or review legal advertisements

**Community Development**

1. Review proffers
2. Advise on law regarding land development, subdivisions, site plans, and zoning amendments
3. Review vested rights determinations
4. Review zoning determinations
5. Review sign regulations relative to first amendment issues
6. Assist with the prosecution of zoning and Town Code violations
7. Review or supervise the review of deeds of easement, dedication, and boundary line adjustment, along with accompanying plats
8. Review or draft legal advertisements
9. Research and answer questions regarding the authority of the Planning Commission and Board of Architectural Review
10. Research and assist with enforcement against dilapidated or blighted properties
11. Draft ordinances
12. Draft all documents regarding annexation of land into Town limits; negotiate terms

**Public Works**

1. Review deeds of easement and dedication
2. Review construction contracts; purchase contracts
3. Advise on subdivision ordinance and FSM requirements

**Responsibilities of the Town Attorney's Office**  
**Updated December 2016**

**Police**

1. Provide legal advice concerning lost and unclaimed property; defense of Officer who failed to answer summons; authority to act; sovereign immunity; General Orders

**Town Clerk**

1. Advise Town Clerk on FOIA requests, Rules of Procedure, and Town records management

**Human Resources**

1. Research and advise on employment law
2. Advise Department Heads on employee discipline and termination
3. Represent the Town in grievance hearings
4. Manage outside employment counsel in actual or probable litigation

**Town Attorney work done in 36 Working Days, from 9/28/2016 through 11/30/2016  
(excluding holidays and vacation days)**

1. Mobilitie Monopole Application; researched law and prepared denial letter (2 days)
2. DeKanter – researched easement law and closed matter
3. Sent lien authority and priority law to Steve Jackson at LoCo re Steinberger tax lien case
4. Village Case – reviewed application and sent comments to Staff
5. Paralegal – researched position, created job description, drafted advertisement
6. MOU w LoCo Commissioner – reviewed and attended meeting at LoCo to discuss
7. Town Code Amendments:
  - a. CCBs: drafted ordinances for arts committee and tree & beautification
8. Rescind Kline Annexation Resolution
9. Complaints against officials – prepared Final Draft and staff reports; phone calls with Council members
10. Trash Contract – American Disposal – reviewed and drafted Amendment
11. ZO Text Amendments – drafted text and/or staff reports for:
  - a. Real parties in interest, initiated 9.13.16. 11/3/16 PH
  - b. Height in C4, initiated 10/11/16 Need Direction from PC as to changes
  - c. Civil Penalties
  - d. Stream and Creek Buffer
  - e. Clearing Limit Sizes
  - f. Screens and Plantings
12. Local Government Attorneys Conference – attended for 3 days
13. General Assembly legislative agenda – develop suggestions; prepare resolution and staff report
14. Amended Application form for Sports Grants to address Va Code 15.2-953
15. Legal opinion regarding BPOL disclosure issue
16. Legal Opinion regarding non-conforming lot issue

**Town Attorney work done in 36 Working Days, from 9/28/2016 through 11/30/2016  
(excluding holidays and vacation days)**

17. Email to R Lohr regarding TC participation in pre-application meetings
18. Citizen request: Lot consolidation legal advice re Lender Signature; review Deed of Trust; render opinion that lender signature not needed on deed
19. Citizen request: Does Deed of Dedication prohibit subdivision of 1.67 acre property – research lot and call citizen to answer
20. Review staff reports and legal advertisements for Mary's House of Hope SUP and Makersmiths SUP
21. Draft legal ad and staff report for Real Parties in Interest; legal researched re requiring recusal in event of a conflict
22. Davenport contract renewal – reviewed, amended and extended for one year
23. Audit Letter from Town Attorney to Auditors re pending or threatened litigation
24. Staff Report regarding Kline Annexation
25. Comp Plan Amendments – discussions with Town Council; prepare alternative Resolution concerning JLMA properties
26. Review Basic Ordering Contract proposed amendments from WRA and RKK; sent comments to Dale Lehnig
27. Review personnel issue; research confidentiality agreements; discuss investigative protocol with outside counsel; respond to personnel email.
28. Review police general orders and police code of conduct regulations; research legal issues
29. Review Christmas parade contract
30. Review proposed wireless infrastructure legislation and send comments to Va Association of Counties
31. Drafted legal ad for police barment program
32. Research voting requirements at joint meetings with a shared member; email Town Council re same
33. Research Going Out of Business Sales and send email to Town Council re same
34. Research Town donation to food bank and email staff re same

**Town Attorney work done in 36 Working Days, from 9/28/2016 through 11/30/2016  
(excluding holidays and vacation days)**

35. Research disposal of surplus property laws and email summary of requirements to police department
36. Meeting with owner of Lot 6F, Valley Industrial Park – legal research as to his ability to develop the property; meeting with Rob Lohr and staff; email Mr. Leone re legal opinion.
37. Email to Town Clerk re: meaning of “the record” and how such files should be managed
38. Amended Tyler Software contract to remove transparency portal.
39. Email Town Clerk re minutes and failure to use microphone; consider alternatives to capturing comments
40. Meeting with Procurement Specialist re contract protocols; update of Procurement Manual.
41. Researched ability of Town Council to vote without having received a PC recommendation on an SUP case; discovered prohibition of joint public hearings in SUP cases; emailed TC re same.
42. Email to TC regarding easement on Hirst Reservoir and basis for closed meeting
43. Researched town’s ability to refuse water/sewer service to properties located in town. Email re same to Town Manager.
44. Research and answer in response to complaint that TC Resolution cannot dictate to PC that it make a recommendation to lower the height in C4
45. Emails to Town Council re why it is inadvisable to apply meals tax revenue to the Town’s debt incurred for water and sewer facilities, according to our financial consultants; discuss same with finance staff for better understanding; review consultant reports re same
46. Research 42 US Code Section 1983 re right of private property owner to obtain damages and attorneys’ fees from the Town
47. Research and email to Town Council re how to get on governor’s radar concerning technology development in or around the Town

**Town Attorney work done in 36 Working Days, from 9/28/2016 through 11/30/2016  
(excluding holidays and vacation days)**

48. Meeting with Council member re high speed data service and idea for town facilitation of such service; some legal research re same
49. Email responding to Council questions regarding legislative body attendance at administrative meetings
50. Email to staff re “waiver” standards under the Events ordinance.
51. Email to staff re the need for AirBnB ordinance; quick research of other jurisdictions’ regulations
52. Research VML Investment Pool; draft legal ad to notify public of ordinance adoption
53. Research sovereign immunity doctrine; begin draft of practices to implement to maximize immunity of Town and employees
54. Assisted Town of Round Hill on question re how to accept donation of land
55. Legal research regarding bond reduction; meeting with Brookfield regarding bond reduction on Mayfair
56. Attend Ball property pre-application meeting
57. Attend meeting with Valley Springs II developer

**Town Attorney Work To Be Done in December, January and possibly February**

1. Review Mary's House of Hope closing documents
2. Draft Lease for Makersmiths
3. Draft Ordinances for:
  - a. VML Investment Pool
  - b. Civil Penalties
  - c. C4 Height
  - d. Stream and Creek Buffer
  - e. Clearing Limits
  - f. Landscaping, Screens and Plantings Ordinance
  - g. Police Barment program
4. Cell Tower leases for Sprint and T-Mobile
5. High Speed internet request from Council Member – prepare report
6. Sierra Case update; answer questions from Council
7. Comprehensive Plan legal review
8. Personnel Matter – four days already spent; more to come

**Town Attorney Backlog Work as of December 7, 2016**

1. Revise Noise Ordinance
2. Revise Sign Ordinance
3. Update or Review Update of Architectural Design Guidelines
4. Establish system and software for tracking and managing Town contracts, including tracking receipt of annual rent increases, proof of insurance, renewal or expiration dates, etc.
5. Track and manage Right of Way Use fees; review old franchise agreements
6. Develop a policy for the process to dispose of surplus property and evidence held by police
7. Revise Personnel Manual – long overdue
8. Establish a protocol for personnel investigations
9. Revise Police General Orders
10. Revise Procurement Policies, including: a policy regarding “responsibility” determinations, a cooperative procurement process; a Contract Chapter that addresses essential contract terms; a contract checklist; creates contract addendum of required Virginia terms; review and update standard insurance language; standardizes as much as possible
11. Draft Public Private Partnership Guidelines
12. Revise Zoning Ordinance – capture improper delegations of legislative authority; Update Zoning Ordinance comprehensively; coordinate zoning ordinance with Town Code; update to reflect current case law
13. Revise subdivision ordinance; create standardized approval and denial letters
14. Revise Facilities Standards Manual
15. Create Administrative processes within Town Attorney’s office; track legal costs; track projects; keep calendar; file management system; create Upjohn warning and a policy for its use to avoid conflicts of interest, without impairing service to Staff and Town Council
16. Create a policy governing political speech at Town events
17. Create policies governing Town Code and Town Zoning Enforcement actions; prepare forms; train enforcement officer; constitutional search and seizure issues; risk of Section 1983 claims

## Town Attorney Backlog Work as of December 7, 2016

18. Rewrite the Town Code “Committee Commission and Board” sections
19. Create Bylaws for CCBs
20. Routinely amend Town ordinances after General Assembly legislation is adopted each year
21. Routinely identify state legislative changes that would assist Town; work with other jurisdictions
22. Draft a Debarment policy regarding poor-performing contractors
23. Negotiate new Verizon Franchise Agreement
24. Performance Bonds – update Ordinances, Bond policies, and Bond forms to provide greater protection to Town upon developer default; require periodic as-builts by ordinance. Address bond extensions, release, and reductions.
25. Review and update construction contracts to incorporate terms recommended by VDOT and construction law counsel; better protect Town in event of contractor breach
26. Update our inoperable vehicles ordinance to reflect current state law
27. Draft False Alarm Reduction Ordinance for Police
28. Assist Finance in identifying methods for collection on sewer-only accounts
29. Draft policies for adoption by Council re: how the Purcellville Arts Committee selects its recipients of monetary donations
30. Sovereign Immunity – create policies that maximize Town’s immunity from tort liability: consider whether police general orders should be approved by legislative body to strengthen extension of immunity to officers; Town has duty to warn its employees of all reasonably foreseeable dangers; TC is immune only when acting in legislative capacity – be careful of administrative or supervisory actions by TC; Advise TC how immunity can be waived (review case law & see LGA paper where waiver was not explicit)
31. Draft policy for who handles / has access to government data under Govt Data Collection and Dissemination Act; apply to police records and body cameras
32. Revise Pneumatic gun ordinance per authority at 15.2-915.4
33. Complete Review of State’s model floodplain ordinance and send comments

## Town Attorney Backlog Work as of December 7, 2016

34. Draft an ordinance to establish that submission of development plans constitutes consent by the owner of the copyrighted material to copy and distribute such plans for the purpose of informing the public and responding to FOIA requests
35. Consider requiring insurance from farm markets/vendors for food safety
36. Terminate or amend the Train Station Covenants
37. MOU with Visit Loudoun re Train Station and Transit Occupancy Tax
38. Water tower painting contract
39. Training program for all town officers on COIA and FOIA
40. Bankruptcy proceedings where taxes due: create procedure for administrative filing of claims on behalf of Town in Federal District Court
41. Create policy on how Ordinance amendments are to be included in printed ordinances – frequency of updates; budget for updates; Ensure compliance with state law requiring a complete and current version of all ordinances be on file with Town Clerk.
42. Town-Wide Storm Water Management issues: consider whether Town wants to create a tax service district to improve storm water management in certain areas.
43. Public Art – need policy to allow for public art that address artist selection, site selection, commercial messaging and the sign ordinance.
44. Develop Council / Officer Training Packet:
  - a. Attorney-Client Privilege
  - b. FOIA Key Rules & Entire statute, as required by Code
  - c. COIA Key Rules & Entire statute, as required by Code
  - d. Role of a Council Member – powers and constraints
  - e. Role of Town Attorney – who is the client
  - f. Sovereign Immunity and Officer Immunity; When Personal Liability Arises
  - g. Rules of Procedure – Key Rules to Know
  - h. Prayer in Public Meetings
  - i. Free Speech in Public Meetings
45. Create a water service area plan that reflects the Town’s policy for extending service both within Town limits and outside Town limits.

## **Town Attorney Backlog Work as of December 7, 2016**

46. Clarify authority for Town to impose a minimum water bill; revise ordinance to capture administrative costs of closed accounts
47. Revise Town Charter to clarify which employees are appointed by Town Council and which are hired by the Town's Manager
48. Wholesale review and update to Town Charter recommended
49. Provide policy under Town Code for water theft procedures. Amend ordinance as needed.
50. Develop with Finance a process for Meals tax collection and statutory assessments
51. Advise finance on law regarding personal property tax rates or exemptions for special designations, including volunteers; draft ordinance if needed
52. Provide written legal advice to Finance on tax payment plans and disclosure of delinquent tax lists; adopt ordinance if needed
53. Meals tax collection process and statutory assessments – change Town ordinances to remove 10 day notice period prior to statutory assessment so immediate action can be taken
54. MOU between Town police and County sheriff departments
55. Create a non-profit group that can raise funds for Parks and Recreation activities – a “Friends of Purcellville Parks and Recreation”

### **Only two outside Counsel are active now:**

- 1. Work Done by Giff Hampshire for Community Development to review deeds**
- 2. Work Done by Employment Lawyer for HR as needed**

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**STAFF REPORT**

**PURCELLVILLE CITIZENS SUPPORT TEAM**

**SUBJECT:** Purcellville Police Citizen Support Team

**DATE OF MEETING:** December 13, 2016

**SUMMARY AND RECOMMENDATIONS:**

The following is a list of events in which the support team assisted since the last report of October 25, 2016.

1. No monthly meeting was held in November.
2. Drug Take Back from 10 am until 2 pm on October 22<sup>nd</sup> at Fireman's Field parking lot directly across from Town Hall. The support team was be on hand to collect expired and unwanted medications along with a Purcellville Police officer.
3. Halloween Block Party on 21<sup>st</sup> street from 5 pm until 9 pm on October 29<sup>th</sup>. The support team assisted in vendor parking and crowd control.
4. Turkey Trot on November 13<sup>th</sup> from 8 am until 10 am. The support team assisted in traffic control.
5. Shop with a Cop was held on December 3<sup>rd</sup> at the Target Store in Sterling. Support team members assisted in organizing coats and books and assisted with distribution of same.

Upcoming events:

1. Christmas Parade at noon.
2. The support team along with the Police Dept. hopes to pass out food baskets to needy families around Christmas Eve. Details are still being worked out.

The Purcellville Police Citizen Support Team looks forward to helping out both the Police Department and the community in the upcoming events in town for 2016.

President – Dawn Mabe

Vice-President – James Taylor

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**STAFF REPORT**  
**INFORMATION**

Item #13b

**SUBJECT:** Economic Development Report  
**DATE OF MEETING:** December 13, 2016  
**STAFF CONTACTS:** Patrick Sullivan, Community Development

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**SUMMARY and RECOMMENDATIONS:**

October 2016 Economic Development report.

**BACKGROUND:**

This is the monthly report prepared by Community Development. The report provides updates as to different ongoing economic/building projects, public and private. The report also includes occupancy permits issued within the past month.

Each month a list of new business occupancies including the number of new employees/jobs created is detailed. The business occupancies are broken down between Home Occupancies and regular Commercial occupancy.

The report further includes an ongoing tally of the day-to-day workings of the Community Development Department such as permits issued, site plans received, lawn complaints, illegal signs, subdivisions, annexation applications, etc.

Red text in the report indicates new information.

**ATTACHMENT(S):**

1. October 2016 Economic Development Report.



**Department of Community Development  
Department Update – 10/31/16**

**Zoning Activity Summary.** Current zoning and planning activity within the Department of Community Development. Table A below provides a summary of the ongoing applications. More detailed information follows the table in narrative form.

**Legend:** UR – Under Review; WOA – Waiting on Applicant; CDA – Certificate of Design Approval

<b>Table A</b>			
<b>Current Projects</b>			
<b>Applicant/Project Name</b>	<b>Location/address</b>	<b>Review Type</b>	<b>Status</b> See Legend at end of matrix
7-Eleven, Core States Group	700 E Main Street	Lot Consolidation	UR
7-Eleven, Core States Group		Special Use Permit for additional of pumps & larger canopy	UR
7-Eleven, Core States Group		BAR review of proposed canopy over gas pumps	BAR approval 7/19/16
Ball Property Development	32 <sup>nd</sup> Street	By-right Residential Subdivision for 19 Single Family Detached Houses	Pre-application meeting held on 10/12/16
Beckstrom Electric	Lot 1, Mayfair Industrial Park	Minor Site Plan for storage lot	UR
Catoctin Corner	Corner E Main and Route 287	Site Plan Construction Plans	Approved 10/6/16 Approved 9/20/16
Catoctin Corner		BLA - Purcellville Development and Patrick Henry College	Complete. 9-8-16
Catoctin Corner		Deed and Easement plat – Patrick Henry College	Executed. Town was not a party.
Catoctin Corner		Deed and Easement plat – Patrick Henry College Parcel 2A	WOA
Catoctin Corner		Deed and Easement plat– Purcellville Development and Stormwater Mgmt. Agreement	WOA
Makersmiths	785 & 787 South 20 <sup>th</sup> Street	Special Use Permit – (Public or Government Building Facility, or Use Not Otherwise Defined)	Joint Public Hearing scheduled for 11/3/16

Mary's House of Hope	781 South 20 <sup>th</sup> Street	Special Use Permit - (Transitional Housing)	Joint Public Hearing scheduled for 11/3/16
Morgan Meadows	N Hall Ave	Prel. Plat of Subdivision – 5 residential lots	Approved 8/24/16
McDonalds Corp.	N Maple Avenue	Site Plan	Approved 7/13/16
McDonalds Corp	N Maple Avenue	Lot Consolidation	Approved 7/13/16
Mini Warehouse Climate Controlled Storage Facility	Lot 6F - 37231 Richardson Ln	Site Plan	UR
New Town Development	Purcellville Ridge Commercial Lot – Ken Culbert Lane	New Construction	BAR approval 8/16/16 Pre-application meeting held on 10/3/16 for proposed child care facility
O'Toole	37935 Colonial Hwy	Rezoning Comp Plan Amend	UR WOA
Purcellville Crossroads	Corner Route 287 and Route 7 Bypass	Annexation	Being reviewed by County Board Of Supervisors
Old Purcellville Firehouse	130 S 20 <sup>th</sup> Street	Minor Site Plan – Installation of parking lot	WOA to complete deed and plat
Purcellville Motorsports	401 Browning Court	Site Plan Pre-app with BAR in July	Approved 4/7/08 BAR approval 7/19/16
Southern States	261 N 21 <sup>st</sup> Street	BLA/Lot Consolidation and Sanitary Sewer Easement	Approved 7/6/16
Southern States	261 N 21 <sup>st</sup> Street	Site Plan	Approved 8/10/16
SunTrust Bank	165 Purcellville Gateway Drive	New Construction	Site Plan Revision submitted 10/4/16 UR
Vineyard Square	130-148 21 <sup>st</sup>	Site Plan New construction	Site plan approved 3/1/16
Virginia Regional Transit	Browning Court	Text Amendment SUP	Approved 1/12/16 Submitted 8/12/16
Warner Brook	Purcellville Rd	Annexation	UR
Village Case		Comprehensive Plan Amendment	Submitted 8/2/16 UR
Village Case		Proffered Condition Amendment	Submitted 8/2/16 UR

**Legend:** UR – Under Review; WOA – Waiting on Applicant; CDA – Certificate of Design Approval

<b>Table B</b>			
<b>Commercial/Industrial Zoning Permits Issued or Under Review</b>			
<b>Applicant/Project Name</b>	<b>Location/address</b>	<b>Review Type</b>	<b>Status</b> See Legend at end of matrix
INOVA	740 S Main Street	Occupancy Permit	UR – Public Works
Monks BBQ	251 N 21 <sup>st</sup> Street	Interior fit up for restaurant expansion	Approved 2/17/16
Petit Lou Lou, LLC	713 E Main Street	BAR – Exterior renovations - restaurant	Approved 4/19/16

Petit Lou Lou, LLC		Interior Fit-up for French bakery and pastry shop	Approved 5/18/16
Tasos Vatikiotis – Purcellville Theater	860 E Main Street	Interior fit-up, Suite I, 2 <sup>nd</sup> Floor	Approved 4/26/16
Adroit Brewery	404 Browning Ct	Interior fit-up for brewery expansion	Approved 4/29/16
Select Property Management/ Purcellville Firehouse	130 S 20 <sup>th</sup> Street	Interior Future Tenant Fit-up	Approved 5/9/16
Berry Blossom	221 N 21 <sup>st</sup> Street	Interior Fit-up issued for ice cream and smoothie shop	Approved 5/13/16
Southern States	261 N. 21 <sup>st</sup> Street	Demolition of existing building and new construction	Approved 9/9/16
Lowers Risk Group	125 Hirst Road, Suites 5C, 6C & 7C	Interior renovations	Approved 10/19/16

**Table C**

**Commercial/Industrial Occupancy Permits issued**

<b>Applicant/Project Name</b>	<b>Location/address</b>	<b>Review Type</b>	<b>Date of Approval</b>	<b>Employees</b>
Dance Academy of Loudoun	739 E. Main Street	Dance Studio	10/3/16	6
Southern States	631 W. Main Street	Retail – temporary	10/12/16	
Purcellville Pharmacy	609 E. Main Street, Unit Q	Pharmacy – Retail	10/14/16	2
On the Market	107 E. Main Street	Real Estate Office	10/17/16	2
Chapman Brothers, LLC	151 N. Hatcher Avenue	Office - Relocated	10/20/16	
Chapman Group, LLC	151 N. Hatcher Avenue	Office - Relocated	10/20/16	
Martinsburg Plaza, LC	151 N. Hatcher Avenue	Office - Relocated	10/20/16	
Valley Commercial, LC	151 N. Hatcher Avenue	Office - Relocated	10/20/16	
Valley Medical Center, LLC	151 N. Hatcher Avenue	Office - Relocated	10/20/16	
Caseco, LLC	151 N. Hatcher Avenue	Office - Relocated	10/21/16	
Merit Restorations, LLC	151 N. Hatcher Avenue	Office	10/21/16	
Packout Solutions, LLC	151 N. Hatcher Avenue	Office	10/21/16	
LAJ Foods, LLC	221 E Main Street	Deli	10/24/16	1

Home Based Business – Permits Issued				
Hey Morning/ Patricia Giannavola	542 Gentlewood Square	Bakery	10/4/16	1
Patriot Consulting/ Rodney Adachi	101 Frazer Drive	Office for Home Repair Solutions	10/12/16	1
Sky High VAS Solutions, LLC	308 Swan Point Court	Aerial Photography by Drones	10/12/16	1
<b>New Employees</b>		<b>Year to Date</b>	<b>Month of October</b>	
		<b>105</b>	<b>14</b>	

**Legend:** UR – Under Review; WOA – Waiting on Applicant; CDA – Certificate of Design Approval

**Public/Town Projects:**

None at this time.

**Business-Related Projects:**

**Approved:**

1. **Mayfair Industrial** – East Nichols Lane.
  - Construction plans submitted on August 28, 2014 for the industrial use section of the Mayfair development. Plans are under review.
  - Second submission with response to comments received from applicant on 12/29/14 and has been sent out for additional review. Additional review comments have been sent to applicant.
  - Third submission of construction plans received on 3/6/15.
  - Record Plat submitted on 2/25/15.
  - Fourth submission of construction plans received on 4/15/15 and sent out for review on 4/16/15.
  - Grading and land prep has begun. All remaining comments on construction plans sent to applicant 5/21/15.
  - Construction plans approved 6/18/15.
  - Revisions to construction plans submitted on 6/18/15 and have been sent out for review.
  - Record plat resubmitted on 5/8/15. The revisions to construction plans were approved on 9/16/15.
  - Record plat approved and recorded. Performance bond is being processed.
  - Performance bond approved.
  - Site Plan revision is currently under review.
  - Site Plan revision approved on 7/13/16.

2. **Vineyard Square** – 130-148 21<sup>st</sup> Street.

- Nine demolition permits were issued on November 5, 2014 and demolition has begun on some of the sheds and accessory buildings.
- Site Plan submitted on 12/30/14 and was sent out to review agencies on that day. Review comments distributed on 1/30, 2/11 and 2/12/15.
- Second submission received on 3/3/15.
- Zoning Determination provided on March 13, 2015. Appeal of Zoning Administrator's determination to the BZA regarding BAR approval was received on April 10, 2015. Appeal to be heard by the BZA on July 1, 2015. Zoning Administrator's determination that the CDAs remain valid was upheld by the BZA on July 24, 2015. Waiting on site plan resubmission from applicant. The BZA decision was appealed to the Circuit Court.
- Third submission of the site plan was submitted on 8/7/15 and is under review.
- Applicant submitted 2 Deeds of Easement and Vacation for the project on 8/26/15. Public Works and Community Devel. Departments met with the applicant on 8/31/15 to discuss the site plan. Site plan ready for approval after easements are finalized.
- Easements have been recorded, bonds have been approved and site plan has been signed 3-1-16.
- Court case complete. ZA prevailed. 4-25-16.

3. **McDonalds Restaurant** – 121 N. Maple Avenue.

- Certificate of Design approval was issued on August 19, 2014 for the construction of a new restaurant building at the current site.
- McDonalds has also submitted special use applications for a restaurant over 4,000 square feet and for a drive through at the same location.
- Planning Commission held a public hearing and recommended approval to the Town Council on 11/6/14.
- Following a public hearing, Town Council approved the special use permit applications on 12/9/14.
- Site Plan received on 12/9/14 and is under review. All review comments were received by January 27, 2015.
- 2<sup>nd</sup> submission received on 2/24/14 and was sent out for review on 2/25/15.
- Applicant requested a 120 day site plan extension which was granted. No news. Application will be put back in the active category when resubmitted. Still expect this to go forward sometime this year.
- Submitted a new application to the BAR for construction of a new building at their current site. This application will be reviewed at the BAR's March 15, 2016 meeting.
- BAR approval was issued on 3/15/16.
- Site Plan for the rebuilding of the restaurant submitted 4/15/16 and is under review.
- Lot Consolidation submitted on 4/22/16. Waiting on submission of deed.

- Reviewing Lot Consolidation Deed and plat. Approved.
- Performance Bond received and approved.
- Site Plan approved on 7/13/16. Public Improvements bonded.
- Demolition and zoning permits issued.
- McDonalds plans to reopen prior to Thanksgiving.

### **In Application Process:**

1. **Catoctin Corner** – E. Main Street and Rt. 287 N.
  - Site plan submitted on 1/18/13 for a shopping center.
  - Applicant submitted Traffic Analysis on May 14, 2014.
  - Grading Plan has been submitted and is being reviewed by the County and the Town. 3<sup>rd</sup> submission received on 2/17/15 and was sent out for review.
  - Review comments sent to applicant on 3/5/15. Waiting for final approval from Loudoun County.
  - Grading plan approved on 7/8/15. Clearing has begun and a construction entrance has been established. Staff has been discussing site plan process with the applicant. Construction plans received on 9/4/15 and site plan received on 9/25/15. Both applications are under review.
  - Proposed gas station has been preliminarily reviewed by the BAR. Certificate of Design for the gas station/convenience store approved by BAR on 11/17/15.
  - An application for another new building at the shopping center was submitted for BAR review on 1/11/16.
  - The BAR approved the design of 2 of the buildings at their 2/16/16 meeting and will be reviewing 3 additional new buildings and a dumpster enclosure at their 3/15/16 meeting.
  - At the 3/15/16 BAR meeting, design approval was given to 3 buildings and the accessory dumpster enclosures.
  - Site Plan and Construction Plans are under still review.
  - Last building design will be reviewed by the BAR at their May meeting.
  - CDA have been issued for all buildings. As applicant acquires proposed tenants some revisions to building designs are being proposed.
  - Various deeds and plats for easements/vacations of easements have been submitted for review. Reviewed by Town Attorney and comments sent to applicant. Deed and plats approved as to form. Waiting for executed copies of deeds from the applicant.
  - SUP submitted to shift the location of an approved drive-thru restaurant from the rear of property to prominent location adjacent to the project entrance off of Business 7. Planning Commission held public hearing on 8/4/16. Public hearing was continued to 8/18/16. Planning Commission did not recommend approval to Town Council.
  - Construction Plans bonded 7/14/16 and approved 9/20/16.
  - Site Plan bonded 7/2/16 and approved 10/6/16.

2. **Purcellville Crossroads** – Corner of the Route 7 Bypass and Route 287.
  - Application for an annexation of approximately 47 acres for a mixed use development. Application was submitted on July 29, 2013. Staff is reviewing the application.
  - Applicant provided a presentation to Town Council on 9/9/14. A complete annexation application is expected the week of April 6, 2015.
  - Concept plan submitted on 4/9/15.
  - Developer held a public informational update at the Carver Center on May 27, 2015.
  - Staff report was presented to Town Council on July 28, 2015.
  - Applicant submitted a new annexation application on 9/22/15. The annexation request is being reviewed by Loudoun County.
  - The applicant will conduct a charrette on March 3.
  - Charrette held.
  
3. **Warner Brook, LLC** – Purcellville Road.
  - Application submitted requesting annexation of two parcels (PIN#s 487-38-8931 and 487-28-1679) totaling 131.29 acres located at 17100 Purcellville Road just north of the Route 7 Bypass.
  - Departments are reviewing the application.
  - Waiting on applicant to provide a fiscal impact analysis.
  
4. **Southern States** – 261 N 21<sup>st</sup> Street.
  - Site plan submitted on March 25, 2014 for redevelopment of 261 N. 21<sup>st</sup> Street. Plan is being reviewed for completeness. Site Plan has been sent out to review agencies. Applicant is working on comments.
  - Interior fit-up was approved on January 13, 2015 and an application for Board of Architectural Review for exterior renovations to existing building was approved with conditions on February 17, 2015. This is being resurrected and I expect to see an updated application by the middle of January.
  - An application was submitted to the BAR on 2/1/16 for review of a new building to be constructed at the site. The existing building is to be demolished.
  - The design of the new building has been approved by the BAR and the site plan is still under review.
  - BLA/Lot Consolidation and Sanitary Sewer Easement deed and plat are under review. Approved.
  - Site Plan approved 8/10/16. Public Improvements bonded.
  - Sewer availability must be paid prior to issuance of zoning permits for demolition and new construction.
  - Site Plan approved, sewer availability paid, zoning and demolition permits issued on 9/9/16. Store is being temporarily relocated to West Main Street.

5. **Virginia Regional Transit** – SUP application for commuter parking lot.
  - Text Amendment approved for commuter parking in the CM1 district.
  - Waiting on applicant to apply for SUP.
  - Special Use Permit application submitted on 8/12/16. Under review.
  
6. **O'Toole Property (37935 Colonial Highway)**
  - Rezoning and Comprehensive Plan Amendment submitted.
  - Comments sent to applicant – waiting for resubmission
  - Resubmission received 7/5/16 that included revised Statement of Justification, Response to review comments, Proffer Statement, Economic and Fiscal Impact of Commercial Use of the Property, Proposed Design Guidelines, and Traffic Impact Analysis.
  - Documents distributed for review.
  
7. **Beckstrom Electric** – Lot 1, Mayfair Industrial Park
  - Minor Site Plan submitted on 5/23/16 for a fences storage lot to be located on Lot 1 of the Mayfair Industrial Park.
  - Comments following completeness review by the Town were sent on June 8, 2016
  - Applicant responded and plan currently under review by Town staff.
  - Minor Site Plan sent out to review agencies on 8/26/16.
  - Review comments sent to applicant.
  - **Applicant resubmitted on 11/2/16.**
  
8. **SunTrust Bank** – 165 Purcellville Gateway Drive.
  - On 2/7/12 a zoning permit was issued for the construction of a bank in the Gateway Shopping Center, a stand-alone building at this site.
  - BAR approved the revised building design on March 18, 2014.
  - Site plan is under review. Project has been pushed back to the fall. No resolve in sight. Still hoping for a change in status.
  - Have received word that Sun Trust is expected to activate their application in the near future.
  - Applicant has requested that the application become active.
  - Building design will be reviewed by BAR at their 8/16/16 meeting.
  - BAR issued a certificate of design approval for the bank building at their 8/16/16 meeting.
  - **Site Plan Revision submitted on 10/4/16. Submission sent out to review agencies on 10/18/16.**
  
9. **New Town Development** – Purcellville Ridge Commercial Parcel
  - BAR will review on 8/16/16 the design of a new commercial building proposed on the east side of Ken Culbert Lane.
  - Applicant is to resubmit for further review.

- Pre-application meeting held on 10/3/16 to discuss a proposed child daycare facility.
10. **Mini Warehouse Climate Controlled Storage Facility** - Lot 6F, Valley Industrial Park, 37231 Richardson Lane
- Submitted incomplete plans on 11/5/15 so plans were not accepted. Applicant was notified of deficiencies
  - Site plan resubmitted and fees received on 8/24/16.
  - Plans sent to review agencies on 8/25/16.
  - **Comments have been sent to applicant.**
11. **Village Case**
- Comprehensive Plan Amendment and Proffered Condition Amendment submitted on 8/2/16. The request is to amend the development of the “village center” undeveloped lot to construct 7 new single family residential units and to amend the development of an undeveloped church lot to construct 17 new single family residential units.
  - Applications have been sent out to review agencies.

**Other Projects and their status:**

1. **Mayfair Residential** – Purcellville Road/Route 611.
- Record Plat submitted on October 21, 2014 for the residential dwelling units located on Brookfield property annexed north of Town. Construction plans are under review for the 254 residential planned development and the 8 lot residential subdivision.
  - 3rd submission of construction plans was received on 2/4/15 and comments sent on 3/16/15.
  - Record Plat comments sent to applicant on 3/26/15.
  - Site plan for Route 611 road work was approved on 3/31/15.
  - Fourth submission of construction plans was received on 4/21/15 and sent out for comments on 4/22/15. Grading and clearing has begun.
  - Construction plans approved on 5/15/15.
  - Amendment submitted on 5/20/15 and sent out for review.
  - Third submission of record plat received on 5/6/15. Amendment approved on 9/11/15.
  - Second amendment to the construction plans was submitted on 9/23/15 and is under review.
  - Amendments to the plans have been approved. Record plat approved and recorded. Performance bond is being processed.
  - Performance bond submitted and zoning permits were issued on 12/18/15 for 16 townhouse units.
  - Zoning permits have been issued for the construction of 4 single family homes.

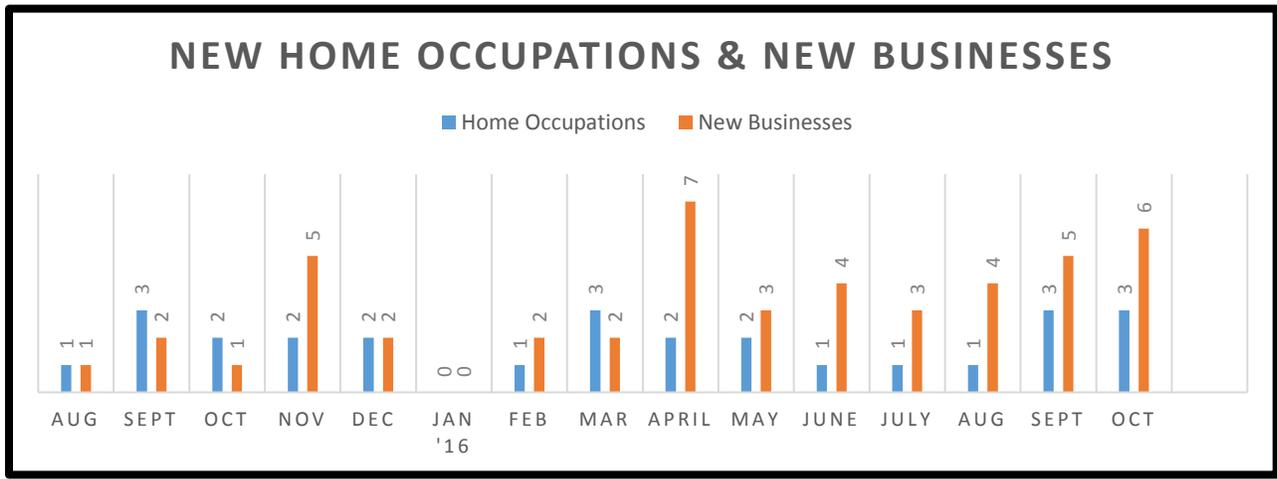
- Brookfield is continuing to apply for residential zoning permits for this development. The first townhouse occupancy was issued 4/28/16.
- Waiting on applicant to submit the \$177,636.07 proffer for transportation improvements prior to the issuance of the 50<sup>th</sup> zoning permit.
- Proffer payment received.

2. **Morgan Meadows (formerly Beauma Meadows)** – N Hall Avenue.

- Record plat for a 5 lot subdivision located between Hall Avenue and 26<sup>th</sup> Street was received on 4/2/15.
- Applicant requested a 6 month extension which was granted.
- This is still semi active.
- Submitted an updated preliminary Plat for a 5 lot subdivision on 4/2/15. Is under review.
- Waiting on final submittal.
- Preliminary Subdivision Plat approved on 8/24/16.

**Projects on Hold:**

None



**2016 Year-to-Date and Current Month Permits Summary:**

	<b><u>2016 Year to Date</u></b> <b><u>Total</u></b>	<b><u>Month of October</u></b> <b><u>Total</u></b>
Commercial/Industrial (does not include temporary)	38	6
Home-Based businesses	17	3

	<u>2016 Year to Date</u> <u>Total</u>	<u>Month of October</u> <u>Total</u>
<b><u>Permits Issued</u></b>		
Zoning Permits (general permits)	234	10
Occupancy Permits (not temporary)	106	21
Temporary Occupancy Permits	3	1

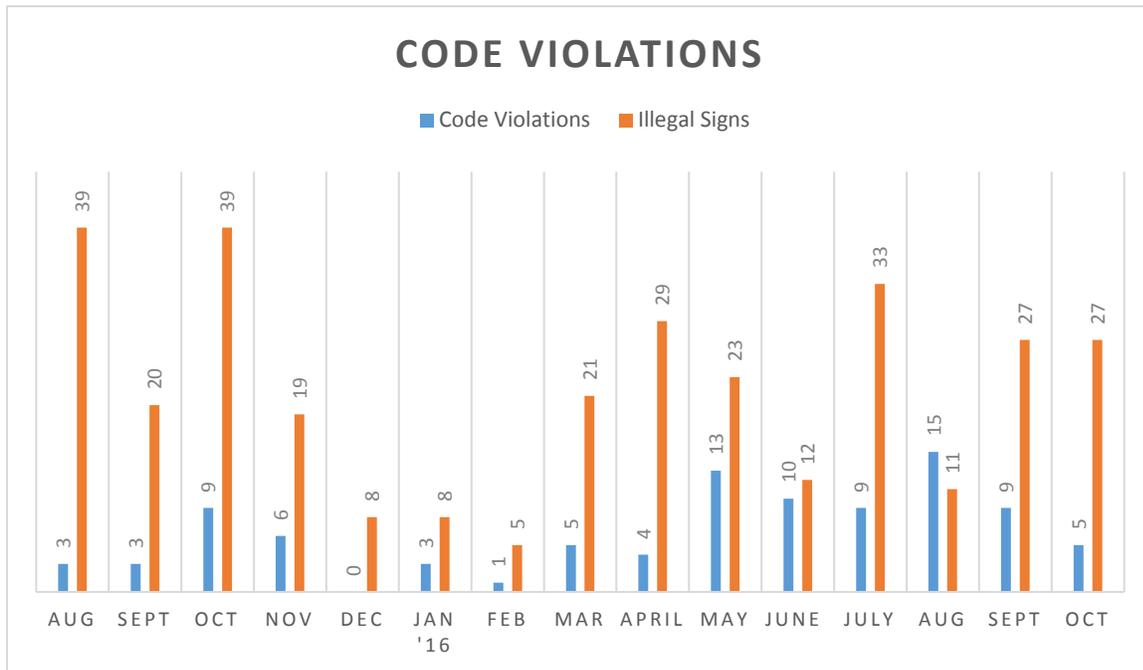
	<u>2016 Year to Date</u> <u>Total</u>	<u>Month of October</u> <u>Total</u>
Sign Permits – Temporary	73	2
Sign Permits – Permanent	35	7
Sign Waivers	2	1
Zoning Determination Letters	4	2
Zoning Clearance Letters	29	2

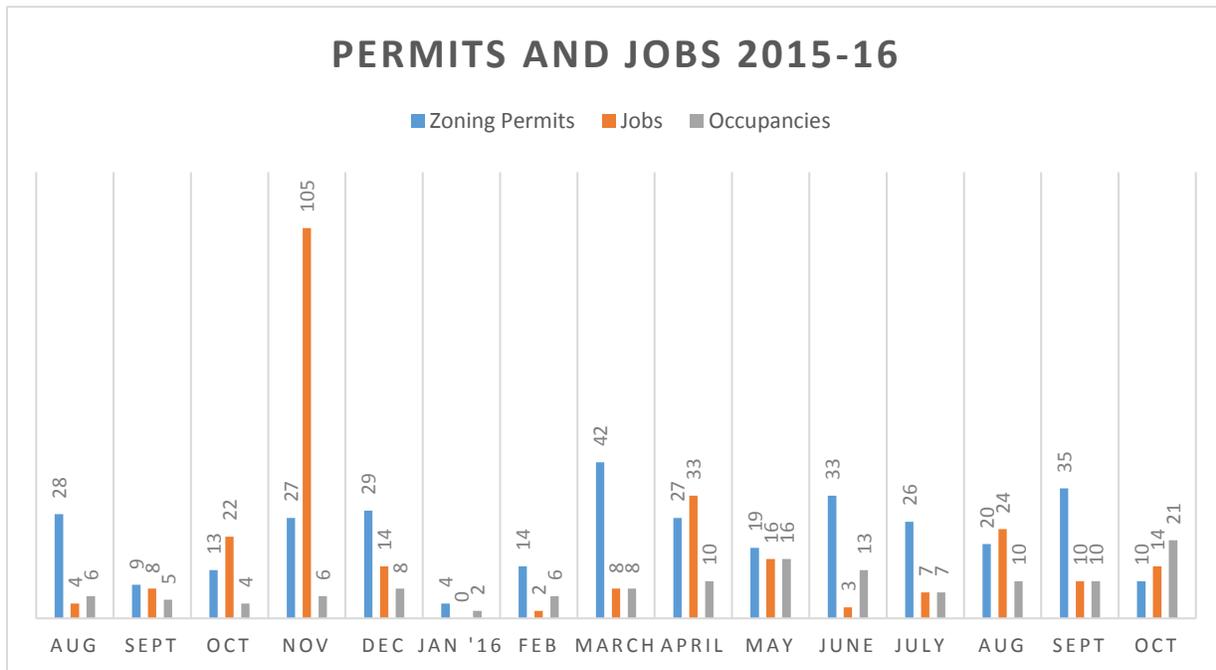
**Requests**

Special Use Permits	4	2
BAR – Certificates of Design	21	
BAR – Pre-application discussions	3	
Variances		
Annexations		
Rezoning		
Comprehensive Plan Amend.	1	
Proffered Condition Amendment	1	
Boundary Line Adjustments	1	
Lot Consolidations	5	2
Site Plans	1	
Site Plan Amendments/Revisions	3	
Minor Site Plans	2	
Special Exceptions	3	
Construction Plans		
Construction Plan Amendments		
Preliminary Subdivision Plats		
Minor Subdivision Plats		
Preliminary Subdivision Plat Revisions		
Commission Permits		
Easement Plats	3	
Record Plats		
Grading Plans		
Zoning Ordinance Amend. Request	1	

**Complaints/Violations for the month of October 2016**

Lawn Complaints (Tall Grass)	0
Code Violation Warnings	5
Formal Notices of Violation issued	0
Illegal signs confiscated in the Town's right of way	27
Unresolved violations	2
Resident Complaints (not tall grass)	1





**Chart I: Trends for Zoning Permits, Occupancy Permits and Jobs**

The spike in jobs for November is due to Chick-Fil-A adding 100 jobs

**Departmental Initiatives.**

Comprehensive Plan Update. Project management plan was approved by the Planning Commission on May 7, 2015. Town Council approved the selection of McBride Dale Clarion to provide planning services for the Comprehensive Plan Update. For up to date information see [www.planpurcellville.com](http://www.planpurcellville.com).

The Economic Development Advisory Committee has completed a strategic tourism plan. The committee has initiated action items to begin implementing the plan. The initiatives are: preparing an events calendar for the Town, utilizing the Gazebo on 21<sup>st</sup> Street as an information kiosk, and helping with the production of a marketing video for the Town website. Work continues on these initiatives. EDAC is helped with a very successful painted wine barrel initiative. In addition the committee has reviewed, at Council’s request, The RSR Gateway Annexation request, the Shop Local Program, business surveys, business vacancies and the Special Events Ordinance and other economic initiatives that the Town might consider.

The EDAC committee meets the first Tuesday of every month at 7PM in Town Hall and welcomes public input and participation.



**STAFF REPORT**  
**INFORMATIONAL ITEM**

Item #13c

**SUBJECT:** Public Work Monthly Operations Report

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACT:** Alex Vanegas, CPM, Director, Public Works

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**SUMMARY and RECOMMENDATIONS:**

Attached for your review are the Monthly Operations Reports for the four divisions of Public Works: Engineering & Capital Projects, Street & Utility Maintenance, Water Production and Water Reclamation. The enclosed reports are for the month of November 2016. Should you have any questions or desire any further clarification please let us know.

**ATTACHMENT(S):**

1. Engineering & Capital Improvements, Street & Utility Maintenance, Water Production and Water Reclamation Monthly Operations Reports.

# Capital Projects & Engineering Department Update

## 11/30/2016

Town Projects Summary – Table A

Plan Reviews & Private Projects – Table B

Inspections Summary for November 2016

Site Plans and Subdivisions	
	Mayfair Residential Subdivision: Bond reduction inspections, as-built drawing review, sanitary sewer and storm sewer CCTV inspection review, occupancy inspections, water meter crock inspections
	Mayfair Industrial Subdivision: inspection for summary of status to Brookfield
	McDonald's demolition and site plan construction; daily site visits
	Southern States demolition and site plan construction; daily site visits
	Townwide concrete repairs
	2-year warranty inspection, Fireman's Field Storage Building
Right-of-way Permits	3
Water Meter Inspections (before installation)	10
Occupancy Permit Inspections (site)	8

Business Utility Forms, reviews/approvals – 2

Right-of-way Permits, reviews/approvals – 4

Education & Training

Beehive software training: Andrea Broshkevitch, Dale Lehnig

OSHA online training: Joshua Goff

GIS Day (at Loudoun County): Andrea Broshkevitch

TABLE A TOWN PROJECTS

PROJECT NAME	DESCRIPTION	STATUS	NEXT STEPS	
Nursery Avenue Improvements	sidewalk , curb and gutter, stormwater collection and conveyance from the "teardrop" (20th Street) to the stream approx. 370 feet south of J Street. Funding is Revenue Sharing, 50-50 split Town and VDOT.	30% plans are complete. Advertising for RFP for design to 100%. RFP due August 9, 2016. Interviews conducted with 2 firms. ATCS approved by Town Council to move forward with 100% design plans. Received Contract and Certificate of Insurance (COI). Comments on COI sent to ATCS.	Begin design.	
Main Street and Maple Avenue Safety Improvements	Sidewalk to connect Main Street to McDonald's sidewalk, mid-block cross walk at approx. 550 E. Main Street.	60% plans complete, under VDOT review. Environmental forms complete and submitted to VDOT.	Post Notice of Willingness, contact property owners regarding project.	
Townwide concrete repairs	The Town's Contractor, Dominion Concrete and Masonry Corporation (DCMC), has been making various concrete repairs to sidewalks, ramps, driveway aprons, curb and gutter at numerous locations in Town.	Work is underway, inspected by engineering inspector. Work complete.	Remove from report	
Allder School Road watermain replacement	Replace existing small diameter watermain, in house work.	VDOT land use permit submitted. Staff met with VDOT. There are cost increases due to VDOT suggestions.	Take to TC for consideration. Project is in budget for FY2018	
Hirst Road Safety Improvements	Improvements along Hirst Road from Hatcher Avenue to Hillsboro Road (Route 690). Includes guardrail and shoulder improvements, upgrade pedestrian ramps, new signs and markings. Funding is revenue sharing, 50-50 split VDOT and Town.	Agreement with VDOT for RS project has been executed. Town has met with Kimley Horn to clarify scope for the project. Proposal received.	Set up scoping meeting with VDOT.	
Guardrail Replacement, various locations in Town	Replacement of damaged or non-compliant guardrail at various locations in Town	Agreement with VDOT for RS project has been executed. Town staff is working with procurement officer to obtain quotes.		
North Maple Avenue Water Main Replacement ON HOLD FOR FY18	Replacement of the existing 6-inch water main with a new 12-inch water main in Maple Avenue, Main Street to the W&OD Trail. Water main has had multiple breaks in the past.	100% plans are complete. Bids in 2012 exceeded budget, all bids rejected.	Project is in budget for FY2018	

TABLE A TOWN PROJECTS

PROJECT NAME	DESCRIPTION	STATUS	NEXT STEPS	
Grease Trap Inspection Program	Grease in the sanitary sewer system can cause backups in the mains. Grease traps need to be maintained so that grease does not enter the Town system.	The Town requests businesses to submit forms to show that the grease trap has been serviced periodically. Working with Maintenance to have hot spots televised.		
Monthly Manhole Inspection - select manholes	Several manholes in the Town's system are known to have issues with solids build-up. These manholes are inspected monthly, and if issues are noted, the maintenance dept is notified to clean the manholes	5 manhole inspections completed monthly.	Monthly inspections.	
Task Order Contract Request for Proposal (RFP)	RFP for Project Management and Construction Management Services	Proposals received 6/28/2016. Proposals reviewed by selection committee. Interviews with 2 firms held on 8/12/16. Selection of RK&K and WRA approved by TC. Contract Documents received, reviewed. Comments sent to RK&K, WRA.	Town attorney to speak to attorney for firm.	
Request for Proposal (RFP)	RFP for Nursery Avenue Roadway and Drainage Improvements. See also Nursery Avenue Roadway and Drainage Project above	30% plans are complete. ATCS was recommended and approved by TC to complete the design to the 100% stage. Town received Contract and Certificate of Insurance (COI). Some changes are needed to COI.	Contract, and begin design.	

TABLE B PRIVATE PROJECTS

PROJECT NAME	DESCRIPTION	STATUS	NEXT STEPS
Morgan Meadow preliminary plat	Preliminary plat for a 5 lot subdivision on N. Hall Ave.	Engineering review of 3rd submission complete. Resubmitted, approved.	
Mayfair Industrial Subdivision, Lot #1	Storage lot, minor site plan.	Engineering review completed 6/1/2016.	
TP16-05 Purcellville Firehouse, 130 S. 20th Street	Minor site plan, includes sidewalk, parking lot, sanitary sewer lateral replacement, building renovation.	PW review completed 9/8/2016	
ESMT16-01 Catoclin Corner Easements	Easements necessary for the construction of Catoclin Corner Site Plan. 3 plats & deeds.	Easements reviewed, approved, and recorded.	Remove from report
TP15-10 Lot 6F - 37231 Richardson Lane, mini warehouse	site plan for mini warehouse. Includes storm drainage for off site lots in Valley Industrial Park.	Reviewed 9/19/2016. Meeting with applicant scheduled for 11/10/16	Applicant to re-submit.
TP15-04 Dragon Yong-In Martial Arts	Site plan for addition of soccer field, walking track, traffic circulation and parking.	Zoning permit issued 4/8/2016.	PW requested business utility form to include irrigation system 11/6/2015
O'Toole Property rezone	Rezoning, and comp plan amendment	PW review 8/8/2016	Applicant to address comments
G Street Duplexes	Duplex construction, with associated water and sanitary sewer connections	Under construction. Water and sanitary sewer connections installed.	Daily inspections

**MAINTENANCE DEPARTMENT  
MONTHLY OPERATIONS REPORT  
FOR THE MONTH OF: NOVEMBER 2016  
PREPARED: DECEMBER 2016**

MEASURE	MONTH	UNITS	FY YTD	UNITS
WORK ORDERS (W.O.) PROCESSED	116	#	930	#
STAFF HOURS REQUIRED FOR W.O.	452	HRS.	2601.44	HRS.
NON-CORE DUTIES HOURS	37	HRS.	198.08	HRS.
CD. MAN HOURS REQUIRED FOR WO	415	HRS.	2223.34	HRS.
PM FIRE HYDRANTS	0	#	0	#
EMERGENCY FIRE HYDRANT REPAIR	0	#	0	#
PM VALVE EXERCISED	0	#	0	#
CCTV SEWER LINE	3,645	L. FT.	9,979	L. FT.
SEWER LINE CLEANED	0	L. FT.	9,356	L. FT.
VEHICLES SERVICED	1	#	14	#
# OF WATER BREAKS	1	#	1	#
# OF SEWER BACKUPS	2	#	4	#
# OF CLEANOUTS INSTALLED	2	#	4	#
# OF MIS UTILITY TICKETS	118	#	635	#
# OF METERS READ	24	#	155	#
# OF METERS SHUT OFF	12	#	29	#
# OF METERS TURNED ON	10	#	24	#
# OF REPLACED METERS	0	#	2	#
# OF REPLACED REGISTERS	1	#	46	#
# OF NEW ACC. METER INSTALLS	18	#	47	#
# OF LEAK CHECKS	1	#	30	#
# OF REPLACED MIUs (Radios)	4	#	100	#
CUSTOMER COMPLAINTS	4	#	35	#
WATER COMPLAINTS REC'D	0	#	2	#
WATER COMPLAINTS RESOLVED	100	%	100	%
WASTEWATER COMPLAINTS REC'D	2	#	6	#
WASTEWATER COMPLAINTS RES'D	100	%	100	%
BULK WATER SALES-QTY.	0.0	Gallons	756,500	Gallons
BULK WATER SALES-\$\$	\$0	\$\$	\$8,322*	\$\$

**ACCOMPLISHMENTS**

Began decorating Town for Holidays

New Maintenance Crew Worker Michael Frye began working 11/28/16

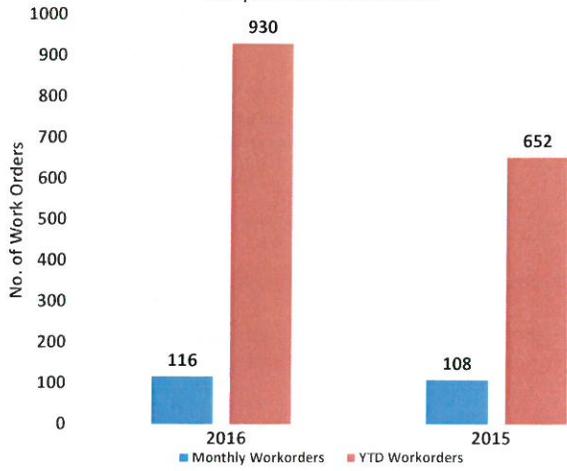
**MAINTENANCE DEPARTMENT  
MONTHLY OPERATIONS REPORT  
FOR THE MONTH OF: NOVEMBER 2015  
PREPARED: DECEMBER 2015**

MEASURE	MONTH	UNITS	FY YTD	UNITS
WORK ORDERS (W.O.) PROCESSED	108	#	652	#
STAFF HOURS REQUIRED FOR W.O.	576.5	HRS.	2650.5	HRS.
NON-CORE DUTIES HOURS	0	HRS.	21	HRS.
CD. MAN HOURS REQUIRED FOR WO	576.5	HRS.	2629.5	HRS.
PM FIRE HYDRANTS	0	#	0	#
EMERGENCY FIRE HYDRANT REPAIR	0	#	0	#
PM VALVE EXERCISED	0	#	0	#
SEWER LINE CLEANED	0	L. FT.	3,395	L. FT.
CCTV SEWER LINE	0	L. FT.	5,815	L. FT.
# OF WATER BREAKS	1	#	2	#
# OF SEWER BACKUPS	2	#	7	#
# OF CLEANOUTS INSTALLED	1	#	1	#
# OF MIS UTILITY TICKETS	76	#	447	#
# OF METERS READ	11	#	131	#
# OF METERS SHUT OFF	12	#	36	#
# OF METERS TURNED ON	11	#	29	#
# OF REPLACED METERS	0	#	2	#
# OF REPLACED REGISTERS	2	#	26	#
# OF NEW ACC. METER INSTALLS	4	#	9	#
# OF LEAK CHECKS	3	#	31	#
# OF REPLACED MIUs (Radios)	14	#	55	#
BULK WATER SALES	0	Gallons	772.2K	Gallons
CUSTOMER COMPLAINTS	6	#	41	#
WATER COMPLAINTS REC'D	0	#	4	#
WATER COMPLAINTS RESOLVED	100	%	100	%
WASTEWATER COMPLAINTS REC'D	0	#	0	#
WASTEWATER COMPLAINTS RES'D	100	%	100	%

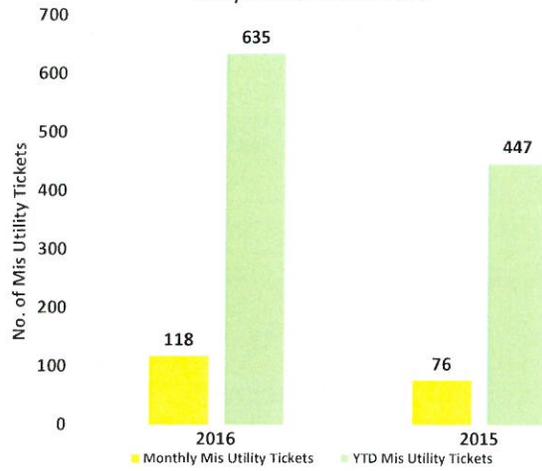
\* Tracking for FY Started in August 2009

**Maintenance Department  
November 2016 vs 2015 Comparisons**

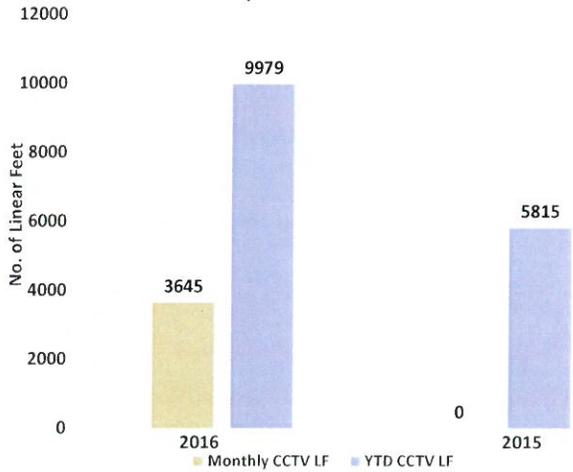
*November & YTD Work Orders Processed  
Comparisons 2016 vs 2015*



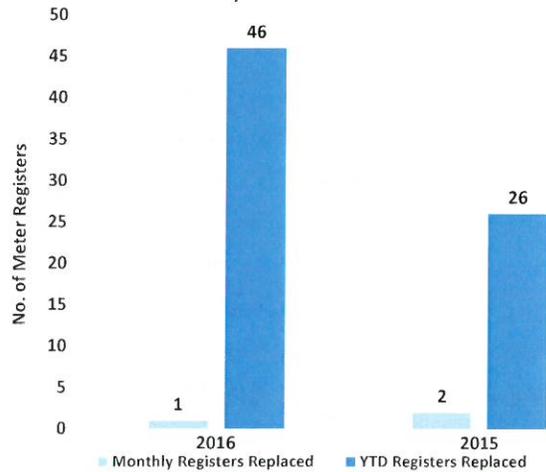
*November & YTD Mis Utility Tickets Processed  
Comparisons 2016 vs 2015*



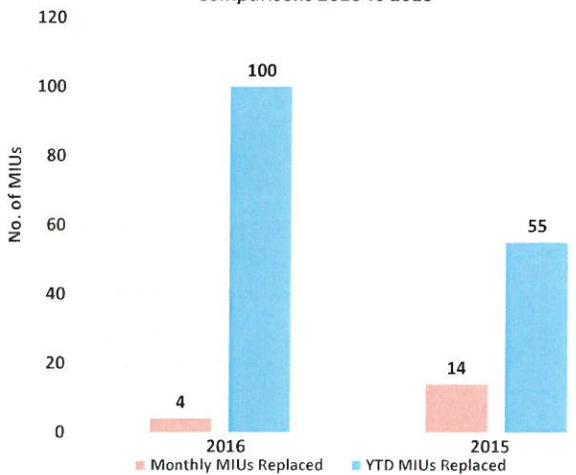
*November & YTD CCTV Sewer Lines  
Comparisons 2016 vs 2015*



*November & YTD Meter Registers Replaced  
Comparisons 2016 vs 2015*



*November & YTD MIUs Replaced  
Comparisons 2016 vs 2015*



**WATER TREATMENT PLANT  
MONTHLY OPERATIONS REPORT  
FOR THE MONTH OF: NOVEMBER 2016  
PREPARED: DECEMBER 2016**

**WATER TREATMENT PLANT  
MONTHLY OPERATIONS REPORT  
FOR THE MONTH OF: NOVEMBER 2015  
PREPARED: DECEMBER 2015**

WATER	MONTH	UNITS	AVG./DAY	UNITS
ALUMINUM SULFATE	1,110.9	lbs.	37.0	lbs.
POLYMER				
METAPHOSPHATE	43.4	lbs.	1.4	lbs.
SODA ASH	958.1	lbs.	31.9	lbs.
FLUORIDE (WTP & WELLS)	127.4	lbs.	4.2	lbs.
POTASSIUM PERMANGANATE	32.9	lbs.	1.1	lbs.
CHLORINE (HYPOCHLORITE @ WTP)	146.9	lbs.	4.9	lbs.
CHLORINE RESIDUAL (TANK)			1.6	mg/L
AVERAGE PH (FINISHED)			7.5	SU
BULK WATER SALES	0	gals.	0.0	gals.
INLINE METER, COOPER SPRINGS	1,652,000	gals.	55,066.7	gals.
JEFFERIES WELL	973,100	gals.	32,436.7	gals.
WATER PLANT GALLONS	4,746,800	gals.	158,226.7	gals.
MARSH WELL	2,270,700	gals.	75,690.0	gals.
MOUNTAIN VIEW WELL	775,800	gals.	25,860.0	gals.
MAIN STREET VILLAGES WELLS (MS-1 & VC)	3,147,500	gals.	104,916.7	gals.
CORNWELL #2 WELL	1,915,651	gals.	63,855.0	gals.
FORBES WELL	1,256,804	gals.	41,893.5	gals.
HIRST #2 WELL	1,049,000	gals.	34,966.7	gals.
<b>TOTAL WATER FLOW</b>	<b>15,162,255</b>	<b>gals.</b>	<b>505,408.5</b>	<b>gals.</b>

**RESERVOIR LEVELS:** 1-Nov-2016 30-Nov-2016  
 FRONT LAKE: 2.35' 1.70'  
 BACK LAKE 1.52' .40'

RAINFALL: 1.26"

**ACCOMPLISHMENTS**

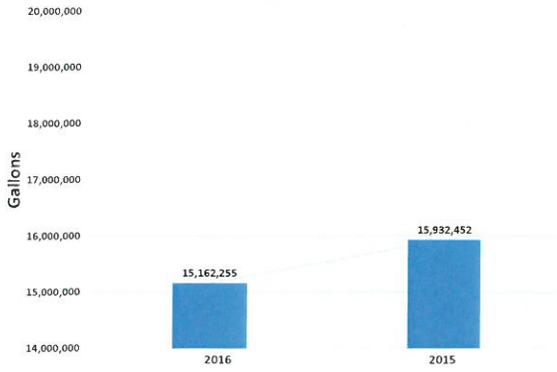
NPDES Discharge Monitoring Report due 12/10 was submitted electronically on 12/2/16  
 VDH ODW Monthly Operating Report due 12/10 was submitted electronically on 12/9/2016  
 Four Weekly Water Production Reports were completed

Stewart Septic completed inspection and pump out of three inactive septic tanks located on Aberdeen and Jefferies properties on 11/1/2016.  
 Bob Edelman of VDH conducted a site inspection of Hirst Well on 11/4/2016.

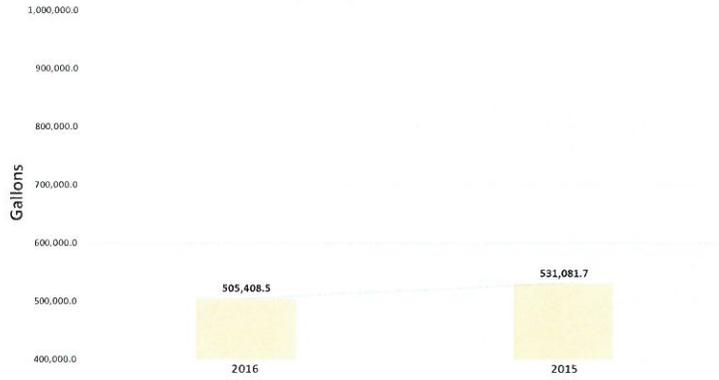
WATER	MONTH	UNITS	AVG./DAY	UNITS
ALUMINUM SULFATE	1,301.0	lbs.	43.4	lbs.
POLYMER				
METAPHOSPHATE	47.8	lbs.	1.6	lbs.
SODA ASH	1,412.8	lbs.	47.1	lbs.
FLUORIDE (WTP & WELLS)	156.8	lbs.	5.2	lbs.
POTASSIUM PERMANGANATE	28.6	lbs.	1.0	lbs.
CHLORINE (HYPOCHLORITE @ WTP)	163.7	lbs.	5.5	lbs.
CHLORINE RESIDUAL (TANK)			1.7	mg/L
AVERAGE PH (FINISHED)			7.5	SU
BULK WATER SALES	0	gals.	0.0	gals.
INLINE METER, COOPER SPRINGS	1,757,143	gals.	58,571.4	gals.
JEFFERIES WELL	786,100	gals.	26,203.3	gals.
WATER PLANT GALLONS	6,844,800	gals.	228,160.0	gals.
MARSH WELL	1,889,300	gals.	62,976.7	gals.
MOUNTAIN VIEW WELL	637,200	gals.	21,240.0	gals.
MAIN STREET VILLAGES WELLS (MS-1 & VC)	3,015,200	gals.	100,506.7	gals.
CORNWELL #2 WELL	1,843,768	gals.	61,458.9	gals.
FORBES WELL	916,084	gals.	30,536.1	gals.
HIRST #2 WELL	0	gals.	0.0	gals.
<b>TOTAL WATER FLOW</b>	<b>15,932,452</b>	<b>gals.</b>	<b>531,081.7</b>	<b>gals.</b>
<b>RESERVOIR LEVELS:</b>	1-Nov-2015			30-Nov-2015
FRONT LAKE:	4.50'			5.10'
BACK LAKE	4.58'			4.50'
RAINFALL:	2.28"			

**Water Well Production Facilities  
November 2016 vs 2015 Comparisons**

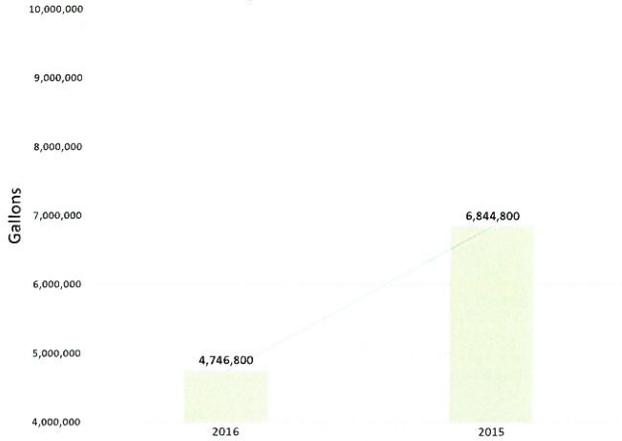
*November Total Monthly Water Production 2016 vs 2015*



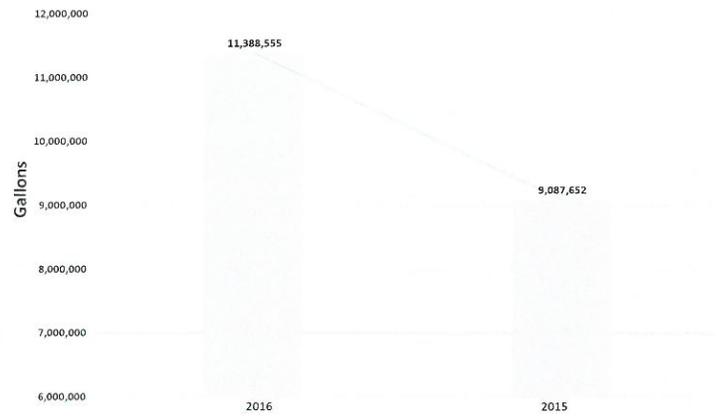
*November Total Average Daily Water Production 2016 vs 2015*



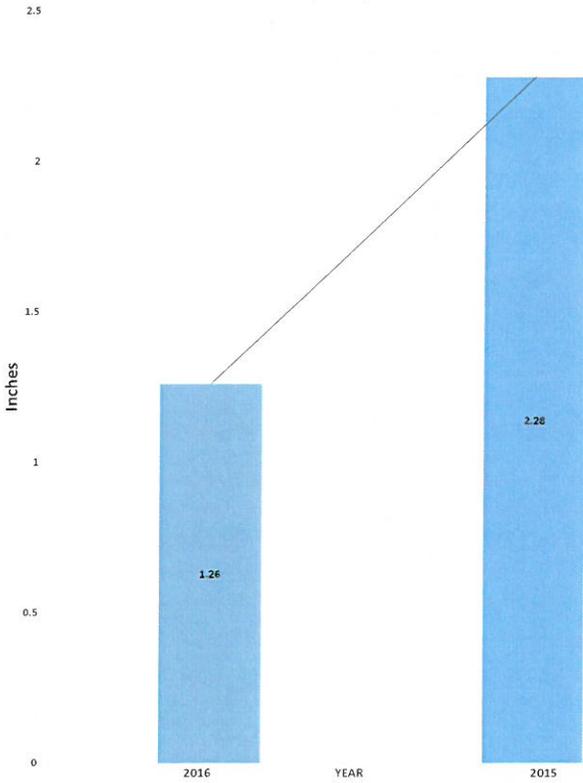
*November Monthly Water Plant Water Production 2016 vs 2015*



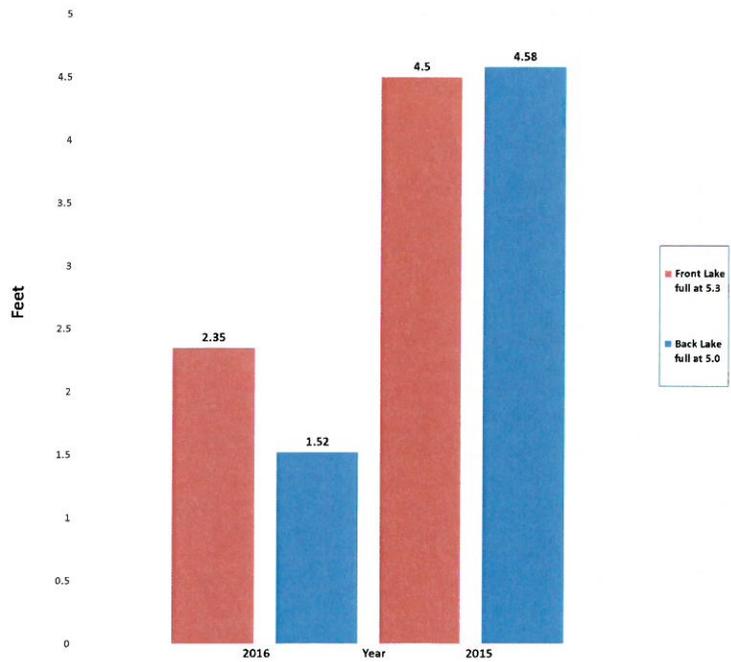
*November Monthly Well Water Production 2016 vs 2015*



*November Monthly Precipitation 2016 vs 2015*



*November Front & Back Lake Levels 2016 vs 2015*



**WATER RECLAMATION FACILITY  
MONTHLY OPERATIONS REPORT  
FOR THE MONTH OF: NOVEMBER 2016  
PREPARED: DECEMBER 2016**

MEASURE	MONTH	AVG./DAY
INFLUENT FLOW	16,512,400 GAL	550,400 GAL
EFFLUENT FLOW	14,251,300 GAL	475,000 GAL
MAXIMUM DAY INFLUENT	770,900 GAL	
FERRIC CHLORIDE	2,044 GAL	68 GAL
CITRIC ACID	- GAL	- GAL
SODIUM HYPOCHLORITE	193 GAL	21 GAL
METHANOL	997 GAL	33 GAL
RAIN	2.00 IN.	0.07 IN.

**MONTHLY TOTAL NUTRIENT DISCHARGE**

TOTAL NITROGEN	85 LBS.
TOTAL NITROGEN YTD	1,859 LBS.
AVG. DAILY NITROGEN	0.73 MG/L
VPDES NITROGEN LIMIT	4.0 MG/L
TOTAL PHOSPHORUS	13 LBS.
TOTAL PHOSPHORUS YTD	306 LBS.
AVG. PHOSPHORUS DAILY	0.11 MG/L
VPDES PHOSPHORUS LIMIT	0.3 MG/L

**ACCOMPLISHMENTS**

Unusual activities      Hauled 25 wet tons of bio-solids for land application.  
 Reports Submitted      Staff went to DEQ to discuss new testing requirements  
    Submitted VDEQ discharge monitoring report and Virginia's nutrient report

**WATER RECLAMATION FACILITY  
MONTHLY OPERATIONS REPORT  
FOR THE MONTH OF: NOVEMBER 2015  
PREPARED: DECEMBER 2015**

MEASURE	MONTH	AVG./DAY
INFLUENT FLOW	16,131,400 GAL	537,700 GAL
EFFLUENT FLOW	14,437,400 GAL	481,200 GAL
MAXIMUM DAY INFLUENT	782,800 GAL	
FERRIC CHLORIDE	1,580 GAL	53 GAL
CITRIC ACID	142 GAL	71 GAL
SODIUM HYPOCHLORITE	233 GAL	26 GAL
METHANOL	915 GAL	31 GAL
RAIN	3.85 IN.	0.12 IN.

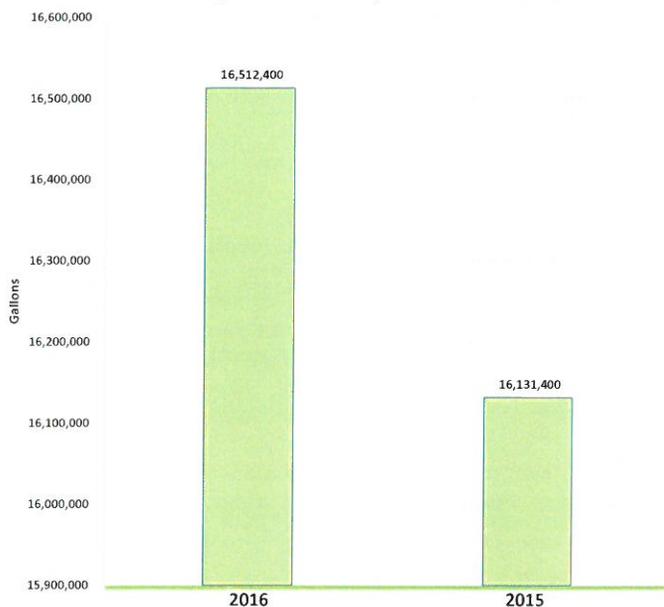
**MONTHLY TOTAL NUTRIENT DISCHARGE**

TOTAL NITROGEN	203 LBS.
TOTAL NITROGEN YTD	2,364 LBS.
AVG. DAILY NITROGEN	1.65 MG/L
VPDES NITROGEN LIMIT	4.0 MG/L
TOTAL PHOSPHORUS	22 LBS.
TOTAL PHOSPHORUS YTD	265 LBS.
AVG. PHOSPHORUS DAILY	0.18 MG/L
VPDES PHOSPHORUS LIMIT	0.3 MG/L

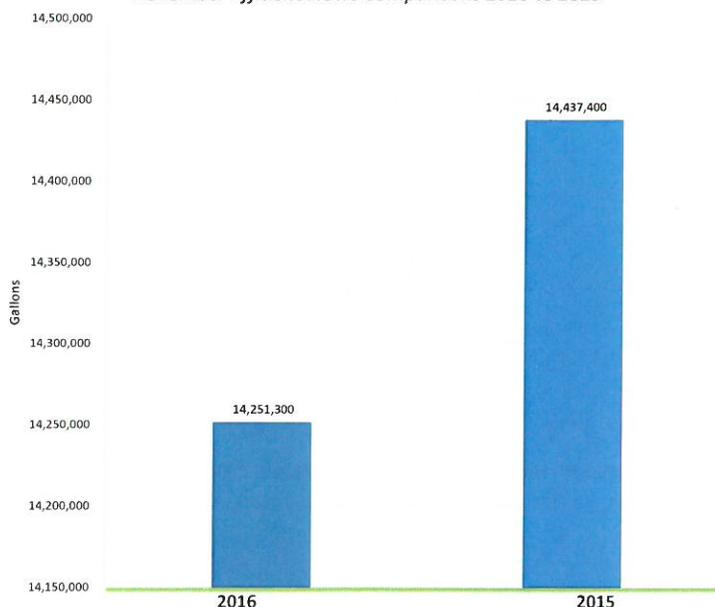
N/A      No information available at this time.

## Basham Simms Water Reclamation Facility November 2016 vs 2015 Comparisons

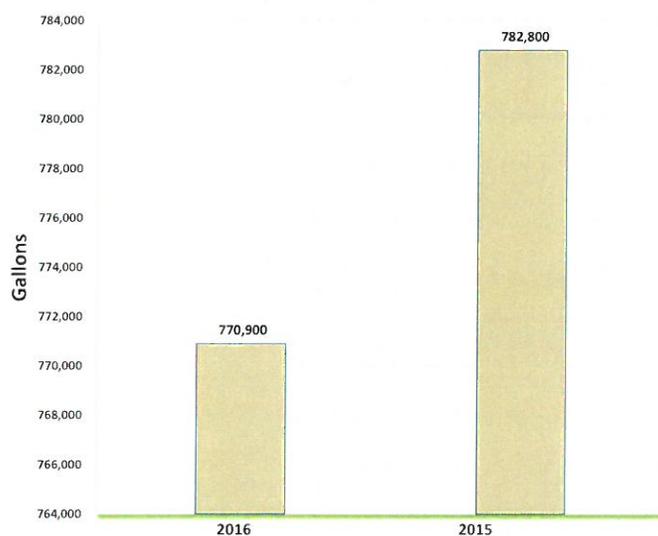
*November Influent Flows Comparisons 2016 vs 2015*



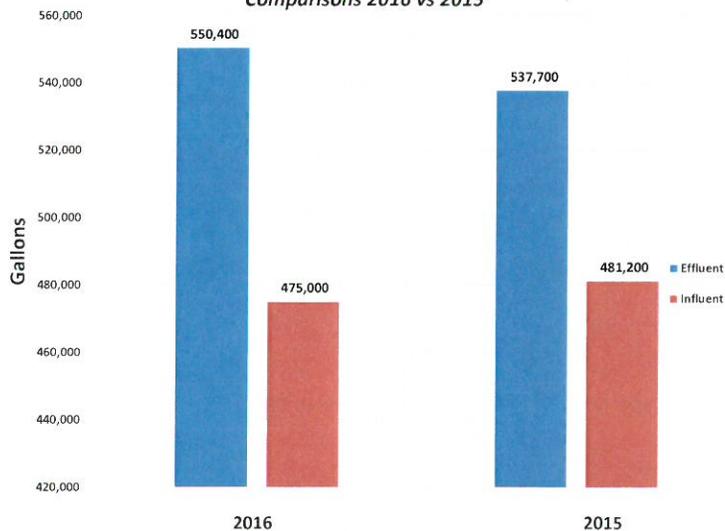
*November Effluent Flows Comparisons 2016 vs 2015*



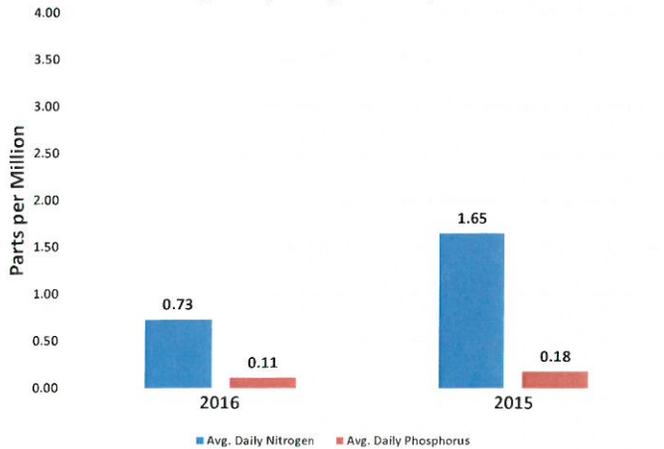
*November Max. Daily Flows Comparisons 2016 vs 2015*



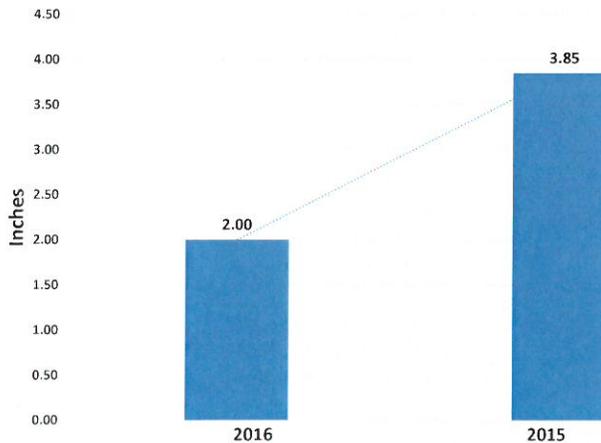
*November Average Day Influent & Effluent Flows Comparisons 2016 vs 2015*



*Average Daily Nitrogen & Phosphorus 2016 vs 2015*



*Monthly Precipitation 2016 vs 2015*



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**STAFF REPORT**  
**INFORMATION ITEM**

Item # 13.d

**SUBJECT:** Classification and Compensation Study

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Daniel C. Davis, Assistant Town Manager  
Sharon Rauch, HR Manager

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**SUMMARY and RECOMMENDATIONS:**

The Town has funds budgeted to conduct a classification and compensation study. Staff is providing information on the proposed project, additional resources available, and ongoing review of comparable employers. Staff recommends continuing forward with the study unless Council directs otherwise.

**BACKGROUND:**

For the past two budget years, the Town Council has approved funding for a classification and compensation study ("study"). In FY16, staff was unable to begin the study due to an overwhelming workload and inability to begin the procurement process. In FY17, staff has continued to look at options and has been in contact with Evergreen Solutions, LLC, who was recently awarded a contract by Loudoun County to conduct a classification and compensation review and study. It is staff's proposal to proceed with the Town's study by riding the contract awarded by Loudoun County to Evergreen Solutions, LLC.

Currently, the Town's employee classification system is based on a model developed over 10 years ago. These classifications have not changed in that time period, although a significant amount of the Town's activities have changed in that time. It is important to review the current job descriptions, activities, and requirements for each position in the Town. Once the positions are more clearly defined, the consultant will make recommendations on developing appropriate classification levels. Then, positions can be placed within those classifications.

In addition to providing expertise in classifying the Town's various positions, the consultant would also provide an overall review of the Town's salary scales for each of the classifications. This review would look at comparable jobs throughout the region (both west

and east) and make recommendations on appropriate levels of compensation based on these comparators. Similar to the current classification system, salary scales have not been reviewed and updated for a number of years.

Having up-to-date information on appropriate classification and salary is important for hiring and promoting staff. The Town has seen challenges in recent years in recruiting staff for key positions, especially in the police department. While staff is always looking at comparator jurisdictions to understand where the Town stands in relation to other hiring agencies, the current salary scales may not accurately reflect the current marketplace.

The consultant also proposes to review current HR/Personnel Policies and make any recommendations based on federal requirements and best practices, such as the Fair Labor Standards Act, Americans with Disabilities Act, and the Equal Employment Opportunities Act.

A proposal from Evergreen Solutions is provided as Attachment 1. The study is proposed to take approximately 3 months from start date.

In addition to the information proposed to be developed by the consultant, and at the recommendation of Council, staff has recently signed up for the Compensation Survey System that is run through the Virginia Institute of Local Government. Staff is configuring the system data now to be able to run reports based on other participating municipalities. This system will allow the Town to keep up-to-date on comparable jurisdictions and will provide ongoing information for the Town on a regular basis.

It is important to note that while some of the information the Town needs can be gathered through information requests and comparisons, the true value of the Classification and Compensation Study comes from the consultants' ability to review the Town's positions, their job descriptions, their internal and external equities, and develop a system that provides consistent application of salaries and policies across all departments. This is important for the Town's ongoing activities and cannot be developed in-house or simply by surveying market data. It is staff's strong recommendation to proceed with the Classification and Compensation Study as proposed.

#### **ALTERNATIVES:**

Should Council wish to consider alternative options, staff can develop a formal Request for Proposals to seek other firms that conduct the same study. Staff has worked with other firms in the past, and an informal outreach to other jurisdictions indicates a number of other firms that could conduct a similar study. This alternative may result in additional firms for

consideration, but staff does not believe would result in significant cost differential over the current proposal.

Should Council wish to defer the classification and compensation study altogether, staff will continue the process of attempting to gain internal and external equity through periodic market adjustments so that the Town can recruit qualified employees and retain current employees. This does not resolve the issue of the Town's classification system being outdated and does not provide a comprehensive approach to this issue.

**CONCLUSION:**

No action is needed by Council at this time and staff intends to proceed with the study as discussed. However, any input or direction from Council on these topics is appreciated.

December 2, 2016

Ms. Sharon Rauch  
Human Resources Specialist  
Town of Purcellville  
221 South Nursery Avenue  
Purcellville, Virginia 20132

**SUBMITTED VIA EMAIL:** [srauch@purcellvilleva.gov](mailto:srauch@purcellvilleva.gov)

Dear Ms. Rauch:

We appreciate the opportunity to provide you with a letter proposal to conduct a Pay and Classification Study for the Town of Purcellville. I have prepared a detailed work plan outlining the tasks, activities, and milestones necessary to successfully conduct the study as well as a proposed cost and timeline.

### **Detailed Work Plan**

#### **Task 1.0 Project Initiation**

#### **TASK GOALS**

- Finalize the project plan with the Town of Purcellville (Town).
- Gather all pertinent data.
- Finalize any remaining contractual negotiations.
- Establish an agreeable final time line for all project milestones and deliverables.

#### **TASK ACTIVITIES**

- 1.1 Discuss the following objectives with the Town's Project Manager:
- understand the Town's mission and current compensation philosophy (if any);
  - review our proposed methodology, approach, and project work plan to identify any necessary revisions;
  - reach agreement on a schedule for the project including all assignments and project milestones/deliverables;
  - establish an agreeable communication schedule.
- 1.2 Identify potential challenges and opportunities for the study.

**Task 2.0  
Collect and Review  
Current Environment  
Data**

Discuss the strategic direction of the Town and some of the short and long-term priorities. This activity serves as the basis for assessing where the Town is going and what type of pay plan will reinforce current and future goals.

- 1.3 Obtain relevant materials, including:
- any previous projects, research, evaluations, or other studies that may be relevant to this project;
  - organizational charts for the departments and divisions, along with related responsibility descriptions;
  - current position and classification descriptions, salary schedule(s), and classification system; and
  - personnel policies and procedures.
- 1.4 Review and edit the project work plan and submit a schedule for the completion of each project task.

**KEY PROJECT MILESTONES**

- Comprehensive project management plan
- Comprehensive database of Town employees

**TASK GOALS**

- Conduct statistical and anecdotal research into the current environment within the Town.
- Guide subsequent analytical tasks.

**TASK ACTIVITIES**

- 2.1 Schedule and conduct employee orientation sessions.
- 2.2 Meet with department heads to obtain relevant information and statistical/anecdotal data on specific compensation issues and policies. Obtain insight into perceived current compensation system strengths and weaknesses.
- 2.3 Hold focus groups with a sample of employees to obtain additional relevant information and statistical/anecdotal data on specific compensation issues and policies.
- 2.4 Work with the Town's Project Manager to administer the Job Assessment Tools (JATs) and management Issues Tools (MITs). Our staff utilizes a web-based tool for data collection, but we can provide paper copies as well as those for classifications without computers or Internet access. We will seek approval from the Town's Project Manager before distribution of the JAT/MIT questionnaire.

**Task 3.0  
Evaluate the Current  
System and Develop  
Compensation  
Philosophy**

2.5 Review any data provided by the Town that may provide additional relevant insight.

2.6 Review internal career ladders and make preliminary recommendations to keep positions competitive.

**KEY PROJECT MILESTONES**

- JAT and MIT distribution
- Department head interviews
- Employee focus groups and orientation sessions

**TASK GOALS**

- Conduct a comprehensive preliminary evaluation of the Town's existing compensation plan.
- Facilitate the development of the Town's initial compensation philosophy.

**TASK ACTIVITIES**

- 3.1 Obtain the existing pay structure and compensation philosophy. Review the existing pay structure and look for potential problems to be resolved.
- 3.2 Determine the strengths and weaknesses of the current pay plan(s) and discuss with the Town's Project Manager.
- 3.3 Complete an assessment of current conditions that details the pros and cons of the current system as well as highlights areas for potential improvement in the final adopted solution.
- 3.4 Review results of previous steps with the Town's Project Manager and present various options for compensation philosophy components.
- 3.5 Develop initial compensation philosophy based on input from previous steps.

**KEY PROJECT MILESTONES**

- Review of existing compensation plan(s)
- Assessment of current conditions
- Initial compensation philosophy

**Task 4.0  
Evaluate and Build  
Projected  
Classification Plan**

**TASK GOALS**

- Identify the classification of existing positions utilizing Evergreen’s job evaluation system.
- Review JAT responses.
- Characterize internal equity relationships within the Town.

**TASK ACTIVITIES**

- 4.1 Review all draft class specifications with the Town’s Project Manager.
- 4.2 Review the work performed by each classification and score. Include an evaluation of supervisory comments.
- 4.3 Review JAT scores and identify the classification of positions.
- 4.4 Schedule and conduct additional follow up with employees for jobs where uncertainty exists over data obtained from the JATs.
- 4.5 Develop preliminary recommendations for the classification structure. The classification system designed at this point would be based solely on internal equity relationships and would be guided by the JAT scores for each classification. Essentially, a structure of classifications would be established, and classifications with similar scoring would be grouped into pay grades. Spacing between jobs would be determined, and each classification would be assigned to a pay grade. The final decision on the minimums and maximums of the pay grades would be determined after the market data have been collected.
- 4.6 Review recommendations with the Town’s Project Manager.

**KEY PROJECT MILESTONES**

- JAT scores by class
- Recommended classification changes
- Preliminary job structure based on internal equity

**Task 5.0  
Identify List of  
Market Survey  
Benchmarks**

**TASK GOAL**

- Reach an appropriate number and identify the proper benchmark positions for the external labor market assessment. **Note:** We will work with the Town’s Project Manager to identify up to 40 benchmark positions.

**Task 6.0  
Identify Approved  
List of Survey  
Targets**

**TASK ACTIVITIES**

- 5.1 Conduct a thorough review of all materials to date, including employee database, classification listing, interviews, compensation review, and meetings with the Town's Project Manager.
- 5.2 Identify, from the initial review, a list of classifications (benchmarks) to include in the labor market survey.
- 5.3 Submit the proposed list of positions to the Town's Project Manager for review.
- 5.4 Based on the Town Project Manager's review, make revisions to the benchmark list and finalize consistent with Evergreen's analysis.

**KEY PROJECT MILESTONES**

- Preliminary list of benchmark classifications
- Final list of benchmark positions for the external labor market assessment

**TASK GOAL**

- Identify and develop a comprehensive list of targets for conducting a successful external labor market assessment. **Note:** We will work with the Town's Project Manager to identify up to 15 targets for the survey.

**TASK ACTIVITIES**

- 6.1 For each employee group, review with the Town's Project Manager peer organizations that must be included in the survey.
- 6.2 Develop a preliminary list of organizations for the external labor market survey, placing a comparative emphasis on characteristics such as:
  - size of the organization;
  - geographic proximity to the Purcellville area;
  - economic and budget characteristics; and
  - other demographic data.
- 6.3 Develop a list of survey targets by employee group. Develop a system for use of secondary data including potential sources and weighting of secondary data, if necessary.
- 6.4 Review survey methodology with the Town's Project Manager and refine survey methodology prior to distribution of survey.
- 6.5 After approval of survey methodology, develop contact list of peer organizations and notify peers of impending survey.

**Task 7.0  
Conduct Market  
Survey and Provide  
External  
Assessment  
Summary**

**KEY PROJECT MILESTONES**

- Initial list of survey peers
- Survey methodology
- Final list of survey organizations and contacts

**TASK GOALS**

- Conduct the external labor market salary survey.
- Provide a summary of the survey results to the Town's Project Manager for review.

**TASK ACTIVITIES**

- 7.1 Prepare a customized external labor market salary survey for the Town Project Manager's approval. Discuss questions and categories for the market survey.
- 7.2 Contact the targets for electronic completion of the survey. Provide paper copies by fax, if requested.
- 7.3 Conduct necessary follow-up through e-mails, faxes, and phone calls.
- 7.4 Collect and enter survey results into Evergreen's electronic data analysis tools.
- 7.5 Validate all data submitted.
- 7.6 Develop summary report of external labor market assessment results.
- 7.7 Submit summary report of external labor market assessment results to the Town's Project Manager.

**KEY PROJECT MILESTONES**

- Market survey instrument
- Summary report of external labor market assessment results

**Task 8.0  
Develop Strategic  
Positioning  
Recommendations**

**TASK GOALS**

- Assess the appropriateness of the Town's existing compensation philosophy
- Plan for all employees, providing issue areas and preliminary recommendations for strategic improvement.

**Task 9.0  
Conduct Solution  
Analysis**

**TASK ACTIVITIES**

- 8.1 Identify the accepted compensation philosophy and accompanying thresholds.
- 8.2 Using the market salary data collected in **Task 7.0** and the classification data reviewed in **Task 4.0**, determine the proper pay plan including number of grades, steps, and ranges.
- 8.3 Identify highly competitive positions within the Town and customize recommendations for compensation where required.
- 8.4 Produce a pay plan(s) that best meets the needs of the Town from an internal equity and external equity standpoint.

**KEY PROJECT MILESTONES**

- Proposed compensation strategic direction, taking into account internal and external equity
- Plan for addressing unique, highly competitive positions

**TASK GOALS**

- Conduct analysis comparing classification values.
- Survey results for the benchmark positions.
- Produce several possible solutions for implementation.

**TASK ACTIVITIES**

- 9.1 Conduct regression analysis or other appropriate techniques to properly slot each classification into the proposed pay plan.
- 9.2 Place all classifications into pay grades based on **Task Activity 9.1**. Sort alphabetically by job class title, in descending order by range, and by old class title and new class specifications.
- 9.3 Create implementation solutions for consideration that take into account the current position of the organization as well as the findings from the classification and compensation analysis. Identify and prepare a range of compensation policy alternatives.
- 9.4 Meet with the Town's Project Manager to discuss the potential solutions.
- 9.5 Determine the best solution to meet the Town's needs in the short-term and long-term.
- 9.6 Document the accepted solution.

**Task 10.0  
Develop and Submit  
Draft and Final  
Reports**

**KEY PROJECT MILESTONES**

- Initial regression analysis
- Potential solutions
- Documented final solution

**TASK GOALS**

- Develop and submit a draft and final report of the Pay and Classification Study to the Town of Purcellville.
- Present the final report to the Town.

**TASK ACTIVITIES**

- 10.1 Produce a comprehensive draft report that captures the results of each previous step.
- 10.2 Submit the comprehensive draft report to the Town's Project Manager for review and approval.
- 10.3 Make edits and submit necessary copies of the final report which will describe the classification and pay plan for employees and will recommend implementation procedures as well as procedures for the continuing maintenance and administration of the plan.
- 10.4 Present the final report to the Town.
- 10.5 Develop a plan for maintaining recommendations over time.

**KEY PROJECT MILESTONES**

- Draft and final reports
- Final presentation
- Implementation and maintenance database

**Task 11.0  
Develop  
Recommendations  
for Compensation  
Administration**

**TASK GOAL**

- Develop recommendations for the continued administration by Town staff to sustain the recommended classification and compensation structure for its employees.

**TASK ACTIVITIES**

- 11.1 Develop recommendations and guidelines for the continued administration and maintenance of the classification and compensation structure, including recommendations and guidelines related to:

- how employees will move through the pay structure/system as a result of transfers, promotions, or demotions;
- how to pay employees whose base pay has reached the maximum of their pay range or value of their position;
- the proper mix of pay;
- how often to adjust pay scales and survey the market;
- the timing of implementation; and
- how to keep the system fair and competitive over time.

11.2 Recommend recruitment/retention strategies, where appropriate.

11.3 Present recommendations to the Town's Project Manager for review.

#### **KEY PROJECT MILESTONES**

- Recommendations for compensation administration
- Recommendations for recruitment/retention policies

#### **Task 12.0 Provide Revised Class Descriptions and FLSA Determinations**

#### **TASK GOALS**

- Update existing class descriptions and create new class descriptions as needed, ensuring FLSA, EEO/ADA requirement satisfaction.
- Provide final version of all class descriptions/specifications in electronic format (i.e., MS Word) after approval by the Town's Project Manager.

#### **TASK ACTIVITIES**

- 12.1 Assess current class descriptions for form, content, validity, and ADA compliance.
- 12.2 Revise classification descriptions based on data gathered from the JAT process.
- 12.3 Create new class descriptions for new classifications, as needed. Provide complete listing of the allocation of job classes to salary range assignments.
- 12.4 Make FLSA determinations based on work performed and federal requirements.
- 12.5 Recommend a systematic, regular process for reviewing job descriptions.

## KEY PROJECT MILESTONES

- Updated class descriptions
- New class descriptions as needed.

### Proposed Cost and Timeline

Our total, not-to-exceed, fixed cost to complete all tasks identified in our detailed work plan is **\$18,000**. This cost is all inclusive, and includes travel costs (meals and lodging), transportation, fringe benefits, indirect cost (overhead), clerical support, and all other out-of-pocket expenses. Our cost includes two separate trips to Purcellville to provide the requested work. We can complete the study in three months of the project start date and following the signing of the contract. Our timeline is based on a tentative start date of January 1, 2017, and a completion date of March 31, 2017.

We would love the opportunity to work with the Town on this important study. If you need any additional information, please feel free to contact me at (850) 383-0111 or via email at [jeff@consultevergreen.com](mailto:jeff@consultevergreen.com).

Sincerely,



Dr. Jeffrey Ling  
Executive Vice President  
Evergreen Solutions, LLC

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**STAFF REPORT**  
**ACTION ITEM**

Item #14

**SUBJECT:** Proclamation/Recognition Requests

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Diana Hays, Town Clerk/Project Manager

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**SUMMARY and RECOMMENDATIONS:**

It is the Town's practice to recognize student athletes who compete and win at the highest level. The Loudoun Valley High School Boys Cross Country Team won the 4A State Championship this year. In addition, junior Peter Morris won the VHSL 4A state championship in the 5000 meter run for the Vikings holding the title for the fourth straight season.

Staff recommends recognizing these individuals at the January 10<sup>th</sup>, 2017 Town Council Meeting or as soon thereafter as they are available.

**ATTACHMENT(S):**

None

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**STAFF REPORT**  
**ACTION ITEM**

Item #15

**SUBJECT:** Approval of Meeting Minutes

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Diana Hays, Town Clerk/Project Manager

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**SUMMARY and RECOMMENDATIONS:**

Attached are the meeting minutes from the November 3, 2016 Town Council Special Meeting, November 8, 2016 Town Council Meeting and the November 16, 2016 Town Council Special Meeting for review and approval by Town Council.

**MOTION(S):**

“I move that we approve the minutes of the November 3, 2016 Town Council Special Meeting, November 8, 2016 Town Council Meeting and the November 16, 2016 Town Council Special Meeting and waive reading.”

**ATTACHMENT(S):**

1. November 3, 2016 Town Council Special Meeting Minutes
2. November 8, 2016 Town Council Regular Meeting Minutes
3. November 16, 2016 Town Council Special Meeting Minutes

**MINUTES**  
**PURCELLVILLE TOWN COUNCIL SPECIAL MEETING/  
 JOINT PUBLIC HEARING WITH PLANNING COMMISSION**  
**NOVEMBER 3, 2016, 7:00 PM**  
**TOWN HALL COUNCIL CHAMBERS**

The special meeting of the Purcellville Town Council convened at 7:00 PM in Council Chambers.

**PRESENT:** Kwasi Fraser, Mayor  
 Karen Jimmerson, Vice Mayor  
 Nedim Ogelman, Council member  
 Doug McCollum, Council member  
 Chris Bledsoe, Council member  
 Kelli Grim, Council member

**ABSENT:** Ryan Cool, Council member

**STAFF:** Robert W. Lohr, Jr., Town Manager  
 Sally Hankins, Town Attorney  
 Hooper McCann, Director of Administration  
 Daniel Galindo, Senior Planner  
 Diana Hays, Town Clerk

**CALL TO ORDER OF SPECIAL MEETING:**

Chairman Stein called to order the Planning Commissioner Regular Meeting to order at 7:00 PM.

Mayor Fraser called to order the Special Meeting of Town Council at 7:00 PM. The Pledge of Allegiance followed.

**PLANNING COMMISSION AGENDA AMENDMENTS:**

None

**PLANNING COMMISSIONER DISCLOSURES:**

None

**JOINT PUBLIC HEARINGS WITH PLANNING COMMISSION:**

**a. SUP16-03 Mary's House of Hope (Transitional Housing)**

Chairman Stein stated the purpose of the public hearing and granted speakers three minutes. Chairman Stein opened the Planning Commission Public Hearing at 7:03 PM. Mayor Fraser opened the Town Council Public Hearing at 7:03 PM.

There was no one signed up to speak.

Daniel Galindo gave the staff presentation and noted that the applicant is requesting a special use for transitional housing in a building that it has been using as transitional housing for approximately nine years. Mr. Galindo added the Town rezoned the property earlier this year and created a use for transitional housing in preparation for the possibility of selling the land. Mr. Galindo stated that the Town agrees with all of the information contained within the application and the statement of justification however since the application has been received less than a month ago and hasn't received comments back from all reviewers, recommends that the Planning Commission defer action on the item until their next meeting.

There were no written materials submitted for the record.

Vickie Koth, 198 Wilderness Road, Linden, VA, with Good Shepherd Alliance came forward and talked their longstanding, great relationship with the town. Ms. Koth added that with a grant was able to renovate the home and currently leases the home from the Town for \$1 per year. Ms. Koth added that the house is used to help single moms get back on their feet. With the maintenance facility located there previously there was a safety concern with having small children in the house because of the equipment coming and going. Ms. Koth stated they did receive the \$300,000 grant to purchase the home.

No citizens were signed up to speak.

Commissioner Stinnette asked Dan Galindo what the downside would be for not voting on it immediately and asked if the Town was expecting any significant comments from the review. Dan Galindo stated he does not and the comments outstanding are from the Public Works Dept.

Sally Hankins, Town Attorney, recommended allowing a full vetting of an application before acting upon it because it helps ensure that the action taken can withstand any challenge.

Commissioner Paciulli asked if it might be important to add a few conditions on the approval to include maximum living capacity, conforming of building, fire and safety codes, and tree buffering maintenance. Per Dan Galindo, staff has not compiled a list of conditions.

Council had no questions or comments, and Mayor Fraser closed the Town Council Public Hearing 7:13 PM. Chairman Stein closed the Planning Commission Public Hearing at 7:13 PM.

**b. SUP16-04 – Makersmiths**

Chairman Stein stated the purpose of the public hearing and granted speakers three minutes. Chairman Stein opened the Planning Commission Public Hearing at 7:15 PM. Mayor Fraser opened the Town Council Public Hearing at 7:15 PM.

Dan Galindo provided the staff presentation and explained the location of the property as well as its history. Mr. Galindo added that if the Town Council and/or Planning Commission has any issues they may want to include those as conditions or to address them with staff.

Pat Scannell, 803 Lennon Court, Leesburg, Executive Director of Makersmiths, came forward on behalf of Tom Hill, Project Manager. Mr. Scannell stated that since his last presentation to Council he presented on the Maker movement to VML at the annual conference and talked further about the purpose of Makersmiths and their other locations.

An email from Bill and Christy Reynolds was received for the record in support of Makersmiths.

Matthew Hines of 14421 Mountain Road, Purcellville, came forward and talked about the large number of events held at a Makersmiths facility and the need for expansion.

David Bock, 38210 Audrey Court, Hamilton stated he is in support of Makersmiths in Purcellville and talked about the support it would provide to the surrounding schools.

Jill Evans-Kavaldjian, 38615 Morrisonville Road, Lovettsville, President of the Loudoun Arts Council and Manager at Round Hill Arts Center came forward in support of the expansion of the Makerspace.

Michael Fistler, 17054 Simmontal Lane, Round Hill, shared his experience with Makersmiths over the past year and spoke in favor of Makersmiths coming to Purcellville.

David Painter, 35365 Carnoustie Circle, Round Hill, spoke in favor of Makersmiths in Purcellville and feels they are an asset to any community.

Vickie Koth, 198 Wilderness Road, Linden, VA stated she is Executive Director of the Good Shepherd Alliance and would be the neighbor to the Makersmiths location. Ms. Koth talked about her concerns to include security, quiet hours, safety with the in and out traffic and the children in the home.

Pat Scannell offered to meet with Ms. Koth and work with her on her concerns and provided information about current neighbors at other Makersmiths locations. Mr. Scannell talked about the use of the lower driveway to move traffic away from the house.

Mr. Hines talked further about the space being opened to only members twenty-four hours a day with someone always being onsite. Mr. Scannell added there would be other members there as well as video surveillance.

Commissioner Paciulli asked if all of the use areas on the property could be identified. Commissioner Paciulli talked about the Hirst Farm homes that back to the property and talked about screening. Commissioner Paciulli talked about the quiet hours and feels 10:00 PM may be a little late, and stated the parking is not well defined.

Commissioner Van Istendal asked about the security to monitor the networks as well as physical security. Mr. Scannell stated a security solution has not yet been created but will exceed best commercial practices.

Mr. Scannell committed to adding trees for screening on the Hirst side and behind Mary's House of Hope. Commissioner Paciulli thanked Mr. Scannell for his willingness to help.

Via questions from Commissioner Stinnette, Dan Galindo confirmed that all of the reviews are in and the only item remaining is setting conditions, if desired, and that the Town has a list of equipment as of today that will be onsite. Commissioner Stinnette asked about facilitating a meeting between the applicants of 16-03 and 16-04.

Commissioner Grim referenced the Sept. 27, 2016 Town Council Meeting Minutes where there is a well-defined map that lays out the description of the area that Makersmiths would be using and referenced in the same meeting that the issues in the lease were addressed by line. Further discussion took place about adding conditions to the lease. Chairman Stein stated she feel conditions should be worked out between Mary's House of Hope and Makersmiths.

Discussion took place about having the materials ready for this item to be an action item on November 17<sup>th</sup>.

Council member Bledsoe spoke in favor of Makersmiths and added that he visited the Leesburg location and talked with the neighbors there and received positive feedback.

Council member Jimmerson talked about the possible benefits of having neighbors.

Mayor Fraser encouraged a meeting within a week between Makersmiths and Mary's House of Hope to determine how they can work together.

Pat Scannell offered Makersmiths services to Mary's House of Hope to include physical and network security.

Vickie Koth shared her concerns about the proposed hours of operation for Makersmiths due to noise and safety.

Mayor Fraser closed the Town Council Public Hearing at 8:13 PM. Chairman Stein closed the Planning Commission Public Hearing at 8:13 PM.

**c. Zoning Ordinance Text Amendment OA16-02 – Disclosure of Real Parties in Interest**

Chairman Stein stated the purpose of the public hearing and granted speakers three minutes. Chairman Stein opened the Planning Commission Public Hearing at 8:15 PM. Mayor Fraser opened the Town Council Public hearing at 8:15 PM.

Sally Hankins, Town Attorney, made the staff presentation and added that the Town Council has expressed interest in amending the zoning ordinance to require that anyone that is presenting a land development application disclose all the legal and equitable ownership interests in the land that is the subject of the application. Town Council has requested that the Planning Commission

review the proposed ordinance and provide Council with a recommendation. Ms. Hankins reviewed the proposed process as presented in the staff report.

Tucker Keller noted the four written comments received for the public hearing by Chuck Izzo, Susan Khalil, and Lydia Clark and Kecia Brown. One additional item came in during the public hearing from Edie Forsberg. All are in support of the Real Parties of Interest Disclosure.

No one was signed up to speak.

Commissioner Paciulli spoke in favor of the item.

Commissioner Grim clarified for the residents that she's received questions from that there is a secondary part of the item which requires an affirmation meaning if anything changes from the time of application that on or before the close of business 22 business days prior to each public hearing before the Planning Commission, Town Council or Board of Zoning Appeals, the applicant or authorized agent must update the document, and added the form does need to be notarized. Commissioner Grim spoke in favor of the item and sees it as a positive asset to land use.

Commissioner Stinnette added that the Affirmation is covered in paragraph 19.5 which should address the concerns of the neighbors.

Chairman Stein noted that the ordinance would give the option for the member to go further than the code requires in that they could electively refrain from participating and confirmed with Sally Hankins that this is correct.

Commissioner Grim talked about updating the Code of Conduct for Committees, Commissions and Boards and the Code of Ethics for Council to address the issue as other municipalities do.

Council member Bledsoe and Mayor Fraser spoke in favor of the item and with no further Council comments, Mayor Fraser closed the Town Council Public Hearing at 8:24 PM.

**ADJOURNMENT:**

Council member Bledsoe made a motion to adjourn the special meeting at 8:24 PM. The motion was seconded by Vice Mayor Jimmerson and passed 6-0-2 (Cool absent and Grim abstain).

The Planning Commissioners had no further comments and Chairman Stein closed the Planning Commission Public Hearing at 8:25 PM.

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Kwasi A. Fraser, Mayor

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Diana Hays, Clerk of Council

**MINUTES**  
**PURCELLVILLE TOWN COUNCIL MEETING**  
**NOVEMBER 8, 2016, 7:00 PM**  
**TOWN HALL COUNCIL CHAMBERS**

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The regular meeting of the Purcellville Town Council convened at 7:00 PM in Council Chambers with the following in attendance:

**PRESENT:** Kwasi Fraser, Mayor  
Karen Jimmerson, Vice Mayor  
Kelli Grim, Council member  
Nedim Ogelman, Council member  
Doug McCollum, Council member  
Ryan Cool, Council member

**ABSENT:** Chris Bledsoe, Council member

**STAFF:** Robert W. Lohr, Jr., Town Manager  
Danny Davis, Assistant Town Manager  
Sally Hankins, Town Attorney  
Alex Vanegas, Director of Public Works  
Patrick Sullivan, Director of Community Development  
Daniel Galindo, Senior Planner  
Chief Cynthia McAlister, Police Dept.  
Melanie Scoggins, Division Manager – Parks and Recreation  
Diana Hays, Town Clerk/Project Manager

**CALL TO ORDER OF REGULAR MEETING:**

Mayor Fraser called the regular meeting to order at 7:00 PM. The Pledge of Allegiance followed.

**AGENDA AMENDMENTS/APPROVAL:**

Council member Grim requested that Consent Action Item 13d 32<sup>nd</sup> & Main Street Traffic Signal Installation Revenue Sharing Application and Resolution be moved to Discussion Items. Danny Davis suggested the item be moved to Action Items so that Council may take action and staff can make the application. Council member Grim restated she would like Consent Action Item 13d moved to 14k. Council member Ogelman added that Council would like the opportunity to be able to discuss these items before taking action. Mayor Fraser approved the request.

Danny Davis stated that Action Items 14a and 14b have been removed from the agenda since the Planning Commission has not taken action and that the items will come back for another public hearing in December.

**PROCLAMATIONS/RECOGNITIONS:**

None

**PUBLIC HEARINGS:**

None

**PRESENTATIONS:**

None

**STANDING COMMITTEE/COMMISSION/BOARD REPORTS:**

**a. Planning Commission (T. Stein, Chairman/K. Grim, Council Liaison)**

Council member Grim stated that joint public hearings were held on Nov. 3<sup>rd</sup> with Town Council on SUP's 16-03 Mary's House of Hope, 16-04 Makersmiths and OA16-02 for the text amendment for the Real Parties in Interest Disclosure. Council member Grim added the Planning Commission took action on 16-03 and 16-04 to defer those to their next meeting in November, and that the Planning Commission did vote for OA16-02 and recommends that Town Council approve the item. Council member Grim added that the work session consisted of discussing the last public work sessions and the most recent and final public input sessions for the comprehensive plan.

**b. Board of Architectural Review (Pat Giglio, Chairman/N. Ogelman, Council Liaison)**

Council member Ogelman noted the BAR did not meet last month as there were no items of consideration and will also not meet in November.

**c. Parks and Recreation Advisory Board (Eamon Coy, Chairman/R. Cool, Council Liaison)**

Council member Cool stated the sports grant applications will be going out soon as well as information about the trolley tours. Council member Cool added that the wall at the comprehensive plan work sessions was full of good ideas and one comment was that citizens do not receive advertisements of meetings for committees.

Danny Davis stated the PRAB has expressed interest in giving their members the ability to call in remotely for their meetings and would like to move forward with a policy if there are no objections from Council.

**d. Economic Development Advisory Board (Daniel Abramson, Chairman/C. Bledsoe, Council Liaison)**

Danny Davis stated that EDAC is working on a business survey and is awaiting feedback from the committee members before forwarding to Town Council and asked Council to let EDAC know of any concerns. Mr. Davis added EDAC discussed commercial vacancies and working with landlords.

**e. Purcellville Arts Council (Liz Jarvis, Chairman/R. Cool, Council Liaison)**

Liz Jarvis, Chair of the PAC, stated their next meeting is on November 14<sup>th</sup>. Ms. Jarvis added that the holiday ornaments that are being coordinated through Michael Oaks at Re-Love It are almost finished. Several submissions have been received for the art banners which will be printed and on display on 21<sup>st</sup> Street throughout the winter. Chair Jarvis stated the artist reception was well attended and Franklin Park is coordinating a W&OD traveling historic exhibit which is now at the Franklin Park Arts Center with a reception this Friday. Ms. Jarvis added the Train Station will be used in December to exhibit historical memorabilia and art depicting the train line, and the Arts Council participated in Hail to the Trail this past weekend.

**CITIZEN AND BUSINESS COMMENTS:**

Mayor Fraser granted speakers three minutes to speak.

Tim Murphy, 110 Willie Palmer Way, asked Council to not take action on the amendment to initiate the review of the comprehensive plan and requested that Council get public input and not assume silent majority wants this. Mr. Murphy stated he feels that proposing a change and voting within two weeks is not why Council was elected and that the citizens have provided a lot of input into the process and want to know how much is going to be discarded. Mr. Murphy submitted an email between the Town Council and himself to submit into the minutes.

William Hicks, 144 Upper Heyford Place, came forward and stated he is a resident of Mayfair and talked about how some use Mayfair as an example of what should not be allowed to happen in Purcellville and that there are other perspectives besides those that a small percentage of vocal residents and individual Council members. Mr. Hicks talked about the debt incurred by the wastewater plant and that the amount owed by the Town has not decreased which allowed previous and current Council to keep water and sewer rates at an artificially low rate. Mr. Hicks added that the Town Council is using the availabilities from Mayfair to keep the rates lower than they should be and that the use of the funds in this manner is irresponsible. Mr. Hicks stated the current Town Council refuses to consider annexation of any additional land in the surrounding area based on information that residents don't want the small town character of Purcellville to change. Mr. Hicks stated he feels that if most residents knew the reality of the current finances in Purcellville that many would choose to look for solutions that were not simply no more growth. Mr. Hicks added that the reality is that homes need to be built and hopes the current Council can look beyond its own personal agenda to start looking at what is best for Purcellville- reasonable development that can be called home by everyone.

Patricia DiPalma-Kipfer, 38038 West Colonial Highway, came forward and stated she emailed her comments to Council on November 4<sup>th</sup> and is providing an update to those comments and a copy for the record. Ms. DiPalma-Kipfer stated this would also serve notice to the Town

Council that she will follow procedure by presenting the comments and justification to the Planning Commission for their review on Thursday, Nov. 17. Ms. DiPalma-Kipfer added that the previous Town Council annexed her three acre residential property which included Catoctin Corner to the west and Patrick Henry College to the north and east of her property line, and the town-initiated annexation became effective Dec. 31, 2008. Ms. DiPalma-Kipfer stated that over the past nine years has repeatedly advised governing members that her property surrounded by incompatible commercial development and that she is a residential property owner and not a developer, and stated her property has been in zoning limbo with a transition-x designation. Ms. DiPalma-Kipfer stated that in 2011, the Town Council initiated and approved an amendment CPA11-01 to the Town's comprehensive plan 2025 to designate her land use as mixed use commercial and that the amendment was to coincide with the amended land use and rezone of the Catoctin Corner development, and stated that to date has not been able to locate the resolution number that should have been assigned and recorded with CPA11-01. Ms. DiPalma-Kipfer stated the resolution is key to change the comprehensive plan ultimate land use map showing the amended land use designation, and added that in 2013, PUGAMP the working document between the Town and County since 1995 and in-part allowed the Town's initiated annexation in the first place was repealed. Ms. DiPalma-Kipfer requested that CPA11-01 and a confirmed resolution number be included in the final content of the updated comprehensive plan. Ms. DiPalma-Kipfer stated she provided input at the Nov. 5<sup>th</sup> Planning Commission Work Session for the draft of the comprehensive plan and feels the time is appropriate to make the following request for consideration and approval after presented to the Planning Commission with their recommendations to Council. Ms. DiPalma-Kipfer respectfully requested that Town Council initiate an amendment to the comprehensive plan changing her property zoning from transition-x to a dual rezone of residential mixed commercial and that Council approval would allow several important key points to materialize and allow her to continue to live on her property and have the option to market the property as commercial without becoming a developer. Ms. Kipfer submitted her comments for the record and stated it is difficult to make a point in three minutes and that her issue has been going on for nine years.

Lydia Clark, 38111 Highland Farm Place, came forward and stated the Kline Annexation Application should be denied because it has never been met with any support from residents except for one who is a parcel owner of the land, which wasn't disclosed at that public forum. Ms. Clark added that one of the applicants works for Loudoun County government and used their Loudoun.gov email address on the application and works in the County's Building and Development Office. Ms. Clark talked further about transparency and the Real Parties of Interest Disclosure being vital to the integrity of the town, and that there have been many emails and petitions in opposition to this project. As the Town has been moving through the comprehensive plan review, stated that by expanding the borders by annexation is not favored. Ms. Clark added that Purcellville Crossroads is not in keeping with the surrounding area and completely contradicts western Loudoun, and talked further about the impact on Mayfair has yet to be felt. Ms. Clark stated she feels that the application fee should not be refunded since the applicant took a chance on submitting the application knowing it did not fit with the surrounding community and was not within town limits, and that the town should keep the fee for the time and effort put forth in reviewing the application. Ms. Clarke stated again that the application should be denied and to leave it as JLMA-3.

Owen Brown, 37636 Wright Farm Drive, came forward and requested that Council deny the Kline annexation request and future requests unless they involve those submitted by a local government body or for reasons concerning public health, safety and welfare. Mr. Brown spoke in favor of the SWOT analysis conducted and for the recognition given to opposition from residents. Mr. Brown stated there is strong opposition from both in and out of town residents. Mr. Brown talked about a survey that was conducted of ninety-eight Wright Farm residents and ninety-three percent strongly oppose annexation by the Town. Mr. Brown added that a design charrette for the property was held in March which suffered many flawed stakeholder preference elicitation techniques and added that a post-charrette survey that was collected from thirty people with all opposing annexation of the property. Mr. Brown added that an online petition still on file electronically states “we the undersigned urge the Loudoun County Board of Supervisors and the Purcellville Mayor and Town Council to seize all future consideration of annexation of properties north of Route 7 into the Town of Purcellville” and contains more than 500 signatures.

Lydia Clark submitted a second request to speak form. Rob Lohr confirmed that it’s not typical for a resident to submit two forms during citizen comments as is permitted on different public hearings on the same evening and added it is Council’s preference how to move forward. As to not set a precedence, Mayor Fraser denied the second request to speak form however Ms. Clark did submit her written comments.

Written comments were submitted by many residents and are on file in the Town Clerk’s office.

### **MAYOR AND COUNCIL COMMENTS:**

Council member Cool stated he attended the morning comprehensive plan session Saturday and feels it was well attended and the comments were valuable. Dan Galindo confirmed the comments from the work sessions would be posted to the website. Council member Cool stated a resident talked to him today about what the town does with the sludge at the waste water treatment plant and thanked Alex Vanegas for assisting with the response. Council member Cool thanked Rob Lohr, Danny Davis and Alex Vanegas for their meetings with him on various topics.

Council member Ogelman thanked the citizens who came out to speak this evening. Council member Ogelman talked about “silent majority” and feels it’s a term used when there is no evidence or information to back what positions are. Council member Ogelman stated he is looking forward to bringing back the two resolutions that were discussed two weeks ago and feels people are expressing their views on these issues and feels Council should act upon them and talked about the number of emails received about the Kline Annexation item.

Council member McCollum stated he attended the work shop over the weekend and felt discussions went well. Council member McCollum reminded everyone that Friday is Veteran’s Day and extended an invitation for all to attend the ceremony at the George C. Marshall House. Council member McCollum stated in regards to Mary’s House of Hope and Makersmiths

Public Hearings, does not feel that the interest and needs of Mary's House of Hope have not been give full consideration and priority deserved. Council member McCollum talked further about the longevity and services provided by Mary's House of Hope.

Council member Grim talked about the twirling signs in town for the development and added there is no documentation that allows for that in town, and that Council will be addressing it. Council member Grim stated there is a clear plan for the JLMA and stated staff at the County level has said it in the memo they sent in March 2013 when the PUGAMP was superseded and that the Purcellville JLMA is no longer planned as a town growth area but will protect the existing residential development pattern and serve as a County transition area between the town and rural policy area. Council member Grim stated that further, the CPAM that was passed retains existing planned policies which recognize the JLMA as a district planned land use area and maintains the current county zoning designations for the area. Council member Grim added that the Board voted 8-0-1 with York absent to forward the application to the next business meeting, and they took action. Council member Grim added that when PUGAMP was rescinded it wasn't the citizens fault that the Town Council or Board of Supervisors did not make accommodations for anything different and followed through without the Town Council objecting. Council member Grim quoted that it was also stated that in 2012 recognizing the Town did not desire any increased density and growth outside the current incorporated Town boundaries into the JLMA, the Purcellville Joint Policy's Review Committee and the Town Council called for the repeal of PUGAMP. Council member Grim added that the County has revised and superseded policies in regards to the PUGAMP and the Town of Purcellville (CPAM 2012-0002) to include retaining the Purcellville JLMA as a planning area that will develop in accord with the underlying County zoning designations prescribed to the area which is one house per three acres. Council member Grim stated she feels this is what previous Council decided to do and what hasn't been changed or revised and so the growth area of the JLMA does not exist unless Council decides to bring it up. Council member Grim added she feels the Town's Annexation Policy needs amended to come in line with what the County's revised general plan clearly states that when PUGAMP was rescinded there was something put in place because the Town said they didn't intend to go outside its boundaries. Council member Grim added that the law needs followed as written according to the County.

Vice Mayor Jimmerson thanked Michael Oaks and the Town for the Halloween block party. On Friday, Vice Mayor Jimmerson stated she attended a traffic study with Rob Lohr and Supervisor Buffington and his staff with members of VDOT where they observed the southbound traffic on Rt. 287 through the Rt. 7/287 interchange. Vice Mayor Jimmerson added that VDOT is going to try to do some stop gap measures in the interim. Vice Mayor Jimmerson attended the pardoning of the turkey on Saturday and Hail to the Trail on Sunday. Vice Mayor Jimmerson stated she participated on a call with Graybar regarding infrastructure for internet fiber and is waiting on a response about what other communities do.

Mayor Fraser stated on Friday he will be attending the fundraiser at Monk's BBQ for the Walking Wounded. Mayor Fraser stated Hail to the Trail was a great event, and talked about linking all of the trails in Purcellville. Mayor Fraser talked about controlling annexation and what the town wants to do as the town has seen annexations take over 20 years for

development. Mayor Fraser talked about Mary's House of Hope and Makersmiths and feels there are ways for them to benefit each other.

**DISCUSSION/INFORMATIONAL ITEMS:**

**a. 2016 Wine and Food Festival Summary**

Danny Davis introduced the item and stated that the accounting has been finalized for the past festival and planning has begun for the next festival. Mr. Davis talked about the success of the new events company and the ticket tier structure which is estimated to be the same for next year. Mr. Davis added that one change to next year will be that there will just be one entrance into the festival.

Council member Grim asked if the consultant fee is included in the total expenses and Danny Davis stated that it is. Danny Davis added that a breakdown of detailed expenses was provided from 2012 to current, and is looking into additional opportunities for VIP tickets.

**b. Carver Center Bus Stop Update**

Council member Grim stated she received a response from Loudoun County Transportation after consulting with VRT and that she has been in touch with the Carver Center Alumni Board and Advisory Board and they are polling their members. Council member Grim asked for a letter of support from the Town to the County.

Vice Mayor Jimmerson stated she was asked about a number of issues at the Carver Center including a bus stop and spoke in favor of the stop.

**CONSENT ACTION ITEMS:**

**a. Town Council's 2017 Legislative Agenda**

Sally Hankins, Town Attorney, stated that over the course of a couple of meetings the Town Council approved its legislative agenda which is included with the staff report as a resolution.

Council member Ogelman mentioned a previous discussion about prioritizing the legislative items and stated it does not appear that they are prioritized. Ms. Hankins stated the resolution was drafted from the approved motion which did not seem to prioritize the items but rather what to include which were items one through eight from Council member McCollum's email and items two and three from her email to Council and all of the remaining items from the document that Council member Grim distributed when the item was initiated. Ms. Hankins added that this is the order they appear on the resolution.

**b. RFP #PW-2016-02 Nursery Avenue Roadway and Drainage Improvements, Design and Engineering Services**

Council had no comments.

**c. 12<sup>th</sup> Street Drainage & Pedestrian Improvements Revenue Sharing Application and Resolution**

Council member Grim stated that in the near future had asked about the water issues related to the adjacent newer construction subdivision regarding storm water issues and since the town has doubled in size feels there are issues that need looked at and have actions been taken that have caused consequences to the adjacent streets. Council member Grim spoke in favor of the 12<sup>th</sup> Street repairs.

**d. 32<sup>nd</sup> & Main Street Traffic Signal Installation Revenue Sharing Application and Resolution**

This item was moved to action item 14k.

**e. Crosswalk (various locations) Revenue Sharing Application and Resolution**

Council had no comments.

Mayor Fraser requested direction on how to move forward with the Consent Action Items. Danny Davis referenced the motion provided and to reference all of the items except item d).

Council member Ogelman made a motion that Town Council adopt the motions for the following Consent Action Items:

- a) Town Council’s 2017 Legislative Agenda
- b) RFP #PW-2016-02 Nursery Avenue Roadway Drainage Improvements, Design and Engineering Services
- c) 12<sup>th</sup> Street Drainage & Pedestrian Improvements Revenue sharing Application and Resolution
- e) Crosswalk (various locations) Revenue Sharing Application and Resolution

The motion was seconded by Council member Cool.

Motion:	Council member Grim
Second:	Council member Cool
Carried:	6-0-1 Absent

Cool -	Aye
Bledsoe -	Absent
Ogelman -	Aye
McCollum -	Aye
Grim -	Aye
Jimmerson -	Aye
Mayor -	Aye

*Mayer*  
Kwasi A. Fraser

*Council*  
Chris Bledsoe  
Ryan J. Cool  
Kelli Grim  
Karen Jimmerson  
Douglass J. McCollum  
Nedim Ogelman



*Town Manager*  
Robert W. Lohr, Jr.  
*Assistant Town Manager*  
Daniel C. Davis

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**TOWN OF PURCELLVILLE**

**IN**

**LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 16-11-04**

**PRESENTED: NOVEMBER 8, 2016**

**ADOPTED: NOVEMBER 8, 2016**

**A RESOLUTION: ESTABLISHING THE TOWN'S LEGISLATIVE PRIORITIES FOR THE 2017 GENERAL ASSEMBLY**

**BE IT RESOLVED** that the Town Council hereby requests the following legislative amendments from the 2017 General Assembly, and adopts the following position statements:

**Amendment to Va. Code § 15.2-2286(B)**

Amend Va. Code § 15.2-2286(B) to authorize a Town to require payment of taxes and other charges constituting a lien on the property, whether such taxes or charges are owed to the Town or to the County within which the Town is located.

**Amendment to Va. Code § 15.2-2119.2**

Amend Va. Code § 15.2-2119.2, to authorize the Town of Purcellville (or all Towns) to provide discounted water and sewer fees and charges for low-income, elderly, or disabled customers.

**Phase II Watershed Implementation Plan/State funding for agricultural BMP and other cost-sharing programs**

Purcellville supports efforts to increase state appropriations for cost-sharing programs, including but not limited to the Virginia Natural Resources Commitment Fund (VNRCF). The VNRCF supports Virginia Agricultural Cost-Share programs including installation of cost-effective best management practices that are necessary to meet Phase II Watershed Implementation Plan local pollution reduction goals.

Mayor  
Kwasi A. Fraser

Council  
Chris Bledsoe  
Ryan J. Cool  
Kelli Grim  
Karen Jimmerson  
Douglass J. McCollum  
Nedim Ogelman



Town Manager  
Robert W. Lohr, Jr.  
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**TOWN OF PURCELLVILLE  
IN  
LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 16-11-02**

**PRESENTED: NOVEMBER 8, 2016**

**ADOPTED: NOVEMBER 8, 2016**

**A RESOLUTION: SUPPORTING A REVENUE SHARING APPLICATION TO THE VIRGINIA DEPARTMENT OF TRANSPORTATION FOR 12<sup>th</sup> STREET DRAINAGE & ROAD IMPROVEMENTS AND AUTHORIZING THE TOWN MANAGER TO APPLY FOR AND EXECUTE AGREEMENTS RELATING TO SUCH FUNDS**

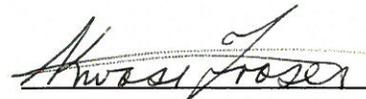
WHEREAS, the Council of the Town of Purcellville desires to submit an application requesting funds of up to \$ 1,000,000 from the Virginia Department of Transportation Fiscal Year 2018, Revenue Sharing Program; and,

WHEREAS, these funds are requested to fund the 12<sup>th</sup> Street Drainage & Road Improvements, so as to address drainage issues, safety concerns and pedestrian accessibility along 12<sup>th</sup> Street.

NOW, THEREFORE, BE IT RESOLVED that the Council of the Town of Purcellville hereby supports and directs the submission of an application requesting \$1,000,000 from the Virginia Department of Transportation Revenue Sharing Program.

BE IT FURTHER RESOLVED that the Council of the Town of Purcellville hereby authorizes the Town Manager to execute said application for funds, and to execute all project administration agreements for any approved revenue sharing projects.

ADOPTED this 8<sup>TH</sup> day of November, 2016.

  
Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

  
Diana Hays, Clerk of Council

Mayor  
Kwasi A. Fraser

Council  
Chris Bledsoe  
Ryan J. Cool  
Kelli Grim  
Karen Jimmerson  
Douglass J. McCollum  
Nedim Ogelman



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**TOWN OF PURCELLVILLE  
IN  
LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 16-11-03**

**PRESENTED: NOVEMBER 8, 2016  
ADOPTED: NOVEMBER 8, 2016**

**A RESOLUTION: SUPPORTING A REVENUE SHARING APPLICATION TO THE VIRGINIA DEPARTMENT OF TRANSPORTATION FOR THE INSTALLATION OF A TRAFFIC SIGNAL AT THE INTERSECTION OF 32<sup>ND</sup> & MAIN STREET AND AUTHORIZING THE TOWN MANAGER TO APPLY FOR AND EXECUTE AGREEMENTS RELATING TO SUCH FUNDS**

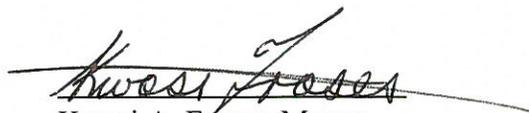
WHEREAS, the Council of the Town of Purcellville desires to submit an application requesting funds of up to \$ 450,000.00 from the Virginia Department of Transportation Fiscal Year 2018, Revenue Sharing Program; and,

WHEREAS, these funds are requested to fund the Installation of a Traffic Signal at the Intersection of 32<sup>nd</sup> & Main Street to improve vehicular traffic flows and pedestrian accessibility.

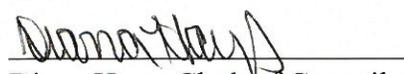
NOW, THEREFORE, BE IT RESOLVED that the Council of the Town of Purcellville hereby supports and directs the submission of an application requesting \$450,000.00 from the Virginia Department of Transportation Revenue Sharing Program.

BE IT FURTHER RESOLVED that the Council of the Town of Purcellville hereby authorizes the Town Manager to execute said application for funds, and to execute all project administration agreements for any approved revenue sharing projects.

ADOPTED this 8<sup>TH</sup> day of November, 2016.

  
Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

  
Diana Hays, Clerk of Council

Mayor  
Kwasi A. Fraser

Council  
Chris Bledsoe  
Ryan J. Cool  
Kelli Grim  
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**TOWN OF PURCELLVILLE  
IN  
LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 16-11-01**

**PRESENTED: NOVEMBER 8, 2016**

**ADOPTED: NOVEMBER 8, 2016**

**A RESOLUTION: SUPPORTING A REVENUE SHARING APPLICATION TO THE VIRGINIA DEPARTMENT OF TRANSPORTATION FOR CROSSWALK IMPROVEMENTS AT VARIOUS LOCATIONS AND AUTHORIZING THE TOWN MANAGER TO APPLY FOR AND EXECUTE AGREEMENTS RELATING TO SUCH FUNDS**

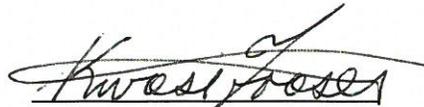
WHEREAS, the Council of the Town of Purcellville desires to submit an application requesting \$20,000.00 from the Virginia Department of Transportation Fiscal Year 2018, Revenue Sharing Program; and,

WHEREAS, these funds are requested to fund Crosswalk Improvements in various locations within the Town.

NOW, THEREFORE, BE IT RESOLVED that the Council of the Town of Purcellville hereby supports and directs the submission of an application requesting \$20,000.00 from the Virginia Department of Transportation Revenue Sharing Program.

BE IT FURTHER RESOLVED that the Council of the Town of Purcellville hereby authorizes the Town Manager to execute said application for funds, and to execute all project administration agreements for any approved revenue sharing projects.

ADOPTED this 8<sup>th</sup> day of November, 2016.

  
Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

  
Diana Hays, Clerk of Council

**Conditional Zoning (Cash and In-Kind Proffers)**

Purcellville supports actions to suspend or revise dramatically the new Proffer Law: SB549. Purcellville supports local authority to accept cash and in-kind proffers from developers to assist localities in financing the capital facilities and infrastructure on site and off site that is needed to serve new development. Purcellville opposes legislation to eliminate or restrict that authority.

**Community Maintenance**

Purcellville opposes any diminution of community maintenance authority including: any loss of authority to regulate telecommunication facilities; any limitation on local land use authority through the statewide building code; any weakening of authority related to inoperative motor vehicles, residential overcrowding, weeds, grass, spot blight, noise, or signage.

**Connection Fees**

Purcellville supports the existing authority of localities or locally created authorities to impose connection fees and rates adequate to support the full cost of water, wastewater and storm water utility systems, and opposes any legislation that would limit that authority.

**Erosion and Sediment Control/Storm water Management**

Purcellville opposes legislation that reduces or eliminates local authority in the areas of erosion and sediment control, and storm water management.

**Line of Duty Benefits for Public Safety Personnel**

Purcellville supports efforts to shift responsibility for Line of Duty benefits back to the state. Should localities continue to be required to pay these benefits, they should at the very least be authorized to establish the level of benefits, instead of the state mandating benefits.

**Worker's Compensation**

Purcellville supports the current Virginia Worker's Compensation Act and opposes any expansion of the heart/lung/cancer presumption statute.

**Adopt state schedule for Worker's Compensation medical services**

Purcellville supports legislation to implement a schedule for medical services provided under a worker's compensation claim that reduces such costs for the county and provides more uniformity and predictability in the rates.

**Expanded Benefits**

Purcellville opposes any legislation mandating new and/or expanded benefits on local governments that are not fully funded in perpetuity by the State, and oppose new or expanded employment benefits for public employees and/or volunteers unless a local option is provided.

**Collective Bargaining**

Purcellville opposes any attempt by the state government to impose collective bargaining or to stipulate grievance procedures for state and local employees.

**Election Districts**

Purcellville supports technical corrections to the state legislative election districts in the County as a part of the omnibus election district "clean-up" legislation. This will avoid unnecessary local costs resulting from election precincts with very small numbers of voters, and will help limit the inconvenience to some voters that resulted from the recent decennial redistricting.

**Retention of Election Ballots**

Purcellville supports legislation to authorize Circuit Court Clerks to retain digital images of election ballots instead of the actual paper ballots for the required (2 year) time period.

**No-Excuse Absentee Voting**

Purcellville supports no-excuse absentee voting in the interest of increasing voter turn-out, promoting efficient and effective election administration, and as a way of avoiding long lines for voters.

**Northern VA Road priority**

Purcellville supports the completion of the Route 7/690 interchange.

**Revenue Sharing Program**

Purcellville supports continued use of this program as an effective way to leverage local/state funds and oppose decreasing the recent funding allocations for this program.

**Virginia Department of Transportation Staffing Levels**

Purcellville supports state funding for providing additional staffing of VDOT personnel designated for and preferably located in Loudoun County for the purposes of greater efficiency.

**Dulles Greenway**

Purcellville supports measures and legislation that address toll rate concerns including but not limited to potential state acquisition of the Dulles Greenway and distance-based and time-based

tolling structures to reduce the costs for Greenway users and to reduce toll-induced traffic congestion on alternative routes.

**New State Mandates & Shifting Responsibility to Localities**

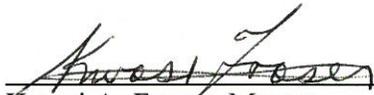
Purcellville opposes any new state mandates that are not fully funded by the Commonwealth, and opposes the shifting of fiscal responsibility from the state to localities for existing programs.

**State Corporation Commission Public Hearings**

Purcellville supports a requirement that the State Corporation Commission conduct a local public hearing for projects that significantly impact Loudoun County.

**BE IT FURTHER RESOLVED** that the Town shall promptly transmit these requested legislative changes and position statements to the Senator representing Senate District 13 and the Delegate representing House of Delegates District 33.

**PASSED THIS 8<sup>TH</sup> DAY OF NOVEMBER, 2016.**

  
Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

  
Diana Hays, Town Clerk

**ACTION ITEMS:**

- a. Removed from agenda via amendment.
- b. Removed from agenda via amendment.
- c. **Zoning Ordinance Text Amendment OA16-02 Disclosure of Real Parties in Interest**

Sally Hankins stated that the item has been before Council previously most recently at the November 3<sup>rd</sup> joint public hearing between the Town Council and Planning Commission where the Planning Commission took a vote to recommend approval of Ordinance 16-09-01.

Council member Grim made a motion that Town Council adopt Ordinance 16-09-01, amending the Zoning Ordinance to require that land development applicants make a full public disclosure of the legal and equitable ownership interests in the real property that is the subject of such application, and periodically affirm such disclosure.

Motion: Council member Grim  
Second: Vice Mayor Jimmerson  
Carried: 6-0-1 Absent

Cool - Aye  
Bledsoe - Absent  
Ogelman - Aye  
McCollum - Aye  
Grim - Aye  
Jimmerson - Aye  
Mayor - Aye

- d. **Proposed Amendment to Resolution 15-01-02 to Initiate a Complete Review of the Town’s Comprehensive Plan**

Sally Hankins introduced the staff report as issued with the supplemental agenda and added that this item was initiated by Council member Ogelman.

Council member Ogelman stated his reason for bringing the item back is that the original resolution has an assumption that reads “Whereas the Town has been asked by landowners in Loudoun County to consider further expansion to the Town’s jurisdictional limits”, and clarified that one of the reasons this was being done is because landowners in the County asked the Town to consider annexing. Council member Ogelman added that there is no similar language about the Town citizens which he feels is inconsistent with the Town’s representative government. Council member Ogelman added that there is nothing that says how far out you would go since the JLMA is written with the removal of PUGAMP. For those reasons, Council member Ogelman stated he feels it would be proper to not stop the comprehensive plan process but to take into consideration the citizens input when considering expansion of the Town’s jurisdictional limits.

Mayor  
Kwasi A. Fraser

Council  
Chris Bledsoe  
Ryan J. Cool  
Kelli Grim  
Karen Jimmerson  
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TOWN OF PURCELLVILLE  
IN  
LOUDOUN COUNTY, VIRGINIA

**ORDINANCE NO. 16-09-01**

**PRESENTED: September 13, 2016**  
**ADOPTED: November 8, 2016**

**AN ORDINANCE: AMENDING ARTICLE 11 OF THE TOWN OF PURCELLVILLE ZONING ORDINANCE TO ADD SECTION 19, REQUIRING ALL APPLICANTS FOR SPECIAL USE PERMIT, SPECIAL EXCEPTION, ZONING MAP AMENDMENT, ZONING CONCEPT PLAN AMENDMENT, PROFFER AMENDMENT, ZONING TEXT AMENDMENT, ZONING ORDINANCE MODIFICATION, AND VARIANCE TO COMPLETE AN AFFIDAVIT OF DISCLOSURE OF REAL PARTIES IN INTEREST AND TO AFFIRM SUCH DISCLOSURE**

**WHEREAS,** the Town Council desires that applicants for Special Use Permit, Special Exception, Zoning Map Amendment, Zoning Concept Plan Amendment, Proffer Amendment, Zoning Text Amendment, Zoning Ordinance Modification, and Variance make a full public disclosure of the legal and equitable ownership interests in the real property that is the subject of such application, and periodically affirm such disclosure; and

**WHEREAS,** the Town Council finds that such disclosures will enhance transparency, will avoid conflicts of interest, and will serve the public necessity, convenience, and general welfare.

**THEREFORE,** the Council of the Town of Purcellville, Virginia hereby ordains:

**Section 1.** That Zoning Ordinance Article 11 ("Administration and Enforcement") is hereby amended to add Section 19 as follows:

**Section 19. Disclosures of Real Parties in Interest**

19.1 An applicant for Special Use Permit, Special Exception, Zoning Map Amendment, Zoning Concept Plan Amendment, Proffer Amendment, Zoning Text Amendment, Zoning Ordinance Modification, and Variance shall include as part of the minimum application

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submission requirements a completed *Affidavit of Disclosure of Real Parties in Interest* form, disclosing the legal and equitable ownership interests in the real property that is the subject of such application.

19.2 In accordance with Virginia Code 15.2-2289, such disclosure shall not be required of a corporation having more than 500 shareholders whose stock is traded on a national or local stock exchange, nor shall it be required from a condominium owner, contract purchaser, or lessee who owns less than 10% of the units in the condominium.

19.3 A "real party in interest" shall include all parties who have a legal, equitable or beneficial interest in the subject property, including applicants, title owners, contract purchasers, lessees, trustees, beneficiaries (including beneficiaries under a trust, an easement, or a restrictive covenant), and executors.

19.4 Any real party in interest that is a PARTNERSHIP, CORPORATION, LIMITED LIABILITY COMPANY, or TRUST shall name its owners, partners (general and limited), shareholders, and beneficiaries, each of whom must be broken down successively until: (a) only individual persons are listed or (b) the listing is a business entity having more than 100 owners (eg; partners, shareholders, or members), in which case only those individual persons who own 10% or more of the business entity must be listed. Limited liability companies, sole proprietorships, and real estate investment trusts and their equivalents shall be treated as corporations, with members and managing members deemed the equivalent of shareholders.

19.5 Prior to each and every hearing for a Special Use Permit, Special Exception, Zoning Map Amendment, Zoning Concept Plan Amendment, Proffer Amendment, Zoning Text Amendment, Zoning Ordinance Modification, or Variance, and again prior to action by the Planning Commission, Town Council, or Board of Zoning Appeals, the applicant shall complete and submit to the Town an *Affirmation of Disclosure* form, affirming that the Disclosure remains complete, or providing any changed or supplemental information. If there are no changes or supplemental information to provide, the applicant shall nonetheless complete the *Affirmation of Disclosure* confirming so.

19.6 The Town Council authorizes and directs Town Staff to prepare, maintain, and modify as needed an *Affidavit of Disclosure of Real Parties in Interest* form and an *Affirmation of Disclosure* form.

19.7 The "Disclosure" and the "Affirmation of Disclosure" forms shall not be altered or modified in any way by the applicant. Any form that is altered or modified in any way will not be accepted.

AN ORDINANCE:

AMENDING ARTICLE 11 OF THE TOWN OF PURCELLVILLE ZONING ORDINANCE TO ADD SECTION 19, REQUIRING ALL APPLICANTS FOR SPECIAL USE PERMIT, SPECIAL EXCEPTION, ZONING MAP AMENDMENT, ZONING CONCEPT PLAN AMENDMENT, PROFFER AMENDMENT, ZONING TEXT AMENDMENT, ZONING ORDINANCE MODIFICATION, AND VARIANCE TO COMPLETE AN AFFIDAVIT OF DISCLOSURE OF REAL PARTIES IN INTEREST AND TO AFFIRM SUCH DISCLOSURE

19.8 Each member of the Planning Commission, Town Council, and Board of Zoning Appeals shall, prior to participating in a meeting concerning an application for which a Disclosure is required, examine the Disclosure and all Affirmations of Disclosure to determine whether he, or a member of his immediate family, has a relationship with any Disclosed parties in interest. If such a relationship exists, the affected member of the public body shall seek a determination from the Town Attorney, or other person authorized under the Code of Virginia to render a Conflict of Interest Opinion, concluding whether a conflict exists under the Virginia Conflict of Interest Act. If such a conflict is determined to exist, the affected member shall, at a minimum, take action to address the conflict as required under the Virginia Conflict of Interest Act. The affected member may voluntarily go beyond what is required under the Virginia Conflict of Interest Act and refrain from all participation in the matter.

**Section 2.** That all prior ordinances in conflict herewith are hereby repealed.

**Section 3.** That this ordinance shall be effective upon its adoption and shall apply to applications commenced after its effective date.

**Section 4.** That if any section, paragraph, subdivision, clause, phrase, or provision of this ordinance shall be adjudged invalid by the courts, the same shall not affect the validity of this ordinance as a whole or any part or provision thereof, other than the part so decided to be invalid.

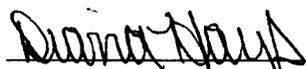
#### Cross References

Va. Code § 15.2-2289 (“Localities may provide by ordinance for disclosure of real parties in interest”)

**PASSED THIS 8<sup>th</sup> DAY OF NOVEMBER, 2016.**

  
Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

  
Diana Hays, Town Clerk

Council member McCollum stated when he reviewed the language proposed to be struck concluded that the components of the substitute language are against any mention of either annexation or use of land outside of the Town and does not think this is wise and feels it is inconsistent with the purposes of the comprehensive plan review and revision the Code of Virginia, and is opposed to the proposed amendments. Council member McCollum added that it is unrealistic to believe the Town can survive economically without at least discussion of this land use. Council member McCollum talked about the recent requests for annexation. Council member McCollum added that during Council's Strategic Planning Session, Mr. Chandler's response to a complaint about annexation was that it is a necessary element of the comprehensive plan review.

Council member Grim stated she highly supports that the wording was flawed when it addressed that the Town will do something to the comprehensive plan based on landowners rather than citizens. Council member Grim read from chapter 9 of the revised general plan of the County, and added that the Town does not have an area plan with the County as other jurisdictions do. Council member Grim added the Town has grown poorly in the last ten years. Council member Grim stated she is in support of this change.

Vice Mayor Jimmerson stated she agrees with Council member Grim and that if growth paid the bills the Town would have an excess of money. Vice Mayor Jimmerson talked about the newer developments and those not helping with debt, taxes or water bills, and is in support of a resolution that includes residents.

Council member Cool stated the resolution does not say that the Town would never consider annexation in the future and feels that to never consider growth is not smart, and is in support of the resolution.

Mayor Fraser stated he agrees with Council member Cool and would not want to say no to annexation and that the proposed language agrees with that. Mayor Fraser added that at the workshops this past weekend the residents were willing to consider annexation based on conditions and feels the language reflects what the current Council believes and is in support of it.

Council member Ogelman made a motion that Town Council adopt Resolution 16-11-05.

Danny Davis requested direction from Council how they would like for staff to take the direction into the next steps of developing the plan so it carries out the intent of Council. Mayor Fraser stated he feels Council is saying to change the language to make it a more representative narrative of the current Council and to not stop the work on the comprehensive plan, and the data received from citizens so far should be a reference in the document and to be shared at the County level as they move forward with their comprehensive plan.

Mr. Davis asked for clarification if Council wants to move forward within the current boundaries of the Town. Mayor Fraser confirmed and added that the previous comments from citizens can be added as an appendix or a potential scenario.

Council member Grim stated that the resolution is clear and the information gathered should all be included, and that the proposed language corrects the original resolution.

Dan Galindo stated he is not sure how to implement the proposed language and asked Council for the appropriate way to utilize the gathered data. Mayor Fraser stated he sees this having its own section about what if the town were to consider annexation. Council member Ogelman agreed with Mayor Fraser about the data and added that the comprehensive plan itself focuses on what the citizens in the town want and focuses on development and planning within the boundaries of the Town.

The motion was seconded by Council member Grim.

Motion: Council member Ogelman  
Second: Council member Grim  
Carried: 5-1-1 Absent

Cool - Aye  
Bledsoe - Absent  
Ogelman - Aye  
McCollum - Nay  
Grim - Aye  
Jimmerson - Aye  
Mayor - Aye

**e. Procedures for Using Polco Online Polling System**

Danny Davis reviewed the policy and pointed out the 24 hour response time on draft questions provided to Council and asked for guidance on how to proceed when Council may disagree on questions.

Council member Grim stated she would like to see 48 hours turnaround time and feels that Council should develop a series of questions or subject matter to use. Danny Davis added that one of the goals is to be responsive to items that may come up randomly and agreed with Council member Grim that it would be helpful to set a framework for questions that can be planned out for the near future and have flexibility to add additional questions if issues come before Council. Council member Grim agreed.

Council member McCollum agreed with the 48 hour turnaround and liked the idea of working through staff. Council member McCollum added that he feels if one Council member has an issue with a question that it either be dropped or brought to a meeting for further discussion.

Council member Ogelman stated he disagrees with the idea that a single Council member could have veto power over a question, and that part of the benefit of the tool is that real time insight into issues can be gathered to make quick decisions and sacrificing the timeliness completely for consensus could be damaging to what can be achieved with this kind of tool. Council member Ogelman also agrees with 48 hours and as representatives of the citizens,

Mayor  
Kwasi A. Fraser

Council  
Chris Bledsoe  
Ryan J. Cool  
Kelli Grim  
Karen Jimmerson  
Douglass J. McCollum  
Nedim Ogelman



Town Manager  
Robert W. Lohr, Jr.  
Assistant Town Manager  
Daniel C. Davis

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**TOWN OF PURCELLVILLE**

**IN**

**LOUDOUN COUNTY, VIRGINIA**

**RESOLUTION NO. 16-11-05**

**PRESENTED: NOVEMBER 8, 2016**

**ADOPTED: NOVEMBER 8, 2016**

**A RESOLUTION: AMENDING RESOLUTION 15-01-02, WHICH INITIATED  
REVIEW OF THE TOWN'S COMPREHENSIVE PLAN**

**WHEREAS,** Virginia Code § 15.2-2223 requires that the Town Planning Commission prepare a Comprehensive Plan for the physical development of the territory within the corporate limits of the Town of Purcellville; and

**WHEREAS,** Virginia Code § 15.2-2231 allows, but does not require, a Town's Comprehensive Plan to include the planning of adjacent unincorporated territory; and

**WHEREAS,** Virginia Code § 15.2-2230 requires that the Planning Commission review the Comprehensive Plan at least once every five years to determine whether it is advisable to amend the plan; and

**WHEREAS,** on January 27, 2015, by Resolution 15-01-02, the 53<sup>rd</sup> Purcellville Town Council directed that the Planning Commission conduct a complete review of the Comprehensive Plan, and said they desire that such review include a plan for the physical development of lands located outside the Town's corporate limits, but within the area identified by Loudoun County as Joint Land Management Area ("JLMA"); and

**WHEREAS,** the Town Council recognizes that while citizens of Purcellville may initiate a plan for the physical territory outside the Town of Purcellville as part of the ongoing Comprehensive Plan process, an initiative to mandate a plan for the physical territory outside the Town limits does not currently reflect the will of the citizens; and

**WHEREAS,** the will of the Town citizens is paramount to the Town Council.

**A RESOLUTION: AMENDING RESOLUTION 15-01-02, WHICH INITIATED REVIEW OF THE TOWN'S COMPREHENSIVE PLAN**

**NOW THEREFORE**, the Town Council hereby amends Resolution 15-01-02 to add the underlined text, delete the strikethrough text, and affirm the unamended text as follows:

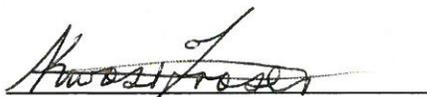
**WHEREAS**, the Town's Comprehensive Plan was last adopted on December 19, 2006; and

**WHEREAS**, since 2006, the Town has undergone significant changes, including the incorporation of new land into the Town's jurisdictional limits, the termination of the Town of Purcellville/County of Loudoun Annexation Agreement, and significant commercial development; and

**WHEREAS**, to ensure that the Town Plan remains a relevant and cohesive set of policies that guides decisions about future land stewardship, infrastructure investments, public services, cultural events and recreation, the Town Council desires to consider and adopt amendments to the Town's Comprehensive Plan no later than March, 2017, which would include, but not be limited to, (i) an update of the Town's history and census information, (ii) an update of the Town's plan for the physical development and maintenance of the territory within its jurisdiction, including lands that have been incorporated into the Town's jurisdictional limits since 2006; (iii) amendments necessitated by the termination of the Town of Purcellville/County of Loudoun Annexation Agreement; and (iv) a transportation plan that identifies the transportation infrastructure needed to support the territory covered by the plan.

**NOW THEREFORE**, the Council hereby directs the Town of Purcellville Planning Commission to conduct a complete review of the Town's Comprehensive Plan and to recommend all resulting amendments to the Town Council no later than December, 2016.

**RESOLUTION NO. 16-11-05 IS PASSED THIS 8<sup>TH</sup> DAY OF NOVEMBER, 2016.**

  
Kwasi A. Fraser, Mayor  
Town of Purcellville

ATTEST:

  
Diana Hays, Town Clerk

would want to hear from the citizens and that the idea of one Council member could veto a question until the next Town Council meeting, could be too late for getting opinions on a significant question. Council member Ogelman added he would prefer that four members of the Town Council need to take a question off. Council member Ogelman stated he feels the procedures are good but the real challenge is getting the citizens to use the tool and to apply it.

Council member McCollum clarified his comment that he meant to say that it would include a reason why would could allow for modification, further consideration or withdrawal and added he could not think of an issue that has come up that has required immediate attention that couldn't wait for a meeting for the question to be discussed in a public forum.

Vice Mayor Jimmerson stated she feels this is a good start and changes can be made. Vice Mayor Jimmerson added she agrees with Council member McCollum that voting and discussing via email is not ok and that it is important to bring the item forward for further discussion in public.

Council member Cool stated he feels this is a great tool and feels that disagreement amongst Council with one question should not be discussed at a meeting as it is not really business of the Town. Council member Cool added the questions should be simple and generic and Council should be considerate of citizens and their own time.

Mayor Fraser stated he heard 48 hours is the time frame and asked how Council gains consensus on the questions. Council member Grim talked about following FOIA guidelines and that questions and comments should be directed strictly to Danny Davis and not between Council members.

Danny Davis added that Council email him suggestions on what they want to hear about from the public to develop the next 60-90 days-worth of questions, and that Council has the ability to talk to each other to discuss the items.

Council member Cool made a motion that the Town Council approve the proposed Procedures for Using Polco Online Polling System (dated November 8, 2016) and further move that staff return to Council in six months to report on the progress of Polco and the success to-date of implementing the procedures and with the amendment of 48 hours of return for comments.

Motion: Council member Cool  
Second: Council member Ogelman  
Carried: 6-0-1 Absent

Cool - Aye  
Bledsoe - Absent  
Ogelman - Aye  
McCollum - Aye  
Grim - Aye  
Jimmerson - Aye  
Mayor - Aye

**f. Process for Handling Complaints Against Public Officials**

Sally Hankins talked about the two options available to Council that are based on comments given by several Council members, and that a policy and/or a letter is ready for adoption.

Council member Ogelman stated he had talked to Sally Hankins about the legal and financial implications of a legislative body like the Town adopting judicial functions and sees the system is not designed for this and that he supports the form letter but the idea as the legislative body would assume the judicial responsibility does not make sense.

Council member Cool stated does not believe the Town is a body that can judicate these items and that he is in support of the second motion included with the staff report.

Council member McCollum stated when a citizen takes the time to submit a complaint against a public office that the Town should have a procedure how to handle it and supports the letter format.

Council member Grim stated over the past ten years she has brought forward complaints and sympathizes with citizens that have had issues with Council members and supports the letter but believes the complaint and letter of response should be public record.

Council member McCollum made a motion that Town Council adopt a policy of sending a letter upon receipt of a complaint that is substantially similar to the letter included as Attachment II in this November 8, 2016 Staff Report, which sets forth the options a citizen has for handling a complaint against an elected or appointed public official. The motion was seconded by Council member Cool.

Motion: Council member McCollum  
Second: Council member Cool  
Carried: 6-0-1 Absent

Cool - Aye  
Bledsoe - Absent  
Ogelman - Aye  
McCollum - Aye  
Grim - Aye  
Jimmerson - Aye  
Mayor - Aye

**g. Committees, Commissions and Board: Amending the Town Code to add the Purcellville Arts Council as a Standing Committee of the Town Council**

Sally Hankins stated that this item would direct staff to advertise a public hearing before Council on December 13<sup>th</sup> or as soon thereafter as possible in case of an unforeseen reason why it cannot be held December 13<sup>th</sup>. Ms. Hankins added that during the public hearing the

Town would receive public comment on the draft included with the staff report and Council could act at the public hearing by suspending the rules or vote at the subsequent meeting.

Council member McCollum requested that Council be prepared to vote as the Arts Council has been looking forward to moving this item forward.

Council member McCollum made a motion that that Town Council direct staff to advertise a Town Council public hearing to be held on December 13, 2016, or as soon thereafter as possible, to receive public comment on an amendment to the Town Code that would create a Purcellville Arts Council to perform the duties enumerated in the November 8, 2016 Staff Report. The motion was seconded by Vice Mayor Jimmerson.

Motion: Council member  
Second: Vice Mayor Jimmerson  
Carried: 6-0-1 Absent

Cool - Aye  
Bledsoe - Absent  
Ogelman - Aye  
McCollum - Aye  
Grim - Aye  
Jimmerson - Aye  
Mayor - Aye

**h. Committees, Commissions and Boards: Amending the Town Code Provisions Governing the Tree and Beautification Commission, to add an Environmental Sustainability Component**

Sally Hankins noted that Council has indicated an interest in adding an environmental component to the Tree and Beautification Commission, which already exists and is in the Town Code. The amendment modifies the duties and obligations of the Commission.

Vice Mayor Jimmerson made a motion that Town Council direct staff to advertise a Town Council public hearing to be held on December 13, 2016, or as soon thereafter as possible, to consider amendments to Town Code Sections 26-38 and 26-39 that would expand the role of the Tree and Beautification Commission to include all aspects of Environmental Sustainability. The motion was seconded by Council member McCollum.

Motion: Vice Mayor Jimmerson  
Second: Council member McCollum  
Carried: 6-0-1 Absent

Cool - Aye  
Bledsoe - Absent  
Ogelman - Aye  
McCollum - Aye

Grim - Aye  
Jimmerson - Aye  
Mayor - Aye

i. **Kline/Purcellville Crossroads Annexation Request**

Rob Lohr summarized the items provided in the staff report including the most recent application and reviewed the motions which provide various options. Mr. Lohr added that application fees, by law, must reflect costs incurred.

Council member McCollum asked if the application can be denied because the applicant has not shown interest. Sally Hankins stated that her initial is that she does not feel that is reasonable since the adopted process has the ball in the Town's then County's court. Ms. Hankins added that based on a Town Council decision, the Town transmitted the application to Loudoun County, and that the next steps are to negotiate with the County. If the County would choose to not negotiate with the Town, the Town could then deny the application since no agreement would be in place or the Town could try to create an agreement and present it to the County. Ms. Hankins added silence may not be interpreted because the process is being followed by the applicant and it is up to the Town to communicate.

Council member Grim stated that the previous Town Council voted to proceed and at no time, even during the annexation process, did she see any communication from the County and referenced the Purcellville Crossroads Annexation Report memo of June clearly stating the items that have been submitted and talks about what happens when the Town considers annexation. Council member Grim stated she supports denying the application and supports 75% of the fee being returned.

Mayor Fraser stated the Council developed a process for this to move forward to the County where it currently sits. Mayor Fraser added that he spoke with Supervisor Buffington about taking it back because the environment does not allow for this and asked if by short-circuiting the process leaves the Town exposed to legal challenge. Ms. Hankins stated she does not feel the Town is short-circuiting the process and that staff cannot speak for the County and there is no County response and silence cannot be determined as a lack of interest. Ms. Hankins noted there may be other reason Council may choose to deny the application.

Rob Lohr read item 7 on page 137 and talked about the options available to Council as well as the length of time this application has been out and that there is no timeline for when the application has to be processed. Rob Lohr suggested that Council will want to look at the annexation process moving forward and suggested revisiting the policy in the near future.

Council member Cool asked if the previous Council did not take action on this item and moved it to a future Council or later date. Mayor Fraser noted that they moved it to the next stage in the process. Sally Hankins stated she feels that Rob Lohr's suggestion to rescind the previous vote to move it forward and include the reasons why. Council member Cool asked about the refund of the 75% and the basis for it. Sally Hankins stated local governments are permitted to charge fees for services equal to the services received per state law.

Vice Mayor Jimmerson asked about item 7 on page 137 and added that the previous Council voted to send it to the County and the County has not responded and sees a flaw in the process because the Town did not account for that in the policy. Vice Mayor Jimmerson added she feels it would be best to move this item to the next meeting and take action if necessary.

Council member Ogelman asked if the town would be in any legal jeopardy by voting immediately. Sally Hankins stated she does not believe so as annexations are legislative decisions. Council member Ogelman added he saw one email in support of the first motion out of all of the emails that have been submitted by citizens.

Council member Grim stated she is in support of the second or third motion and feels it would be wise to move the item to the next meeting to give citizens the opportunity to provide input.

Council member Cool asked if Council should be in fear of legal action and if not should take action. Sally Hankins stated she feels the Town would risk legal action if they do not refund the fee. Ms. Hankins added there is no legal obligation to notify the applicant but it would be a courtesy and that Council could adopt any of the resolutions but recommended that the item be deferred until December and come up with reasons why Council would rescind the previous decision and deny the application.

Council member Cool made a motion that Town Council deny the Purcellville Crossroads Annexation Application because the proposed development is not in keeping with the Town's existing scale, culture, sense of community, and there has been no response from the County. I further move that the Town Council direct staff to refund the Purcellville Crossroads applicant 75% of the application fee. The motion was seconded by Council member Ogelman.

Motion: Council member Cool  
Second: Council member Ogelman  
Carried: 6-0-1 Absent

Cool - Aye  
Bledsoe - Absent  
Ogelman - Aye  
McCollum - Aye  
Grim - Aye  
Jimmerson - Aye  
Mayor - Aye

**j. Town Code and Zoning Ordinance Amendment Policy**

Rob Lohr summarized the item and added he worked with the Town Attorney to put together a policy for Council that they may want to adopt. Mr. Lohr added that this would allow some level of feedback, review and approval by Council when there is going to be a major change involving a public hearing for zoning ordinance, subdivision ordinance, comprehensive plan or town code and it exempts out some mandatory items such a public hearing on the budget.

Council member McCollum stated that the Board of Zoning Appeals and the Planning Commission are the only two committees that have authority to initiate a public hearing and asked why a policy is needed if the committees report monthly. Rob Lohr stated that it wasn't given to Council the last time for whatever reason and if a policy isn't what Council wants there will need to be better communication with committees, commissions and boards.

Council member Grim stated she met with staff at the County about the policy and their staff stated that no actions for public hearings or changes are initiated by the Planning Commission but are applicant or Supervisor driven. Council member Grim added that she feels having a policy is better than nothing and that the Community Development Dept. should be involved for better oversight of items going forward.

Council member Grim made motion that Council adopt the attached administrative policy dealing with public hearings for Town Code and Zoning Ordinance amendments. The motion was seconded by Council member Ogelman.

Motion:	Council member Grim
Second:	Council member Ogelman
Carried:	6-0-1 Absent

Cool -	Aye
Bledsoe -	Absent
Ogelman -	Aye
McCollum -	Aye
Grim -	Aye
Jimmerson -	Aye
Mayor -	Aye

**k. 32<sup>nd</sup> and Main Street Traffic Signal Installation Revenue Sharing Application and Resolution**

Alex Vanegas summarized the item and stated that this item is from last year when Council requested a study from an independent consultant and the criteria was met, and that this item was brought back to Council and Council made this item a priority.

Council member Ogelman asked about the process of getting the funds and the next steps, and added if the Town receives the funds they can be used to do impact studies and if the impact turns out to exceed the benefit that the funds could be transferred to a different project. Alex Vanegas agreed with the steps that Council member Ogelman described.

Council member Cool made a motion that Town Council approve the attached Resolution Number 16-11-03 requesting Revenue Sharing grant funding for the 32<sup>nd</sup> and Main Street Traffic Signal Installation. The motion was seconded by Council member Grim.

Motion: Council member Cool  
Second: Council member Grim  
Carried: 6-0-1 Absent

Cool - Aye  
Bledsoe - Absent  
Ogelman - Aye  
McCollum - Aye  
Grim - Aye  
Jimmerson - Aye  
Mayor - Aye

**DISCUSSION OF ITEMS PROPOSED FOR FUTURE PRESENTATIONS/  
RECOGNITION:**

None

**APPROVAL OF MINUTES**

- a. **October 17, 2016 Town Council Special Meeting**
- b. **October 25, 2016 Town Council Regular Meeting**

Vice Mayor Jimmerson made motion to approve the minutes of the Oct. 17, 2016 Special Meeting and Oct. 25, 2016 Regular Meeting and waive reading.

Council member Ogelman requested a change to the October 17<sup>th</sup> minutes and after where Rob Lohr talked about using availability fees to hope fund future growth, stated he made a comment to the consultants about the complexity of utilities and unit price and availability fees which the consultants agreed to and would like that comment included in the minutes.

The motion was seconded by Council member Cool and carried 6-0-1 absent.

**ADJOURNMENT:**

With no further business, Vice Mayor Jimmerson made a motion to adjourn the meeting at 9:36 PM. The motion was seconded by Council member Ogelman and carried with one absent.

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Kwasi A. Fraser, Mayor

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Diana Hays, Clerk of Council

**MINUTES  
PURCELLVILLE TOWN COUNCIL SPECIAL MEETING  
NOVEMBER 16, 2016, 7:00 PM  
TOWN HALL COUNCIL CHAMBERS**

The special meeting of the Purcellville Town Council convened at 7:00 PM in Council Chambers.

PRESENT: Kwasi Fraser, Mayor  
Karen Jimmerson, Vice Mayor  
Kelli Grim, Council member  
Nedim Ogelman, Council member  
Doug McCollum, Council member  
Chris Bledsoe, Council member

ABSENT: Ryan Cool, Council member

STAFF: Robert W. Lohr, Jr., Town Manager  
Danny Davis, Assistant Town Manager  
Sally Hankins, Town Attorney  
Alex Vanegas, Director of Public Works  
Liz Krens, Director of Finance  
Tom Angus, Budget Specialist  
Paula Hicks, Accounting Manager  
Diana Hays, Town Clerk/Project Manager

**CALL TO ORDER OF SPECIAL MEETING:**

Mayor Fraser called the special meeting to order at 7:00 PM. The Pledge of Allegiance followed.

**FINANCIAL OVERVIEW AND UPDATE PRESENTATION BY DAVENPORT AND COMPANY, LLC:**

David Rose and Kyle Laux from Davenport were in attendance and provided a Financial Overview/Update (attached). Mr. Rose stated he has been working with the town for over a decade and reviewed their roles as financial advisors and Davenport's history.

**TOWN COUNCIL QUESTIONS AND ANSWERS SESSION:**

Council member Ogelman stated he is intrigued by the option to build a model to explore scenarios but feels for a model to be effective all of the assumptions need to be laid out. Council member Ogelman added that Council is trying to be transparent with the community and would like to ask the citizens about specific scenarios, and that it would be helpful if Davenport could help break things down into more concrete decisions. Mr. Rose stated he

anticipates starting by developing a template of the model to see where the variables are, and then have Council decide if growth pays for itself.

Council member Grim asked if there are any past models that were presented to Council to look at as a baseline. Mr. Rose stated there is a historic model that was not set up to be interactive but would be used as the starting point.

Council member Grim referenced the cost benefit analysis of the tax exempt bonds under debt portfolio observations for the general fund, and stated that a challenge is the tax exempt bond with the large debt on Fireman's Field. Council member Grim asked about a model that gave the pros and cons at the time when that was done. Mr. Rose stated a model was not done and would not be necessary now but would answer what is the relative costs for taxable approach versus tax exemption. Mr. Rose added that at that time there was no contemplation of using the Fireman's Field for private entity or to lease it out which would make it move towards taxable borrowing. Council member Grim talked about there were debt payments surging and there is not anything to use as a baseline in determining what can be done now. Council member Grim asked what the cost to the Town would be to evaluate the existing debt and to sell it in a taxable mode. Mr. Rose stated the cost would on an hourly basis and estimated about three to four hours.

Rob Lohr talked about why the analysis was not done at the time of financing and that majority of all government financing is tax exempt because you are operating traditional government functions. Mr. Lohr added that there was every indication and expectation that revenue would be generated from two sources which would cover the majority of the cost: a renegotiation of the County's lease and the concessionaire's lease which totaled approximately \$250,000 to \$300,000. At that time Council choose to keep it as it had been operating in the past. Mr. Lohr added the County decided they did not want to pay for a lease and had options at Woodgrove and Loudoun Valley and added lights to fields at Franklin Park, and that if Council wants to move in this direction that difference can be shown but it would need determined how to lock the revenue in and not convert tax exempt financing to taxable bonds and not generate the revenue to cover the expense. Mr. Lohr added that a sub-committee consisting of Council member Cool and Mayor Fraser with staff and Council as a whole to look at some management contracts which could take a year of intensive study. Once the revenue source is secured then a review of additional cost to switch from tax exempt to taxable bonds could be done.

Mayor Fraser referenced Parks and Rec and asked if there is a reason why the tax exempt portion cannot be refinanced today. Mr. Rose stated the reason is that there is not a substantial level of savings, and feels it is premature to refinance pieces of debt because of the federal laws in regards to how many times refinancing can be done. Mr. Rose stated Davenport continues to monitor the debt and recommended that over the next couple of months to understand the concerns of Council and assumptions as well as capital needs over the next few years. Mayor Fraser stated his concern with interest rates being high in four years and too late to refinance, and asked for insurance that as Davenport continues to monitor it if there is a way to show Council a report that includes today and future rates. Mr. Rose stated that rates just rose by half a percent in the past week and that the Town has refinanced over the years as rates have decreased, and that a report can be done that shows how much the Town has saved. Mr.

Rose talked about the continuing opportunities and the monitoring of debt by Davenport, and that Davenport is being proactive and providing options for Council to look at certain things to do with the debt that hasn't been requested by Council to include paying off debt versus refinancing and creating a report to look at assets.

Council member Grim stated that she expects of Davenport is working for the town that all of the debt be looked at as Council is looking at the total number, and that Council will look to Davenport for justification and recommendation for paying down debt and which would be best to pay down and why and how often it can be done so Council can review financial policies and why they are in place.

Mr. Rose again requested through the Town Manager that Council collectively provide what capital needs they have and how Council wants to look at general fund assets so that Davenport can report back to Council with a recommendation.

Rob Lohr stated that the current Council has not been through a budget process as a body. Mr. Lohr talked about projects that the Council has discussed that equal \$1.5m in cash reserves that the Town does not have funding or grant money for and talked further about CIP funds and talking about that in advance of the normal budget process.

Mr. Rose added that around mid-February or an agreed upon date that Davenport could show "what if" scenarios to see the cash flow impacts of decisions before going through the budget process.

Council member Ogelman agreed with Mr. Rose and that he understands and the different topics and proposed items and by seeing the models will be useful in getting up to speed. Mr. Rose added that the process is meant to be transparent.

Mayor Fraser asked when Council can expect to see the model and the cost. Mr. Rose stated he anticipates that the items would be compiled in January and able to meet with Council in a work session in February. Mr. Rose added that they work on an hourly basis and that a second phase would be the utility piece which the majority of this would be done by a consulting entity that would look at the options, and estimates that it could take a year.

Council member Jimmerson stated Council would need to work with staff on the deliverables that Davenport would ask of Council.

Council member Grim stated that over the years in budget meetings that she's heard from residents that that do not want to be held hostage to an only option of annexing and growing the town. Council member Grim added that assets should be considered on both the general and utility sides and if assets are sold would like for guidance on where to spread the money around and what debt to eliminate. Mr. Rose added that Davenport has not been asked to evaluate if an asset has been sold. Council member Grim asked about the Fireman's Field financing and a model that brought it to make the decision. Mr. Rose stated that there was no real model and it was that there was "x" dollars needed and how to get those dollars.

Mayor Fraser talked about today's bank balance. Mr. Rose cautioned the Mayor to not look at it that way because of outstanding expenses due for the month. Mayor Fraser asked about how to manage money left at the end of the month. Mr. Rose stated it is their job to provide those options.

**DISCUSSION OF FUTURE MEETINGS:**

Danny Davis stated that the FY18 Budget Calendar will be proposed at the December 13<sup>th</sup> Town Council Meeting and that a February date may also be built into the schedule to continue discussions. Rob Lohr added that Council may wish to add additional meetings based on tonight's conversations.

**ADJOURNMENT:**

With no further business, Vice Mayor Jimmerson made a motion to adjourn the meeting at 8:35 PM. The motion was seconded by Council member Ogelman and approved with one absent.

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Kwasi A. Fraser, Mayor

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Diana Hays, Clerk of Council

DAVENPORT & COMPANY

## Town of Purcellville, Virginia

### Financial Overview/Update



November 16, 2016

Member NYSEFINRA/SIPC



## Davenport's Role as Financial Advisor to the Town of Purcellville

DAVENPORT & COMPANY

Town of Purcellville, VA 1

### Davenport's Role as Financial Advisor to Purcellville



- Davenport & Company LLC ("Davenport") serves as Financial Advisor to the Town of Purcellville (the "Town") in the following ways, amongst others:
  - Reports to the Town Council and Town Manager;
  - Complements Town Staff with Financial Planning; and
  - Interacts with Lending Institutions and the National Credit Rating Agencies when required.
- With the direction of Town Council, Davenport helps to determine the most cost-effective and flexible method of financing based on market conditions and what the impact of the borrowing will be on the Town.
- Davenport also reviews the Town's outstanding debt portfolio for refundings and alerts the Town of potential savings opportunities.
- Davenport does not:
  - Determine which projects are to be financed;
  - Underwrite any bond issue; or
  - Hold a financial interest in how a project is funded.

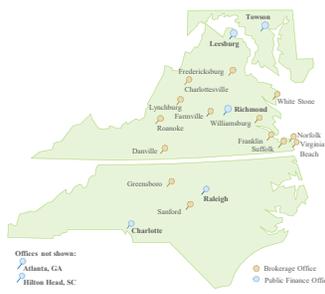
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Town of Purcellville, VA 2

### Public Finance Overview

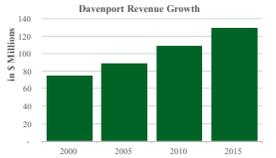


Founded in 1863 in Richmond, VA, Davenport recently celebrated its 150<sup>th</sup> anniversary.



**Davenport Revenue Growth**

in \$ Millions



Year	Revenue (\$ Millions)
2000	~75
2005	~95
2010	~115
2015	~125

**Major Business Concentrations**

- Public Finance
- Asset Management
- Investment Consulting
- Retail Brokerage
- Equity Research

**Key Statistics**

Employees:	400+
Client Assets:	\$18.1 Billion
Firm Assets:	\$125.5 Million
Firm Capital:	\$39.7 Million

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Town of Purcellville, VA 3



## Why do Credit Ratings Matter



- The Town's existing Credit Ratings from the National Credit Rating Agencies provide the Town the following benefits:
  - Credit Ratings act as barometers of the financial and economic health of the Town;
  - Potential Town investors look to Credit Ratings/Credit quality as key determinates in decisions as to whether to invest/lend and how to price the investment;
  - Strong Credit Ratings increase the universe of potential investors for the Town;
  - The Rating Agencies do not charge an annual fee to keep the Ratings outstanding; and,
  - Strong Credit Ratings maximize the Town's ability to refund/restructure for savings or cash-flow purposes.

## Credit Rating Overview



- In the Summer / Fall of 2013 the Town obtained its inaugural Credit Ratings from the National Credit Rating Agencies. For purposes of the Municipal Credit Market the National Credit Rating Agencies are as follows:
  - Standard & Poor's;
  - Moody's Investors Service; and,
  - Fitch Ratings.
- The results of the rating process were highly favorable as all three National Credit Rating Agencies provided the Town with Strong Investment Grade Credit Ratings despite the Town's relatively modest population.
- The Town's Credit Ratings are as follows:
  - Standard & Poor's "AAA"
  - Moody's Investors Service "Aa2"
  - Fitch Ratings "AA" \*

\*Fitch recently enhanced the outlook on the Town rating from "Stable" to "Positive."

## Credit Rating Description



- Descriptions of the Ratings by Each of the Rating Agencies are as Follows:
  - ✓ Standard & Poor's
    - "AAA"—Extremely strong capacity to meet financial commitments. Highest Rating.
  - ✓ Moody's
    - Issuers or issues rated "Aa" demonstrate very strong creditworthiness relative to other US municipal or tax-exempt issuers or issues.
  - ✓ Fitch Ratings
    - AA: Very high credit quality. 'AA' ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

## Credit Rating Scale



	Moody's	S&P	Fitch	
Top Tier "Highest Possible Rating"	Aaa	AAA	AAA	
2 <sup>nd</sup> Tier "Very Strong"	Aa1	AA+	AA+	(Highest)
	Aa2	AA	AA	(Middle)
	Aa3	AA-	AA-	(Lowest)
3 <sup>rd</sup> Tier "Strong"	A1	A+	A+	(Highest)
	A2	A	A	(Middle)
	A3	A-	A-	(Lowest)
4 <sup>th</sup> Tier "Adequate Capacity to Repay"	Baa1	BBB+	BBB+	(Highest)
	Baa2	BBB	BBB	(Middle)
	Baa3	BBB-	BBB-	(Lowest)
5 <sup>th</sup> – 10 <sup>th</sup> Tiers "Below Investment Grade"	BB, B, CCC, CC, C, D			Below Investment Grade



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## General Fund / Parks and Recreation Fund



Town of Purcellville, VA 12



### Importance of Maintaining Solid Reserve Levels

- Maintaining ample reserves helps the Town operate efficiently by virtue of the following:
  - No need for costly short-term cash-flow borrowing to manage typical local government revenue cycles;
  - No need for emergency borrowing in the event of a natural disaster or other emergency;
  - Provides a ready source of funding for Economic Development projects/incentives;
  - Interest earnings on reserves help ease pressure on Tax Rates; and,
  - Reserves are a Key Factor for Potential Lenders/Credit Markets in determining the cost of funds when borrowing for new Capital Projects.

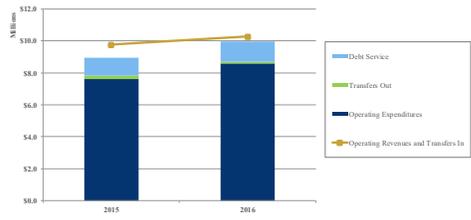


Town of Purcellville, VA 13



### Historical Financials – General Fund

- The Town has generated a surplus in the General Fund for the previous two Fiscal Years.
  - The net General Fund Surplus in FY 2015 was \$810,885.
  - The net General Fund Surplus in FY 2016 was \$322,259.
- The trend of surpluses demonstrates financial health in the General Fund.



Source: 2015 CAFR and 2016 Draft CAFR.



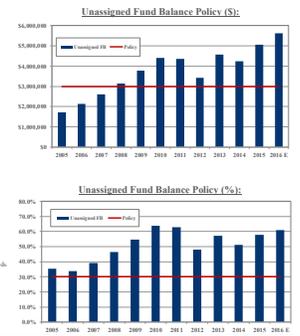
Town of Purcellville, VA 14



### General Fund Balance Trends

- Town Unassigned Fund Balance Policy:
  - The general fund unassigned fund balance should be maintained at a minimum of \$3 million or 30% of total general fund revenues, whichever is greater, given that the water and sewer enterprise funds are self supporting and the enterprise fund balances are maintained at a substantial level.

Fiscal Year	Unassigned / Unassigned <sup>(1)</sup>	Operating Revenues	Fund Balance vs. Revenues
2005	1,725,713	4,891,901	35.3%
2006	2,137,481	6,310,708	33.9%
2007	2,599,404	6,666,485	39.0%
2008	3,145,905	6,780,133	46.4%
2009	3,768,574	6,887,060 <sup>(2)</sup>	54.7%
2010	4,415,059	6,938,874 <sup>(3)</sup>	63.6%
2011	4,368,540	6,962,946 <sup>(4)</sup>	62.7%
2012	4,427,576	7,125,670 <sup>(5)</sup>	48.1%
2013	4,573,689	7,997,299 <sup>(5)</sup>	57.2%
2014	4,231,964	8,263,801	51.2%
2015	5,049,286	8,733,399	57.8%
2016 E	5,617,146	9,242,971	60.8%

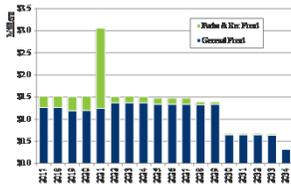


(1) Unassigned is shown from 2005 to 2010. Unassigned is shown 2011 and forward per update GASB standards.  
 (2) Revenues in 2009 net of \$1,075,207 of Loudoun County settlement monies.  
 (3) Revenues in 2010 net of \$2,082,673 of Loudoun County settlement monies.  
 (4) Revenues in 2011 net of \$2,106,173 of misc. revenues - mainly Loudoun County settlement monies.  
 (5) Revenues in 2013 are net of \$1,240 million one-time money from sale of Town Hall.



Town of Purcellville, VA 15

### Debt Profile – Total Tax-Supported Debt (General Fund and Parks and Recreation Fund)



**Total Tax-Supported Debt Service<sup>(1)</sup>**

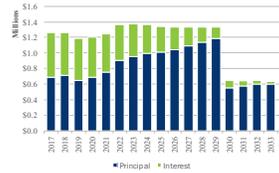
Fiscal Year	Principal	Net Interest	Total	10-Year Payoff Ratio
<b>Total</b>	<b>\$18,083,387</b>	<b>\$5,808,339</b>	<b>\$23,891,726</b>	
2017	864,121	653,164	1,517,285	65%
2018	886,266	631,124	1,517,390	71%
2019	903,500	610,989	1,514,489	78%
2020	928,500	583,074	1,521,574	85%
2021	2,553,500	531,285	3,084,785	88%
2022	1,033,500	474,139	1,507,639	91%
2023	1,083,500	432,731	1,516,231	95%
2024	1,123,500	389,116	1,512,616	98%
2025	1,138,500	343,544	1,482,044	100%
2026	1,178,500	299,517	1,478,017	100%
2027	1,223,500	251,602	1,475,102	100%
2028	1,188,500	201,481	1,389,981	100%
2029	1,243,500	149,153	1,392,653	100%
2030	583,500	94,119	677,619	100%
2031	603,500	72,311	675,811	100%
2032	632,500	49,672	682,172	100%
2033	635,000	28,944	663,944	100%
2034	360,000	12,375	372,375	100%

(1) Consists of debt service paid from the General Fund and Parks & Recreation Fund.

**Principal Outstanding (As of 6/30/2016)**

Bond	Amount
2003 G.O.	\$133,387
2007 PVFD Note	935,000
2010 Build America Bond	1,995,000
2012 G.O. Public Improvement and Refunding Bond	4,890,000
2013 G.O. Refunding Bonds	10,130,000
<b>Total Outstanding</b>	<b>\$18,083,387</b>

### Debt Profile – General Fund



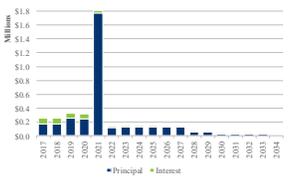
**Aggregate General Fund Debt Service**

Fiscal Year	Principal	Interest	Total	10-Year Payoff Ratio
<b>Total</b>	<b>\$14,452,523</b>	<b>\$5,366,543</b>	<b>\$19,819,066</b>	
2017	687,992	572,576	1,260,569	58%
2018	710,137	553,155	1,263,293	66%
2019	651,911	535,645	1,187,555	70%
2020	689,998	512,843	1,202,842	82%
2021	754,998	489,306	1,244,304	86%
2022	909,538	457,006	1,366,544	90%
2023	953,616	417,019	1,370,635	94%
2024	993,155	375,095	1,368,250	96%
2025	1,007,233	331,233	1,338,466	100%
2026	1,046,773	288,934	1,335,707	100%
2027	1,091,312	242,760	1,334,072	100%
2028	1,135,390	194,400	1,329,790	100%
2029	1,189,929	144,101	1,334,031	100%
2030	554,008	91,116	645,124	100%
2031	573,086	70,131	643,217	100%
2032	600,704	48,348	649,051	100%
2033	602,743	28,500	631,243	100%
2034	300,000	12,375	312,375	100%

**Principal Outstanding (As of 6/30/2016)**

2003 G.O.	\$133,387
2012 G.O. Public Improvement and Refunding Bond	4,459,136
2013 G.O. Refunding Bonds	9,860,000
<b>Total Outstanding</b>	<b>\$14,452,523</b>

### Debt Profile – Parks & Recreation Fund



**Aggregate Parks & Recreation Fund**

Fiscal Year	Principal	Net Interest	Total	10-Year Payoff Ratio
<b>Total</b>	<b>\$3,630,864</b>	<b>\$443,796</b>	<b>\$4,074,660</b>	
2017	176,129	80,588	256,717	90%
2018	176,129	77,969	254,098	94%
2019	251,589	75,344	326,934	95%
2020	248,502	70,230	318,732	97%
2021	1,248,502	41,079	1,310,080	97%
2022	123,962	17,133	141,096	98%
2023	129,884	15,712	145,596	99%
2024	130,345	14,021	144,366	100%
2025	131,267	12,311	143,578	100%
2026	131,727	10,583	142,310	100%
2027	132,188	8,841	141,029	100%
2028	53,110	7,081	60,191	100%
2029	53,571	5,052	58,622	100%
2030	29,492	3,003	32,496	100%
2031	30,414	2,180	32,594	100%
2032	31,796	1,124	33,121	100%
2033	32,257	444	32,701	100%
2034	0	0	0	100%

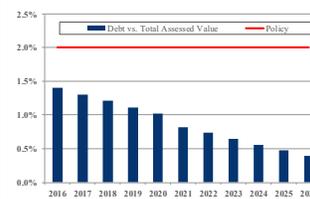
**Principal Outstanding (As of 6/30/2016)**

2007 PVFD Note	\$935,000
2010 Build America Bond	1,995,000
2012 G.O. Public Improvement and Refunding Bond	430,864
2013 G.O. Refunding Bonds	270,000
<b>Total Outstanding</b>	<b>\$3,630,864</b>

### Tax-Supported Debt to Assessed Value



- Town Tax-Supported Debt to Assessed Value Policy:
  - Bonded debt of the Town shall not exceed 2.0% of the total assessed value of taxable property.



**Debt vs. Total Assessed Value**

FY	Existing Debt	Total Assessed Value (1)	AV Growth
2016	18,083,387	1,287,264,172	-
2017	17,219,266	1,319,445,776	2.50%
2018	16,333,000	1,352,431,921	2.50%
2019	15,429,500	1,386,242,719	2.50%
2020	14,491,000	1,420,898,787	2.50%
2021	11,967,500	1,456,421,256	2.50%
2022	10,934,000	1,492,831,788	2.50%
2023	9,850,500	1,530,152,582	2.50%
2024	8,727,000	1,568,406,397	2.50%
2025	7,588,500	1,607,616,557	2.50%
2026	6,410,000	1,647,806,971	2.50%

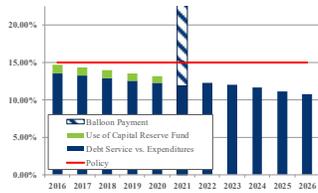
(1) Includes real estate, personal property, public service.

## Tax-Supported Debt Service to Expenditures



### Town Tax-Supported Debt Service to Expenditures Policy:

- Debt service expenditures as a percentage of general fund expenditures should not exceed 15%.



FY	General Fund		Expenditure Growth
	Debt Service	& Parks Rec Fund Expenditures	
2016	\$1,507,605	\$10,268,874	
2017	1,517,285	10,576,940	3.0%
2018	1,517,390	10,894,248	3.0%
2019	1,514,489	11,221,076	3.0%
2020	1,521,574	11,557,708	3.0%
2021	3,054,785	11,904,459	3.0%
2022	1,507,639	12,261,573	3.0%
2023	1,516,231	12,629,429	3.0%
2024	1,512,616	13,008,302	3.0%
2025	1,482,044	13,398,551	3.0%
2026	1,478,017	13,800,508	3.0%

Note: It is expected that the balloon maturity will be termed out or paid off prior to final maturity – or some combination thereof. Paying off the principal would not count against the typical debt service to expenditures policy.

## Debt Portfolio Observations



Davenport monitors the Town's Debt Portfolio for potential refunding opportunities for Debt Service savings and/or strategic restructuring opportunities for cash-flow relief.

Davenport's observations of the General Fund Debt Portfolio are as follows:

1. All debt carries interest rates fixed through final maturity.
2. Debt Service is essentially level for the foreseeable future.
3. Refunding(s) for Debt Service savings are minimal. Davenport will monitor opportunities as interest rates evolve and the time to call dates lessens.
4. The Town may want to consider strategically paying down/defeasing selected debt in the near term to reduce the overall debt burden and free up the Town's General Fund cash-flow.
5. Consider a cost-benefit analysis of refunding Tax-Exempt bonds on a Taxable basis so as to identify the potential to free up Town assets for revenue producing opportunities.

## Debt Portfolio Observations



Davenport's observations of the Parks and Recreation Fund are as follows:

1. A Town-wide dedicated revenue source of 3.5 pennies via a Special Tax District currently covers this Debt Service.
2. A "Balloon" in FY 2021 of roughly \$1.645 million will need to be either 1.) Paid off in full or part; and 2.) "termed out" on or before FY 2021. (Note: Exact Final Maturity is flexible.)
3. Consider this valuable Town asset as a possible opportunity and, if so, use any proceeds from a sale or lease to pay-off the indebtedness. Also consider using up excess Fund Balance to pay down/defease the Balloon payment.

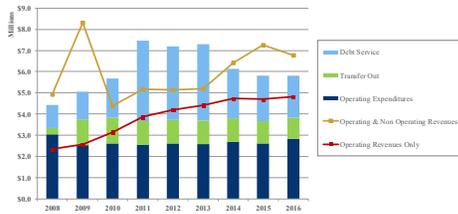
## Water & Sewer Enterprise Utility Fund



### Historical Financials – Water & Sewer Fund Revenues vs. Expenditures



- Water and Sewer revenue has historically varied considerably depending upon the receipt of new growth related actual revenues.
- The annual surpluses in the Water and Sewer Funds in 2015 & 2016 are a result of: 1.) the receipt of Availability Fee revenues from the Mayfair development; 2.) the impact of a strategic restructuring of existing debt service; and, 3.) limited growth in user rates.



Note: See appendix for detail of annual financial results. Data sourced from the Town CAFRs.

DAVENPORT & COMPANY

Wednesday, November 16, 2016

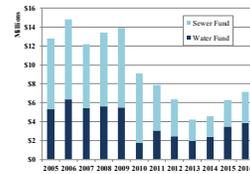
Town of Purcellville, VA 24

### Utility Fund Balance Trends

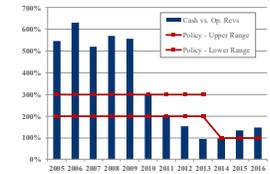


- Town Utility Enterprise Cash & Equivalents policy:
  - The total of the water and sewer utility funds unrestricted cash and equivalents at the close of each fiscal year should be equal to no less than 100% of the total of operating expenditures and debt service.

Utility Enterprise Cash & Equivalents



Cash & Equivalents Policy



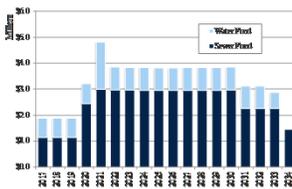
Note: Water and Sewer Utility unrestricted cash and equivalents policy was amended 2/25/2014 to 100% of Operating Expenditures and Debt Service.

DAVENPORT & COMPANY

Wednesday, November 16, 2016

Town of Purcellville, VA 25

### Debt Profile – Total Enterprise Fund



Total Enterprise Fund Debt Service

Fiscal Year	Principal	Net Interest <sup>(1)</sup>	Total
Total	\$41,492,738	\$17,397,888	\$58,790,626
2017	301,540	1,379,459	1,680,999
2018	316,500	1,566,998	1,883,498
2019	331,500	1,553,234	1,884,734
2020	1,679,691	1,520,567	3,200,258
2021	3,360,710	1,455,428	4,816,138
2022	2,482,515	1,369,598	3,852,113
2023	2,500,137	1,278,433	3,778,569
2024	2,643,566	1,184,190	3,827,756
2025	2,722,852	1,086,531	3,809,383
2026	2,833,008	985,934	3,818,942
2027	2,944,056	880,626	3,824,682
2028	3,066,018	770,835	3,836,853
2029	3,183,917	657,389	3,841,306
2030	3,302,777	539,362	3,842,139
2031	2,691,800	426,728	3,118,528
2032	2,812,500	298,661	3,111,161
2033	2,695,000	180,665	2,875,665
2034	1,375,000	63,250	1,438,250

(1) Includes interest subsidy on the 2010 BAB paid from the Water Fund.

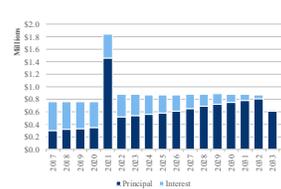
Bond	Principal Outstanding (As of 6/30/2016)
2008 VRA DEQ	\$15,297,738
2010 Build America Bond	1,865,000
2010C VRA Bond	820,000
2012 G.O. Public Improvement and Refunding Bond	790,000
2013 G.O. Refunding Bonds	22,530,000
<b>Total Outstanding</b>	<b>\$41,302,738</b>

DAVENPORT & COMPANY

Wednesday, November 16, 2016

Town of Purcellville, VA 26

### Debt Profile – Water Fund



Bond	Principal Outstanding (As of 6/30/2016)
2010 Build America Bond	\$1,865,000
2010C VRA Bond	820,000
2012 G.O. Public Improvement and Refunding Bond	790,000
2013 G.O. Refunding Bonds	7,105,000
<b>Total Outstanding</b>	<b>\$10,580,000</b>

DAVENPORT & COMPANY

Wednesday, November 16, 2016

Town of Purcellville, VA 27

Aggregate Water Fund

Fiscal Year	Principal	Net Interest	Total
Total	16,580,000	4,557,607	21,137,607
2017	301,500	453,654	755,154
2018	316,500	441,392	757,892
2019	331,500	427,429	758,929
2020	346,500	412,943	759,443
2021	1,456,500	383,223	1,839,723
2022	521,500	361,698	883,198
2023	541,500	336,894	878,394
2024	561,500	311,891	873,391
2025	581,500	284,218	865,718
2026	611,500	256,527	868,027
2027	651,500	227,267	878,767
2028	686,500	196,188	882,688
2029	721,500	162,291	883,791
2030	751,500	128,624	880,124
2031	781,500	92,789	874,289
2032	812,500	55,422	867,922
2033	605,000	24,956	629,956
2034	0	0	0

### Debt Profile – Sewer Fund



Bond	Principal Outstanding (As of 6/30/2016)
2008 VRA DEQ	\$15,297,738
2013 G.O. Refunding Bonds	15,425,000
<b>Total Outstanding</b>	<b>\$30,722,738</b>

#### Aggregate Sewer Fund

Fiscal Year	Net		Total
	Principal	Interest	
<b>Total</b>	<b>30,722,738</b>	<b>12,840,281</b>	<b>43,563,019</b>
2017	0	1,125,805	1,125,805
2018	0	1,125,805	1,125,805
2019	0	1,125,805	1,125,805
2020	1,333,191	1,107,624	2,440,815
2021	1,964,210	1,072,205	2,976,415
2022	1,961,015	1,007,900	2,968,915
2023	2,018,627	941,538	2,960,165
2024	2,082,066	873,100	2,955,165
2025	2,141,352	802,313	2,943,665
2026	2,221,508	729,407	2,950,915
2027	2,282,556	653,359	2,945,915
2028	2,379,518	574,647	2,954,165
2029	2,462,417	494,098	2,956,515
2030	2,551,277	410,538	2,961,815
2031	1,910,000	333,039	2,243,039
2032	2,000,000	343,239	2,343,239
2033	2,090,000	155,709	2,245,709
2034	1,375,000	63,250	1,438,250

### Enterprise Fund Overview



Davenport has made the following observations on the combination of the Town's Water and Sewer Funds, collectively known as the Enterprise Fund:

1. All debt carries interest rates fixed through final maturity.
2. A "Balloon" payment in FY 2021 of roughly \$1.44 million exists, similar status to the Parks and Recreation Fund.
3. There are Five (5) outstanding debt issues in the Enterprise Fund, one of which is publically issued, and as such carries ongoing Bond Rating(s) (the 2013 G.O. Refunding Bonds).
4. At this time, the Enterprise Fund relies solely on user rates and charges to pay both Debt Service and Operating Expenditures.

### Enterprise Fund Challenge



In FY 2017 the Town's Debt Service expenditures is roughly \$1.8 million and in five years will increase to \$3.8 million (i.e. a \$2 million increase).

Davenport's initial thoughts/recommendations to combat the challenge are as follows:

1. Develop a Pro-Forma Model that can be easily used by Town Council and Staff to adjust Key Variables and quickly see the corresponding results. Variables would include, but not be limited to:
  - Operating Revenues and Growth Rate Assumptions;
  - Operating Expenditures and Growth Rate Assumptions;
  - Debt Service levels and impact of either paying down debt or issuing new debt;
  - Availability Fees, if any, in any given year(s);
  - Other recurring monies (e.g. Meals Tax or other Taxes);
  - Level of transfers to the General Fund, etc.;
  - Cash and equivalent levels; and,
  - Required/necessary future capital improvements.

### Enterprise Fund Challenge, cont.



2. Recognize that the Town has certain valuable assets that could potentially be desirable to other parties. Therefore consider option(s) that include the sale or lease or other arrangements that impact the expected trajectory of the future user rate increases.
3. Commission an independent study to report back to the Town on this prior to the 2019 Fiscal Year Budget Process.
4. Discuss potential opportunities related to growth inside and out of Town.
5. Work through the 2018 Budget process to moderate user rate increases while longer term studies and analyses are underway. (Note: MFSG projections 7% for the Water & Sewer Funds).
6. If needed, use a portion of the cash and equivalents over and above the policy level to help support expenditures in FY 2018 while longer term studies are underway.



# Appendix



DAVENPORT & COMPANY

Wednesday, November 16, 2016

Town of Purcellville, VA 32



## Historical Financials – General Fund

	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
<b>Revenues:</b>									
General property taxes	\$2,409,194	\$2,728,317	\$2,487,151	\$2,338,429	\$2,526,297	\$2,877,515	\$2,732,426	\$2,842,910	\$3,084,459
Other local taxes	2,099,082	2,276,909	2,041,676	2,094,580	3,193,468	3,102,543	3,629,915	4,186,769	4,467,329
Fees, penalties and regulatory licenses	81,661	192,209	103,501	118,070	81,782	102,822	217,668	161,379	142,774
Fees and forfeitures	81,259	86,887	65,208	86,287	70,248	84,136	84,887	97,226	42,844
Revenue from sale of money and property	126,148	99,361	55,765	69,615	50,359	1,770	1,028	1,127	3,256
Miscellaneous	94,254	-	-	106,173	70,166	1,323,446	51,580	70,000	38,440
London County Settlement Agreement	-	1,875,307	2,082,073	2,000,000	-	-	-	-	-
Intergovernmental revenue	126,000	150,000	165,000	-	-	237,739	222,328	253,365	223,147
Local government	875,612	853,572	1,058,896	1,100,628	1,098,017	1,105,436	1,125,299	1,150,582	1,169,923
Federal	15,623	9794	122,417	70,007	34,464	18,472	25,625	15,624	5,800
<b>Total revenues</b>	<b>6,700,133</b>	<b>6,762,262</b>	<b>6,028,917</b>	<b>5,609,115</b>	<b>6,125,478</b>	<b>8,266,999</b>	<b>8,524,891</b>	<b>8,751,399</b>	<b>9,242,971</b>
<b>Expenditures:</b>									
<b>Current</b>									
General government administration	2,696,975	2,342,444	2,109,213	2,248,933	2,366,088	2,990,979	2,512,213	2,471,121	2,611,773
Public safety	1,506,481	1,266,494	1,498,885	1,626,498	1,786,262	1,838,119	1,996,288	1,966,100	2,083,546
Public works	2,120,074	2,812,628	2,724,992	2,821,253	2,769,287	2,747,417	3,285,281	2,729,601	3,187,426
Parks, recreational, and cultural	41,174	27,794	33,063	26,800	80,475	-	-	-	-
Community development	607,200	517,609	496,031	412,609	420,341	426,093	403,846	431,276	493,584
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service	224,222	265,979	448,699	496,895	672,460	740,182	434,979	596,531	658,136
Interest and other fiscal charges	100,002	160,385	318,096	570,023	665,534	655,235	426,779	548,839	599,844
Real estate costs	84,676	2,267,276	2,292,591	143,973	117,309	163,214	-	-	522,527
<b>Total expenditures</b>	<b>8,067,327</b>	<b>7,879,275</b>	<b>7,292,507</b>	<b>6,422,621</b>	<b>6,262,206</b>	<b>8,266,999</b>	<b>8,524,891</b>	<b>8,751,399</b>	<b>9,242,971</b>
Revenues over (under) expenditures	832,655	1,868,991	1,292,656	622,425	1,637,997	341,245	688,799	1,129,599	1,059,482
<b>Other financing sources (uses):</b>									
Transfers in	312,296	1,220,232	1,220,232	1,949,473	1,270,560	1,115,904	1,115,904	1,031,904	1,033,241
Transfers out	(1,492,223)	(1,043,729)	(1,603,232)	(6,122,469)	(4,507,072)	(2,593,629)	(4,830,875)	(308,497)	(141,500)
Issuance of debt	2,565,600	-	-	6,188,107	-	2,911,483	1,274,627	-	-
Refunding bonds issued	-	-	-	4,241,400	-	2,700,000	16,440,000	-	-
Payments to refunding bond excess agent	-	-	-	(4,124,213)	-	(1,700,000)	(4,276,213)	-	-
<b>Total other financing sources (uses)</b>	<b>1,418,674</b>	<b>176,504</b>	<b>194,437</b>	<b>2,113,487</b>	<b>(1,237,112)</b>	<b>1,433,762</b>	<b>320,779</b>	<b>823,447</b>	<b>891,741</b>
<b>Net change in fund balances</b>	<b>1,401,210</b>	<b>1,911,219</b>	<b>1,297,591</b>	<b>3,159,909</b>	<b>(429,209)</b>	<b>1,799,017</b>	<b>1,213,669</b>	<b>1,953,046</b>	<b>1,932,260</b>
<b>Reconciliation of Fund Balance</b>									
Fund balances, beginning of year	3,780,011	5,282,350	6,510,645	8,906,918	10,742,845	12,086,336	13,300,005	14,253,051	15,185,311
Fund balances, end of year	<b>\$4,281,221</b>	<b>\$6,819,849</b>	<b>\$8,066,589</b>	<b>\$10,026,827</b>	<b>\$8,906,336</b>	<b>\$13,885,353</b>	<b>\$14,513,674</b>	<b>\$16,206,100</b>	<b>\$17,117,571</b>

(\*) Other adjustments included in revenues.  
(†) Includes a 2011 Memorandum entered in the role of the Town Hall.

DAVENPORT & COMPANY

Wednesday, November 16, 2016

Town of Purcellville, VA 33



## General Fund Projection (2016 to 2021)

The Town of Purcellville, Virginia Multi-Year General Fund Forecast	Estimate 2016	Adopted 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Total Operating Revenues (net of London Gas Tax)	\$9,842,509	\$10,353,140	\$10,390,160	\$10,583,160	\$10,865,300	\$11,156,066
Additional Tax Revenues from 2 Penny Real Estate Tax Increase in FY 2017	\$0	\$0	\$0	\$0	\$0	\$0
London County Gas Tax	223,146	210,000	-	-	-	-
<b>Total Operating Revenues (incl. Debt Service &amp; Cash Funded Capital)</b>	<b>(6,613,805)</b>	<b>(6,002,760)</b>	<b>(6,424,542)</b>	<b>(6,604,163)</b>	<b>(6,862,200)</b>	<b>(10,100,971)</b>
<b>Surplus / (Deficit) After Debt Service, Cash Funded Capital</b>	<b>1,651,612</b>	<b>1,510,371</b>	<b>1,194,807</b>	<b>979,877</b>	<b>973,175</b>	<b>967,095</b>
<b>Excludes General Fund Debt Service:</b>						
Principal	(658,136)	(687,982)	(710,137)	(651,911)	(689,996)	(754,990)
Interest	(990,668)	(572,576)	(553,155)	(535,645)	(512,843)	(489,306)
New Debt Service (P-I)	0	0	0	0	0	0
Cash Funded Capital	0	0	0	0	0	0
<b>Surplus / (Deficit) After Debt Service, Cash Funded Capital</b>	<b>402,408</b>	<b>249,803</b>	<b>(65,485)</b>	<b>(200,478)</b>	<b>(229,667)</b>	<b>(277,299)</b>
<b>Other Financing Sources / (Uses):</b>						
Transfer to Parks & Rec	0	0	0	0	0	0
Contingency-Operating Reserve	0	(352,212)	(65,868)	(67,844)	(69,880)	(71,976)
Transfer to Capital Fund	(141,500)	(180,000)	(101,000)	0	0	0
Capital Asset Replacement Fund	(7,000)	(12,000)	(12,500)	(12,251)	(13,135)	(13,506)
Use of Capital Reserve Fund	172,856	137,409	111,277	111,609	100,927	0
<b>Net Surplus / (Deficit) After Debt Service and Other Sources / (Uses)</b>	<b>371,892</b>	<b>(100,809)</b>	<b>(126,337)</b>	<b>(178,015)</b>	<b>(207,723)</b>	<b>(262,691)</b>
<b>Equivalent Real Estate Tax Impact:</b>						
Equivalent Real Estate Tax Impact	0.0%	1.5%	1.1%	1.4%	1.6%	2.6%
Value of One Penny	\$115,000	\$118,898	\$121,870	\$124,917	\$128,004	\$131,241
Growth in the Value of a Penny	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Projected Financial Policy Compliance</b>	<b>\$5,421,088</b>	<b>\$5,241,088</b>	<b>\$5,184,751</b>	<b>\$4,926,736</b>	<b>\$4,719,812</b>	<b>\$4,356,322</b>
Unassigned Fund Balance vs. Revenues (%)	58.1%	58.6%	49.5%	46.6%	43.4%	39.8%
Unassigned Fund Balance Policy Target (Greater of 30% or 5M)	3,000,000	3,105,942	3,092,748	3,174,948	3,259,614	3,346,820
Capital Reserve Fund Balance	444,940	327,362	215,975	160,077	0	0
Capital Asset Replacement Fund Balance	334,500	46,500	58,800	71,291	84,706	96,210

DAVENPORT & COMPANY

Wednesday, November 16, 2016

Town of Purcellville, VA 34



## General Fund Projection (2022 to 2026)

The Town of Purcellville, Virginia Multi-Year General Fund Forecast	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Total Operating Revenues (net of London Gas Tax)	\$11,455,474	\$11,763,863	\$12,081,504	\$12,408,675	\$12,745,660
Additional Tax Revenues from 2 Penny Real Estate Tax Increase in FY 2017	\$0	\$0	\$0	\$0	\$0
London County Gas Tax	0	0	0	0	0
<b>Total Operating Revenues (incl. Debt Service &amp; Cash Funded Capital)</b>	<b>(10,494,640)</b>	<b>(10,809,680)</b>	<b>(11,333,764)</b>	<b>(11,867,777)</b>	<b>(12,311,810)</b>
<b>Surplus / (Deficit) After Debt Service, Cash Funded Capital</b>	<b>960,833</b>	<b>954,184</b>	<b>947,740</b>	<b>940,898</b>	<b>933,850</b>
<b>Excludes General Fund Debt Service:</b>					
Principal	(909,538)	(953,616)	(993,155)	(1,007,233)	(1,007,233)
Interest	(457,006)	(417,019)	(375,095)	(331,213)	(331,213)
New Debt Service (P-I)	0	0	0	0	0
Cash Funded Capital	0	0	0	0	0
<b>Surplus / (Deficit) After Debt Service, Cash Funded Capital</b>	<b>(405,710)</b>	<b>(416,551)</b>	<b>(420,509)</b>	<b>(497,568)</b>	<b>(404,616)</b>
<b>Other Financing Sources / (Uses):</b>					
Transfer to Parks & Rec	0	0	0	0	0
Contingency-Operating Reserve	(74,135)	(76,359)	(78,650)	(81,010)	(83,440)
Transfer to Capital Fund	0	0	0	0	0
Capital Asset Replacement Fund	(13,911)	(14,229)	(14,529)	(15,201)	(15,657)
Use of Capital Reserve Fund	0	0	0	0	0
<b>Net Surplus / (Deficit) After Debt Service and Other Sources / (Uses)</b>	<b>(493,757)</b>	<b>(506,939)</b>	<b>(513,918)</b>	<b>(493,779)</b>	<b>(503,714)</b>
<b>Equivalent Real Estate Tax Impact:</b>					
Equivalent Real Estate Tax Impact	3.7%	3.7%	3.6%	3.4%	3.4%
Value of One Penny	\$134,522	\$137,885	\$141,321	\$144,866	\$148,487
Growth in the Value of a Penny	2.5%	2.5%	2.5%	2.5%	2.5%
<b>Projected Financial Policy Compliance</b>	<b>\$3,862,565</b>	<b>\$3,555,426</b>	<b>\$2,841,708</b>	<b>\$2,347,928</b>	<b>\$1,844,215</b>
Unassigned Fund Balance vs. Revenues (%)	33.7%	28.5%	23.5%	18.9%	14.5%
Unassigned Fund Balance Policy Target (Greater of 30% or 5M)	3,436,642	3,529,159	3,624,451	3,722,642	3,823,008
Capital Reserve Fund Balance	0	0	0	0	0
Capital Asset Replacement Fund Balance	112,121	126,450	141,208	156,609	172,687

DAVENPORT & COMPANY

Wednesday, November 16, 2016

Town of Purcellville, VA 35

Parks & Rec. Projection (2016 to 2021)



The Town of Purcellville, Virginia Multi-Year Parks & Recreation Fund Forecast	Estimate 2016	Adopted 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Total Operating Revenues (net of GF Transfers)	\$497,408	\$513,894	\$529,311	\$545,190	\$561,546	\$578,392
Total Operating Expenditures (less Debt Service & Cash Funded Capital)	(217,168)	(256,718)	(264,865)	(272,810)	(280,995)	(289,425)
<b>Surplus Before Debt Service, Capital</b>	<b>280,240</b>	<b>257,176</b>	<b>264,446</b>	<b>272,380</b>	<b>280,551</b>	<b>288,967</b>
<b>Existing Parks &amp; Rec. Fund Debt Service:</b>						
Principal	(175,207)	(176,129)	(176,129)	(251,589)	(248,502)	(253,502)
BAB Subsidy	28,141	27,500	26,838	26,148	24,423	11,349
Interest	(111,411)	(108,115)	(104,807)	(101,492)	(94,653)	(86,228)
New Debt Service (P-I)	-	-	-	-	-	-
Cash Funded Capital	-	-	-	-	-	-
<b>Surplus / (Deficit) After Debt Service, Cash Funded Capital</b>	<b>22,283</b>	<b>432</b>	<b>10,348</b>	<b>(54,554)</b>	<b>(38,181)</b>	<b>(39,413)</b>
<b>Other Financing Sources / (Uses)</b>						
Transfer from General Fund	0	0	0	0	0	0
Contingency - Operating Reserve	(432)	-	-	-	-	-
<b>Net Surplus / (Deficit) After Debt Service and Other Sources / (Uses)</b>	<b>22,283</b>	<b>(9)</b>	<b>10,348</b>	<b>(54,554)</b>	<b>(38,181)</b>	<b>(39,413)</b>
Parks and Rec. Fund Balance, Beginning	18,120	4,163	4,163	14,511	(40,043)	(78,224)
<b>Parks and Rec. Fund Balance, Ending</b>	<b>\$4,163</b>	<b>\$4,163</b>	<b>\$14,511</b>	<b>(\$40,043)</b>	<b>(\$78,224)</b>	<b>(\$117,637)</b>
<b>Equivalent Real Estate Tax Impact</b>						
Equivalent Real Estate Tax Impact	0.0%	0.0%	0.0%	0.4%	0.3%	0.3%
Value of One Penny	\$115,000	\$118,898	\$121,870	\$124,917	\$128,040	\$131,241
Growth in the Value of a Penny	-	2.5%	2.5%	2.5%	2.5%	2.5%

Parks & Rec. Projection (2022 to 2026)



The Town of Purcellville, Virginia Multi-Year Parks & Recreation Fund Forecast	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026
Total Operating Revenues (net of GF Transfers)	\$595,744	\$613,616	\$632,625	\$650,986	\$670,515
Total Operating Expenditures (less Debt Service & Cash Funded Capital)	(298,107)	(307,051)	(316,262)	(325,750)	(335,522)
<b>Surplus Before Debt Service, Capital</b>	<b>297,637</b>	<b>306,566</b>	<b>315,763</b>	<b>325,236</b>	<b>334,993</b>
<b>Existing Parks &amp; Rec. Fund Debt Service:</b>					
Principal	(258,962)	(269,884)	(270,345)	(276,267)	(281,727)
BAB Subsidy	0	0	0	0	0
Interest	(77,733)	(70,912)	(63,621)	(56,311)	(48,783)
New Debt Service (P-I)	-	-	-	-	-
Cash Funded Capital	-	-	-	-	-
<b>Surplus / (Deficit) After Debt Service, Cash Funded Capital</b>	<b>(39,059)</b>	<b>(34,230)</b>	<b>(18,203)</b>	<b>(7,342)</b>	<b>4,483</b>
<b>Other Financing Sources / (Uses)</b>					
Transfer from General Fund	0	0	0	0	0
Contingency - Operating Reserve	0	0	0	0	0
<b>Net Surplus / (Deficit) After Debt Service and Other Sources / (Uses)</b>	<b>(39,059)</b>	<b>(34,230)</b>	<b>(18,203)</b>	<b>(7,342)</b>	<b>4,483</b>
Parks and Rec. Fund Balance, Beginning	(117,637)	(156,090)	(190,920)	(209,129)	(216,472)
<b>Parks and Rec. Fund Balance, Ending</b>	<b>(\$156,696)</b>	<b>(\$199,926)</b>	<b>(\$209,129)</b>	<b>(\$216,472)</b>	<b>(\$211,989)</b>
<b>Equivalent Real Estate Tax Impact</b>					
Equivalent Real Estate Tax Impact	0.3%	0.2%	0.1%	0.1%	0.0%
Value of One Penny	\$134,522	\$137,885	\$141,332	\$144,867	\$148,487
Growth in the Value of a Penny	2.5%	2.5%	2.5%	2.5%	2.5%

Historical Financials – Water & Sewer Fund



	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Estimated 2016
<b>Operating Revenues</b>											
Charges for services	2,275,114	2,505,200	3,058,907	3,790,790	4,105,527	4,311,330	4,657,293	4,634,770	4,737,944		
Other Revenue	58,151	58,544	46,992	55,033	52,009	51,870	57,676	54,876	58,409		
Miscellaneous	58,186	9,338	36,922	28,344	35,589	21,327	16,976	17,965	33,085		
<b>Total Operating Revenues</b>	<b>2,391,451</b>	<b>2,569,082</b>	<b>3,142,821</b>	<b>3,874,167</b>	<b>4,203,125</b>	<b>4,404,229</b>	<b>4,731,945</b>	<b>4,707,611</b>	<b>4,831,438</b>		
<b>Operating Expenditures</b>											
Personnel Services	1,274,559	1,142,944	1,170,033	1,107,365	1,081,881	1,125,517	1,162,420	1,187,259	1,254,537		
Employee benefits	483,823	425,141	434,195	491,545	483,948	477,655	481,542	429,347	466,282		
Fuel operations	544,230	401,946	561,981	569,682	582,827	576,086	882,590	843,881	923,064		
W&S operations	201,675	232,985	156,879	139,138	174,894	144,523	138,239	136,444	162,669		
Pump station operations	35,238	21,764	40,180	24,379	27,533	26,800	25,130	28,128	21,130		
Equipment and vehicles	78,217	53,748	64,730	53,644	71,564	69,439	-	-	-		
Capital outlay - non-capitalizable expenses	20,735	1,190	28,695	2,812	14,952	850	-	-	-		
Other	1,882,780	165,592	137,850	158,832	182,240	186,933	-	-	-		
<b>Total Operating Expenditures**</b>	<b>3,041,247</b>	<b>2,535,310</b>	<b>2,644,542</b>	<b>2,547,397</b>	<b>2,669,893</b>	<b>2,577,031</b>	<b>3,049,921</b>	<b>2,625,309</b>	<b>3,242,612</b>		
Operating income (loss)	(649,796)	29,769	528,278	1,326,770	1,508,231	1,827,198	1,682,624	2,082,332	1,995,246		
<b>Nonoperating Revenues (Expenses)</b>											
Intergovernmental revenue	-	-	-	15,511	149,434	31,237	29,368	28,287	27,041		
Investment earnings	478,266	320,633	92,566	57,927	18,870	5,318	2,244	1,030	667		
Rental income	-	-	-	1,059	3,039	3,039	3,039	3,039	3,252		
C/Other fees	120,037	124,283	124,098	128,552	137,842	142,296	147,590	153,812	176,155		
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	35,000	-		
Bond issuance costs	-	-	-	(9,424)	-	(24,740)	(37,631)	(9,623)	-		
Retirements of long-term indebtedness**	(339,248)	(560,300)	(844,100)	(1,359,806)	(1,852,025)	(1,996,383)	(920,945)	(560,296)	(498,633)		
Interest payments**	(796,481)	(750,999)	(991,990)	(2,449,013)	(1,817,523)	(1,620,844)	(1,393,248)	(1,285,254)	(1,269,914)		
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(457,426)</b>	<b>(881,323)</b>	<b>(1,679,432)</b>	<b>(3,825,257)</b>	<b>(3,160,350)</b>	<b>(3,455,976)</b>	<b>(2,490,172)</b>	<b>(1,912,066)</b>	<b>(1,772,099)</b>		
<b>Income before contributions and transfers</b>	<b>(1,182,252)</b>	<b>(801,614)</b>	<b>(1,091,156)</b>	<b>(2,200,627)</b>	<b>(1,661,662)</b>	<b>(1,627,783)</b>	<b>(448,148)</b>	<b>176,238</b>	<b>225,287</b>		
Contributed capital - availability fees	1,991,267	5,308,197	1,031,874	1,098,163	630,708	604,954	1,506,757	2,325,382	1,752,098		
Transfers to	84,497	-	-	-	-	-	-	-	-		
Transfers out	(361,793)	(1,220,232)	(1,220,232)	(1,115,904)	(1,115,904)	(1,115,904)	(1,115,904)	(1,050,904)	(1,013,241)		
<b>Net Surplus/Deficit after Transfers</b>	<b>611,819</b>	<b>3,266,353</b>	<b>(1,279,612)</b>	<b>(2,349,464)</b>	<b>(2,897,225)</b>	<b>(2,128,709)</b>	<b>(675,299)</b>	<b>1,444,716</b>	<b>964,144</b>		

Rating Agency Methodology: Fitch



- In October of 2016 the Town's Fitch rating was updated via a routine "rating surveillance" process.
- Fitch confirmed the Town's "AA" rating with an upgraded Positive Outlook. Fitch provided commentary related to their favorable rating criteria as follows:
  - Economy**  
Fitch's economic analysis considers the capacity of the issuer's economic base to support balanced, ongoing operations and repayment of debt, and provides insight into potential future financial and debt resources or challenges.  
*"Strong Socio-Economic Metrics: The Town enjoys impressive income metrics, reflecting its highly skilled labor force. Purcellville's proximity to the vibrant employment markets of Northern Virginia enhances the town's desirability."* - Fitch Rating Report, October 2016
  - Management and Administration**  
Management policies, practices, and actions can influence the other major credit factors, affording strong ratings to entities with limited economic or financial resources, or weaker ratings to more diverse or affluent entities. Fitch's analysis of management encompasses both elected officials and appointed staff members. Fitch looks at the tenure and relevant experience of key officials.  
*"The rating is sensitive to the town's ability to effectively manage the utility system, which is currently, but has not always been self-supporting. Maintenance of positive utility debt service coverage beyond the completion of the Mayfair project would lessen the potential exposure to the Town's overall financial profile."* - Fitch Rating Report, October 2016

### Rating Agency Methodology: Fitch



**– Finances**

Fitch's analysis of an issuer's finances is focused on evaluating the issuer's financial resources and flexibility to support its obligations over the near and long terms. Fitch incorporates the general fund and any other tax-supported funds, in which the use of revenues is flexible and could be allocated to general government purposes.

*"Revenue Framework: General fund revenues grew at a rapid 5.9% annual compound rate from 2004-2014. Fitch expects this trend to continue due to the current projects under construction and continued strong building permit numbers."* – Fitch Rating Report, October 2016

**– Debt and Other Liabilities**

In evaluating debt and other long-term liabilities, Fitch Ratings seeks to determine the extent and nature of the entity's current liabilities and evaluates the outlook for the future, with a focus on affordability and flexibility.

*"Manageable Long-Term Liabilities: The Town's liability burden as a percentage of total personal income is low at 8%. The Town's personal income metric benefits from access to the region's strong economy."* – Fitch Rating Report, October 2016

### Rating Agency Methodology: Standard & Poor's



■ On September 12, 2013, Standard & Poor's updated its US Local Governments General Obligation Ratings methodology and assumptions.

■ An initial indicative rating will be calculated from a weighted average of seven key factors. The initial score is then adjusted based on certain qualitative factors that are not accounted for in the scorecard.

**– Institutional Framework (10%)**

– Legal and practical environment in which the local government operates

*"We consider the Institutional Framework score for Virginia towns, with a population greater than 3,200, very strong."* – Standard & Poor's Rating Report, October 7, 2013

**– Economy (30%)**

– Total Market Value Per Capita

– Projected per capita effective buying income as a % of US projected effective buying income

*"We consider Parcellville's broad and diverse economy very strong since it benefits from its access to the entire Washington MSA...Town management has been proactively improving infrastructure and updating transportation...County unemployment was, in our opinion, very low at just 4.5% in June 2013...Parcellville has, what we consider, strong per capita income."* – Standard & Poor's Rating Report, October 7, 2013

### Rating Agency Methodology: Standard & Poor's



**– Management (20%)**

– Impact of management conditions on the likelihood of repayment

*"We view Parcellville's management conditions as very strong with "strong" financial management practices under our FMA methodology, indicating practices are strong, well embedded, and likely sustainable."*

– Standard & Poor's Rating Report, October 7, 2013

**– Budgetary Flexibility (10%)**

– Available Fund Balance as a % of Expenditures

*"In our opinion, the budget flexibility remains very strong. Over the past three fiscal years, according to Parcellville's formal policy, the town has maintained an unassigned general fund balance equal to a minimum 30% of the general fund budget, or \$3 million"* – Standard & Poor's Rating Report, October 7, 2013

**– Budgetary Performance (10%)**

– Total Government Funds Net Result (%)

– General Fund Net Revenue

*"We view overall budgetary performance as strong despite a sizable general fund reserve drawdown in fiscal 2012 for planned one-time items and capital purposes."* – Standard & Poor's Rating Report, October 7, 2013

### Rating Agency Methodology: Standard & Poor's



**– Liquidity (10%)**

– Total Government Available Cash as a % of Total Governmental Funds Debt Service

– Total Government Available Cash as a % of Total Governmental Funds Expenditures

*"What we consider very strong liquidity supports finances with a total-governmental-available-cash-as-a-percent-of-total-governmental-fund-expenditures ratio of 136% and a percent-of-debt-service ratio of 889%. We believe Parcellville has adequate access to external liquidity."* – Standard & Poor's Rating Report, October 7, 2013

**– Debt and Contingent Liabilities (10%)**

– Net Direct Debt as a % of Total Governmental Funds Revenue

– Net Direct Debt as a % of Total Governmental Funds Expenditures

*"In our opinion, Parcellville's debt and contingent liabilities profile is weak, with a total governmental funds debt service as a percent of total governmental funds expenditures ratio of 15.3% and a net direct debt as a percent of total governmental funds revenue ratio of 509%."* – Standard & Poor's Rating Report, October 7, 2013

### Rating Agency Methodology: Moody's



- On January 15, 2014, Moody's Investors Service released an updated Rating Methodology regarding US Local Government General Obligation Debt.
- Moody's introduced a new scorecard that provides summarized guidance for the factors generally considered most important in assigning ratings to issuers.
  - The scorecard is designed to enhance transparency by identifying critical factors as a starting point for analysis, along with additional considerations that may affect the final rating assignment.
  - The above criteria are also subject to a notching adjustment for certain qualitative factors that are not accounted for in the scorecard.
- Moody's has identified the following Rating Factors, Subfactors, and weights in their scorecard.

<b>Economy / Tax Base:</b>	
- Tax Base Size (Full Value):	10%
- Full Value Per Capita:	10%
- Wealth (Median Family Income):	10%
<b>Economy / Tax Base Subtotal</b>	<b>30%</b>

*"Located in Loudoun County (Aaa/Stable) the Town of Purcellville has experienced population and tax base growth commensurate with the expansion of the regional economy... Unemployment in the town is a low 4.5% (June 2013) and has historically remained below the state (6%) and national (7.8%) unemployment levels. The town benefits from strong demographics with median family income representing 200% of the U.S. and 171% of the state. Full value per capita is solid at \$139,894."* -Moody's Rating Report, October 7, 2013

### Rating Agency Methodology: Moody's



<b>Finances:</b>	
- Fund Balance (% of Revenues):	10%
- Fund Balance Trend (5-Year Change):	5%
- Cash Balance (% of Revenues):	10%
- Cash Balance Trend (5-Year Change):	5%
<b>Finances Subtotal</b>	<b>30%</b>

*"Moody's believes that the town's financial position will remain healthy, given the town's history of conservative fiscal management. According to town policy, unassigned General Fund balance is maintained at a minimum of 30% or \$3 million, whichever is greater... Officials expect ongoing growth in economically sensitive local taxes."*

-Moody's Rating Report, October 7, 2013

<b>Management:</b>	
- Institutional Framework:	10%
- Operating History:	10%
<b>Management Subtotal</b>	<b>20%</b>

*"Moody's believes that the town's financial position will remain healthy, given the town's history of conservative fiscal management."* -Moody's Rating Report, October 7, 2013

### Rating Agency Methodology: Moody's



<b>Debt / Pensions:</b>	
- Debt to Full Value:	5%
- Debt to Revenue:	5%
- Moody's-adjusted Net Pension Liability (3-year average) to Full Value:	5%
- Moody's-adjusted Net Pension Liability (3-year average) to Revenue:	5%
<b>Debt / Pensions Subtotal</b>	<b>20%</b>

*"The town's debt position (6% of full value ) is likely to remain elevated in the medium term, given substantial water and sewer related debt. Debt service accounted for 10% of fiscal 2012 expenditures... The town participates in the Virginia Retirement System, a multi-employer pension plan administered by the Commonwealth of Virginia funded at 72%. The full annual pension cost (APC) for the plan totaled \$405,985 or 4.6% of 2012 expenditures."* -Moody's Rating Report, October 7, 2013

### Rating Agency Commentary on Rating Changes



**FITCH**

- "The revision of the Rating Outlook to Positive from Stable is based on the expectation of continued improvement in the Town utility system's financial profile, reducing the general government's financial exposure to potential subsidization of utility system debt service."

**MOODY'S**

- "WHAT COULD MAKE THE RATING CHANGE UP
  - Substantial tax base growth and diversification
- WHAT COULD CHANGE THE RATING CHANGE DOWN
  - Declines in liquidity and/or fund balances to levels that exceed current expectations
  - Reliance on general fund reserves to supplement utility funds.
  - Economic stagnation that impedes tax base growth."

**STANDARD & POOR'S**

- "The stable outlook reflects Standard & Poor's opinion of Purcellville's diverse and primarily residential property tax base that has very strong wealth and income and direct access to the greater Washington MSA employment base. The outlook also reflects our opinion of Purcellville's strong finances and operating performance. We believe management will likely maintain, what we consider, its solid finances, complying with its own comprehensive financial policies. As such, we do not expect to change the rating within the outlook's two-year period."

Rating Agency Next Steps



- The Credit Rating Agencies typically perform "Surveillance" on rated entities that have not brought a rated, new issue to market. Fitch performed such a Surveillance in October of 2016.
  
- Surveillance has historically occurred roughly every two years although it varies by Rating Agency.
  
- As such the Town can expect that both Moody's and S&P may be performing Surveillance in the next 6 to 12 months.
  
- The Rating Agencies have not historically charged a fee for Rating Surveillance.

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Wednesday, November 16, 2016

Town of Purcellville, VA 45

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49

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**STAFF REPORT**  
**ACTION**

Item #16

**SUBJECT:** Closed Meeting

**DATE OF MEETING:** December 13, 2016

**STAFF CONTACTS:** Diana Hays, Town Clerk/Project Manager

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**SUMMARY and RECOMMENDATIONS:**

Attached are the motions and resolution pertaining to the closed meeting.

**ATTACHMENT(S):**

1. Closed Meeting Motions
2. Resolution 16-12-01

**MOTION TO RECESS THE REGULAR MEETING AND CONVENE A CLOSED MEETING**

“As authorized under Section 2.2-3711(A)(7) of the Code of Virginia, I move that the Purcellville Town Council convene in a closed meeting to consult with legal counsel employed or retained by the public body concerning the following specific legal matter that requires legal advice:

- a) The Town’s 1,272 acre water supply reservoir property, which is subject to a Deed of Easement dated March 27, 2009 benefiting the Virginia Outdoors Foundation.

The following individuals are requested to attend the closed meeting:

- 1) All Town Council members
- 2) Robert W. Lohr, Jr., Town Manager
- 3) Danny Davis, Assistant Town Manager
- 4) Alex Vanegas, Director of Public Works
- 5) Sally Hankins, Town Attorney”

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**MOTION BY TOWN COUNCIL TO ADJOURN THE CLOSED MEETING AND RECONVENE THE OPEN MEETING**

“I move that the Town Council reconvene in an open meeting and that the minutes reflect no formal action was taken in the closed meeting.”

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**MOTION THAT THE RESOLUTION CERTIFYING THE CLOSED MEETING BE ADOPTED AND REFLECTED IN THE MINUTES OF THE PUBLIC MEETING**

“I move that the Purcellville Town Council adopt Resolution 16-12-01 certifying the closed meeting of December 13, 2016.”

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