

AGENDA

FRANKLIN CITY COUNCIL
MONDAY, April 27, 2015 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVE.

7:00 P.M.**Regular Meeting**

Call To Order · · · · · MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEASE TURN OFF CELL PHONES · · · · · MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEDGE OF ALLEGIANCE

CITIZENS' TIME

RETIRED EMPLOYEE RECOGNITION

AMENDMENTS TO AGENDA

1. CONSENT AGENDA

- A. Minutes: April 13, 2015 Work Session & Regular Meeting
- B. Departmental Reports: March, 2015 (Separate File)
- C. Building Safety Month Proclamation: May, 2015

2. PUBLIC HEARING

- A. Franklin City School Board Appointments

3. FINANCE

- A. Monthly Financial Report: March, 2015
- B. FY 2014 – 2015 City Budget Amendment/Transfer Ordinance #2015 - 19

4. OLD/NEW BUSINESS

- A. Hayden Project Update
- B. School System FY 2014 - 2015 Carryover Funding Request: Willie J. Bell, Jr. Ed. D.
- C. Draft SPSA Use & Support Agreement Post 2018 Presentation
- D. Opportunity, Inc. Charter Agreement Amendment
- E. City Manager's Report
 - 1. Health Insurance Program Proposed Changes FY 2015 – 2016
 - 2. Electric Utility Fuel Adjustment Report
 - 3. FY 2015 – 2016 Proposed Budget Update

5. COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS

- 6. Work Session: Retreat follow up – Vision Statement Update - Rescheduled from 3/9/15 (Time Permitting)

7. ADJOURNMENT

UPCOMING ITEMS TO BE SCHEDULED

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

SUBJECT**TENTATIVE TIME LINE****Budget Work Sessions with Departments****May 4, 5 & 6, 2015 @ 6:00 p.m.****Budget Work Session****June 1, 2015 @ 6:00 p.m.****FY 2015 – 2016 Budget Public Hearings****June 1, 2015 @ 7:00 p.m.****Comprehensive Plan Update Work Session****TBA****Personnel Policy Work Session****TBA**



Resolution of Appreciation
To
Susan D. Lassiter

WHEREAS, Susan D. Lassiter has faithfully served the City of Franklin beginning on June 21, 1982, and ending her service on December 31, 2014 as a Payroll Technician; and

WHEREAS, Susan D. Lassiter has diligently delivered competent and thorough work. Mrs. Lassiter continually displayed a willing spirit, was loyal and dependable as well as a capable teacher to her co-workers.

WHEREAS, Susan D. Lassiter has exhibited guidance and wisdom through her position for the Finance Department; a champion for the March of Dimes and,

WHEREAS, her prudent judgment and warm personal demeanor have facilitated her accomplishments and have earned for her the respect of the community and her peers; and

WHEREAS, the City of Franklin commends Susan D. Lassiter for her generous and devoted service to this City and wishes her well in all her future endeavors.

NOW, THEREFORE, BE IT RESOLVED, that the Franklin City Council Honors the Exceptional Service of Susan Lassiter.

AND, FURTHER RESOLVED, that a copy of this Resolution be spread upon the minutes of this meeting of the Franklin City Council as visible evidence of the high esteem in which this Council and the Citizens of the City of Franklin hold Susan D. Lassiter thereby forever preserving and recording its gratitude.

Adopted: April 27, 2015

Mayor Raystine D. Johnson-Ashburn



Resolution of Appreciation

Jo

Curtis Currie

WHEREAS, Curtis Currie has faithfully served the City of Franklin beginning on November 18, 1981 as a Part-time Laborer, becoming Full-time on July 1, 1989 and ending his service on December 31, 2014 as a Construction Maintenance Worker II, and

WHEREAS, Curtis Currie has diligently delivered safe and quality workmanship. Mr. Currie continually displayed a cooperative spirit, was loyal and dependable as well as a willing teacher to his co-workers, and

WHEREAS, Curtis Currie has provided guidance and exhibited wisdom through his position with the Public Works Department; and,

WHEREAS, his prudent judgment and warm personal demeanor have facilitated many accomplishments and have earned for him the respect of the community and his peers; and

WHEREAS, the City of Franklin commends Curtis Currie for his generous and devoted service to this City and wishes him well in all his future endeavors.

NOW, THEREFORE, BE IT RESOLVED, that the Franklin City Council Honors the Exceptional Service of Curtis Currie.

AND, BE IT ALSO FURTHER RESOLVED that a copy of this Resolution be spread upon the minutes of this meeting of the Franklin City Council as visible evidence of the high esteem in which this Council and the Citizens of the City of Franklin hold Curtis Currie thereby forever preserving and recording its gratitude.

Adopted: April 27, 2015

Mayor Raystine D. Johnson-Ashburn

CONSENT AGENDA

- A. Minutes: April 13, 2015 Work Session & Regular Meeting**
- B. Departmental Reports: March, 2015 (Separate File)**
- C. Building Safety Month Proclamation: May 2015**

The Franklin City Council held a work session meeting with Agencies & Organizations to hear their perspective Budget requests for FY 2015 -2016 on Monday, April 13, 2015 at 6:00 p.m. in the Council Chambers at City Hall.

Council Members in Attendance: Raystine D. Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Mary Hilliard, Greg McLemore, Mona Murphy and Frank Rabil (Councilman Burgess absent).

Other Staff members in Attendance: City Manager Randy Martin; City Attorney Taylor Williams; Finance Director Melissa Rollins and Teresa Rose-McQuay, Administrative Assistant Recording Minutes.

Mayor Johnson-Ashburn called the meeting to order at 6:00 p.m.

The Mayor welcomed everyone to the work session and asked that each person making comments state their name, address and the name of the agency or organization represented.

Ms. Claudia Gooch with the Regional Task Force to end homelessness and the Healing Place of Hampton Roads is requesting funding for FY 2015 – 2016 to support the creation of a residential substance abuse program that ends homelessness and establishes self-sufficiency.

Ms. Gooch stated that many local governments in Hampton Roads have pledged to eradicate homelessness within their boundaries. As various local coalitions have worked to make this happen, the barrier that keeps arising is addiction. Many people experiencing homelessness suffer from an addiction that caused their homelessness or prevents them from maintaining permanent housing. Until Hampton Roads addresses this issue, ending homelessness will remain elusive. We know that it is possible for local governments working together to develop projects that one local government on its own cannot do.

The Healing Place of Hampton Roads proposes to serve The Health Region V area of Eastern Virginia including South Hampton Roads, the Peninsula, Middle Peninsula, Northern Neck, Western Tidewater and the Eastern Shore. It encompasses 26 local governments and includes about one quarter of the state's population. Concurrently, a statewide network of Healing Places is being developed.

She asked that Franklin support the proposed Healing Place of Hampton Roads project, and join the Hampton Roads community to end homelessness and save lives. They are requesting \$8,360 from the City of Franklin as its pro rata share of the project budget to construct a facility.

Mayor Johnson-Ashburn asked how long their organization has been established.

Ms. Gooch replied that the Board was a couple of years old.

Mayor Johnson-Ashburn asked if they knew how many Franklin residents have been assisted by the organization's efforts thus far.

Ms. Gooch said she knew of two assisted by existing programs.

Councilman McLemore asked how many Franklin residents would be served through this organization when the facility is completed.

Ms. Gooch responded she did not know at this time.

Councilman Rabil asked about the cost per person for the program.

Ms. Gooch stated that once the facility is up and running the projected cost per person will be \$30 a day.

Councilman Rabil asked how long the stay will be for the each client in the proposed facility.

Ms. Gooch replied that this is a long term program; the average stay is nine months but it can be longer based on the needs of the individual to become self-sufficient.

Councilwoman Hilliard asked if they received any other subsidies like grants for the program.

Ms. Gooch stated that they were looking into grants, as well as, funding from healthcare sources.

Councilwoman Murphy asked whether the service was inpatient or outpatient.

Ms. Gooch replied that it was inpatient and the treatment is based on the individual needs of each person.

Councilman McLemore wanted to know what \$30 a day pays for: food, medication or room and board.

Ms. Gooch replied that pays for food, housing and basic necessities.

Councilman McLemore asked how many meals a day they provide for the program participants.

Ms. Gooch replied that they provide three meals a day.

Councilman McLemore asked who they were currently receiving funding from.

Ms. Gooch stated the facility is not constructed, however they have received some grants and funding from foundations for planning purposes.

Ms. Gooch thanked Council for allowing her to present the information on the Healing Place of Hampton Roads.

Mayor Johnson-Ashburn thanked Ms. Gooch for coming to the meeting and recognized the next presenter.

Ms. Leigh Anne Chambers of the Rawls Museum Arts of Courtland, VA came before Council to petition the City of Franklin to provide a match for a Local Government Challenge Grant. The purpose of the grant is to encourage local governments to support the arts. The Virginia Commission for the Arts will match, up to \$5,000 of committed tax monies given by independent town, city, and county governments to arts organizations. This is an excellent opportunity to increase the impact of City spending.

Mayor Johnson-Ashburn clarified that the organization is requesting \$5,000 in local funds to receive the state grant matching funds.

Ms. Chambers confirmed that was true and she stated that the application had already been submitted to the state.

Councilman Rabil asked what guarantee does the museum have as far as the state funds.

Ms. Chambers stated that as long as the city made application she has never known the grant funds not to be funded.

Councilman Rabil asked if the match was \$5,000 total or dollar for dollar.

Ms. Chambers explained that the match is dollar for dollar but the maximum amount is \$5,000. If the city were to give them \$2,000 then the match would be \$2,000 but if it were \$ 10,000 then they would only receive \$5,000.

Councilman McLemore asked what types of services the museum offers to students.

Ms. Chambers gave a brief overview of the organizations programs and how many students they have served versus how many teachers they have.

Mayor Johnson-Ashburn thanked Ms. Chambers for her presentation and then acknowledged the next person on the list.

Jenny Bailey, Director of the Blackwater Regional Library system of which the Franklin library is a branch addressed the Council. Ms. Bailey handed out a copy of the Long Range plan for the Blackwater Regional Library system through 2019. The long range plan includes a new focus on technology education, job skills training and classes that are accessible to working adults and their families.

The budget for this next fiscal year was constructed using the formula agreed upon by all of the localities served, with each locality paying for their percentage of library operations based on usage and population. We have calculated a circulation of 94,702, based on outreach and services rendered at the Ruth Camp Campbell Memorial Library, which makes up 18% of the regional library system total.

The Ruth Camp Campbell Branch has partnerships with 30 different organizations in Franklin and the surrounding areas, including the Virginia Employment Commission, the Paul D. Camp Community College, Smart Beginnings of Western Tidewater and the Franklin City Schools. These organizations have similar goals to Blackwater, and we are all striving to help citizens build the essential skills to help them lead fruitful and productive lives.

Vice-Mayor Cheatham asked why the Bookmobile service was cut midway through the year.

Ms. Bailey commented that there was a sudden retirement from the Bookmobile staffer so they had to cut service to some areas.

Vice-Mayor Cheatham commented about some citizens from the Village at Woods Edge Senior Living Facility being unable to get on the bus to go to the library branch.

Ms. Bailey replied that they are aware of those issues and they are looking into doing more outreach services like mailing books.

Councilman McLemore commented that the Franklin Library provides an excellent service that he uses regularly. It is usually full with people reading, using computers and Wi-Fi. Councilman McLemore articulated the hope the library would be able to reinstitute the Bookmobile service to the Village at Woods Edge.

Mayor Johnson-Ashburn thanked Ms. Bailey for her presentation.

Mayor Johnson-Ashburn recognized Hattie Francis, Executive Director of Smart Beginnings of Western Tidewater to make her presentation to Council.

Ms. Francis stated that Smart Beginnings Western Tidewater is a multi-jurisdictional collaboration that works with the City of Franklin, Isle of Wight, and Southampton County. The target population is prenatal to about third grade.

In 2014, the City of Franklin provided \$15,000 in funds to put towards Smart Beginnings Western Tidewater's efforts in educating parents and providers. Through local funding, Smart Beginnings Western Tidewater was able to reach over 375 Franklin citizens. They hope to grow their outreach in 2015 and into 2016. The organization needs help from the localities more than ever. Therefore, they are requesting an increase in city funds to \$25,000 to offset the costs of the Virginia Start Quality Initiative (VSQI) and Parent/Provider workshops.

While the City of Franklin hosts two VSQI 5-star rated centers, 2015 funds will be used to help each Franklin Participant of VSQI better or maintain their current ratings. It is also Smart Beginnings' goal to increase the number of VSQI participants in Franklin over the coming year. With more VSQI rated centers, the City of Franklin's early childhood provider community becomes more competitive and offers higher quality care.

Mayor Johnson-Ashburn asked if there were any questions.

Mayor Johnson-Ashburn asked what has been done to make contact with unlicensed day care providers.

Ms. Francis responded that nothing has been done yet but it is something that is being looked into.

Councilwoman Hilliard wanted to know if they have a number of how many unlicensed day care providers there are.

Ms. Francis replied no they do not.

Councilwoman Hilliard asked about the programs that Smart Beginnings Western Tidewater has for licensed home day care providers.

Ms. Francis replied that they provide workshops.

Councilwoman Murphy asked why they hadn't reached out to the unlicensed providers and will you reach out to them.

Ms. Francis said that she could not answer why there has not been any outreach because she just came in to the position in December but she has been reaching out and will continue to do so.

Councilman McLemore asked what VSQI is.

Ms. Francis replied Virginia Star Quality Initiative; it is a voluntary state rating system with the Department of Social Services.

Councilman McLemore asked how many Franklin citizens' are served.

Ms. Francis responded about 400.

Mayor Johnson-Ashburn thanked Ms. Francis and recognized Amanda Jarratt.

Amanda Jarratt is the President/CEO of the Franklin Southampton Economic Development, Inc. FSEDI was incorporated in August 2005 to serve all residents of the city of Franklin and Southampton County. The mission is to diversify the economic base, create high quality jobs and seek new capital investment to improve and sustain the tax base. To continue engagement of all the current funding sources to support the FSEDI mission over the long term, FSEDI is requesting that both public sector partners provide level funding from the previous fiscal year of \$125,000 per year.

Two of the most recent accomplishments are Highground Services, Inc. and Providence Agriculture. Highground Services, Inc. employs 64 individuals and is purchasing property to maintain their residence in the Franklin community. Providence Agriculture is purchasing 10 acres of land in the Pretlow Industrial Park and will employ 15 people.

Mayor Johnson-Ashburn asked if anyone had any questions.

Councilman McLemore asked how much money FSEDI receives from foundation and charity funding.

Ms. Jarratt replied their budget totals about \$430,000 annually from all sources with the city and County share being \$250,000 combined.

Councilman McLemore wanted to know how many employees FSEDI has.

Ms. Jarratt responded that there are four full time employees and one part time employee including herself.

Mayor Johnson-Ashburn thanked Ms. Jarratt and asked if there was any other organization or agency representative desiring to address the Council on their budget requests.

Mr. Eric Taylor is the Club Director for the Boys & Girls Clubs of Southeast Virginia, Franklin Chapter. Mr. Taylor introduced Mr. Cedric Cross who represented the Franklin Chapter as a Youth of the Year for 2015. Mr. Cross has been in the club since he was nine years old. When he first started his grades were low. He is a junior at Southampton High School and his grades have improved tremendously. He credits his improvement in school to the Boys & Girls Club program in Franklin and stated that the organization has helped define his character. Mr. Taylor thanked the Council for its support of the Club which partners with the Parks & Recreation Department and is housed in space at S. P. Morton Elementary School.

All in attendance gave Mr. Cross a round of applause.

Councilman Rabil asked Mr. Taylor how many children a day participate in his chapter.

Mr. Taylor answered 65 to 80 a day average.

Councilwoman Hilliard wanted to know how many children are from the Franklin area.

Mr. Taylor said the majority of the children in his program are Franklin residents.

Mayor Johnson-Ashburn recessed the work session at 7:00 p.m. and called the regular to order immediately following the work session.

The Franklin City Council held a regular meeting on Monday, April 13, 2015 at 7:00 p.m. in the Chambers at City Hall.

Council Members in Attendance: Raystine D. Johnson-Ashburn, Mayor; Barry Cheatham, Vice-Mayor; Mona Murphy, Mary Hilliard, Frank Rabil, and Greg McLemore (Councilman Burgess absent).

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, City Attorney; Russ Pace, Director of Public Works; Brenda Rickman, Commissioner of the Revenue; Alan Hogge, Director of Social Services; Melissa Rollins, Director of Finance; and Chief Phil Hardison, Police Department.

Others in Attendance: Officer Stephanie Sumpter, Franklin Police Department; Dan Howe, Executive Director, Downtown Franklin Association, Inc.; and Teresa Rose-McQuay; Administrative Assistant and Acting Secretary, Recording Minutes.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

CITIZENS' TIME

No one signed up to speak at Citizens' Time.

AMENDMENTS TO AGENDA

There were no amendments to the agenda.

Consent Agenda

Minutes of the April 13, 2015

Mayor Johnson-Ashburn asked if there were any corrections or changes to the minutes. Hearing none she asked for a motion. Vice-Mayor Cheatham made the motion to adopt the minutes of the April 13, 2015 work session and Regular meeting as presented and Councilman McLemore seconded the motion. Mayor Johnson-Ashburn asked if there were any questions or comments on the motion: hearing none she called for a vote.

The motion was approved with the vote as follows:

Mayor Johnson-Ashburn, AYE; Vice-Mayor Cheatham, AYE; Councilman McLemore, AYE; Councilwoman Hilliard, AYE; Councilman Rabil, ABSTAIN; and Councilwoman Murphy, AYE (Councilman Burgess absent).

Finance**FY 2014 – 2015 School System Budget Amendment # 2015 – 18**

Mayor Johnson-Ashburn recognized Finance Director Rollins to present the FY 2014 – 2015 School Board Budget Amendment # 2015 – 18. The Franklin School Division has received the following grant awards:

Education Fund		
Franklin City Educational Foundation	Book Buddy Program/ S. P. Morton Elementary	\$2006.04
Franklin City Educational Foundation	Lego League/ S. P. Morton Elementary	\$500
Franklin City Educational Foundation	Franklin High School Robotics Program	\$800
Franklin City Educational Foundation	Arts Program/ J. P. King Middle School	\$663.35
		\$3,969.39

The Franklin City Public Schools also received \$34,840.95 from the School Nutrition Foundation for the Breakfast in the classroom program in the Cafeteria Fund.

The required action from City Council is to authorize the amendment of the state and local grant awards for the FY 2014 – 2015 School Fund Budget to appropriate the funds for expenditure by approving the School System Budget Amendment Ordinance # 2015 – 18.

Mayor Johnson-Ashburn asked if there were any questions and hearing none she asked for a motion.

Councilwoman Hilliard made the motion to approve School System Budget Amendment Ordinance # 2015 – 18 and Councilwoman Murphy seconded the motion.

Mayor Johnson-Ashburn asked if there were any questions or comments on the motion and hearing none Council voted.

The motion was approved by a 6 – 0 vote (Councilman Burgess absent).

VRS Annual Resolution for Member Contribution Adjustment

Language in the 2013 Appropriations Act permitted localities to make an election regarding their VRS employer contribution rate beginning 2012 – 2013. The intent of the language in the Act was to offer some budget relief with respect to retirement contributions. Effective July 1, 2014, localities were afforded the opportunity to elect either the rate certified by VRS for the FY 2015 – 2016 biennium or alternate rate, which is lower than the VRS certified rate. The City elected the alternate employer rate of 10.98% and this remains in effect for the fiscal period commencing July 1, 2015.

Annually, VRS requires the local governing body to pass a resolution indicating their election decision regarding phasing in the 5.0% member contribution for all Plan 1 and Plan 2 employees hired prior to

July 1, 2012. Currently the City is on year 3 of the Phase-In Option. The proposed resolution provides for year four of the phase-in.

Mayor Johnson-Ashburn asked if there were any questions and hearing none she asked for a motion.

Vice-Mayor Cheatham made the motion to adopt the VRS Resolution Employer Retirement Contribution Rate Election for 2015 and Councilwoman Murphy seconded the motion.

Mayor Johnson-Ashburn asked for any further discussion and hearing none Council voted.

The motion was approved by a 6 – 0 vote (Councilman Burgess absent).

OLD/NEW BUSINESS

City Manager's Report

Mayor Johnson-Ashburn recognized City Manager Martin to present his report.

Manager Martin reported that the School Board appointments for Wards 4, 6 and the At Large Seats are coming up with terms expiring June 30th. Manager Martin stated that after talking with the Mayor, there will be a Public Hearing at the next City Council Meeting on April 27, 2015 for citizen's to make nominations for these appointments. There will be a notice in the newspaper on April 15, 2015 making citizens aware of the Public Hearing. Manager Martin deferred to City Attorney Williams for further comment.

Attorney Williams stated that he had sent emails to the three individuals currently in the position to let them know the process.

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS

Vice-Mayor Cheatham deferred to Councilwoman Murphy to report on the Western Tidewater Regional Jail Authority meeting.

Councilwoman Murphy stated that the Western Tidewater Regional Jail meeting was a regular meeting. Councilwoman Murphy said that she would be attending a Compensation board meeting with the Superintendent of the Jail on Tuesday, April 14, 2015.

Councilman Rabil reminded everyone of the DFA meeting on Tuesday, April 14, 2015 at 5:30 p.m. and the Business Friendly Committee meeting on April 29, 2015 at 5:30.

Mayor Johnson-Ashburn asked Manager Martin to comment on the Use and Support Agreement timeline from the March 29, 2015 Shared Services Meeting.

Manager Martin stated the participating localities in SPSA have been asked to review and share comments or concerns to the SPSA Board on the draft Use and Support Agreement for post 2018 by May 31st.

The Manager indicated a summary presentation will be on the next meeting agenda on the draft and a copy of the agreement will be sent electronically to Council prior to that meeting.

City Attorney Williams also commented on the SPSA Board meeting and current events.

The Manager also advised the City/County Utility Study is progressing with the draft engineering report under review by the Committee.

Mayor Johnson-Ashburn advised that a HOME Program Committee meeting was held Friday, April 10th with 2 contracts approved for residential unit rehabilitation. She noted Councilwoman Hilliard also participated. Mayor Johnson-Ashburn also advised that the Madison Street CDBG Management Team held their first meeting with the State representatives.

Councilwoman Murphy commented positively about the recent Respect in the Work place training that all employees participated in.

Councilman Rabil thanked all for their support upon the recent death of his father Fred Rabil.

Closed Session

Councilwoman Hilliard made the motion that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions and to discuss a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community pursuant to Virginia Code Section 2.2 – 3711 (A) (1) & (5) and Vice-Mayor Cheatham seconded the motion.

The motion was approved by a vote of 6 – 0 (Councilman Burgess absent).

The Council entered into closed session at 7:25 p.m.

Mayor Johnson-Ashburn reconvened the open session at 8:00 p.m. and asked for a motion certifying the closed session.

Councilman Rabil made a motion certifying that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. The motion was seconded by Vice-Mayor Cheatham.

Adjournment

Councilman McLemore made a motion to adjourn the meeting which was seconded by Councilman Rabil.

The motion was approved by a 6 – 0 vote (Councilman Burgess absent).

Mayor Johnson-Ashburn declared the meeting adjourned at 8:01 p.m.

These Minutes for April 13, 2015 City Council Meeting were adopted on the 27th day of April, 2015.

Mayor

Clerk to City Council



**Building Safety Month 2015
Proclamation**



Whereas, our City’s continuing efforts to address the critical issues of safety, energy efficiency, and resilience in the built environment that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound, and;

Whereas, our confidence is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings, and;

Whereas, these guardians—dedicated members of the International Code Council—use a governmental consensus process that brings together local, state and federal officials with expertise in the built environment to create and implement the highest-quality codes to protect Americans in the buildings where we live, learn, work, worship, play, and;

Whereas, the International Codes, the most widely adopted building safety, energy and fire prevention codes in the nation, are used by most U.S. cities, counties and states; these modern building codes also include safeguards to protect the public from natural disasters such as hurricanes, snowstorms, tornadoes, wildland fires and earthquakes, and;

Whereas, Building Safety Month is sponsored by the International Code Council, to remind the public about the critical role of our communities’ largely unknown guardians of public safety—our local code officials—who assure us of safe, efficient and livable buildings, and;

Whereas, “*Resilient Communities Start with Building Codes*”, the theme for Building Safety Month 2015, encourages all Americans to raise awareness of the importance of building safe and resilient construction; fire prevention; disaster mitigation, backyard safety; energy efficiency and new technologies in the construction industry. Building Safety Month 2015 encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe and sustainable, and recognizes that countless lives have been saved due to the implementation of safety codes by local and state agencies, and,

Whereas, each year, in observance of Building Safety Month, Americans are asked to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments and federal agencies in protecting lives and property.

NOW, THEREFORE, I, Raystine H. Johnson-Ashburn, Mayor of the City of Franklin, Virginia, do hereby proclaim the month of May 2015 as Building Safety Month. Accordingly, I encourage our citizens to join with their communities in participation in Building Safety Month activities.

Date: _____

Mayor

ATTEST: _____
Clerk

PUBLIC HEARING

A. Franklin City School Board Appointments



*Office Of The City Attorney
H. Taylor Williams, IV*

April 21, 2015

Memorandum

From: H. Taylor Williams, IV, City Attorney

To: Members of the Franklin City Council

Re: School Board terms and appointments

Pursuant to Virginia Code Section 22.1-29.1 and City Code Section 2-71, a Public Hearing has been scheduled for the Council meeting to be held on April 27, 2015, for the purpose of receiving nominations and hearing person's views regarding candidates to serve on the Franklin City School Board for Ward Seats 4 and 6 and the At Large seat. Notice of this Public Hearing has been advertised in the Tidewater News as required by the State Code and City Code. Council can consider only those persons whose names are placed in nomination at this Public Hearing.

The Ward 4 seat is currently served by Sherita Ricks-Parker and she is eligible to serve another 3 year term on the School Board.

The Ward 6 seat is currently served by Dawna Walton and she is eligible to serve another 3 year term on the School Board.

The At Large seat is currently served by Edna King and she is eligible to serve another 3 year term on the School Board.

The requirements for appointment to the school board are controlled by state statute, our City Charter and City ordinances. City Charter Section 12.02 provides that the members must be qualified voters of the city, cannot be members of the city council and shall be residents of the ward he or she is selected to represent or a resident of the city if selected to represent the city at large seat. Virginia Code 22.1-30 provides the following persons may not serve on the school board: no city officer or any deputy of a city officer; no member of city council; no employee of a school board.

H. Taylor Williams, IV
City Attorney

NOTICE OF PUBLIC HEARING FOR NOMINATION OF PERSONS TO THE FRANKLIN CITY SCHOOL BOARD

The Franklin City Council will conduct a Public Hearing at its regular meeting to be held on Monday, April 27, 2015 at 7:00 p.m. at the Franklin City Hall at 207 West Second Avenue, Franklin, Virginia 23851 for the purpose of considering individuals for nomination to the Franklin City School Board. Nominations of persons for the Ward 4 seat, the Ward 6 seat and the At Large seat can be made to fill terms beginning July 1, 2015 and expiring June 30, 2018.

Any person desiring to nominate individuals to serve on the Franklin City School Board should attend the Public Hearing date and make such nomination on April 27 as he or she desires. A resume may be presented to Council at that time. No nominee or applicant whose name has not been considered at this Public Hearing shall be appointed as a school board member.

The public hearing is to be held at a public facility to be accessible to persons with disabilities. Any persons with questions concerning the accessibility of the facility or those who have need for reasonable accommodations should contact Teresa Rose-McQuay at (757) 562-8508. Persons needing interpreter services for the deaf must notify Mrs. McQuay at least seven (7) days in advance of the hearing.

Franklin City Council
R. Randy Martin, Clerk

FINANCE

- A. Monthly Financial Report: March, 2015**
- B. FY 2014 – 2015 City Budget Amendment/Transfer Ordinance #2015 - 19**



For the period ending March 31, 2015

Based on Unaudited Financial Data

Financial Report Summary - Revenue

2

- Collection of general property tax revenues have improved over prior year period
- Other local tax revenue including economic indicators have improved over the prior year period – signs of slight economic growth
- Year to date revenue is in sync with budgeted projections and comparable to prior year period
- Year end projected revenue is expected to meet budgeted projections and/or exceed budget in a number of sources

Basis of Reporting

3

- The information enclosed in the City's Financial Report for the 3rd Quarter Ending March 31, 2015.
- The report contains provisions for **most** revenue and expenditure accruals.
 - Reflects 9 months of revenue & expenditures in most cases (where noted, the 9th month has been estimated)
- Financial Report presentation is consistent with department's objectives to:
 - Report timely, relevant and accurate financial data
 - Promote accountability through monitoring, assessment and reporting

Revenue Highlights

4

- ❑ Overall General Property Taxes collected - \$4.36 million, 61.0% of budget – 2.5 % increase over FY14 collections of \$4.26 million also 61.0% of budget
 - ❑ **Current Real Estate taxes** - \$2.54 million, 48.1% of budget and 1.5% higher than FY14 collections of \$2.50 million.
 - ❑ **Delinquent Real Estate taxes** - slightly less than the prior year but collections have exceeded 100% of the budget
 - ❑ **Personal Property taxes** of \$1.348 million have reached 98% of budget, an increase of 9.0% from the same period last year (collection tools resulted in increased collections)
 - ❑ **Delinquent Personal Property taxes** at \$51,000 is on target with budgeted projections at 78.5% collected through March 2015 and exceed the prior year period
 - ❑ **Other general property taxes**: Penalty and Interest revenue has exceeded 86% of the budget, public service corporate tax revenue has exceed budgeted projections and machinery and tools taxes will be under budget by nearly \$47,000.

General Property Taxes- Overall BUDGET COMPARISON

5

REVENUE SOURCE	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
	BUDGET	3/31/2015	%	BUDGET	3/31/2014	%
Real Estate Taxes-Current	\$ 5,283,742	\$ 2,540,687	48.1%	\$ 5,150,432	\$ 2,502,997	48.6%
Real Estate Taxes-Delinquent	190,000	227,082	119.5%	175,000	251,779	143.9%
Personal Property Taxes-Current	1,367,446	1,348,205	98.6%	1,325,000	1,236,012	93.3%
Personal Property Taxes-Delinquent	65,000	51,002	78.5%	70,000	31,329	44.8%
Machinery & Tools	65,000	18,867	29.0%	60,000	62,322	103.9%
Penalties & Interest Taxes	135,000	117,137	86.8%	120,000	113,752	94.8%
Public Service Corporation Taxes	61,818	64,977	105.1%	66,000	62,750	95.1%
GENERAL PROPERTY TAX	\$ 7,168,006	\$ 4,367,957	60.9%	\$ 6,966,432	\$ 4,260,941	61.2%

Current	\$ 4,367,957
Prior Year	\$ 4,260,941
Net Change \$	\$ 107,016
Net Change %	2.51%

Local Tax Revenue (Budget per Actual Comparison)

6

	FY 14-15 Budget	Estimated Actual 3/31/15	% of Budget Realized
Local Sales & Use*	\$ 1,750,000	\$ 1,318,611	75.3%
Cigarette Taxes	\$ 300,000	\$ 250,139	83.4%
Business License Taxes	\$ 930,500	\$ 878,377	94.4%
Meals Taxes*	\$ 1,260,000	\$ 1,049,842	83.3%
Lodging Taxes*	\$ 150,000	\$ 105,324	70.2%
Total Local Tax Revenue	\$ 4,390,500	\$ 3,602,293	82.0%



*estimated actual to reflect 9 months of revenue

Local Tax Revenue (Prior Year Comparison)

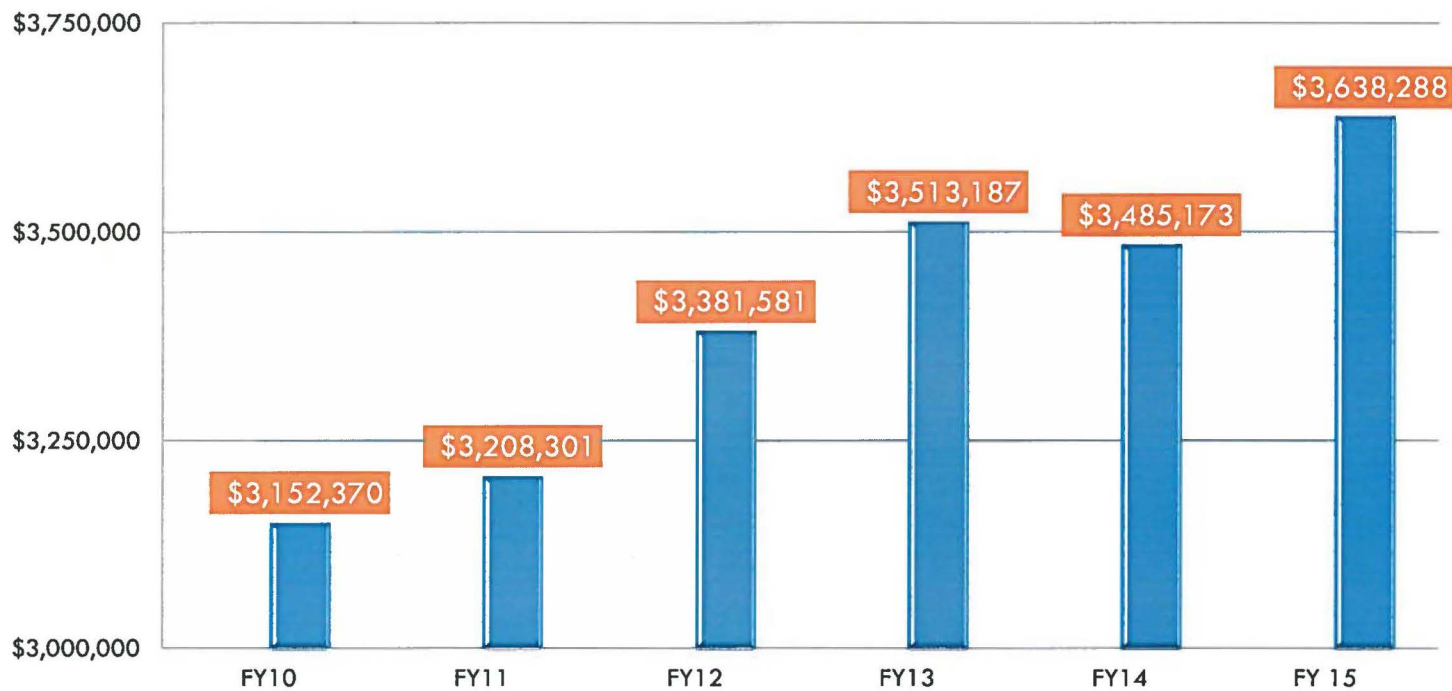
7

	Meals Taxes	Lodging Taxes	Cigarette Taxes	Sales Taxes	Business License	Total
Mar-15	1,049,842	105,324	286,134	1,318,611	878,377	3,638,288
Mar-14	959,915	110,948	250,139	1,284,256	879,914	3,485,173
Change \$	89,927	(5,624)	35,995	34,355	(1,537)	153,115
Change %	8.57%	-5.34%	12.58%	2.61%	-0.17%	4.21%

Other Local Taxes – Prior Year Comparison

8

Five Year History - Economic Indicators



Net Change \$	\$ 485,918
Net Change %	15.4%

Other Significant Revenue Events for FY 14-15

9

- ❑ Fees from Inspections and Planning Services Increased as Anticipated
- ❑ Recovered Costs for Shared Services reflected in FY 14-15 Budget
- ❑ Increased revenue from late fee assessment on utility accounts per policy
- ❑ Increased share of administrative transfer from Enterprise Funds
- ❑ Boost in revenue sharing from Isle of Wight County
- ❑ Fees for Parks & Recreation services reflect a decrease

Other Significant Revenue Events – Grant Awards FY 14-15

10

- E-911 Wireless Grant - \$150,000
 - Rescue Squad Assistance Grant - \$134,892
 - Fire Programs Fund Assistance Grant - \$23,197
 - Storm water Management Grant - \$25,921
 - Litter Control Grant - \$6,357
 - SAFER Grant - \$270,787 (reimbursed to date)
- Total State Grant Awards - \$611,154



GENERAL FUND EXPENDITURES

For the period ending March 31, 2015



General Fund Expenditure Highlights

12

- Various categories of general fund expenditures reflect **increases** and **decreases** in the current fiscal year at March 31 as reported throughout the fiscal year:
 - Expenditures of \$10.35 mil (68% of budget) are \$382,000 or 3.4% less than prior year expenditures of \$11.27 mil.
- **Decreases** are primarily the result of capital outlay expenditures completed in FY 13-14, particularly streets and building improvement projects and Parks & Recreation vacancy savings
- **Increases** are primarily the result of increased personnel costs, jail administration costs and grant funded fire & rescue equipment acquisition
- Expenditures at Year End are projected to be under budget.

General Fund Expenditure History

13

Five Year Expenditure History

Mar-10	\$	9,477,064
Mar-11	\$	10,511,777
Mar-12	\$	10,338,101
Mar-13	\$	10,337,617
Mar-14	\$	10,744,780
Mar-15	\$	10,357,667
Net Change from 2010		
	\$	880,603
Net Change %		
		9.29%



At March 2012
and 2013 level

General Fund Expenditures (current year actual to prior year actual comparison)

14

EXPENDITURES:	ACTUAL 3/31/2015	ACTUAL 3/31/2014	Variance
Operating Expense:			
Legislative, General & Financial	\$ 1,550,395	\$ 1,455,088	95,307
Elections, Courts, Sheriff	984,437	943,479	40,958
Law Enforcement	2,767,514	2,680,220	87,294
Fire and Rescue	1,837,157	1,583,613	253,544
Community Development	336,530	312,304	24,226
Streets	1,267,295	1,738,174	(470,879)
Garage	162,094	155,689	6,405
Refuse Collection & Disposal	-	-	-
Buildings and Grounds	686,947	993,312	(306,365)
Health	55,000	55,000	-
Parks and Recreation	304,032	406,926	(102,894)
Library	212,066	215,242	(3,176)
Planning & Beautification	123,215	132,403	(9,188)
Downtown Development	70,985	73,333	(2,348)
Subtotal- Operating Expenses	10,357,667	10,744,780	(387,113)
Payments to Southampton Co.	\$ 500,000	\$ 500,000	-
Non-Departmental Miscellaneous	29,725	25,598	4,127
Pass through Contributions	-	-	-
Total Operating Expense	\$ 10,887,392	\$ 11,270,378	\$ (382,986)

Estimated Fund Balance at June 30, 2015

15

Estimated Fund Balance at 6/30/15	
Total Revenues	\$ 20,288,057
Total Expenditures	\$ 20,648,550
Excess of Expenditures over Revenue	\$ (360,493)
Add: Transfers In	1,409,891
Less: Transfers Out	(1,891,130)
Net Change in FY 13-14 Fund Balance	\$ (841,732)
Projected Fund Balance 6/30/15	6,049,963
Projected Assigned Fund Balance 6/30/15	<u>2,000,000</u>
Projected Unassigned Fund Balance 6/30/15	4,049,963
FYE 6/30/14 Unassigned Fund Balance	4,071,412

The FY 14-15 budget included use of fund balance of \$927,409 in debt reserve, \$126,500 in restricted fund balance and \$345,594 in carryover



Estimated Fund Balance Policy Evaluation at June 30, 2015

16

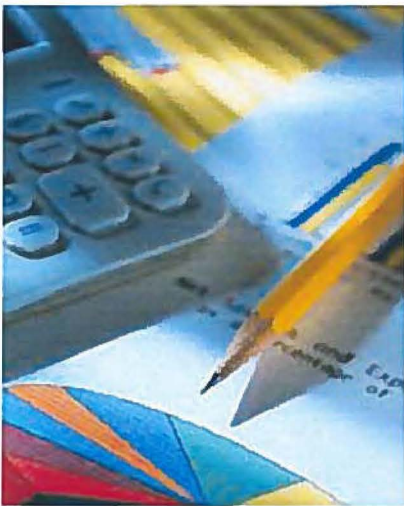
Budgeted Annual Expenditures	22,653,361
Policy: Minimum of 15% of budgeted annual expenses	3,398,004
<i>Projected Unassigned Fund Balance</i>	4,049,963
Amount Below/Above Policy Guidelines	651,959
Fund Balance as a Percentage of Budgeted Expenditures	17.9%

A strong Unassigned fund balance is critical to financial planning



PRELIMINARY FINANCIAL REPORT **ENTERPRISE FUNDS**

For the period ending June 30, 2015



Based on Unaudited Financial Data

Airport Fund

18

- Fuel Sale Revenue is below prior year collections at \$55,738; projections will be less than budgeted; on the expenditure side, fuel purchases will be under budget
- \$247,000 in grant revenue has been received to date to cover the state/federal share of grant funded projects
 - ▣ \$264,912 has been spent on the runway lighting and weather station upgrade(project completed)
- Estimated general fund contribution for FY 14-15 is \$100,000

Water & Sewer Fund

19

□ Revenue Analysis

- Revenue from the sale of water - \$934,582 mil (72% of the \$1.3 mil budgeted), slightly less than prior period collections of \$946,324.
- Revenue from sewer charges reached \$1.24 mil (71% of budget); comparable to prior year revenue of \$1.23 mil.

□ Expenditure Analysis

- Operating expenditures of \$1.86 mil exceeded prior year expenditures of \$1.23 mil as anticipated due to sewer system improvements in the current fiscal year
- Cash balance of \$1.75 mil at 3/31/15 versus balance of \$2.09 mil at 3/31/14 reflects planned use of cash to fund capital improvements

Solid Waste Fund

20

□ Revenue Analysis

- Revenue from waste collection & disposal reached \$1.02 mil (74% of budget); this is consistent with prior year collections

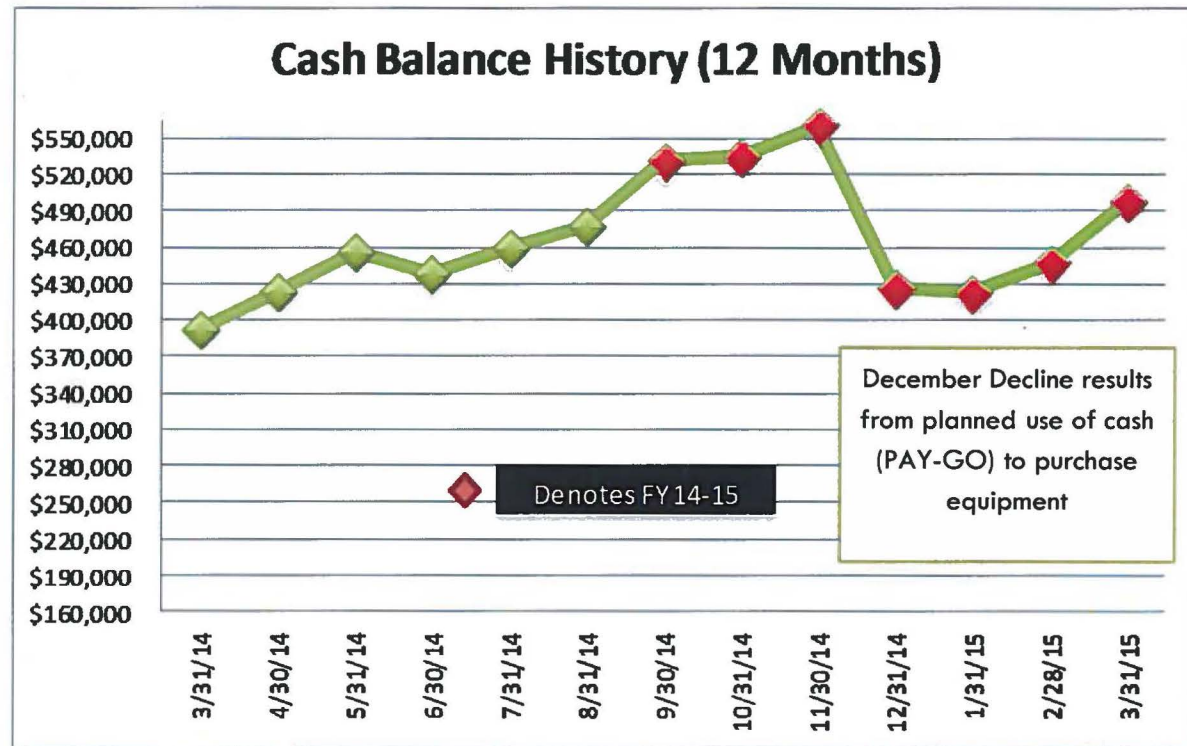
□ Expenditure Analysis

- Capital expenditures of \$188,935 increased over the prior year period due to equipment acquisition
- Operating Expenditures (non capital) are consistent with the prior year period at \$559,000 and reflect 63% of the total budget.
- Cost for waste disposal is comparable to the prior year period

Solid Waste Fund – Cash Balance

□ Cash balance at March 31, 2015 = \$498,207

	Month	Cash Balance	Variance
FY 14-15	30-Jun	\$438,294	
	31-Jul	\$460,019	\$21,725
	31-Aug	\$478,038	\$18,019
	30-Jun	\$530,723	\$52,685
	31-Oct	\$534,742	\$4,019
	30-Nov	\$560,877	\$26,135
	31-Dec	\$426,565	(\$134,312)
	31-Jan	\$422,523	(\$4,042)
	28-Feb	\$446,966	\$24,443
	31-Mar	\$498,207	\$51,241
Net Change Since July 31, 2014			\$59,913



Electric Fund – Revenue Analysis

22

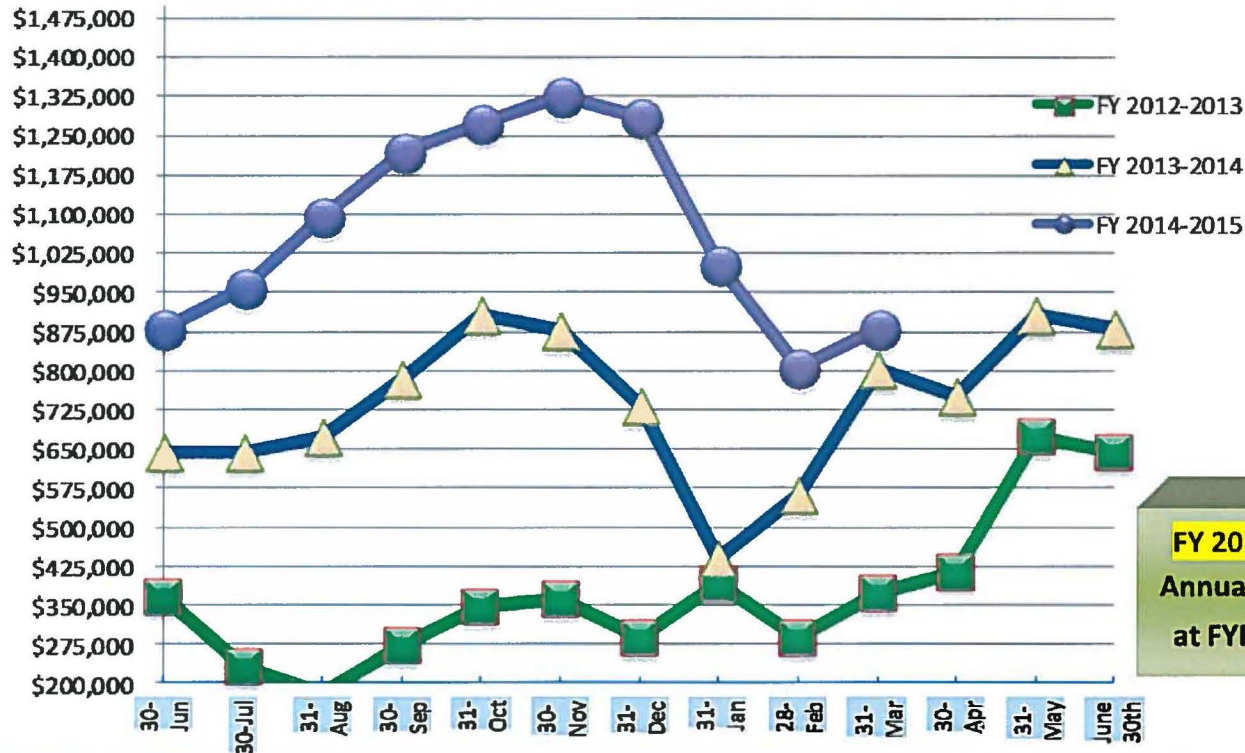
- Revenue from energy sales -\$10.25 mil or 73% of budget; FY14 revenue was \$10.08 mil – 77% of budget
- Overall, revenue reached \$12.19 mil or 73% of the total budget; an increase of \$567,294 or 4.9% from the prior year period, primarily attributable to a corresponding increase in the fuel adjustment charge

Electric Fund – Expenditure Analysis

23

- Operating expenditures for energy purchases increased to \$9.36 mil from \$8.73 mil in FY 14 or 7.2%
- Expenditures increased overall to \$10.45 mil from \$9.66 mil, resulting mostly from the increased cost of energy in FY15 and other operating expenditures
- Overall, year to date expenditures are 72% of the total budget; the fund remains in a better position budget wise (i.e. energy cost to date is 76% of budget versus 87% of the budget the prior fiscal period.

ELECTRIC FUND CASH ANALYSIS



Policy Evaluation:
 Cash at 3/31/15 of \$881,614 is below minimum policy guideline of \$1.43 million by \$571,000 and is just slightly above the cash position at 3/31/14 of \$803,847.

FY 2014-15 Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at FYE 03/31/2015=\$881,614 mil or 6.0%.

Cash in the Electric Fund show favorable gains at 3/31/15 from the prior month period compared to \$805,356 reported at 2/28/15.

**FY 2014-2015 REVENUE BILLED VERSUS PAYMENTS
COLLECTED ANALYSIS**

25

	January	February	March	TOTAL**
BILLING	\$ 1,285,171	\$ 1,832,867	\$ 1,304,825	\$ 11,728,326
				\$ -
TOTAL PAYMENTS*	\$ 1,336,734	\$ 1,492,269	\$ 1,729,720	\$ 11,551,121
VARIANCE	\$ 51,563	\$ (340,598)	\$ 424,895	\$ (177,205)

98%

**FY 2013-2014 REVENUE BILLED VERSUS PAYMENTS
COLLECTED ANALYSIS**

	January	February	March	TOTAL**
BILLING	\$ 1,605,050	\$ 1,491,255	\$ 1,299,191	\$ 11,333,830
				\$ -
TOTAL PAYMENTS*	\$ 1,221,909	\$ 1,551,736	\$ 1,463,619	\$ 10,907,002
VARIANCE	\$ (383,141)	\$ 60,481	\$ 164,428	\$ (426,828)

96%

*Total Payments are for any billing period – Improved
Collection Results from Prior Year Period

Monthly Financial Report
Period Ending March 31, 2015

Unaudited							
CITY OF FRANKLIN							
FISCAL YEAR 2014-15							
LOCAL TAX REVENUES							
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET	
REVENUE SOURCE	BUDGET	3/31/2015	%	BUDGET	3/31/2014	%	
Real Estate Taxes-Current	\$ 5,283,742	\$ 2,540,687	48.1%	\$ 5,150,432	\$ 2,502,997	48.6%	\$ 37,690
Real Estate Taxes-Delinquent	190,000	227,082	119.5%	175,000	251,779	143.9%	\$ (24,697)
Personal Property Taxes-Current	1,367,446	1,348,205	98.6%	1,325,000	1,236,012	93.3%	\$ 112,193
Personal Property Taxes-Delinquent	65,000	51,002	78.5%	70,000	31,329	44.8%	\$ 19,673
Machinery & Tools	65,000	18,867	29.0%	60,000	62,322	103.9%	\$ (43,455)
Penalties & Interest Taxes	135,000	117,137	86.8%	120,000	113,752	94.8%	\$ 3,385
Public Service Corporation Taxes	61,818	64,977	105.1%	66,000	62,750	95.1%	\$ 2,227
GENERAL PROPERTY TAX	\$ 7,168,006	\$ 4,367,957	60.9%	\$ 6,966,432	\$ 4,260,941	61.2%	\$ 107,016
							2.51%
Local Sales & Use Tax	\$ 1,750,000	\$ 1,318,610	75.3%	\$ 1,725,000	\$ 1,284,256	74.4%	\$ 34,354
Consumer Utility Tax- Elec. & Water	540,000	\$ 421,083	78.0%	543,000	419,110	77.2%	\$ 1,973
Business License Tax	930,500	\$ 878,377	94.4%	930,500	879,914	94.6%	\$ (1,537)
Motor Vehicle Licenses	170,000	\$ 163,273	96.0%	172,000	130,077	75.6%	\$ 33,196
Cigarette Tax	300,000	\$ 286,135	95.4%	300,000	250,139	83.4%	\$ 35,996
Restaurant Meals Tax	1,260,000	\$ 1,049,842	83.3%	1,250,000	959,916	76.8%	\$ 89,926
Lodging Taxes	150,000	\$ 105,324	70.2%	150,000	110,948	74.0%	\$ (5,624)
Bank Stock	58,000	\$ -	0.0%	55,000	-	0.0%	\$ -
Tax on Recordation & Wills	35,000	\$ 41,746	119.3%	30,000	33,643	112.1%	\$ 8,103
Right of Way Use Fees	25,000	\$ 18,574	74.3%	28,000	13,543	48.4%	\$ 5,031
Additional Taxes	-	\$ 2,638	0.0%	-	15,645	0.0%	\$ (13,007)
OTHER LOCAL TAXES	\$ 5,218,500	\$ 4,285,602	82.1%	\$ 5,183,500	\$ 4,097,192	79.0%	\$ 188,410
							4.60%
TOTAL TAXES & LICENSES	\$ 12,386,506	\$ 8,653,559	69.9%	\$ 12,149,932	\$ 8,358,133	68.8%	
			1				

FINANCIAL REPORT AS OF MARCH, 2015 - 9 Months = 75%						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
REVENUE:	BUDGET	3/31/2015	%	BUDGET	3/31/2014	%
Taxes; Licenses	\$ 12,386,506	\$ 8,653,559	69.86%	\$ 12,149,932	\$ 8,358,133	68.79%
Permits, Fees, Fines	231,836	197,910	85.37%	155,190	151,068	97.34%
Use of Money & Property	242,522	210,926	86.97%	247,757	204,677	82.61%
Charges for Services:						
Court Services	9,300	3,619	38.91%	11,300	3,321	29.39%
Fire & Rescue	463,519	287,440	62.01%	398,354	265,591	66.67%
Animal & Building Services	16,600	8,967	54.02%	29,800	14,585	48.94%
Waste Removal Services	13,900	-	0.00%	9,000	-	0.00%
Administrative Services	940,390	705,292	75.00%	852,260	649,195	76.17%
Recreational Services	15,100	5,665	37.52%	15,750	8,238	52.30%
Total Charges for Services	1,458,809	1,010,983	69.30%	1,316,464	940,930	71.47%
Misc & Recovered Costs	488,492	430,017	88.03%	248,812	185,089	74.39%
Isle of Wight Rev. Sharing	600,000	600,000	100.00%	530,000	530,000	100.00%
State Aid:						
Non Categorical Aid	1,675,397	1,358,630	81.09%	1,670,397	1,359,991	81.42%
Shared Expenses	179,500	91,693	51.08%	174,989	91,984	52.57%
Categorical Aid	2,158,059	1,849,201	85.69%	2,006,013	1,557,200	77.63%
Total State Aid	4,012,956	3,299,524	82.22%	3,851,399	3,009,175	78.13%
Federal Aid	429,603	100,386	23.37%	538,295	271,342	50.41%
Total Current Revenue	\$ 19,850,724	\$ 14,503,305	73.06%	\$ 19,037,849	\$ 13,650,414	71.70%
			2			

	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
EXPENDITURES:	BUDGET	3/31/2015	%	BUDGET	3/31/2014	%
Operating Expense:						
Legislative, General & Financial	\$ 2,421,452	\$ 1,550,395	64.03%	\$ 2,464,769	\$ 1,455,088	59.04%
Elections, Courts, Sheriff	1,398,009	984,437	70.42%	1,089,322	943,479	86.61%
Law Enforcement	3,667,677	2,767,514	75.46%	3,608,534	2,680,220	74.27%
Fire and Rescue	2,409,483	1,837,157	76.25%	2,136,870	1,583,613	74.11%
Community Development	505,279	336,530	66.60%	371,842	312,304	83.99%
Streets	2,178,763	1,267,295	58.17%	2,626,315	1,738,174	66.18%
Garage	242,107	162,094	66.95%	226,527	155,689	68.73%
Refuse Collection & Disposal	-	-	0.00%			
Buildings and Grounds	1,029,796	686,947	66.71%	1,353,939	993,312	73.36%
Health	156,198	55,000	35.21%	167,198	55,000	0.00%
Parks and Recreation	546,166	304,032	55.67%	600,458	406,926	67.77%
Library	292,373	212,066	72.53%	290,300	215,242	74.14%
Planning & Beautification	317,612	123,215	38.79%	252,876	132,403	52.36%
Downtown Development	107,093	70,985	66.28%	108,707	73,333	67.46%
Subtotal- Operating Expenses	15,272,008	10,357,667	67.82%	15,297,657	10,744,780	70.24%
			3			

GENERAL FUND CONT'D						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
EXPENDITURES:	BUDGET	3/31/2015	%	BUDGET	3/31/2014	%
Payments to Southampton Co.	\$ 750,000	\$ 500,000	66.67%	\$ 650,000	\$ 500,000	76.92%
Non-Departmental Miscellaneous	21,000	29,725	141.55%	40,000	25,598	64.00%
Pass through Contributions	-	-	0.00%	-	-	0.00%
Total Operating Expense	\$ 16,043,008	\$ 10,887,392	67.86%	\$ 15,987,657	\$ 11,270,378	70.49%
					\$ 382,986	3.40%
Net Operating Income	\$ 3,807,716	\$ 3,615,913	94.96%	\$ 3,050,192	\$ 2,380,036	78.03%
TRANSFERS - IN:						
Transfer from Electric Fund	1,409,891	1,057,418	75.00%	1,409,891	1,057,418	75.00%
Use of Prior Year Fund Balance	555,815	-	0.00%	643,174	-	0.00%
Use of Fund Bal Reserve for Debt	927,409	-	0.00%	689,386	-	0.00%
Use of Restricted Fund Balance	373,288					
Total Transfers In	\$ 3,266,403	\$ 1,057,418	32.37%	\$ 2,742,451	\$ 1,057,418	38.56%
To General Debt	\$ 413,130	\$ 411,925	99.71%	\$ 498,604	\$ 493,122	98.90%
To School Debt	591,182	-	0.00%	424,162	-	0.00%
To Airport Fund	112,247	-	0.00%	95,231	95,231	100.00%
To Education Fund	4,837,395	3,628,046	75.00%	4,847,395	3,637,246	75.04%
To Education Fund-Carryover	345,594	119,100	34.46%	643,174		
To Social Services Fund	456,738	-	0.00%	397,338	-	0.00%
To Comprehensive Services Act	135,000	-	0.00%	92,750	-	0.00%
To Economic Dev Incubator	57,833	-	0.00%	78,539	78,539	100.00%
To Economic Dev Joint Fund	125,000	125,000	100.00%	125,000	\$ 125,000	100.00%
Total Transfers Out	\$ 7,074,119	\$ 4,284,071	60.56%	\$ 7,202,193	\$ 4,429,138	61.50%
Variance (Revenue vs. Expense)	\$ -	\$ 389,260	4		\$ (991,684)	

WATER AND SEWER FUND						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
REVENUES:	BUDGET	3/31/2015	%	BUDGET	3/31/2014	%
Sale of Water	\$ 1,300,000	\$ 934,582	71.89%	\$ 1,300,000	\$ 946,324	72.79%
Sewer Service Charges	1,750,000	1,240,732	70.90%	1,750,000	1,233,730	70.50%
Treatment Fees - Counties	75,000	57,432	76.58%	70,000	72,342	103.35%
Water/Sewer Connection Fees	-	23,000	100.00%	-	37,892	
Administrative Connection Fee	5,000	4,220	84.40%	-	1,370	
Other Revenues	250	1,376	550.20%	500	-	0.00%
Total Current Revenue	\$ 3,130,250	\$ 2,261,342	72.24%	\$ 3,120,500	\$ 2,291,658	73.44%
EXPENDITURES:						
Operating Expense:						
Water System	\$ 1,419,018	\$ 566,852	39.95%	\$ 1,361,348	\$ 543,377	39.91%
Sewer System	1,153,588	822,267	71.28%	1,093,027	198,275	18.14%
Treatment Plant	763,453	480,312	62.91%	743,603	491,134	66.05%
Total Operating Expenditures	3,336,059	1,869,431	56.04%	3,197,978	1,232,786	38.55%
TRANSFERS:						
GF Transfer - Administrative Services	285,920	214,440	75.00%	257,305	192,979	75.00%
GF Transfer - Payment in Lieu of Taxes	26,460	19,845	75.00%	26,460	19,845	75.00%
Total Transfers Out	\$ 312,380	\$ 234,285	75.00%	\$ 283,765	\$ 212,824	75.00%
Net Operating Income	\$ 2,817,870	\$ 157,626	5.59%	\$ 2,836,735	\$ 846,047	29.82%
OTHER FINANCING SOURCES						
Use of Prior Year Fund Balance	\$ 972,773	\$ -	0.00%	\$ 727,617	\$ -	0.00%
Total Other Financing Sources	972,773	-	-	727,617	-	
Total Revenue & Other Sources	4,103,023	2,261,342	55.11%	3,848,117	2,291,658	59.55%
DEBT SERVICE						
Debt Service	\$ 366,934	\$ 366,934	100.00%	\$ 366,124	\$ 366,123	100.00%
Total Expenditures	\$ 4,015,373	\$ 2,470,650	61.53%	\$ 3,847,867	\$ 1,811,733	47.08%
Variance - Revenue vs. Expenses	\$ -	\$ (209,309)		\$ -	\$ 479,924	
			5			

ELECTRIC FUND						
	2014-2015	ACTUAL	BUDGET	2013-2014	ACTUAL	BUDGET
REVENUES:	BUDGET	3/31/2015	%	BUDGET	3/31/2014	%
Sale of Energy	\$ 14,094,334	\$ 10,256,633	72.77%	\$ 13,126,639	\$ 10,088,569	76.86%
Sale of Energy Fuel Adj	2,335,039	1,791,274	76.71%	1,667,809	1,320,076	79.15%
Administrative Connection Fee	30,000	9,610			19,130	
Other Revenue	211,500	141,983	67.13%	257,297	204,802	79.60%
Proceeds Loan/Bonds	-	370	0.00%	-		0.00%
Total Current Revenue	\$ 16,670,873	\$ 12,199,870	73.18%	\$ 15,051,745	\$ 11,632,576	77.28%
EXPENDITURES:						
Energy for Resale (a)	\$ 9,816,189	\$ 7,588,275	77.30%	\$ 8,891,025	\$ 7,235,745	81.38%
Energy for Resale Fuel Adj (a)	2,335,039	1,774,645	76.00%	1,683,110	1,496,287	88.90%
Other Expenses	1,487,039	932,247	62.69%	1,471,551	851,225	57.85%
Capital Outlay	265,000	155,025	58.50%	297,000	83,239	28.03%
Reserve for Capital Expenditures	250,000		0.00%	250,000	-	0.00%
Reserve for Cash Replenishment	331,197	-	0.00%	323,908	-	0.00%
Total Operating Expenses	\$ 14,484,464	\$ 10,450,192	72.15%	\$ 12,916,594	\$ 9,666,495	74.84%
<i>Net Operating Income</i>	<i>\$ 2,186,409</i>	<i>\$ 1,749,678</i>	<i>80.03%</i>	<i>\$ 2,135,151</i>	<i>\$ 1,966,081</i>	<i>92.08%</i>
OTHER FINANCING SOURCES:						
TRANSFERS:						
GF Transfer-Council Approved	\$ 1,409,891	\$ 1,057,418	75.00%	\$ 1,409,891	\$ 1,057,418	75.00%
GF Transfer - Administrative Services	440,218	330,163	75.00%	388,960	291,720	75.00%
GF Transfer - Payment in Lieu of Taxes	59,282	44,461	75.00%	59,282	44,461	75.00%
GF Transfer - Debt Restructuring	-			-		
Total Transfers (Out)	\$ 1,909,391	\$ 1,432,042	75.00%	\$ 1,858,133	\$ 1,393,599	75.00%
Debt Service	\$ 277,018	\$ 271,342	97.95%	\$ 277,018	\$ 268,854	97.05%
Total Expenses	\$ 16,670,873	\$ 12,153,576		\$ 15,051,745	\$ 11,328,948	
Variance - Revenue versus Expenses	\$ -	\$ 46,294		\$ -	\$ 303,628	
			6			
<i>(a) Operating expenses for energy for resale and fuel adjustment costs reflect the January payment for the December 2014 Invoice billed in December but paid in January. Financial statements reflect six months of billed revenue and six months of expenditures to more accurately reflect the Fund's cash position even though five months of expenses to VMEA have occurred.</i>						

CITY OF FRANKLIN
 FISCAL YEAR 2014-2015
 CASH BALANCES - MARCH

FUND	CURRENT YEAR	PRIOR YEAR
General Fund	\$ 5,676,291	\$ 5,579,409
Fund SNAP Proceeds	\$ 183,660	\$ 234,102
Total General Fund	\$ 5,859,951	\$ 5,813,512
Water & Sewer Fund	\$ 1,757,533	\$ 2,091,510
Fund SNAP Proceeds	\$ 195,350	\$ 234,921
Total Water & Sewer Fund	\$ 1,952,883	\$ 2,326,431
Electric Fund	\$ 881,641	\$ 803,847
Fund SNAP Proceeds	\$ 357,043	\$ 532,613
Total Electric Fund	\$ 1,238,684	\$ 1,336,459
Solid Waste Fund	\$ 498,207	\$ 385,135
Airport Fund	\$ (130,545)	\$ (126,609)
TOTAL CASH FOR OPERATIONS	\$ 8,683,127	\$ 8,733,291
TOTAL CASH FOR CAPITAL PROJECTS	\$ 736,053	\$ 1,001,637
TOTAL CASH	\$ 9,419,180	\$ 9,734,928



April 22, 2015

To: Randy Martin
City Manager

From: Melissa D. Rollins 
Director of Finance

Re: **Budget Amendment/Transfer Request #2015-19**

City Departments are requesting the following amendments to the FY 2014-2015 General Fund Budget:

- The **Franklin Fire & Rescue** department received a donation in the amount of \$1,000. The department is requesting that this donation be amended to support volunteer activities of the fire department. The department also received a grant from the State Department of Health-Office of Emergency Medical Services under the "Four-For-Life" program. The department is requesting that these funds be utilized for medical and lab supplies.
- **Police** – The City received an equipment acquisition grant from USDA in the amount of \$50,000. These funds require amendment to the FY 14-15 police department budget and appropriation for expenditure in the current fiscal year. The funds were used to purchase a vehicle and the required equipment.

The City is requesting the following General Fund budgetary transfers:

- **City Attorney** – the request is to transfer \$30,000 from funds available within the General Fund Budget (juvenile detention) to the City Attorney's FY 14-15 budget to cover the cost of unanticipated professional legal services previously authorized by City Council. These funds were not available in the FY 14-15 City Attorney Adopted budget.
- **Finance** – the request is to transfer funds from Full Time wages (\$30,000) to part-time wages to cover personnel cost for part time employees. These funds were included in the budget under full time salaries pending hiring of full time personnel.
- **E911 Communications** – the request is to transfer \$36,000 from salaries and wages full time to part-time to cover personnel cost for part time personnel which resulted from staffing shortages and a delay in filling the budgeted part time position in the current fiscal year.

- **E911 Communications** – the request is to transfer \$78,000 from Full Time Salaries to part-time wages to cover personnel cost of part time position. These funds were inadvertently budgeted in the full time salary line item but should have been budgeted in part-time (This will be corrected in the FY 15-16 budget).
- **Parks & Recreation** – the request is to transfer funds from Full Time wages (\$60,000) to part-time wages (\$30,000 parks and recreation budget and \$30,000 senior service budget) to cover personnel cost for part time position. These funds were included in the budget under full time salaries pending hiring of full time personnel.

REQUIRED ACTION FROM CITY COUNCIL: Adopt Budget Amendment/Transfer #2015-19 which will:

1. Authorize the amendment of the donation in the amount of \$1,000 to the FY 14-15 Fire and Rescue budget and appropriate the funds for expenditure.
2. Authorize the amendment of \$50,000 in USDA grant funds to the FY 14-15 Police Department Budget and appropriate the funds for expenditure.
3. Authorize the line item transfers exceeding \$10,000 as requested in the FY 14-15 Parks & Recreation, Finance, and E911 Communication budgets as outlined.

BUDGET AMENDMENT 2015-19

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2014-2015 City Budget is hereby amended as follows:

Fund 100 - General Fund- Supplemental Appropriation					-
18990	1	Donation	-	1,000	(1,000)
33010	62	USDA Police Grant	-	50,000	(50,000)
24040	62	Four For Life EMS Grant	-	7,166	(7,166)
Total Revenue					(58,166)
32100	5604	Support of Volunteers	3,000	4,000	1,000
31100	8105	Motor Vehicles	50,000	100,000	50,000
32100	6004	Supplies Medical and Lab	9,528	16,694	7,166
Total Expenditures					58,166
Fund 100 - General Fund- Transfers					
21910	3163	Juvenile Detention Services	140,000	110,000	(30,000)
12210	3100	Professional Services - City Attorney	17,045	47,045	30,000
					-
12430	1101	FT Wages - Finance	182,520	157,520	(25,000)
12430	1300	PT Wages - Finance	-	25,000	25,000
					-
31130	1101	FT Wages - E911 Dispatch	338,269	224,269	(114,000)
31130	1300	PT Wages - E911 Dispatch	18,000	96,000	78,000
31130	1200	Overtime Wages - E911 Dispatch	22,500	58,500	36,000
					-
71300	1101	FT Wages - Parks & Recreation	126,510	66,510	(60,000)
71500	1300	Senior Services -Nutrition PT	-	30,000	30,000
71300	1300	PT Wages - Parks & Recreation	51,933	81,933	30,000
					-

To amend the FY 14-15 budget for additional grant local, state and federal revenue and to appropriate the funds for expenditure and to authorize the transfer of funds exceeding \$10,000 from one line of the budget to another as outlined.

*Certified copy of resolution adopted by
Franklin City Council.*

Clerk to the City

April 27, 2015 Agenda
Franklin City Council

OLD/NEW BUSINESS

- A. Hayden Project Update**
- B. School System FY 2014 – 2015 Carryover Funding Request: Willie J. Bell, Jr. Ed. D.**
- C. Draft SPSA Use & Support Agreement Post 2018 Presentation**
- D. Opportunity, Inc. Charter Agreement Amendment**
- E. City Manager’s Report**
 - 1. Health Insurance Program Proposed Changes FY 2015 – 2016**
 - 2. Electric Utility Fuel Adjustment Report**
 - 3. FY 2015 – 2016 Proposed Budget Update**



April 22, 2015

To: Mayor & Council Members
From: R. Randy Martin
Subject: Hayden Project Update

A representative of Senior Services has indicated a willingness and desire to return to the Council meeting Monday, April 27th to provide an update on progress since the announcement made at the March meeting that the project financing had been secured and that initial construction preparations and related activities could begin immediately. Either Mr. John Skriven or Mr. William Wade will attend and share information including encouraging news on actual and anticipated impacts of construction project employment and construction activity contracts on the Franklin community.



April 22, 2015

To: Mayor & Council Members

From: R. Randy Martin, City Manager

Subject: School System March, 2015 Enrollment Update & Carryover Funding Request

As Council will recall, Superintendent Bell made a presentation on the School's FY 2015 – 2016 Budget Request at a joint work session held on March 23, 2015. Included in the presentation was 5 Year Trend Data through the current FY 2014 – 2015 school year on student enrollment. Enclosed is a copy of that particular portion of the presentation including the projected Average Daily Membership (ADM) of 1,092 students on which the FY 2015 – 2016 budget request is based. This of course is the primary factor in determining state funding.

Since the work session, Dr. Bell and I have met to further discuss the enrollment data. Dr. Bell advised that the official ADM or enrollment number was finalized as of March 31st. The official enrollment number is 1,109 students as stated in the enclosed email. This is 41 students below the 1,150 students on which the FY 2014 – 2015 budget was based and 15 students below the estimated 1,124 number included in the March 23rd work session material.

As referenced in the work session and again in my meeting with the Superintendent earlier this month, he advised me of his need to attend the meeting on April 27th to update Council on the implications of the ADM data for the FY 2014 – 2015 school year funding and to formally request Council appropriate the balance of the FY 2013 – 2014 carryover monies in the current fiscal year budget.

To remind Council on the carryover fund status, enclosed is a spreadsheet distributed at the March 23rd work session with historical budget information and which also details the current status of carryover funds. As noted, the audited carryover for FY 2013 – 2014 was \$462,645. Based upon the City's budget practice for the last several years, these funds would be appropriated to the schools in the subsequent year's budget after the audit was completed which in this year's example would be the FY 2015 – 2016 budget currently being developed. However, at the request of the school's, Council earlier this fiscal year allocated a \$119,100

portion of the \$462,645 to meet current year (FY 2014 – 2015) needs. Based upon our conversations, the Superintendent's request will be for the balance of \$343,545.

I have asked Dr. Bell to provide any additional documentation to support the request in advance of Monday's meeting to the extent possible.

I will forward separately additional information upon receipt. If any of the information in this attachment needs clarification or further explanation, please contact me.

Enclosures

MEMBERSHIP 5 YEAR TREND DATA

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Sept. 30th	1187	1178	1168	1171	1115 (1150)
March 31st	1184	1174	1163	1155	Presently 1124

Projected Average Daily Membership (ADM)



**1,092
Students**

Robert Randy Martin

From: Willie <wbell@franklincity.k12.va.us>
Sent: Tuesday, April 21, 2015 7:29 AM
To: Robert Randy Martin
Subject: Carryover Money

Hello Randy,

Our official enrollment number as of March 31st is 1109 students. We have lost 41 students. This dilemma causes a need to ask for the existing money to finish the year in the black. Please allow us to meet with Council at the April 27th meeting. Thanks.

--

Willie J. Bell, Jr., Ed.D.
Division Superintendent
Franklin City Public Schools
207 West Second Ave
Franklin, VA 23851
PH (757) 569-8111 ext. 5966 FAX (757) 516-1015
wbell@franklincity.k12.va.us

"Greatness is the rightful destiny of every person"

City of Franklin, Virginia
History of School Board Appropriation by Fiscal Year

	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Local Appropriation from City	4,260,306	4,472,469	4,651,368	4,837,395	4,837,395	4,652,892	4,652,892	4,837,395	4,837,395	4,837,395
Approved Carryover					-	184,503 (a)	184,503 (b)	142,758 (c)	9,200 (f) 643,174 (d)	345,594 (e)
Total Annual Appropriation	4,260,306	4,472,469	4,651,368	4,837,395	4,837,395	4,837,395	4,837,395	4,980,153	5,489,769	5,182,989
Increase/Decrease in Local Appropriation		212,163 5%	\$ 178,899 4%	\$ 186,027 4%	\$ - 0%	\$ - 0%	\$ - 0%	142,758 3%	509,616 10%	(187,680) -3.42%
Additional Carryover Approved (State Funds)						120,335	4,957,730			
Actual - Per Audit	4,260,306	4,472,469	4,651,368	4,620,576	4,415,660	4,630,469	4,194,221	4,634,559	5,027,124	
Difference:										
Appropriation Less Actual	-	-	-	(216,819)	(421,735)	(327,261)	(643,174)	(345,594)	(462,645)	

Appropriation Analysis

- (a) Carryover of Prior Year - (JOBS Funds) - Permitted the City to Level Fund Its Prior Year Appropriation
- (b) Estimated amount due to unknown carryover - City's Appropriation is Level from Prior Year
- (c) City Approved Level Appropriation from Prior Year of \$4,837,295
 Appropriation of carryover is based on audited funds not spent at June 30, 2011 of \$327,261 less the \$184,503 appropriated in FY 11-12 for a difference of \$142,758
- (d) City Approved Level Appropriation from Prior Year of \$4,837,295
 Appropriation of recommended carryover is based on audited funds not spent as shown at June 30, 2012.
- (e) FY 14-15 Superintendent's Requested Budget is City Approved Level Appropriation from Prior Year of \$4,837,295
 Appropriation of requested carryover in Superintendent's budget is based on audited funds not spent as shown at June 30, 2013.
- (f) Supplemental for security grant.
- (g) City Council approved a portion of the FY 13-14 carryover for use in the FY 14-15 budget; prior practice was to use these funds for the ensuing year budget (FY 15-16)

FY 13-14 Carryover	(462,645)
Appropriated FY 15	119,100
Balance Remaining	(343,545)
For FY 15-16 *	

Local Appropriation	4,837,395
Approved Carryover (FY 13 Audit)	345,594
Approved Carryover (FY 14 Audit)	119,100
Remaining Balance Carryover (FY 14 Audit)	343,545
*If 100% of the FY 13-14 Carryover is Used in FY 14-15 - the total appropriation for the FY 14-15 would be.....	\$ 5,645,634



*Office Of The City Attorney
H. Taylor Williams, IV*

April 21, 2015

Memorandum

From: H. Taylor Williams, IV, City Attorney

To: Members of the Franklin City Council

Re: SPSA Proposed Use and Support Agreement, Post 2018

After years of wrangling and hours of meetings between the eight member communities of SPSA, trying to create a Use and Support Agreement for Post 2018, a committee of four board members and three staff persons met over three months and put together what is hoped to be an agreement that is fair to all the communities. The proposal was first presented to the SPSA Board on March 25, 2015. The eight member communities have a little bit of time to review the proposed document. If the proposed document is approved by a member majority then SPSA can move forward in its preparation for a new era following the expiration of the current agreement on January 24, 2018. I would suggest a review of the summary presentation to help you become familiar with all the problem areas from the past that are addressed in the proposed future use and support agreement.

It is also important to note that the SPSA Board will hold its regular monthly meeting on April 22, before this Council meeting. It is anticipated that the SPSA Board will adopt its budget for the upcoming Fiscal Year 2016. The tipping fee is scheduled to remain at the same level it has been at for the last several years, \$125. Not that this is low but it has allowed SPSA to achieve current financial stability and will allow the organization to head into Post 2018 debt free with presumably a much cheaper tipping fee. In fact, SPSA is engaged at the present with three separate businesses that are bidding on disposal of SPSA waste collected by the eight member communities. Each of the three proposals is different. One of the proposals is from the current contractor that presently disposes of the waste through a waste-to-energy process, creating steam that is sold to the Navy shipyard and electricity that is sold to the grid. At present, very little waste is going into the landfill compared to a decade ago. In addition to the three proposals for handling the waste stream of the eight communities SPSA could decide to go back to straight landfill. Also, each member community will have the opportunity to look at its own options for waste disposal and could decide to "go it alone" with a private contractor for waste disposal.

H. Taylor Williams, IV
City Attorney



FORM USE & SUPPORT AGREEMENT - POST-2018

Board Presentation: March 25, 2015

Use & Support Committee

Michael W. Johnson, Chair



John C. Barnes



Richard Broad



Eric J. Martin, P.E.



Supporting Cast

Liesl DeVary
Bucky Taylor
Trey Huelsberg

Agreement Overview

- Intent, Purpose & Process
- Term & Termination
- SPSA Obligations
- Member Locality Obligations
- Dispute Resolution
- Special Termination Provision
- Strategic Operating Plan

3

Intent, Purpose & Process

- separate agreements between SPSA and each Member Locality
- agreements identical for each Member Locality
- contains terms by which:
 - SPSA maintains safe and environmentally sound solid waste disposal system for Member Locality waste, in accordance with Water and Waste Authorities Act and other applicable law; and
 - Member Locality supports the system by delivering municipal waste and paying tipping fees
- once approved by SPSA Board and Member Localities, via process described below, agreements would be signed by all parties
 - however, not effective until January 25, 2018
 - current Use & Support Agreements stay in place until then

4

Term & Termination

- initial term commences January 25, 2018 and continues through December 31, 2027 (10-years)
- thereafter, the Agreement automatically renews for successive additional ten (10)-year terms, unless the Member Locality provides SPSA with at least two years' notice that it does not plan to renew
- Agreement terminates automatically if SPSA dissolves
- in addition, Member Locality may terminate early (and withdraw from SPSA) by complying with the "Special Termination Provision" described below

5

SPSA Obligations

- manage, operate and maintain the Disposal System in accordance with a Strategic Operating Plan and applicable law
 - "Disposal System" consists of facilities owned/leased by SPSA for collection, management, processing and disposal of solid waste -- e.g., Regional Landfill, Transfer Stations, third party waste-disposal vendors (currently Wheelabrator)
 - "Strategic Operating Plan" establishes SPSA's operational, maintenance, administrative and other "day-to-day" responsibilities
- each Member Locality may deliver Municipal Solid Waste to any Transfer Station within the Disposal System (subject only to available capacity and specified delivery points for certain waste)
- comply with all applicable laws
- maintain all required/appropriate permits and insurance

6

SPSA Obligations (cont'd)

- SPSA may also provide “ancillary” waste-disposal services for Member Localities (e.g., HHW, tire-shredding, sludge, etc.)
 - provided either (1) under separate contract between SPSA and the Member Locality or (2) global arrangement available to all SPSA Members
 - always subject to Board approval, and fees must always cover cost of service

7

Member Locality Obligations

- deliver to SPSA **all** (100%) “Municipal Solid Waste” -- *i.e.*, all solid waste **controlled** by the Member Locality; expressly excluding:
 - hazardous waste
 - yard waste
 - construction and demolition debris (CDD)
 - disaster waste
 - waste delivered by residents to publicly-accessible landfills
 - waste generated by schools, authorities or other political entities
 - recyclable waste (note: defined term specifically designed to accommodate “evolution” in recyclables based on applicable law and/or prevailing industry practices)

8

Member Locality Obligations (cont'd)

- Member Locality cannot relinquish control over collection of residential solid waste while the agreement remains in effect
 - must collect waste itself, or
 - can outsource residential waste-collection, if retain control over collection/disposal activities of the contractor
- pay “Disposal System Fees” (e.g., tipping fees) established by SPSA Board from time to time
 - all SPSA Members will pay at the same rate so long as they are parties to the Use & Support Agreement
 - fees cannot distinguish among Members based on distance, etc. -- *i.e.*, same dollar-per-ton for all for MSW
- title to Municipal Solid Waste is transferred to SPSA upon receipt

9

Dispute Resolution

- “specific performance” is designated as the principal remedy
 - in other words, each party does what they have committed to do under the Agreement, or a judge compels performance
 - for instance:
 - SPSA must accept, manage and process waste
 - Member Locality must deliver waste and pay fees
 - if not, judge will require performance
 - given nature of arrangement, this remedy is more appropriate than trying to quantify/recover monetary damages for non-performance
- arbitration is “fall-back” dispute resolution mechanism
 - used only where specific performance is not available

10

Special Termination Provision

- Member Locality can terminate the Agreement and exit SPSA before the expiration of the contract term by complying with ALL applicable requirements
- must provide two years' notice of intent to terminate early ("Termination Notice")
- must pay pro rata share of all SPSA Financial Obligations outstanding at date of Termination Notice
 - pro rata share equals (i) tons of MSW delivered to SPSA by the terminating Member during previous five years, divided by (ii) all solid waste delivered to SPSA by all SPSA Members during same five-year period
 - "Financial Obligations" of SPSA include, for instance, (i) outstanding debt, (ii) projected closure/post-closure costs associated with the Disposal System and (iii) remaining financial obligations under other contracts (e.g., waste-disposal agreements)

11

Special Termination Provision (cont'd)

- SPSA first calculates the "Termination Payment"
 - then subject to review/discussion by the Member Locality
 - if parties can't agree, final Termination Payment is determined by "Independent Accounting Firm"
- Member Locality may revoke a Termination Notice at any time up to six (6) months prior to specified termination date; if not timely revoked, then:
 - termination becomes effective on stated termination date
 - Termination Payment is due, in a lump-sum, at termination
 - Member withdraws from SPSA
- **NOTE:** goal is to provide the SPSA Members with flexibility to terminate the Agreement and withdraw from SPSA if they wish, but to do so must equitably contribute to SPSA -- for the benefit of the other Members -- their share of the outstanding financial obligations
 - also designed to satisfy legal requirement that "*written obligations incurred*" remain in effect (Virginia Acts of Assembly - 2000 Session)

12

Strategic Operating Plan

- as noted above, establishes SPSA's operational, maintenance, administrative and other "nuts and bolts" activities, including:
 - organizational structure
 - use of transfer stations and other Disposal System facilities
 - designate ultimate/applicable disposal method(s) (e.g., currently Wheelabrator)
 - accounting and financial reporting
 - rates, fees and charges for SPSA services
 - process/procedure for development of new transfer stations
 - role in major storm – *i.e.*, "procurement agent" for localities
- also includes "Guiding Principles", so Plan functions as "organizational compass" in addition to documenting operational procedures, etc.

13

Strategic Operating Plan (cont'd)

- replaces "Plan of Operation" referenced (but largely ignored) in current Use & Support Agreements
- initial Plan is based on current SPSA policies and procedures
 - reviewed, and where appropriate modified, by the Board at least annually, typically together with annual budget
 - note: initial Plan is included in FY 2016 budget presented today
- **NOTE**: designed to provide flexibility for routine, day-to-day SPSA operations -- e.g., can modify Transfer Station hours (for example) with Board approval, without having to amend the entire Use & Support Agreement every time there is a change

14

Next Steps

- copies of “Committee Approved” draft documents (Agreement and SOP) will be circulated to the Board members via email
- distribute documents to Member Locality attorneys, administrators, etc.
- **Member Localities provide all questions, comments, etc. by May 31**
- U&S Committee will reconvene to review/consider Member Locality feedback
- based on review and consideration, Committee will present final “Recommended Form” documents to the Board -- expect June or July
- following Committee presentation, will request Board to approve documents as to form
- once RFP process is complete and vendor(s) selected, a detailed budget will be prepared to include, among other things, estimated Tipping Fees for 2018+
- Member Localities will then have period of time to consider the “package” and either (1) sign the Agreement and confirm commitment to SPSA, or (2) decline to sign, indicating plans to withdraw from SPSA in 2018

15

Thank You

QUESTIONS/DISCUSSION

16

1
2
3 **AGREEMENT FOR**
4 **USE AND SUPPORT OF A**
5 **SOLID WASTE DISPOSAL SYSTEM**

6
7 This AGREEMENT FOR USE AND SUPPORT OF A SOLID WASTE DISPOSAL
8 SYSTEM (“Agreement”), dated as of [_____], is made by and between the
9 SOUTHEASTERN PUBLIC SERVICE AUTHORITY OF VIRGINIA, hereinafter referred to as
10 the “Authority”, and the CITY/COUNTY OF _____, VIRGINIA, hereinafter referred
11 to as the “Member Locality.”

12 **BACKGROUND:**

13 WHEREAS, the Authority was created in 1976 by concurrent resolution of the Cities of
14 Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the counties of Isle
15 of Wight and Southampton (the “SPSA Members”); and

16 WHEREAS, between 1983 and 1984, the SPSA Members entered into individual Use
17 and Support Agreements with the Authority (such agreements, as originally entered into and
18 subsequently amended, are the “Legacy Use & Support Agreements”) which provided, among
19 other things, that each SPSA Member would deliver to the Authority substantially all of the
20 disposable solid waste generated or collected by or within or under the control of such member;
21 and

22 WHEREAS, all of the Legacy Use and Support Agreements will expire on January 24,
23 2018; and

24 WHEREAS, in advance of the expiration of the Legacy Use and Support Agreements, a
25 series of comprehensive studies were performed and discussions conducted in order to assess
26 regional solid waste management planning and related issues; and

27 WHEREAS, based on such studies, discussions and other factors, the SPSA Members
28 have determined that a cooperative approach to the continuation of a regional system of
29 municipal solid waste management, effected through the Authority, is in the best interests of the
30 SPSA Members individually and the region in general; and

31 WHEREAS, accordingly, the SPSA Members have each agreed to enter into identical
32 new agreements with the Authority to replace their respective Legacy Use & Support
33 Agreements (collectively, the "Post-2018 Use & Support Agreements"), with effect as of the
34 Agreement Effective Date (defined below), to provide for the SPSA Members' continuing
35 delivery of municipal solid waste to the Authority and for the management and disposal of such
36 waste by the Authority.

37 **AGREEMENT:**

38 NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and
39 other consideration herein contained, the Authority and the Member Locality agree that, effective
40 as of (but not until) the Agreement Effective Date, the Legacy Use & Support Agreement
41 between the parties originally dated _____, as amended, shall be and hereby is
42 terminated and superseded in its entirety by the following terms and conditions set forth in this
43 Agreement:

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ARTICLE I

GENERAL INTENT AND PURPOSE

1. This Agreement is entered into between the Authority and the Member Locality in consideration of the “Background” factors stated above and pursuant to the authorization and mandate of the Virginia Water and Waste Authorities Act.

2. The Authority, in accordance with and subject to the terms, procedures, provisions and conditions hereinafter set out, desires to maintain and manage a safe, sanitary and environmentally sound solid waste disposal system and through such system accept, manage and dispose of the Member Locality’s solid waste.

3. The Member Locality, in accordance with and subject to the terms, procedures, provisions and conditions hereinafter set out, desires to use and support the Authority’s solid waste disposal system by providing for the disposal via such system of all municipal solid waste generated within, collected by or otherwise under the control of the Member Locality, and at prices set by the Board of Directors of the Authority from time to time.

ARTICLE II

DEFINITIONS

- 1. Agreement Effective Date – January 25, 2018.
- 2. Applicable Disposal Mechanism – The method (or methods) utilized by the Authority for final disposal of Municipal Solid Waste at any time during the Term of this Agreement, as determined by the Board of Directors of the Authority from time to time and set forth in the Strategic Operating Plan, which may include, among other methods, (a) disposal of Municipal Solid Waste in the Regional Landfill in accordance with Applicable Law, (b) disposal

67 of Municipal Solid Waste through one or more facilities owned and/or operated by the Authority
68 in accordance with Applicable Law and/or (c) disposal of Municipal Solid Waste pursuant to
69 agreements between the Authority and one or more third parties.

70 3. Applicable Law – Collectively, the Virginia Water and Waste Authorities Act, the
71 Virginia Waste Management Act, the Virginia Solid Waste Management Regulations (currently
72 Chapter 81 of the Virginia Administrative Code), the Virginia Hazardous Waste Management
73 Regulations (currently Chapter 60 of the Virginia Administrative Code), the Resource
74 Conservation and Recovery Act and any other federal, state or local law, rule, regulation,
75 ordinance, permit, decree or other governmental requirement that applies to the services or
76 obligations of either party under this Agreement, whether now or hereafter in effect, and each as
77 may be amended from time to time.

78 4. Construction and Demolition Debris – Any Solid Waste that is produced or
79 generated during or in connection with the construction, remodeling, repair and/or destruction or
80 demolition of residential or commercial buildings and other structures, including, but not limited
81 to, lumber, wire, sheetrock, brick, shingles, glass, asphalt and concrete.

82 5. Delivery Point – Each facility and/or location that (a) possesses all permits
83 required under Applicable Law to receive Solid Waste for disposal and (b) is designated by the
84 Authority from time to time, in the Strategic Operating Plan, to accept Municipal Solid Waste
85 from the Member Locality for further and final processing and disposal by or on behalf of the
86 Authority (certain Delivery Points may sometimes be referred to as “transfer stations”).

87 6. Disaster Waste – Any Solid Waste and debris that (a) is generated as a result of or
88 in connection with any significant storm or other severe weather occurrence (such as, but not
89 limited to, hurricanes and tornadoes), natural or man-made disaster, war, act of terrorism or other

90 similar occurrence or event, together with Solid Waste and debris generated in connection with
91 clean-up and/or reconstruction activities resulting from any such occurrences or events, and (b) is
92 of a quantity or type materially different from the Solid Waste normally generated by or within
93 the Member Locality.

94 7. Disposal System – All facilities and/or locations owned or leased by the
95 Authority, or with respect to which the Authority otherwise maintains a contractual/commercial
96 relationship, for the collection, management, processing and/or disposal of Solid Waste,
97 including, but not necessarily limited to, the Regional Landfill, all Delivery Points, the
98 Applicable Disposal Mechanism(s) and all vehicles owned or leased by the Authority.

99 8. Disposal System Fees – Rates, fees and other charges imposed by the Authority
100 for the collection, management, processing and/or disposal of Solid Waste within the Disposal
101 System, as determined by the Board of Directors of the Authority from time to time in
102 accordance with the Virginia Water and Waste Authorities Act (certain Disposal System Fees
103 may sometimes be referred to as “tipping fees”).

104 9. Hazardous Waste – Any waste or other material that because of its quantity,
105 concentration or physical, chemical or infectious characteristics may (a) cause or significantly
106 contribute to an increase in mortality or an increase in serious irreversible, or incapacitating
107 reversible, illness; or (b) pose a substantial present or potential hazard to human health, the
108 Disposal System or the environment when treated, stored, transported, disposed of or otherwise
109 managed. Hazardous Waste specifically includes, but is not necessarily limited to, any waste
110 classified as “hazardous” under the Resource Conservation and Recovery Act, the Virginia
111 Hazardous Waste Management Regulations or any other Applicable Law.

112 10. Municipal Solid Waste – All Solid Waste the collection of which is controlled by
113 the Member Locality, including (a) Solid Waste that is collected by the Member Locality,
114 whether within or outside of the geographic territory of the Member Locality, and (b) residential
115 Solid Waste that is collected by a third party for the benefit of (and under the direction and
116 control of) the Member Locality, but expressly excluding (i) Hazardous Waste, (ii) Recyclable
117 Waste, (iii) Yard Waste, (iv) Construction and Demolition Debris, (v) Disaster Waste, (vi) Solid
118 Waste delivered by citizens of the Member Locality to publicly-accessible landfills or other
119 facilities and disposed of at such facilities, and (vii) any Solid Waste generated by school boards,
120 authorities or other political entities of the Member Locality.

121 11. Recyclable Waste – Any Solid Waste that, pursuant to Virginia’s Solid Waste
122 Management Regulations (or other relevant Applicable Law) in effect from time to time, or
123 pursuant to prevailing commercial practices in the waste management industry at the applicable
124 time, (a) can be used or reused, modified for use or reuse, or prepared for beneficial use or reuse
125 as an ingredient in an industrial process to make a product or as an effective substitute for a
126 commercial product or (b) is otherwise processible (or reprocessible) to recover a usable product
127 or is regenerable to another usable form, in each case, however, expressly excluding “residual”
128 Solid Waste generated in connection with any such modification, preparation and/or processing
129 for use, reuse, recovery and/or regeneration of other Solid Waste to the extent that such
130 “residuals” cannot be categorized as “Recyclable Waste” in accordance with the foregoing.

131 12. Regional Landfill – The landfill located in the City of Suffolk, Virginia,
132 developed, owned and operated by the Authority for the disposal of Solid Waste, or any
133 additional or successor landfill developed, owned and operated by the Authority.

134 13. Solid Waste – Any garbage, refuse, sludge, debris and other discarded material,
135 including solid, liquid, semisolid or contained gaseous material, resulting from industrial,
136 commercial, mining and agricultural operations, or residential/community activities, excluding
137 (a) solid or dissolved material in domestic sewage, (b) solid or dissolved material in irrigation
138 return flows or in industrial discharges that are sources subject to a permit from the State Water
139 Control Board and (c) source, special nuclear, or by-product material as defined by the Federal
140 Atomic Energy Act of 1954, as amended; provided, the waste that constitutes Solid Waste
141 hereunder (and/or is excluded from the definition of Solid Waste hereunder) shall be subject to
142 change from time to time during the Term of this Agreement to the extent necessary or
143 appropriate under the Virginia Waste Management Act or other Applicable Law.

144 14. Special Termination Provision – The terms, conditions, requirements and
145 procedures, collectively, pursuant to which a Member Locality may terminate this Agreement
146 prior to the expiration of the Term, in connection with its withdrawal from the Authority, as
147 currently set forth in Schedule II attached hereto and as the same may be amended from time to
148 time by the Board of Directors of the Authority, including, but not necessarily limited to, when
149 and to the extent required to comply with Applicable Law.

150 15. Strategic Operating Plan – That certain plan adopted by the Board of Directors of
151 the Authority and attached hereto as Schedule I, as the same may be amended, supplemented or
152 modified by the Board of Directors of the Authority from time to time (typically on an annual
153 basis in connection with the adoption of the Authority’s annual budget), which sets forth certain
154 operational, maintenance, administrative and other responsibilities of the Authority with respect
155 to the Disposal System and the performance of related services by the Authority.

156 16. Term – The duration of this Agreement, as set forth in Article III hereof.

180 commence and otherwise become effective only as of (and not until) the Agreement Effective
181 Date, and (ii) until the Agreement Effective Date, the parties' existing Legacy Use & Support
182 Agreement shall remain in effect and govern the parties' respective rights, responsibilities and
183 obligations thereunder.

184 2. Early Termination. The Member Locality may terminate this Agreement prior to
185 the expiration of the Term only in accordance with the Special Termination Provision, the current
186 version of which is attached hereto as Schedule II.

187 3. Termination on Dissolution. This Agreement shall terminate contemporaneously
188 with the dissolution of the Authority under the Water and Waste Authorities Act (or other relevant
189 Applicable Law).

190 ARTICLE IV

191 AUTHORITY OBLIGATIONS

193 1. Strategic Operating Plan. The Authority shall manage, operate and maintain the
194 Disposal System in accordance with the Strategic Operating Plan in effect from time to time. As
195 described in the definition thereof, the Strategic Operating Plan shall be reviewed and, if deemed
196 necessary or appropriate, updated or otherwise modified by the Board of Directors of the
197 Authority on at least an annual basis, typically together with the adoption by the Board of the
198 annual operating budget for the Authority, and any such updated/modified Strategic Operating
199 Plan shall be appended to this Agreement as new Schedule I hereto in complete replacement of
200 any and all prior Strategic Operating Plans.

201 2. Management, Operation and Maintenance. Subject to any additional, more
202 specific, requirements, exceptions and limitations set forth in this Agreement (including but not

203 limited to any such requirements, exceptions and limitations set forth in the Strategic Operating
204 Plan), the Authority shall:

205 (a) Continually manage, operate and maintain the Disposal System in
206 accordance with the requirements of this Agreement;

207 (b) Receive and accept all Municipal Solid Waste at applicable Delivery
208 Points within the Disposal System;

209 (c) Directly or indirectly provide for all transportation vehicles and equipment
210 required to transport Municipal Solid Waste from each applicable Delivery Point to the
211 Applicable Disposal Method(s) then in place;

212 (d) Manage and otherwise effect the disposal of all Municipal Solid Waste via
213 the Applicable Disposal Method(s) then in place;

214 (e) Perform all applicable corrective, preventive and routine maintenance to
215 the Disposal System, including repairs and replacements, designed to maintain the Disposal
216 System in accordance with customary standards then prevailing in the waste management
217 industry, including by remediating all property damaged or otherwise adversely impacted as a
218 result of the services provided by the Authority hereunder, such that the Disposal System is
219 maintained in good physical and operating condition consistent with customary industry
220 practices;

221 (f) Use all reasonable efforts to minimize service disruptions, Member
222 Locality impacts and other inconveniences due to the management, operation, maintenance,
223 repair or replacement activities of the Authority with respect to the Disposal System, or any
224 combination of such foregoing activities;

225 (g) Use all reasonable efforts to enforce, in accordance with their respective
226 terms, all contracts, agreements and other arrangements to which the Authority is a party in
227 connection with its management, operation and maintenance of the Disposal System, including
228 but not limited to the Post-2018 Use & Support Agreements with the other SPSA Members and
229 all contracts with respect to the Applicable Disposal Method(s) then in place;

230 (h) Provide qualified management, supervision and personnel necessary to
231 perform the Authority's services hereunder; and

232 (i) Maintain a sufficient number of personnel on hand to properly operate the
233 Delivery Points, Regional Landfill, transportation system, and Authority administration at a level
234 appropriate for the Disposal System, as determined by the Executive Staff of the Authority from
235 time to time.

236 Unless otherwise specified in this Agreement, the Authority shall be solely responsible for all
237 means, methods, techniques, procedures and safety programs or any combination of the
238 foregoing in connection with the performance of the Authority's services hereunder, including in
239 the event any such services are subcontracted or otherwise delegated to one or more third parties.

240 3. Delivery Points. Without limiting the generality of the foregoing obligations of
241 the Authority under Section 2 above, the Authority agrees that the Member Locality shall have
242 the right to deliver or cause the delivery of its Municipal Solid Waste at any or all Delivery
243 Points included within the Disposal System, subject at all times to (a) available capacity at any
244 such Delivery Point designated by the Member Locality and (b) the right of the Authority to
245 designate certain Delivery Points for special categories of Municipal Solid Waste; provided,
246 notwithstanding anything in the foregoing or anywhere else in this Agreement to the contrary, the

247 Authority shall at all times during the Term of this Agreement ensure that the Member Locality
248 has access to at least one Delivery Point included within the Disposal System.

249 4. Compliance with Law. The Authority shall perform all services contemplated
250 under this Agreement, including, without limitation, operation and maintenance of the Disposal
251 System, in accordance with all Applicable Law, and the Authority shall use best efforts to ensure
252 that all subcontractors performing services relative to the Disposal System comply with all
253 Applicable Law in the performance of such services.

254 5. Permits and Insurance. The Authority shall, at its sole cost and expense, obtain
255 and maintain in effect at all times during the Term (i) all licenses, permits and insurance that are
256 necessary or appropriate in connection with the services provided hereunder in accordance with
257 Applicable Law and otherwise consistent with industry standards; and (ii) at a minimum, the
258 following insurance coverage:

259 (a) comprehensive general liability primary insurance having a minimum
260 combined single limit of liability of one million dollars (\$1,000,000) per occurrence;

261 (b) comprehensive automobile liability primary insurance applicable to all
262 owned, hired and non-owned vehicles having a minimum combined single limit of liability of
263 one million dollars (\$1,000,000) per occurrence;

264 (c) environmental impact liability insurance of five million dollars
265 (\$5,000,000) per occurrence; and

266 (d) excess liability insurance having a minimum limit of liability of five
267 million dollars (\$5,000,000) per occurrence.

268 6. Additional Services. In addition to the arrangement contemplated under this
269 Agreement pursuant to which the Authority shall accept, manage and effect the ultimate disposal

270 of all Municipal Solid Waste of the Member Locality, the Authority may from time to time
271 provide the Member Locality with additional/“ancillary” Solid Waste management and disposal
272 services, which may include (by way of example and not necessarily limitation) management
273 and/or disposal of household hazardous waste (HHW), vehicle tires (*i.e.*, tire-shredding services),
274 yard debris and/or sludge. The Authority would provide such “ancillary” services, if at all,
275 pursuant to a separate agreement with the Member Locality and/or pursuant to a “global”
276 arrangement applicable to all SPSA Members and set forth in the Strategic Operating Plan, but in
277 any event (i) such ancillary services and the applicable arrangement(s) would be subject to prior
278 approval of the Board of Directors of the Authority, and (ii) absent express Board approval, the
279 fees charged by the Authority to the Member Locality for any such ancillary services would at a
280 minimum be sufficient/adequate to cover the costs incurred by the Authority in providing such
281 services.

282 ARTICLE V

283 MEMBER LOCALITY OBLIGATIONS

284 1. Delivery of Municipal Waste; Related Obligations.

285 (a) The Member Locality shall be required to, and shall, deliver or cause to be
286 delivered to the Authority one hundred percent (100%) of its Municipal Solid Waste.

287 (b) In connection therewith, the Member Locality shall strictly comply with
288 all rules or regulations of the Authority in effect from time to time during the Term of this
289 Agreement, and all instructions and directions of the Authority’s agents and employees, in each
290 case that are (i) required under Applicable Law, (ii) set forth in the Strategic Operating Plan or
291 (iii) are otherwise necessary for the lawful, safe and effective use and operation of the Disposal
292 System and are communicated to the Member Locality in writing from time to time (including

293 but not limited to all rules and regulations associated with delivery of Municipal Solid Waste to
294 applicable Delivery Points).

295 (c) On an annual basis, as promptly as practicable following receipt of any
296 written request from the Authority (which the Authority shall endeavor to provide in advance of
297 the Member Locality's deliberations regarding its annual budget), the Member Locality shall
298 provide the Authority with a good faith, written estimate of the aggregate tonnage of Municipal
299 Solid Waste that the Member Locality expects to deliver or otherwise cause to be delivered to the
300 Disposal System during the Member Locality's next fiscal year. (The Authority understands that
301 such estimates provided by the Member Locality cannot and do not constitute a guarantee, and
302 that the actual amount of Municipal Solid Waste delivered by the Member Locality in a given
303 year could vary materially from the corresponding good faith estimate thereof.) In addition, the
304 Member Locality shall provide the Authority with as much prior notice as is reasonably
305 practicable under the circumstances of any material changes (whether pending or possible) in the
306 Municipal Solid Waste delivered (or caused to be delivered) by the Member Locality to the
307 Authority hereunder, including, by way of example and not limitation, adoption of or changes in
308 any recycling programs and/or changes in residential waste collection practices.

309 2. Payment of Disposal System Fees.

310 (a) The Member Locality shall be required to, and shall, pay to the Authority
311 the Disposal System Fees set forth in fee schedules adopted by the Authority from time to time,
312 in accordance with the Virginia Water and Waste Authorities Act or other Applicable Law, in
313 respect of all Solid Waste delivered to the Authority by the Member Locality. The Authority
314 may establish individual fee schedules for various types of users and grades or categories of
315 Solid Waste that require special handling or methods of disposal; provided, however, consistent

316 with the requirements under the Articles of Incorporation of the Authority, the Disposal System
317 Fee schedules so adopted by the Authority (i) shall at all times be identical with respect to all
318 SPSA Members that have entered into (and remain a party to) a Post-2018 Use & Support
319 Agreement), including the Member Locality, and (ii) with respect to such SPSA Members that
320 have entered into and remain parties to a Post-2018 Use & Support Agreement, shall in no event
321 be based upon or distinguish between any such SPSA Members on the basis of the Delivery
322 Point used by any such SPSA Member or the distance of any such SPSA Member from any such
323 Delivery Point.

324 (b) The Authority shall invoice the Member Locality for all Disposal System
325 Fees on a monthly basis, within ten (10) business days after the end of each month during the
326 Term. Invoices will (i) reflect the total Municipal Solid Waste (or other applicable Solid Waste)
327 tonnage received by the Authority from the Member Locality during the billing period, together
328 with such other relevant information as the Authority and the Member Locality may deem
329 appropriate, and (ii) include the Authority's calculation of the Disposal System Fees payable by
330 the Member Locality for such billing period. Invoices shall be due and payable, without offset,
331 on or before (and in any event no later than) the last business day of the month immediately
332 following the month covered by the invoice, except to the extent any such invoices are then
333 subject to a good faith dispute between the parties.

334 (c) The Member Locality shall have the right, no more often than twice per
335 calendar year during the Term of this Agreement, on no less than thirty (30) days' prior written
336 notice, to inspect (or to appoint an independent accounting firm to inspect) any and all books and
337 records of the Authority relating to this Agreement for the sole purpose of assessing the accuracy
338 of the Authority's invoices and calculations of Disposal System Fees payable hereunder;

339 provided, the Member Locality may not compensate any accounting firm hired for such
340 inspection or assessment on a contingency basis. Any audits and inspections pursuant to this
341 Agreement shall be conducted during normal business hours solely at the Authority's offices,
342 with minimal interference to the Authority's normal business operations. In the event any such
343 audit reveals that the Authority has overcharged the Member Locality during the period audited,
344 then (i) the Authority shall credit the amount that the Member Locality has overpaid to the next
345 invoice submitted by the Authority to the Member Locality; and (ii) if the Authority has
346 overcharged the Member Locality by more than five percent (5%), in the aggregate, for the
347 period audited, then (x) the amount credited to the Member Locality shall also include interest at
348 a rate of three percent (3%) per annum, between the date of the overpayment and the date the
349 overpayment is so credited to the Member Locality, and (y) the Authority shall reimburse the
350 Member Locality for the reasonable costs and expenses of any such audit. Except to the extent
351 otherwise expressly provided in the foregoing, the costs and expenses of any such audit will be
352 borne entirely by the Member Locality.

353 3. Title to Waste. The Member Locality hereby assigns and transfers to the
354 Authority all right, title and interest in and to all Municipal Solid Waste (and other applicable
355 Solid Waste, expressly excluding Hazardous Waste) delivered to and accepted by the Authority
356 pursuant to this Agreement, and such ownership shall vest in the Authority when recorded by the
357 Authority's weighing scales or other measuring devices at a Delivery Point; provided, however,
358 that inoperability of the Authority's weighing scales or measuring devices shall not alter the
359 transfer of title of Municipal Solid Waste (or other applicable Solid Waste) to the Authority if it is
360 otherwise accepted by the Authority. The Member Locality further agrees to join with the

361 Authority in defense of any adverse claim to ownership of Municipal Solid Waste (or other
362 applicable Solid Waste).

363 4. Hazardous Waste. The Member Locality shall not knowingly deliver to the
364 Authority, or otherwise knowingly cause or allow to enter the Disposal System, any Hazardous
365 Waste. The Member Locality further agrees that in no event and under no circumstances shall
366 title to any Hazardous Waste pass to the Authority. Upon receipt into the Disposal System of any
367 Hazardous Waste from the Member Locality, the Authority shall notify the Member Locality
368 which, with the reasonable assistance and cooperation of the Authority in loading the waste, shall
369 expeditiously and within a reasonable period of time under the circumstances remove or arrange
370 for removal of the Hazardous Waste from the Disposal System at no expense to the Authority.
371 Notwithstanding the foregoing, if the Authority in its reasonable discretion deems it necessary or
372 appropriate for the protection of property, human health or the environment, or if the Member
373 Locality fails to promptly remove Hazardous Waste in accordance with the foregoing
374 requirements, then the Authority, acting through itself or others, may (i) remove and dispose of
375 the Hazardous Waste and (ii) charge the Member Locality the reasonable costs and expenses paid
376 or otherwise incurred by the Authority in connection with the removal and disposal of such
377 waste, which such costs and expenses shall be added to the Member Locality's invoice for the
378 month(s) in which they are incurred.

379 5. Special Covenant. Under this Agreement, the Member Locality has committed to
380 deliver or cause to be delivered to the Authority all of its Municipal Solid Waste, which in
381 accordance with the definition set forth above consists of all Solid Waste the collection of which
382 is controlled by the Member Locality. In light of this commitment and the corresponding
383 obligations of the Authority hereunder, and the impact on the other SPSA Members of the

384 Member Locality’s failure to fulfill such commitment, the Member Locality agrees that for so
385 long as this Agreement remains in effect the Member Locality shall not relinquish control of the
386 collection of residential Solid Waste.

387 ARTICLE VI

388 SPECIFIC PERFORMANCE

389 Each party hereby agrees and acknowledges that (a) its failure to perform under this
390 Agreement will cause an actual, immediate and irreparable harm and injury to the other party, (b)
391 the other party would not have any adequate remedy at law in the event that any of the provisions
392 of this Agreement are not performed in accordance with their specific terms or are otherwise
393 breached by such party, and (c) notwithstanding anything in this Agreement to the contrary,
394 (i) specific performance is the remedy intended by the parties for any and all breaches or
395 threatened breaches of this Agreement and (ii) damages may be awarded only under
396 circumstances where a court of competent jurisdiction shall have determined that,
397 notwithstanding the parties’ intention for specific performance to be the applicable remedy under
398 this Agreement, such specific performance is not available or otherwise will not be granted as a
399 remedy. Accordingly, it is agreed that the parties shall be entitled to specifically enforce the
400 terms and provisions of this Agreement and/or to an injunction or injunctions (or other equitable
401 remedy) to prevent breaches or threatened breaches of this Agreement. The parties further agree
402 that they shall not object to or take any position inconsistent with respect to, whether in a court
403 of law, arbitration proceeding or otherwise, the appropriateness of specific performance as a
404 remedy for a breach of this Agreement. Any action or proceeding for any remedy contemplated
405 under this Article VI shall be brought exclusively in the federal or state courts situated in
406 Norfolk, Virginia, in accordance with and subject to the Specified Jurisdiction Provision (as

408 defined below), and each party waives any requirement for the securing or posting of any bond
409 in connection with any such remedy. The parties further agree that, (x) by seeking the remedies
410 provided for in this Article VI, the party shall not in any respect waive its right to seek any other
411 form of relief that may be available to a party under this Agreement, including monetary
412 damages in an arbitration proceeding under Section 2 of Article VII below in the event that the
413 remedies provided for in this Article VI are not available or otherwise are not granted, and (y)
414 nothing in this Article VI shall restrict or limit the Member Locality’s right to validly terminate
415 this Agreement in accordance with the express terms of the Special Termination Provision.

416 ARTICLE VII

417 GENERAL

418
419 1. Governing Law. This Agreement shall be governed and construed in accordance
420 with the laws of the Commonwealth of Virginia.

421 2. Dispute Resolution; Specified Jurisdiction Provision.

422 (a) All controversies arising from or relating to performance under this
423 Agreement for which specific performance is not available or otherwise will not be granted
424 under Article VI above (each, an “Arbitrable Dispute”) shall be resolved exclusively by final and
425 binding arbitration in accordance with the Commercial Arbitration Rules (the “Rules”) of the
426 American Arbitration Association (“AAA”), and all such arbitration proceedings shall be
427 conducted at a mutually-agreeable facility within the geographic territory of the Member
428 Locality. The arbitration of any Arbitrable Dispute shall be conducted before a single arbitrator
429 (the “Arbitrator”), who shall be (i) selected by AAA in accordance with the Rules, (ii) considered
430 an expert in the field requiring arbitration and (iii) neutral and impartial. The Arbitrator shall be
431 compensated in accordance with the then-current fee schedule of the AAA and shall be

432 reimbursed for all reasonable and necessary expenses incurred in connection with the arbitration
433 of any Arbitrable Dispute hereunder.

434 (b) The aggrieved party may initiate arbitration with respect to any Arbitrable
435 Dispute by filing with the AAA a demand to arbitrate, which shall contain a description of the
436 Arbitrable Dispute (including the reason(s) that such matter is an Arbitrable Dispute for which
437 specific performance under Article VI is not available) and the remedy sought, with a copy by
438 certified or overnight mail to the other party. The decisions of the Arbitrator and the results of
439 any arbitration proceeding will be final and binding on the parties, and judgment on the
440 arbitrator's award may be entered in the court designated in the Specified Jurisdiction Provision
441 below. The Arbitrator shall have the authority to order the parties to produce documents or
442 things for inspection and to provide appropriate discovery to each other, including the
443 depositions of witnesses and the exchange of expert reports; provided, the Arbitrator shall be
444 requested to minimize discovery and related costs and all other costs attendant to arbitration to
445 the maximum extent practicable. At the request of any party, arbitration proceedings shall
446 include an oral hearing for the presentation of oral testimony and oral argument, and the parties
447 shall have the right to cross-examine witnesses, if requested. All arbitration hearings will be
448 commenced within ninety (90) days after demand for arbitration by any party; provided, upon a
449 showing of cause, the Arbitrator may extend the commencement of such hearing for up to an
450 additional sixty (60) days. All decisions by the Arbitrator shall be set forth in specific, written
451 findings of fact and conclusions of law. The non-prevailing party, as determined by the
452 Arbitrator, shall be required to pay all of the Arbitrator's fees and shall reimburse the prevailing
453 party for any advances made by such party in respect of such fees.

454 (c) With respect to any suit, action or proceeding relating to any award
455 granted by the Arbitrator or any action to compel arbitration of any Arbitrable Dispute, and for
456 any other matter so designated in this Agreement (including but not limited to an action for
457 specific performance or injunctive or other equitable relief under Article VI above), each party
458 irrevocably (i) consents and submits to the exclusive jurisdiction of any United States federal
459 court or Virginia state court sitting in the City of Norfolk in the Commonwealth of Virginia,
460 (ii) waives any objection to the laying of venue of any such suit, action or proceeding brought in
461 such court, including any claim that any such suit, action or proceeding brought in any such court
462 has been brought in an inconvenient forum, and waives the right to raise any such objection, and
463 (iii) waives all right to trial by jury (the foregoing terms and conditions of this Section 2(c) of
464 Article VII are referred to collectively as the “Specified Jurisdiction Provision”).

465 3. Notice. Any notice or other communication required or permitted to be given
466 under this Agreement shall be given in writing and delivered in person, sent via confirmed
467 facsimile or delivered by nationally-recognized courier service, properly addressed and stamped
468 with the required postage, to the applicable party at its address specified below and shall be
469 deemed effective upon receipt of confirmation of delivery (or attempted delivery that is refused
470 by the recipient). Either party may from time to time change the individual designated to receive
471 notices or its address by giving the other party notice of the change in accordance with this
472 Section 3. The current addresses for the parties are as follows:

473 **The Authority**
474 Southeastern Public Service
475 Authority of Virginia
476 Attn: Executive Director
477 723 Woodlake Drive
478 Chesapeake, Virginia 23320
479 Fax: 757-965-9528
480

Member Locality

Attn: _____

Fax: _____

481
482
483 4. No Waivers. The failure of either party to object to a breach or default by the
484 other party under this Agreement shall not constitute a waiver of that party's rights with respect
485 to any subsequent breach or default as to the same or any other obligation or condition of this
486 Agreement. No provisions of this Agreement shall be deemed waived without express written
487 consent of waiver.

488 5. Severability. If any provision of this Agreement shall be determined to be invalid,
489 illegal or unenforceable in any respect, the parties shall make good faith efforts to modify this
490 Agreement in a manner that will implement the intent of the parties as embodied herein. Any
491 resulting modification and the remaining provisions of the Agreement shall be valid and
492 enforceable to the fullest extent permitted by law.

493 6. Assignment. Neither party may assign this Agreement without the prior written
494 consent of the other party; provided, a permitted assignment shall not relieve a party of its
495 obligations under this Agreement unless this Agreement (and all of such obligations) shall have
496 been assumed by the assignee in a writing satisfactory to the other party in its sole discretion.
497 Nothing in the foregoing shall limit or serve as a limitation on the Authority's right to subcontract
498 and/or delegate its obligations hereunder in accordance with the Strategic Operating Plan and/or
499 Applicable Law.

500 7. Survival. Except as set forth in this paragraph, upon any termination of this
501 Agreement for any reason, all rights and obligations of the parties under this Agreement shall be
502 extinguished and terminated in their entirety.

503 8. Acknowledgement. This Agreement reflects an arm's-length transaction. Nothing
504 herein shall create a fiduciary, partnership, joint venture or other agency relationship between the

505 parties. This Agreement is not entered into for the benefit of, nor are any rights granted to, any
506 third party except as may be expressly provided for herein (if at all). Neither party may withhold
507 or offset any amount due or owed to the other party under this Agreement against any amount
508 due from (or allegedly due from) the other party, whether under this Agreement or otherwise.

509 9. Force Majeure. Failure of either party to perform under this Agreement, including
510 but not limited to failure of the Member Locality to deliver or cause to be delivered Municipal
511 Solid Waste to the Authority and/or inability of the Authority to accept Municipal Solid Waste at
512 any or all Delivery Points, but expressly excluding payment of monies owed hereunder, by
513 reason of Force Majeure shall not constitute default under or be cause for termination of this
514 Agreement. However, the party so failing to perform by reason of Force Majeure shall notify the
515 other party of the failure as promptly as practicable under the circumstances, including the
516 reasons therefor, and shall use reasonable best efforts to correct such failure to perform as
517 promptly as practicable under the circumstances. “Force Majeure” shall mean any cause beyond
518 the reasonable control of the party whose performance is affected hereunder, including but not
519 limited to acts of God, war, terrorism, riot, fire, explosion, storm, flood, labor disputes, inability
520 to obtain or use fuel, power or raw materials, shortage or failure of the usual means of
521 transportation, injunction, governmental action (expressly excluding action by the party whose
522 performance is affected), accident or breakdown of machinery or equipment, whether or not any
523 such occurrence is caused by the negligence, active or otherwise, of the affected party, its agents
524 and/or employees.

525 10. Entire Agreement. This Agreement may be modified only by further written
526 instruments executed by both parties. As of, and from and after, the Agreement Effective Date,
527 the provisions of this Agreement, including the Strategic Operating Plan and any other schedules,

528 appendices or exhibits hereto, do and shall constitute the entire agreement between the parties
529 with respect to the subject matter hereof and supersede any and all prior or contemporaneous
530 negotiations, understandings or agreements with respect to the subject matter hereof. (Without
531 limiting the generality of the foregoing, the parties hereby acknowledge and agree that, as of the
532 Agreement Effective Date, (i) the Legacy Use & Support Agreement between the parties shall
533 terminate and be of no further force or effect and (ii) this Agreement shall supersede the Legacy
534 Use & Support Agreement between the parties in its entirety.) However, nothing in this
535 Agreement shall be construed to limit the right of the parties to enter into supplemental
536 agreements, or other contracts or arrangements, with respect to the provision of services or
537 facilities by the parties or any other matter. It is agreed that this Agreement has been jointly
538 negotiated and prepared by both parties, and this Agreement shall not be construed against either
539 party by reason of that party's participation in the drafting or preparation of this instrument. This
540 Agreement may be executed in multiple counterparts and by each party on a separate
541 counterpart, each of which shall be deemed an original and all of which, taken together, shall
542 constitute one and the same instrument.

543 *[Remainder of page intentionally left blank – signature page(s) follow]*
544

545 IN WITNESS WHEREOF, the Authority and the Member Locality have caused this
546 agreement to be executed on their behalf and their seals to be affixed and attested by officials
547 thereunto duly authorized, all as of the day and year first above written.

ATTEST:

SOUTHEASTERN PUBLIC SERVICE
AUTHORITY OF VIRGINIA

By: _____

ATTEST:

CITY/COUNTY
OF: _____

By: _____

548

549

SCHEDULE I

550

STRATEGIC OPERATING PLAN

551

[TO BE ADDED]

552 **SCHEDULE II**

553 **SPECIAL TERMINATION PROVISION**

554 1. Termination Notice. If the Member Locality desires to terminate this Agreement
555 prior to the expiration of the Term, the Member Locality shall provide the Authority with written
556 notice of its intention to so terminate this Agreement prior to the end of the Term, specifying the
557 date on which the termination is to be effective (the "Termination Notice"); provided, unless
558 otherwise agreed by the Authority, the effective date of any termination of this Agreement
559 hereunder must (and shall) be at least two (2) years after the date of the Termination Notice
560 delivered by the Member Locality.

561 2. Termination Payment.

562 (a) As a condition to early termination of this Agreement, and in order to
563 satisfy the requirements of the amendment to the Virginia Water and Waste Authorities Act set
564 forth in the Virginia Acts of Assembly - 2000 Session, Chapter 596, Approved April 7, 2000, as
565 may be amended from time to time (the "Withdrawal Provision"), the Member Locality shall pay
566 its pro rata share of all financial obligations of the Authority that are outstanding or otherwise
567 exist as of the date of its Termination Notice (collectively, "Financial Obligations"), including,
568 but not necessarily limited to, (i) the principal and interest on all outstanding bonds and other
569 indebtedness of the Authority, (ii) all projected closure and post-closure financial obligations of
570 the Authority with respect to the Disposal System (including but not necessarily limited to the
571 Regional Landfill and any Delivery Points then maintained (owned/operated) by the Authority),
572 and (iii) all remaining financial obligations under contractual commitments (written and/or oral)
573 then in effect, including but not limited to, waste-disposal contracts, vendor contracts, etc.

574 (b) The Member Locality's pro rata share of the total Financial Obligations as
575 of the date of its Termination Notice (such pro rata share is referred to herein as the "Termination
576 Payment") shall be determined by multiplying the aggregate Financial Obligations of the
577 Authority as of the date of such Termination Notice by a fraction, (i) the numerator of which
578 shall be the total number of tons of Municipal Solid Waste delivered to the Authority by or on
579 behalf of the Member Locality during the period of sixty (60) months prior to the date of its
580 Termination Notice, and (ii) the denominator of which shall be the total number of tons of Solid
581 Waste delivered to the Authority by or on behalf of all SPSA Members that are or were members
582 of the Authority during such sixty (60)-month period.

583 3. Calculation of Financial Obligations and Termination Payment.

584 (a) Within six (6) months after its receipt of the Member Locality's
585 Termination Notice, the Authority shall provide to the Member Locality a written calculation of
586 (i) the Financial Obligations of the Authority as of the date of such Termination Notice and
587 (ii) the corresponding Termination Payment payable by the Member Locality.

588 (b) If the Member Locality disagrees with the Authority's calculation of the
589 Financial Obligations and/or the Termination Payment, the Member Locality shall notify the
590 Authority in writing of such disagreement within thirty (30) days after receipt of the
591 calculation(s) thereof, which written notice shall specify the nature of the dispute in as much
592 detail as possible. Thereafter, the parties shall use their best efforts to resolve such disagreement
593 through the joint consultation of the Authority and the Member Locality and arrive at a definitive
594 calculation of the Financial Obligations and/or the Termination Payment, as applicable
595 (collectively, the "Final Termination Amounts"). **Failing timely objection by the Member**
596 **Locality, the Financial Obligations and Termination Payment calculated by the Authority**

597 **shall be deemed to be (and shall, for all purposes hereunder, be) the Final Termination**
598 **Amounts.**

599 (c) (i) If the Member Locality raises a timely objection to the Authority's
600 calculation of the Financial Obligations and/or the Termination Payment, and the Member
601 Locality and the Authority are unable to mutually arrive at the Final Termination Amounts within
602 sixty (60) days after the date the Authority receives notice of the Member Locality's objection,
603 the Member Locality and the Authority shall submit such matter to the Independent Accounting
604 Firm for definitive calculation of the Final Termination Amounts. The "Independent Accounting
605 Firm" shall be a public accounting firm that (A) is not then providing, and has not at any time in
606 the immediately preceding three (3) years provided, accounting, audit or other related services to
607 either party and (B) is either mutually agreed upon by the parties, or if the parties are unable to
608 agree upon an accounting firm, jointly designated by the accounting firms then utilized by the
609 parties for their respective accounting, audit and related financial services.

610 (ii) Within ninety (90) days after submission, the Independent
611 Accounting Firm shall resolve any accounting issues in dispute and prepare and deliver in
612 writing a definitive statement of the Final Termination Amounts. In preparing the Final
613 Termination Amounts, the Independent Accounting Firm shall limit its work to resolving those
614 accounting issues that are in dispute (and such other accounting issues as may be necessary to
615 resolve those issues in dispute) in accordance with the definitions and terms set forth in this
616 Agreement and otherwise in accordance with GAAP.

617 (iii) The definitive statement of the Final Termination Amounts
618 prepared by the Independent Accounting Firm shall be final and binding upon the parties, absent

619 manifest error. The costs and fees of the Independent Accounting Firm shall be borne and paid
620 solely by the Member Locality.

621 4. Final Notice; Revocation.

622 (a) The Member Locality must give the Authority written final notice of its
623 planned termination of this Agreement hereunder. Such final notice of termination must be
624 delivered by the Member Locality no later than six (6) months after the Final Termination
625 Amounts described above have been definitively determined (whether by agreement of the
626 parties, by the Independent Accounting Firm or otherwise) and, unless the Authority otherwise
627 agrees, at least twelve (12) months prior to the effective date of termination specified in its
628 original Termination Notice.

629 (b) Notwithstanding anything to the contrary in the foregoing or anywhere
630 else in this Agreement, the Member Locality shall have the right, at any time before the date that
631 is six (6) months prior to the effective date of termination specified in its original Termination
632 Notice, to revoke its Termination Notice by providing the Authority with written notice of such
633 revocation, in which case (i) the Member Locality shall remain a SPSA Member and (ii) this
634 Agreement shall remain in full force and effect in accordance with its terms; provided, however,
635 that the Member Locality shall, upon demand by the Authority, reimburse the Authority for all
636 costs and expenses incurred by the Authority in connection with its preparation for the
637 termination of this Agreement, including but not limited to all applicable legal, accounting,
638 consulting and other advisory fees and expenses.

639 5. Payment Terms; Satisfaction of Contractual Obligations.

640 (a) The Member Locality shall pay its Termination Payment, whether
641 determined by agreement of the parties, by the Independent Accounting Firm or otherwise, to the

642 Authority in a single lump sum payment on the effective date of the termination of this
643 Agreement.

644 (b) The Authority's receipt of such Termination Payment shall be deemed to
645 (and shall) satisfy all obligations of the Member Locality under or otherwise in respect of
646 paragraph 2 of the Withdrawal Provision with respect to the termination and satisfaction of all
647 written obligations incurred by the Member Locality while it was a SPSA Member, such that no
648 such written obligations so incurred by the Member Locality shall thereafter remain (or be
649 deemed to remain) in effect; provided, the Member Locality is and shall be solely responsible for
650 complying with all other applicable terms and requirements of the Withdrawal Provision.

651 6. Special Acknowledgement. The parties recognize that the Authority will incur
652 various costs and make capital and operational decisions throughout the Term of this Agreement
653 based upon the expectation of providing services to the Member Locality, and to the other SPSA
654 Members, throughout the Initial Term or Renewal Term of this Agreement then in effect, and that
655 the decision of the Member Locality to terminate this Agreement prior to the expiration thereof
656 will or may have a variety of financial and operational consequences to the Authority. The
657 parties further recognize that those consequences, and their costs, cannot be easily determined,
658 and therefore the parties agree that the Termination Payment calculated hereunder constitutes a
659 fair, reasonable and equitable quantification of the costs to the Authority of such consequences.
660 Accordingly, (a) it is the intention of the parties to provide in this Special Termination Provision
661 a means for the Member Locality to terminate this Agreement prior to its scheduled expiration
662 date without financial harm or loss to the Authority or the other SPSA Members, (b) the
663 provisions of this Special Termination Provision shall be construed, and the actions and
664 determinations of the parties required hereunder shall be taken, consistent with that intent, and

665 (c) the parties acknowledge and agree that the terms and conditions of this Special Termination
666 Provision, including but not limited to the Termination Payment obligation provided for
667 hereunder, are fair, reasonable and in the best interests of the Authority and the SPSA Members.

668 7. Additional Termination Conditions.

669 (a) As a further condition to effective termination of this Agreement prior to
670 its scheduled expiration date, on or prior to the effective date of termination of this Agreement
671 the Member Locality shall at its sole expense take all action required for it to withdraw from
672 membership in the Authority, including, but not limited to, (i) satisfying all applicable procedural
673 and other requirements set forth in the Withdrawal Provision, including paragraphs 2, 3 and 4
674 thereof, and (ii) assisting the Board of Directors of the Authority in adopting any necessary
675 amendment to the Articles of Incorporation of the Authority to remove the Member Locality as a
676 SPSA Member.

677 (b) The parties acknowledge and agree that termination of this Agreement
678 shall not, alone, result in the termination of any other contract or agreement (if any) between the
679 Authority and the Member Locality.

680 (c) Following termination of this Agreement in accordance with the terms of
681 this Special Termination Provision, the Member Locality may not (and shall not) accept for
682 disposal any Solid Waste delivered by or on behalf of any other city or county that is or was a
683 SPSA Member, whether or not such city or county has terminated (or subsequently terminates)
684 its corresponding Agreement for Use and Support of a Solid Waste Disposal System with the
685 Authority.

686 [END]



April 22, 2015

To: Mayor & Council Members
From: R. Randy Martin, City Manager
Subject: Opportunity, Inc Charter Agreement Amendment

Enclosed is a proposed fifth amendment to the Opportunity, Inc. of Hampton Roads Charter Agreement between the listed Hampton Roads communities of which Franklin is included. As noted the City has been a charter member of the organization since July 1, 1974. The attached includes a letter from Virginia Beach City Manager Jim Spore which further explains the necessity for the requested amendment resulting from recent federal action referred to as the Workforce Innovation and Opportunity Act of 2014 (WIOA).

In a recent visit to Franklin, Opportunity, Inc. President and CEO Shawn Avery advised the Mayor and I of the need for this action. To date, five communities have approved with Southampton scheduled to also act on April 27th the same night as our meeting. Only Suffolk will remain to take action after Monday.

The City Attorney has reviewed the changes and I have included a copy of the fourth amended version last approved in 2001 for comparison to the enclosed highlighted version of the changes. I recommend the Council approve and authorize the Mayor to execute the requested documents.

**FIFTH AMENDED CHARTER AGREEMENT
OF OPPORTUNITY INC. OF HAMPTON ROADS**

THIS FIFTH AMENDED CHARTER AGREEMENT ("Agreement") is made this first day of July, 2015, by and between the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the Counties of Isle of Wight and Southampton, pursuant to the authority granted by Section 15.2-1300 of the Code of Virginia, 1950, as amended.

Whereas, effective July 1, 1974, the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the Counties of Isle of Wight and Southampton joined together to create the Southeastern Tidewater Area Manpower Authority, now known as Opportunity Inc. of Hampton Roads ("Opportunity Inc."), as a joint venture; and

Whereas, effective October 1, 1983, January 1, 1985, January 1, 2000 and July 1, 2001, the participating jurisdictions amended the Charter of Opportunity Inc. in certain respects; and

Whereas, the participating jurisdictions desire to amend the Charter of Opportunity Inc. a fifth time consistent with applicable provisions of the Workforce Innovation and Opportunity Act of 2014 ("WIOA"), as may be amended from time to time, and to reaffirm the Charter in all other respects.

NOW, THEREFORE, it is mutually agreed by the parties hereto as follows:

1. Opportunity Inc. shall exist indefinitely, subject to dissolution by agreement of the governing bodies of the participating jurisdictions.
2. Opportunity Inc. shall have for its purpose the provision of workforce development services in accordance with the provisions of the WIOA as may be amended from time to time, or any future legislation of similar import and applicability, and shall serve as the grant subrecipient.
3. Opportunity Inc. shall be governed by a Workforce Development Board duly appointed in accordance with the WIOA, as may be amended from time to time, and by the collective direction of the Chief Local Elected Officials ("CLEO") of each participating jurisdiction.
4. Opportunity, Inc. is hereby authorized and empowered:

Deleted previous #1, renumbered and deleted numbers #5

- (a) To adopt policies and procedures for the regulation of its affairs and the conduct of its business;
- (b) To maintain an office at such place or places as it may designate;
- (c) To sue and be sued;
- (d) To accept grants and gifts from the participating jurisdictions, the Commonwealth of Virginia, the Federal government or any other governmental body or political subdivision, and from any individual, corporation, partnership, association or other entity;
- (e) To enter into contracts with the Federal government, the Commonwealth of Virginia, any political subdivision, or any agency or instrumentality thereof, or with any individual, corporation, workforce investment board, partnership, association or other entity providing for or relating to the furnishing of workforce development or related services;
- (f) To employ such staff and to retain such legal or professional representation as may be deemed necessary, and to prescribe their powers and duties and fix their compensation, within the approved budget;
- (g) To make and enter into all contracts and agreements necessary or incidental to or desirable for the performance of its duties and the execution of its powers hereunder; provided, however, that contracts or agreements for the borrowing of money shall be subject to obtaining the express written consent of each participating jurisdiction;
- (h) To do all acts and things necessary or convenient to carry out its purposes, consistent with the provisions of **WIOA**, as may be amended from time to time, or any future legislation of similar import and applicability.

5. Opportunity Inc. shall be funded by governmental grants and private contributions as set forth in section 4(d) above and shall conduct a financial and compliance audit annually in accord with all applicable rules and regulations.

6. The fiduciary liability for funds shall be vested in the participating jurisdictions on a percentage basis determined by comparing the amount of actual utilization of workforce development services by a participating jurisdiction to the total utilization of such services by all participating jurisdictions during the fiscal year pertaining to any such liability. The percentage shall be determined by using, as the numerator, the number of participants served during such fiscal year from a particular participating jurisdiction, and, as the denominator, the total participants served during such fiscal year from all participating jurisdictions.

7. Any participating jurisdiction may withdraw from this Agreement as of the last day of June in any year, provided it gives written notice thereof to all of the other CLEOs prior to the first day of March preceding the date of withdrawal.

8. All real and personal property to be used for the purposes set forth above shall be acquired and held in the name of Opportunity Inc. Upon the dissolution of Opportunity Inc., all of its assets and property, both real and personal, tangible and intangible, shall be disposed of by the participating CLEOs in accordance with applicable law, as well as those rules and regulations as may have been properly promulgated by such Officials.

IN WITNESS WHEREOF, the parties hereunto have set their signatures and seals as of the day and year first written above.

Signature Appear on the Following Page.

Former
Agreement
#10 and #11
combined
as new
#8

ATTEST:

CITY OF CHESAPEAKE

City Clerk

Mayor

Date

ATTEST:

CITY OF FRANKLIN

City Clerk

Mayor

Date

ATTEST:

ISLE OF WIGHT COUNTY

County Clerk

Chair, Board of Supervisors

Date

ATTEST:

CITY OF NORFOLK

City Clerk

Mayor

Date

ATTEST:

CITY OF PORTSMOUTH

City Clerk

Mayor

Date

ATTEST:

SOUTHAMPTON COUNTY

Clerk

Chair, Board of Supervisors

Date

ATTEST:

CITY OF SUFFOLK

City Clerk

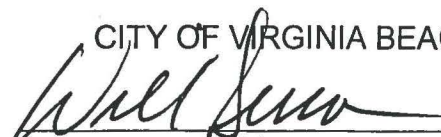
Mayor

Date

ATTEST:

CITY OF VIRGINIA BEACH

City Clerk



Mayor

3/4/2011

Date

FOURTH AMENDED CHARTER AGREEMENT

*Last Amended
in 2001*

OF

OPPORTUNITY, INC. OF HAMPTON ROADS, FORMERLY KNOWN AS THE
SOUTHEASTERN VIRGINIA JOB TRAINING ADMINISTRATION

THIS FOURTH AMENDED CHARTER AGREEMENT is made this first day of July, 2001, by and between the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the Counties of Isle of Wight and Southampton, pursuant to the authority granted by Section 15.2-1300 of the Code of Virginia, 1950, as amended.

Whereas, effective July 1, 1974, the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the Counties of Isle of Wight and Southampton joined together to create the Southeastern Virginia Job Training Administration (SVJTA), formerly known as the Southeastern Tidewater Area Manpower Authority, as a joint venture; and

Whereas, effective October 1, 1983, January 1, 1985, and January 1, 2000, the participating jurisdictions amended the Charter of the Southeastern Virginia Job Training Administration in certain respects; and

Whereas, the participating jurisdictions desire to amend the Charter of the Southeastern Virginia Job Training Administration a fourth time consistent with applicable

provisions of the Workforce Investment Act (WIA) of 1998, as amended, and to reaffirm it in all other respects.

NOW, THEREFORE, it is mutually agreed by the parties hereto as follows:

1. The consortium chartered the 1st day of July, 1974, by the Cities and Counties signatory thereto as the Southeastern Virginia Job Training Administration shall, effective July 1, 2001, be named Opportunity, Inc. of Hampton Roads ("Opportunity, Inc.").

2. Opportunity, Inc. shall exist in perpetuity, subject to dissolution by agreement of the governing bodies of the participating jurisdictions.

3. Opportunity, Inc. shall have for its purpose the provision of workforce development services in accordance with the provisions of the Workforce Investment Act of 1998, as amended, or any future legislation of similar import and applicability, and shall serve as the grant subrecipient.

4. Opportunity, Inc. shall be governed by a Workforce Development Board duly appointed in accordance with the Workforce Investment Act of 1998, as amended, and by the Chief Local Elected Officials of each participating jurisdiction.

5. The Workforce Development Board and the Chief Local Elected Officials shall meet at least quarterly.

6. Opportunity, Inc. is hereby authorized and empowered:

- (a) To adopt policies and procedures for the regulation of its affairs and the conduct of its business;
- (b) To maintain an office at such place or places as it may designate;
- (c) To sue and be sued;
- (d) To accept grants and gifts from the participating jurisdictions, the Commonwealth of Virginia, the Federal government or any other governmental body or political subdivision, and from any private corporation, copartnership, association, individual or other entity;
- (e) To enter into contracts with the Federal government, the Commonwealth of Virginia, any political subdivision, or any agency or instrumentality thereof, or with any private corporation, workforce investment board, copartnership, association, individual or other entity providing for or relating to the furnishing of workforce development or related services;
- (f) To employ such staff and to retain such legal representation as may be deemed necessary, and to prescribe their powers and

duties and fix their compensation, within the approved budget;

(g) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers hereunder; provided, however, that contracts or agreements for the borrowing of money for which the express written consent of each participating jurisdiction must be obtained;

(h) To do all acts and things necessary or convenient to carry out its purposes, consistent with the provisions of Workforce Investment Act of 1998, as amended, or any future legislation of similar import and applicability.

7. Opportunity, Inc. shall be funded by governmental grants and private contributions as set forth in section 6(d) above and shall conduct a financial and compliance audit annually in accord with all applicable rules and regulations.

8. The fiduciary liability for funds shall be vested in the participating jurisdictions on a percentage basis determined by comparing the amount of actual utilization of workforce development services by a participating jurisdiction to the total utilization of such services by all participating

jurisdictions during the fiscal year pertaining to any such liability. The percentage shall be determined by using, as the numerator, the number of participants served during such fiscal year in a particular participating jurisdiction, and, as the denominator, the total participants served during such fiscal year in all participating jurisdictions.

9. Any participating jurisdiction may withdraw from this agreement as of the last day of June in any year, provided it gives written notice thereof to the Chief Local Elected Officials prior to the first day of March preceding the date of withdrawal.

10. Upon dissolution of Opportunity, Inc., all of its assets and property shall be disposed of as determined by the Chief Local Elected Officials in accordance with applicable rules and regulations.

11. All real and personal property shall be acquired, and held in the name of Opportunity, Inc. and disposed of by the Chief Local Elected Officials in accordance with applicable rules and regulations, as well as those rules and regulations adopted and promulgated thereby.

IN WITNESS WHEREOF, the parties hereunto have set their signatures and seals as of the day and year first written above.

ATTEST:

Dorothy C. Moore
City Clerk

CITY OF CHESAPEAKE

William F. Ward
Mayor

Date

ATTEST:

[Signature]
City Clerk

CITY OF FRANKLIN

James Plancill
Mayor

4/23/01
Date

ATTEST:

[Signature]
City Clerk

COUNTY OF ISLE OF WIGHT

[Signature]
Chair, Board of Supervisors

Date

ATTEST:

Shelia N. Warden
for City Clerk

CITY OF NORFOLK

[Signature]
Mayor

6-26-01
Date

ATTEST:

Debra G. White
City Clerk

CITY OF PORTSMOUTH

[Signature]
Mayor

5-1-01
Date

ATTEST:

[Signature]
City Clerk

COUNTY OF SOUTHAMPTON

[Signature]
Chair, Board of Supervisors

4/23/01
Date

ATTEST:

Mary Lynn Dixon
Deputy City Clerk

CITY OF SUFFOLK

Curtis R. Melton
Mayor

6-11-01
Date

ATTEST:

[Signature]
City Clerk

CITY OF VIRGINIA BEACH

[Signature]
Mayor

4/23/01
Date



City of Virginia Beach

VBgov.com

OFFICE OF THE CITY MANAGER
(757)-385-4242
FAX (757) 427-5626

MUNICIPAL CENTER
BUILDING 1, ROOM 234
2401 COURTHOUSE DRIVE
VIRGINIA BEACH, VA 23456-9001

March 25, 2015

Randy Martin, City Manager
City of Franklin
207 West Second Street
Franklin, VA 23851

Dear Mr. ~~Martin;~~ ^{Randy}

As you may be aware, the Workforce Investment Act of 1998 (WIA), the federal government's commitment to locally administered workforce development activities, has recently been replaced with the Workforce Innovation and Opportunity Act of 2014 (WIOA). While WIOA strengthens many of the provisions of WIA, it does not call for wholesale changes to the local workforce development system. It does however, require that the consortium of governments know as Opportunity Inc. of Hampton Roads amend its current Charter Agreement between the eight (8) participating localities in order to accommodate this change in legislation. Additionally it calls for minor changes in the composition of the Workforce Development Board, as well as recertification of the Board by the Governor.

Accordingly, attached please find the revised Fifth Amended Charter Agreement of Opportunity Inc. of Hampton Roads, executed and signed by City of Virginia Beach officials, which we are asking each of our fellow seven (7) participating localities to execute and sign. The Agreement contains minor revisions related to form and the change in legislation from WIA to WIOA and does not include any substantive changes. Once you have executed and signed the agreement, please return it directly to Opportunity Inc., located at 500 East Plume Street, Suite 700, Norfolk, Virginia 23510 as soon as possible. Once all eight (8) jurisdictions have executed the Fifth Amended Charter Agreement and returned it to Opportunity Inc., staff will consolidate the signed agreements and provide a final version to each locality for your records. An official version will also be kept on file at the offices of Opportunity Inc.

Additionally, attached please find a list of Workforce Development Board representatives, with those newly nominated and those seeking reappointment highlighted. All newly nominated individuals have been selected according to the process outlined in WIOA.

March 17, 2015
Page Two

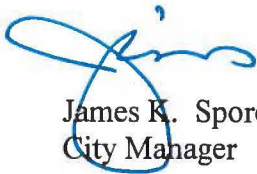
If the nominations and reappointments are acceptable, we ask that you indicate so by your CLEO's signature on the line at the bottom of the list labeled "Chief Local Elected Official". Again, this signed form should be forwarded to Opportunity Inc. at the address indicated above and they will forward to the Governor's Office for certification.

Lastly, Secretary of Commerce and Trade Maurice Jones has requested that the final form in this package be submitted to his office indicating your desire for continued designation as a local workforce development area under the new WIOA. Upon signing by your Chief Local Elected Official, this form should also be forwarded to Opportunity Inc. offices at the address indicated above, at which time they will forward to Secretary Jones' office.

For informational purposes, I have also provided the latest Annual report for Opportunity Inc. Questions regarding any of the information provided in this package may be directed to my office or to Mr. Shawn Avery, Opportunity Inc. President/CEO at the address indicated above or at 757-314-2370.

Thank you for your timely attention to this matter. We look forward to continuing this partnership which has provided valuable workforce development services to tens of thousands of local area Hampton Roads residents and businesses alike for over forty (40) years.

Sincerely,



James K. Spore
City Manager

C: Ute Heidenreich, Esq., Chair, HRWDB / Opportunity Inc.
Shawn Avery, President / CEO, Opportunity Inc.

Attachments:

1. Fifth Amended Charter Agreement for Opportunity Inc. of Hampton Roads
2. Nominations to the Hampton Roads Workforce Development Board
3. Request to the Governor for Continued Local Workforce Development Area Designation form
4. Annual Report for Opportunity Inc. of Hampton Roads



City of Virginia Beach

WILLIAM D. SESSOMS, JR.
MAYOR

VBgov.com

MUNICIPAL CENTER
BUILDING 1, ROOM 234
2401 COURTHOUSE DRIVE
VIRGINIA BEACH, VA 23466-9000
(757) 385-4581
FAX (757) 385-5699
WSESSOMS@VBGOV.COM

March 4, 2015

The Honorable Maurice A. Jones
Secretary of Commerce and Trade
Office of Governor Terence R. McAuliffe
Patrick Henry Building
1111 East Broad Street
Richmond, Virginia 23219

Dear Secretary Jones,

In response to your letter dated March 3, 2015, the cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach and the counties of Isle of Wight and Southampton, request continued designation to operate as a local area under the Workforce Innovation and Opportunity Act (WIOA). As you are aware, our area has operated successfully for the past fifteen years as Local Workforce Investment Area 16 under the Workforce Investment Act (WIA) and wishes to continue this arrangement. In that regard, we have updated and revised our Charter Agreement, under which the CLEOs and Opportunity Inc. of Hampton Roads are organized for the purpose of carrying out workforce development activities for the region, and are in the process of formally executing the Agreement at this time.

As the grant recipient for federal workforce funds for our local area, the City of Virginia Beach's City Council approved the revised Charter Agreement at its March 3, 2015 session and we are facilitating its execution by the other seven (7) cities and counties in the region. The Hampton Roads' workforce development region was initially created in 1974 and has been in continuous operation since that time. We are proud that our workforce development efforts under this regional agreement have earned unmodified audit opinions from its independent auditors as well as incentive awards from the Commonwealth for meeting or exceeding performance standards for the past two (2) years, as required for WIOA local area designation.

**FIFTH AMENDED CHARTER AGREEMENT
OF OPPORTUNITY INC. OF HAMPTON ROADS**

THIS FIFTH AMENDED CHARTER AGREEMENT ("Agreement") is made this first day of July, 2015, by and between the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the Counties of Isle of Wight and Southampton, pursuant to the authority granted by Section 15.2-1300 of the Code of Virginia, 1950, as amended.

Whereas, effective July 1, 1974, the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk and Virginia Beach, and the Counties of Isle of Wight and Southampton joined together to create the Southeastern Tidewater Area Manpower Authority, now known as Opportunity Inc. of Hampton Roads ("Opportunity Inc."), as a joint venture; and

Whereas, effective October 1, 1983, January 1, 1985, January 1, 2000 and July 1, 2001, the participating jurisdictions amended the Charter of Opportunity Inc. in certain respects; and

Whereas, the participating jurisdictions desire to amend the Charter of Opportunity Inc. a fifth time consistent with applicable provisions of the Workforce Innovation and Opportunity Act of 2014 ("WIOA"), as may be amended from time to time, and to reaffirm the Charter in all other respects.

NOW, THEREFORE, it is mutually agreed by the parties hereto as follows:

1. Opportunity Inc. shall exist indefinitely, subject to dissolution by agreement of the governing bodies of the participating jurisdictions.

2. Opportunity Inc. shall have for its purpose the provision of workforce development services in accordance with the provisions of the WIOA as may be amended from time to time, or any future legislation of similar import and applicability, and shall serve as the grant subrecipient.

3. Opportunity Inc. shall be governed by a Workforce Development Board duly appointed in accordance with the WIOA, as may be amended from time to time, and by the collective direction of the Chief Local Elected Officials ("CLEO") of each participating jurisdiction.

4. Opportunity, Inc. is hereby authorized and empowered:

- (a) To adopt policies and procedures for the regulation of its affairs and the conduct of its business;
- (b) To maintain an office at such place or places as it may designate;
- (c) To sue and be sued;
- (d) To accept grants and gifts from the participating jurisdictions, the Commonwealth of Virginia, the Federal government or any other governmental body or political subdivision, and from any individual, corporation, partnership, association or other entity;
- (e) To enter into contracts with the Federal government, the Commonwealth of Virginia, any political subdivision, or any agency or instrumentality thereof, or with any individual, corporation, workforce investment board, partnership, association or other entity providing for or relating to the furnishing of workforce development or related services;
- (f) To employ such staff and to retain such legal or professional representation as may be deemed necessary, and to prescribe their powers and duties and fix their compensation, within the approved budget;
- (g) To make and enter into all contracts and agreements necessary or incidental to or desirable for the performance of its duties and the execution of its powers hereunder; provided, however, that contracts or agreements for the borrowing of money shall be subject to obtaining the express written consent of each participating jurisdiction;
- (h) To do all acts and things necessary or convenient to carry out its purposes, consistent with the provisions of WIOA, as may be amended from time to time, or any future legislation of similar import and applicability.

5. Opportunity Inc. shall be funded by governmental grants and private contributions as set forth in section 4(d) above and shall conduct a financial and compliance audit annually in accord with all applicable rules and regulations.

6. The fiduciary liability for funds shall be vested in the participating jurisdictions on a percentage basis determined by comparing the amount of actual utilization of workforce development services by a participating jurisdiction to the total utilization of such services by all participating jurisdictions during the fiscal year pertaining to any such liability. The percentage shall be determined by using, as the numerator, the number of participants served during such fiscal year from a particular participating jurisdiction, and, as the denominator, the total participants served during such fiscal year from all participating jurisdictions.

7. Any participating jurisdiction may withdraw from this Agreement as of the last day of June in any year, provided it gives written notice thereof to all of the other CLEOs prior to the first day of March preceding the date of withdrawal.

8. All real and personal property to be used for the purposes set forth above shall be acquired and held in the name of Opportunity Inc. Upon the dissolution of Opportunity Inc., all of its assets and property, both real and personal, tangible and intangible, shall be disposed of by the participating CLEOs in accordance with applicable law, as well as those rules and regulations as may have been properly promulgated by such Officials.

IN WITNESS WHEREOF, the parties hereunto have set their signatures and seals as of the day and year first written above.

Signature Appear on the Following Page.

ATTEST:

CITY OF CHESAPEAKE

City Clerk

Mayor

Date

ATTEST:

CITY OF FRANKLIN

City Clerk

Mayor

Date

ATTEST:

ISLE OF WIGHT COUNTY

County Clerk

Chair, Board of Supervisors

Date

ATTEST:

CITY OF NORFOLK

City Clerk

Mayor

Date

ATTEST:

CITY OF PORTSMOUTH

City Clerk

Mayor

Date

ATTEST:

SOUTHAMPTON COUNTY

Clerk

Chair, Board of Supervisors

Date

ATTEST:

CITY OF SUFFOLK

City Clerk

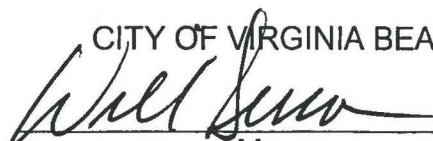
Mayor

Date

ATTEST:

CITY OF VIRGINIA BEACH

City Clerk



Mayor

3/4/2011

Date




Opportunity Inc.

Hampton Roads' Workforce Development Board

Commonwealth of Virginia

Request to the Governor for Continued Local Workforce Development Area Designation

We, the undersigned, as duly authorized signatory officials from our respective jurisdictions listed below; do hereby join our regional partners in requesting continued designation as a local workforce development area to be known as Opportunity Inc. of Hampton Roads / Hampton Roads Workforce Development Board, under the Workforce Innovation and Opportunity Act of 2014.

Jurisdiction			Date
Chesapeake	Name		
	Signature		
	Title		
Franklin	Name		
	Signature		
	Title		
Isle of Wight County	Name		
	Signature		
	Title		
Norfolk	Name		
	Signature		
	Title		
Portsmouth	Name		
	Signature		
	Title		
Southampton County	Name		
	Signature		
	Title		
Suffolk	Name		
	Signature		
	Title		
Virginia Beach	Name		
	Signature		
	Title	Mayor	



Oppportunity Inc.
Hampton Roads' Workforce Development Board

HAMPTON ROADS WORKFORCE DEVELOPMENT BOARD

Nominations for July 2015 - June 2016

As of March 19, 2015

New Appointments

Re-appointments

Business Representatives

Nominee	Company	Title	Term Expires	Locality
Jeff Ainslie	The Ainslie Group	President	06/30/16	Virginia Beach
Chris Bailey	Highground Services	Chief Operating Officer	06/30/18	Franklin
John E. Barrett, III	DePaul Medical Center	CEO	06/30/16	Norfolk
William Bell	Newport News Shipbuilding	Vice President - HR	06/30/16	Regional
Andy Chapman	Solenis LLC	Plant Manager	06/30/17	Southampton
William Crow	Virginia Ship Repair Association	President	06/30/16	Norfolk/Portsmouth
Richard Dean	Smithfield Packing Company	Director of HR	06/30/16	Isle of Wight
Joe Donnelly	Donnelly Real Properties	President	06/30/16	Virginia Beach
Mark Dreyfus	ECPI University	President	06/30/16	Virginia Beach
Sande Dukas	Controls Corp of America	President	06/30/18	Virginia Beach
David K. Edwards	WR Systems, Ltd.	President/COO	06/30/18	Norfolk
Steve Fuschetti	Gannett Media Technologies	President/CEO	06/30/16	Chesapeake
Dr. Johnny Garcia	SimIS, Inc.	President	06/30/18	Portsmouth
Donald Goldberg	Goldberg Consultants	President	06/30/18	Suffolk
Ute Heidenreich	Townebank	General Counsel	06/30/16	Suffolk
Adm. William R. Klemm (Ret)	Oceaneering International, Inc.	Director of Programs	06/30/18	Chesapeake
Mike Luflos	Sumitomo Drive Technologies	Human Resource Dir.	06/30/18	Chesapeake
Mary D. McGovern	Divaris Real Estate, Inc.	Senior Vice President	06/30/16	Virginia Beach
Delceno C. Miles	The Miles Agency	President	06/30/17	Virginia Beach
William L. Nusbaum	Williams Mullen	Partner	06/30/16	Norfolk
Ron Ritter	On Point, LLC	President	06/30/16	Chesapeake
Steve Sanchez	NSC Technologies Worldwide	COO	06/30/18	Portsmouth
Bryan Stephens	Hampton Roads Chamber of Com	President and CEO	06/30/16	Regional
James Wofford	MacArthur Center	General Manager	06/30/18	Norfolk

Non-Business Representatives

Nominee	Company	Title	Term Expires
Dr. Edna Baehre-Kolovani	Tidewater Community College	President	06/30/18
Dr. Elsie Barnes	Norfolk State University	Professor	06/30/17
Dr. Willie Bell	Franklin Public Schools	Superintendent	06/30/18

Hampton Roads Workforce Development Board
 Nominations for July 2015 – June 2016
 Page Two

Rick Brooks	Virginia Registered Apprenticeship	Consultant	06/30/18
Hosey Burgess	Virginia Employment Commission	Manager	06/30/17
Thomas Calhoun	Norfolk Federation of Teachers	President	06/30/18
Dr. Paul W. Conco	Paul D. Camp Community College	President	06/30/16
Cindy Curtis	City of Virginia Beach	Deputy City Manager	06/30/17
Dr. Larry Dotolo	VA Tidewater Consortium for Higher Ed.	President	06/30/17
Ruth T. Jones	YWCA of South Hampton Roads	Executive Director	06/30/18
Anthony Kearney	Department of Rehabilitative Services	Manager	06/30/16
Whitney Lester	VersAbility Resources	Director	06/30/18
Clarissa McAdoo	Suffolk Redevelopment & Housing Auth.	Executive Director	06/30/18
Carol McCormack	United Way of South Hampton Roads	President and CEO	06/30/17
Corey McCray	Pruden Center for Industry & Technology	Executive Director	06/30/18
BarBara Murphy	AARP Senior Community Services	Project Director	06/30/16
Charles Rigney	Portsmouth Economic Development	Director	06/30/18
Jacquelyn Scott	Portsmouth Social Services	Director	06/30/16
James Shaeffer	Old Dominion University	Founding Dean	06/30/18
Aarron Spence	Virginia Beach Public Schools	Superintendent	06/30/18
Rear Adm. Kevin Sweeney (Ret)	HR Economic Development Alliance	President and CEO	06/30/18
Edith White	Urban League of Hampton Roads	President and CEO	06/30/17
Kevin Will	Junior Achievement of Hampton Roads	President	06/30/18
Steven C. Wright	Chesapeake Economic Development	Director	06/30/18
Larry H. Young	A.F.L. / C.I.O.	President	06/30/16

Please sign below to indicate your approval of the 2015 - 2016 slate of nominations for the Hampton Roads Workforce Development Board.

 Chief Local Elected Official

 Date

 Locality



April 22, 2015

To: Mayor & Council Members
From: R. Randy Martin, City Manager
Subject: Health Insurance Program Proposed Changes FY 2015 – 2016

In April, it is necessary for Council to authorize the Annual Employee Health Insurance Plan Renewal. This allows this critical benefit to continue to be offered uninterrupted to city employees in the next fiscal year.

Background

The City has had its health insurance plan for several with Anthem, a Blue Cross and Blue Shield product, referred to as the Local Choice program. There have been a number of changes to the product offerings over the years by Anthem. The City likewise has modified the specific plan options available from the provider. The plans were modified in 2007, 2010 and again in 2011. Since 2011, the City has offered the same two options to employees. These options currently are the Key Advantage Expanded and the Key Advantage 500. The Expanded Plan is the more benefit rich plan with the lowest deductibles and out of pocket maximums. The 500 Plan with reduced benefit is less expensive for the city's share and for the employee share. The city, in compliance with the Virginia Administrative code, pays 80% of the employee cost while the employee pays 20%. The city also pays 20% of dependent care coverage if the employee elects to have it and the employee pays the remaining 80%.

Consistent with overall insurance industry trends over the years, city health insurance rates reflect rising costs from annual rate increases in most years, Since 2007 annual rate adjustments are as follows: 2007 – 5.5% increase; 2008 – no change; 2009 – 3% increase; 2010 – 9.7% increase; 2011 – no change; 2012 – 5.9% decrease; 2013 – 9.1% increase; 2014 – 6.8% increase; and 2015 proposed 5.4% increase. In comparison to many sectors, these changes cumulatively over this nine year period at an annual average increase of 3.7% are relatively low. As discussed last year, local governments, like our private sector counterparts are actively researching options, but thus far viable alternatives are limited. Concerns of local governments elicited a legislative study in last year's long session of the possible inclusion of local government employees in the

state health plan, but the legislature has yet to take action including in the recently completed 2015 short session. Local governments were surveyed last year for the study, but no results have been published as of yet. The City budget has certainly felt the impact of the pressure of rising costs to provide health care benefits, but the employees have also felt the pain especially regarding the cost of dependent care coverage. The result has seen a major shift in employees electing for the 500 Plan versus the more expensive higher benefit Expanded Plan option. Currently roughly two-thirds of the employees have the 500 plan and only 44% continue to opt for any dependent coverage.

Current Events

In the meantime consistent with industry trends, local governments and their providers are considering more coverage changes to control costs. Some changes have also been prompted by the impact of the Affordable Care Act (ACA) specifically, the implications for plans commonly referred to as “Cadillac” plans, or plans with benefits which will be “taxed” beginning in FY 2016 – 2017.

In response to pressures to control cost and comply with ACA requirements in the future, Anthem has announced that the Expanded Plan the city currently has will no longer be available after FY 2015 – 2016. The Dental Plan offering to the City and included with the health insurance premium will be modified this year to offer for the first time a choice to employees of the comprehensive coverage currently offered or a new “preventive” coverage option with reduced benefit at a lower cost. It is unknown what further shifts or choices employees will make in response to the dental option or to the 5.4% rate increase, but it is known that based upon current enrollments, the city share of the cost will increase. Unless plan offerings are modified, the city’s increase could be as much as \$65,806 higher while the employees share could increase as much as \$27,799 again depending upon enrollment choices on the dental plan options and/or further shifts between employee plan option choices consistent with recent city trends.

Recommendations

Given the significant budget pressures faced by the city and in consideration of the consistent concerns I hear from city employees about health care costs and the negative effect it has had on the bottom line “take home pay” over the years, the staff and I have been actively surveying peers and researching options to improve the city and employee circumstances. Rather than defer the decision until FY 2016 – 2017 when Anthem will eliminate the Expanded Plan in response to the ACA requirements, I recommend the city transition its plan offerings effective July, 2015 to the Key Advantage 250 Plan and the Key Advantage 1000 Plan options. These plans essentially increase deductibles and out of pocket maximums while closely maintaining other plan features and significantly lowering overall costs. It is difficult to project actual savings cumulatively

because we do not yet know which alternatives employees will choose, but our best estimates based upon current choices is the city could reduce its annual cost share by approximately \$46,060.80 and the employees cost cumulatively could decrease by a comparable amount depending upon plan option choices as earlier stated. The employee reduction will affect employee paychecks based upon the choices made and thereby have the potential for a positive impact on “bottom line” pay. I will also propose in the budget that the city savings be returned to the employees in the form of a pay increase for all employees to make the budgetary impact of the insurance changes as budget neutral to the city as possible to further benefit employee “bottom line”.

Future Planning

Looking ahead to FY 2016 – 2017 and beyond, I also intend to further evaluate and refine options and specifically consider an additional option such as an HSA or HMO as have many of our municipal peers based upon survey information received. Enclosed is detail information on recommended changes. In any event, Council needs to authorize renewal of the Employee Health Insurance Program with the current provider for FY 2015 – 2016 to continue uninterrupted coverage when the current year ends on June 30th. Once this decision is made, my focus will be on ensuring employees get the information and resources needed to make informed decisions on enrollment choices and that they strongly consider all available benefit options to address the changing dynamics in plan offerings including the pre-tax flex plan and optional supplemental coverage which can address higher deductible and out-of-pocket maximum concerns.

Enclosures



Human Resources

March 31, 2015

MEMORANDUM

TO: Mr. Randy Martin – City Manager

FROM: Carolyn S. Joyner – HR Manager *CSJ*

SUBJ: FY 2015 – 2016 – Annual Employee Health Insurance Plan Renewal

Attached is the annual cost of service review for the City of Franklin Employee Health Insurance Plan. Our Health Insurance coverage is provided by Anthem through The Local Choice. The plan is reviewed to determine if cost coverage and adjustment will continue its existing services. The plan has been reviewed and information received from our local Health provider Mr. Howard Dillon.

Our required premium adjustment for FY 2015-2016 is **5.4%** vs. FY 2014-2015 (**6.8%**).

Council's existing policy as prescribed in the plan agreement indicates that the City will assume 80% of the single cost of the plan and an additional 20% of the cost of dependent coverage as required to continue existing coverage. The deadline for renewal is not consistent with the fiscal year. The renewal for the fiscal year is actually April 1, 2015. I have written for an extension to Mr. Walt Norman and he granted us an extension to the end of April 2015.

It is recommended that Council approve the increase rate adjustment for the **Key Advantage 250** and the **Key Advantage 1000** Plans to allow the continued coverage for the City of Franklin employees health insurance services for FY 2015-2016.

Thanks



April 22, 2015

MEMORANDUM

TO: Mr. Randy Martin – City Manager

FROM: Carolyn S. Joyner – HR Manager *csj*

SUBJ: Insurance Renewal FY 2015-2016

Enclosed you will see the renewal rates for Fiscal Year 2015-2016. In an environment where utilization and health care costs has risen dramatically, Anthem continues to offer quality affordable coverage for our employees.

The Local Choice have not been able to eliminate premiums, The Local Choice program has successfully contained our rate adjustments below industry standards. Our program continues to operate with a range of added valued features that are unmatched by any single competitor. Our plans Key Advantage 250 and Key Advantage 1000 continues to offer medical, behavioral health, outpatient prescription drugs and routine vision. Delta dental administer our dental benefits through a separate agreement with Anthem. This year the Dental Plan will offer employees an option between Diagnostic and Preventive coverage or Comprehensive coverage, which is the same dental coverage included today. If an employee change to the Preventive Dental coverage , the member must complete an enrollment form and select that option.

Preventive Dental is a lower cost coverage that includes oral exams and cleanings twice per plan year.

STATUS	KEY ADVANTAGE 250			KEY ADVANTAGE 1000		
	Monthly Premium	City Pays	Salary Employee Pays	Monthly Premium	City Pay	Salary Employee Pays
Employee Only	\$ 663	\$ 494.80	\$ 168.20	\$ 574	\$494.80	\$ 79.20
Employee + 1	\$1,227	\$723.70	\$ 503.30	\$ 1,062	\$723.70	\$338.30
Employee + Family	\$1,790	\$828.80	\$ 961.20	\$1,550	\$828.80	\$721.20
Retiree	\$ 663	\$ 494.80	\$ 168.20	\$ 574	\$494.80	\$ 79.20
Medicare Complementary	\$127	\$0		\$127	\$0	

Comprehensive Dental is the higher premium which includes diagnostic and preventive services, primary dental care, major dental care and orthodontic services. Deductibles co-payment and co-insurance apply.

STATUS	KEY ADVANTAGE 250			KEY ADVANTAGE 1000		
	Monthly Premium	City Pays	Salary Employee Pays	Monthly Premium	City Pays	Salary Employee Pays
Employee Only	\$ 676	\$ 505.20	\$ 170.80	\$ 587	\$505.20	\$81.80
Employee + 1	\$1,251	\$ 738.90	\$ 512.10	\$1,086	\$738.90	\$347.10
Employee + Family	\$1,825	\$ 846.20	\$ 978.80	\$1,585	\$846.20	\$738.80
Retiree	\$ 676	\$505.20	\$ 170.80	\$ 587	\$505.20	\$81.80
Medicare Complementary	\$127	\$0		\$127	\$0	

I encourage you to view the renewal rates and submit our renewal rates to the City Council for approval. Our insurance renewal is to be approved by City Council in order for us to have insurance. The deadline for us to notify The Local Choice is April 1 but due to the delay I have submitted a letter to Mr. Walt Norman – Program Manager for a thirty (30) day extension. Mr. Walt Norman granted an extension until April 30, 2015.

Comparison of Statewide Plans 2015

Effective July 1, 2015 or October 1, 2015

The
LOCAL ✓
CHOICE

The Local Choice 2015 Comparison of Statewide Plans

	Key Advantage Expanded	Key Advantage 250
Plan Year Deductible (Key Advantage: Applies to Certain Medical Services as Indicated on Chart) (HDHP: Applies to Medical, Behavioral Health, and Prescription Drug Services)	In-Network: One Person Two People Family \$100 See Family \$200 Out-of-Network: \$200 See Family \$400	In-Network: One Person Two People Family \$250 See Family \$500 Out-of-Network: \$500 See Family \$1,000
Plan Year Out-of-pocket Expense Limit	In-Network: One Person Two People Family \$2,000 See Family \$4,000 Out-of-Network: \$3,000 See Family \$6,000	In-Network: One Person Two People Family \$3,000 See Family \$6,000 Out-of-Network: \$5,000 See Family \$10,000
Out-of-Network Benefits	Yes. Once you meet the out-of-network deductible, you pay 30% coinsurance for medical and behavioral health services. Copayments do not apply to medical and behavioral health services. Copayments and coinsurance for routine vision, outpatient prescription drugs and dental services will still apply.	Yes. Once you meet the out-of-network deductible, you pay 30% coinsurance for medical and behavioral health services. Copayments do not apply to medical and behavioral health services. Copayments and coinsurance for routine vision, outpatient prescription drugs and dental services will still apply.
Medical Care When Traveling (BlueCard)	Included	Included
Lifetime Maximum	Unlimited	Unlimited
Covered Services	In-Network You Pay	In-Network You Pay
Ambulance Travel	20% coinsurance after deductible	20% coinsurance after deductible
Autism Spectrum Disorder 2 years through 6 years	Copayment/coinsurance determined by service received	Copayment/coinsurance determined by service received
Behavioral Health and EAP <i>Inpatient treatment</i> • Facility Services • Professional Provider Services <i>Outpatient Professional Provider Visits</i>	\$200 copayment per stay \$0 \$15 copayment	\$300 copayment per stay \$0 \$20 copayment
Employee Assistance Program (EAP) 4 visits per issue (per plan year)	\$0	\$0
Dental Care Preventive Dental Option (<i>diagnostic and preventive services only for lower premium</i>)	\$0	\$0
Comprehensive Dental Option (<i>for higher premium</i>)	<i>One Person Two People Family</i>	<i>One Person Two People Family</i>
Dental Plan Year Deductible	\$25 \$50 \$75	\$25 \$50 \$75
Plan Year Maximum (Except Orthodontics)	\$1,500	\$1,500
• Preventive Dental Care	\$0	\$0
• Primary Dental Care	20% coinsurance after dental deductible	20% coinsurance after dental deductible
• Major Dental Care	50% coinsurance after dental deductible	50% coinsurance after dental deductible
• Orthodontic Services (Includes Adult Ortho)	50% coinsurance, no dental deductible, with \$1,500 lifetime maximum	50% coinsurance, no dental deductible, with \$1,500 lifetime maximum

Note: Highlighted areas indicate a benefit change for 2015.

Key Advantage 500

Key Advantage 1000

High Deductible Health Plan

In-Network:

One Person	Two People	Family
\$500	See Family	\$1,000

Out-of-Network:

\$1,000	See Family	\$2,000
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In-Network:

One Person	Two People	Family
\$1,000	See Family	\$2,000

Out-of-Network:

\$2,000	See Family	\$4,000
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One Person	Two People	Family
\$2,800	See Family	\$5,600

Deductible is combined for In-Network and Out-of-Network services.

In-Network:

One Person	Two People	Family
\$4,000	See Family	\$8,000

Out-of-Network:

\$7,000	See Family	\$14,000
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In-Network:

One Person	Two People	Family
\$5,000	See Family	\$10,000

Out-of-Network:

\$9,000	See Family	\$18,000
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One Person	Two People	Family
\$5,000	See Family	\$10,000

\$10,000	See Family	\$20,000
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Yes. Once you meet the out-of-network deductible, you pay 30% coinsurance for medical and behavioral health services. Copayments do not apply to medical and behavioral health services. Copayments and coinsurance for routine vision, outpatient prescription drugs and dental services will still apply.

Yes. Once you meet the out-of-network deductible, you pay 30% coinsurance for medical and behavioral health services. Copayments do not apply to medical and behavioral health services. Copayments and coinsurance for routine vision, outpatient prescription drugs and dental services will still apply.

Yes. Once you meet the combined deductible you pay 40% coinsurance for medical, behavioral health and prescription drug services from Out-of-Network providers.

Included

Included

Included

Unlimited

Unlimited

Unlimited

In-Network You Pay

20% coinsurance after deductible

Copayment/coinsurance determined by service received

20% coinsurance after deductible
\$0

\$25 copayment

\$0

\$0

In-Network You Pay

20% coinsurance after deductible

Copayment/coinsurance determined by service received

20% coinsurance after deductible
\$0

\$25 copayment

\$0

\$0

In-Network You Pay

20% coinsurance after deductible

20% coinsurance after deductible

20% coinsurance after deductible
20% coinsurance after deductible

20% coinsurance after deductible

\$0

\$0

One Person	Two People	Family
\$25	\$50	\$75

\$1,500

\$0

20% coinsurance after dental deductible

50% coinsurance after dental deductible

50% coinsurance, no dental deductible,

with \$1,500 lifetime maximum

One Person	Two People	Family
\$25	\$50	\$75

\$1,500

\$0

20% coinsurance after dental deductible

50% coinsurance after dental deductible

50% coinsurance, no dental deductible,

with \$1,500 lifetime maximum

One Person	Two People	Family
\$25	\$50	\$75

\$1,500

\$0

20% coinsurance after dental deductible

50% coinsurance after dental deductible

50% coinsurance, no dental deductible,

with \$1,500 lifetime maximum



April 22, 2015

To: Mayor & Council Members
From: R. Randy Martin
Subject: Electric Utility Fuel Adjustment Rate Charge

I am pleased to report that Dominion Virginia Power has finalized the seasonal Fuel Adjustment Charge component of the Virginia Municipal Electric Association (VMEA) wholesale power cost. This is the charge that the city automatically passes through to electric utility customers on monthly bills. Effective with bills for April usage, the 2015 fuel adjustment reflects a 42% reduction per KWH from the 2014 rate of \$0.01604 to \$0.00927. This rate change equates to a monthly savings to the customers of \$6.77 for 1000 KWH as detailed in the attached email from Power & Light Director Mark Bly. The email also shows the wide range of changes in historical fuel charges since 2006.

Enclosure

Robert Randy Martin

From: Mark Bly
Sent: Tuesday, April 21, 2015 3:02 PM
To: Robert Randy Martin
Subject: Fuel Adjustment Charge change

Mr. Martin, below is the notice received from Dominion Virginia Power regarding the change to the Fuel Adjustment Charge component of the VMEA wholesale power cost that we receive once a year in April. You will notice however that in 2009 we received two adjustments.

I have also included a chart that shows the historical Fuel Adjustment Charge since 2006 for comparison purposes.

As you can see the new FAC charge is \$0.00927/kWh which is better than the estimate Dominion provided us of \$0.01197. This of course is a reduction to the existing rate of \$0.01604/kWh.

To put that in perspective the monthly FAC for March usage of 1000 kWh was \$16.04. The same usage for April will be \$9.27.

For usage of 1300 kWh in March the FAC was \$20.85 and the same usage for April will be \$12.05.

Please let me know of any questions.

**NOTICE
FUEL FACTOR CHANGE
VIRGINIA MUNICIPAL ELECTRIC ASSOCIATION NO. 1**

In accordance with Article 4 of the Amended and Restarted Agreement for the Purchase of Electricity for Resale between Virginia Electric and Power Company and Virginia Municipal Electric Association No. 1, a new fuel adjustment factor of \$0.00927 per kilowatt hour became effective with the billing month of April 2015 and has been used to calculate the enclosed bill. The fuel factor replaces the previous factor of \$0.01604 and will remain in effect, subject to semi-annual review through March 2016.

DOMINION VIRGINIA POWER

HISTORICAL FUEL CHARGES

YEAR	PER kWh	CHANGE
2006	\$ 0.01330	
2007	\$ 0.01216	-9%
2008	\$ 0.02279	87%
2009 April	\$ 0.01096	-52%
2009 November	\$ 0.00556	-49%
2010	\$ 0.01241	123%
2011	\$ 0.01723	39%
2012	\$ 0.00931	-46%
2013	\$ 0.01177	26%
2014	\$ 0.01604	36%
2015	\$ 0.00927	-42%

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS