



Executive Committee Meeting
Virginia Beach Convention Center, Board Room
1000 19th St., Virginia Beach, VA 23451
October 9, 2016, 1:00 p.m.

- I. Call to Order [Tab 1]
- II. Presentation by Bob Lauterberg, Managing Director, VML/VACo Finance

Action Agenda

- III. Additions to Agenda
- IV. Consideration of Minutes from August 13, 2016 [Tab 2]
- V. Approval of Financial Report as of September 30, 2016 [Tab 3]
- VI. Approval of Financial Statement as of June 30, 2016 [Tab 4]

Information/Discussion Agenda

- VII. Executive Director's Report [Tab 5]
- VIII. Staff Report on Interim Legislative Activities [Tab 6]
- IX. Update on Redistricting [Tab 7]
- X. Staff Report on Amicus Briefs [Tab 8]
- XI. Go Green Update [Tab 9]
- XII. Key Events of the 2016 Annual Conference [Tab 10]
- XIII. 2016 Regional Suppers [Tab 11]
- XIV. 2017 Finance Forum [Tab 12]
- XV. 2017 VML Day [Tab 13]
- XVI. Future Meetings:
 - a. October 9 Virginia Beach
 - b. January 25, 2017 Richmond
- XVII. Items Proposed for Discussion at Future Meetings
- XVIII. Other Matters
- XIX. Adjournment

2015 - 2016
VML Executive Committee

Full Name	Position	Title	Locality	Current Term Expires	Email	Spouse
Ron Rordam	President	Mayor	Town of Blacksburg	2016	rrordam@blacksburg.gov	Mrs. Mary Rordam
Robert K. Coiner	President-Elect	Mayor	Town of Gordonsville	2016	bobcoiner@msn.com	Mrs. Jackie Coiner
Katie Sheldon Hammler	Vice President	Council Member	Town of Leesburg	2016	khammler@leesburgva.gov	Mr. Rich Hammler
David P. Helms	Past President	Mayor	Town of Marion	2015	dhelms@marionva.org	Mrs. Sue Helms
Christina Luman-Bailey	At-Large	Vice Mayor	City of Hopewell	2018	clumanbailey@gmail.com	
Patricia P. Woodbury	At-Large	Council Member	City of Newport News	2018	pwoodbury@nngov.com	Mr. Gerard Woodbury
Mimi Milner Elrod	At-Large	Mayor	City of Lexington	2017	mimicobb11@gmail.com	
Ophie Kier	At-Large	Vice Mayor	City of Staunton	2017	kieroa@ci.staunton.va.us	Ms. Jackie Kier
Anita James Price	At-Large	Vice Mayor	City of Roanoke	2016	anitajamesprice@gmail.com	Mr. Charles A Price, Jr.
Gene Teague	At-Large	Council Member	City of Martinsville	2016	Gene_Teague@vfc.com	Ms. Sandi Teague
Thomas Smigiel	Urban Section	Council Member	City of Norfolk	2016	thomas.smigiel@norfolk.gov	Ms. Shannon Walsh
Willie Green	City Section	Vice Mayor	City of Galax	2016	wgreene@galaxva.com	Ms. Sue Greene
Timothy Darr	Town Section	Mayor	Town of Front Royal	2016	darr@frontroyalva.com	Ms. Tammy Darr



Executive Committee Meeting

The Homestead

7696 Sam Snead Highway, Hot Springs, VA 24445

August 13, 2016

In attendance: Bob Coiner, Mimi Elrod, Katie Sheldon Hammler, David Helms, Christina Luman-Bailey, Anita James Price, Ron Rordam, Thomas Smigiel. ***Staff:*** Michelle Gowdy, Kim Winn

Call to Order. President Rordam called the meeting to order at 9:09 a.m.

Minutes from May 7, 2016. Helms moved and Luman-Bailey seconded a motion to approve the minutes as presented. Motion approved without objection.

Financial Report as of June 30, 2016. Coiner moved and Helms seconded a motion to approve the financial report as presented. Motion approved without objection.

Executive Committee Vacancies. [Christina Luman-Bailey excused herself from this portion of the meeting.] The Executive Committee reviewed a proposal by President Rordam and President Elect Coiner to move Christina Luman-Bailey into the at-large position vacated by Ceasor Johnson (term expires in 2018); for the position vacated by Edythe Kelleher, Staunton Vice-Mayor Ophie Kier (term expires 2017); and, for the position vacated by Guy Odum, Martinsville Council Member Gene Teague (term expires 2016). It was also noted that this proposal would move Galax Vice-Mayor Willie Greene from Vice Chair to Chair of the City Section. Coiner moved and Elrod seconded a motion to accept this proposal. Motion approved without objection.

2019 Annual Conference Host Locality. The Executive Committee reviewed proposals from Roanoke and Norfolk to host the 2019 VML Annual Conference. Rordam moved and Smigiel seconded a motion to direct staff to work with the localities to secure contracts for the 2019 Annual Conference in Roanoke and the 2020 Annual Conference in Norfolk. Motion approved without objection.

Executive Director's Report. Winn updated the Executive Committee on recent VML activities and future program goals.

Interim Legislative Activities. Gowdy reviewed interim legislative issues and the progress of the VML policy process.

Federal Issues. The Executive Committee reviewed the report on recent federal issues.

Federal Advisory Council. The Executive Committee was updated on the formation of the Federal Advisory Council and progress after their first meeting.

Amicus Report. Gowdy updated the Executive Committee on the status of the litigation filed challenging SB 1349 (2015).

Go Green. Luman-Bailey provided a report on the updates to the Go Green program and the 2016 competition.

2016 Annual Conference. Key events for Executive Committee during the upcoming conference were reviewed.

If I Were Mayor Essay Contest. Winn discussed the 2016 contest.

Future Meetings. The dates for future meetings were reviewed.

Other Matters. President Rordam discussed the Stairway to Success challenge that was developed to promote early childhood education.

Adjournment. There being no other business to come before the body, the meeting was adjourned at 11:14 a.m.

Respectfully Submitted,

Kimberly A. Winn
Executive Director

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Respectfully Submitted,

Kimberly A. Winn
Executive Director

Virginia Municipal League
Statement of Revenues and Expenses
For the Three Months Ending 9/30/2016

	Annual Budget	YTD Budget	YTD Actual	YTD Variance
REVENUES				
Membership Dues	\$1,187,040.00	\$1,187,040.00	\$1,163,318.00	(\$23,722.00)
Annual Conference	305,500.00	305,500.00	165,740.00	(139,760.00)
Workshops/Seminars	40,000.00	9,999.99	4,725.00	(5,274.99)
Advocacy	42,000.00	10,500.00	7,325.00	(3,175.00)
Investment Income	4,000.00	999.99	2,402.10	1,402.11
Publications	72,000.00	18,000.00	18,113.00	113.00
Insurance Programs	900,000.00	225,000.00	231,250.00	6,250.00
Sponsorships	140,000.00	35,000.01	3,078.84	(31,921.17)
Affiliated Groups	87,000.00	55,125.00	34,419.01	(20,705.99)
Miscellaneous Income	30,000.00	7,500.00	6,040.64	(1,459.36)
Gain from Disposal of Asset	2,000.00			
Total Revenues	2,809,540.00	1,854,664.99	1,636,411.59	(218,253.40)
EXPENSES				
Compensation and Benefits	1,710,000.00	427,500.00	411,310.82	(16,189.18)
Annual Conference	270,500.00	70,000.00	(20,559.45)	(90,559.45)
Workshops/Seminars	40,000.00	9,999.99	1,073.70	(8,926.29)
HR & Financial Services	20,000.00	5,000.01	5,014.38	14.37
Travel	45,000.00	11,250.00	2,385.69	(8,864.31)
Office Supplies & Postage	30,000.00	7,500.00	5,913.25	(1,586.75)
Office Maintenance & Equipment	20,000.00	5,000.01	7,003.69	2,003.68
Office Rent	3,000.00	0.00	1,500.00	1,500.00
Building Repairs & Utilities	40,000.00	9,999.99	17,043.00	7,043.01
Computer Services	43,000.00	10,749.99	1,406.88	(9,343.11)
Dues & Subscriptions	23,000.00	5,750.01	3,198.16	(2,551.85)
National League of Cities Dues	26,000.00	26,000.00	22,048.00	(3,952.00)
Insurance Expense	25,000.00	25,000.00	14,391.00	(10,609.00)
Professional Fees	50,000.00	12,500.01	17,750.00	5,249.99
Advocacy	150,000.00	37,500.00	21,353.85	(16,146.15)
Publications	76,000.00	18,999.99	10,786.80	(8,213.19)
Executive Committee	37,000.00	9,249.99	270.89	(8,979.10)
Depreciation Expense	35,000.00			
Miscellaneous	27,000.00	6,750.00	2,142.69	(4,607.31)
Special Projects	40,000.00	9,999.99		(9,999.99)
Real Estate Tax	7,000.00			
Accumulated Leave Earned	50,000.00	0.00	1,098.00	1,098.00
Total Expenses	2,767,500.00	708,749.98	525,131.35	(183,618.63)
Net Revenue	42,040.00	1,145,915.01	1,111,280.24	(34,634.77)
Checking Account			462,700.37	462,700.37

Virginia Municipal League
Statement of Revenues and Expenses
For the Three Months Ending 9/30/2016

Invested Reserves

3,245,262.52 3,245,262.52

Virginia Municipal League

Financial Statements

June 30, 2016 and 2015



4401 Dominion Boulevard
Glen Allen, Virginia 23060
Tel: 804.747.0000
www.keitercpa.com

VIRGINIA MUNICIPAL LEAGUE

OFFICERS

Honorable Ron Rordam
President

Honorable Robert K. Coiner
President Elect

Ms. Katie Sheldon Hammler
Vice President

EXECUTIVE COMMITTEE

Dr. Ceasor Johnson

Dr. Patricia P. Woodbury

Honorable Mimi Milner Elrod

Mrs. Edythe F. Kelleher

Ms. Anita James Price

Mr. Guy Odom

Mr. Thomas R. Smigiel, Jr.

Ms. Christina Luman-Bailey

Mr. Timothy Taylor

Honorable David Helms
Immediate Past President

VIRGINIA MUNICIPAL LEAGUE

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Executive Committee
Virginia Municipal League
Richmond, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Virginia Municipal League (the "League"), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the League's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the League's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virginia Municipal League as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The 2016 supplemental schedule detailed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 2016 information, except for that portion marked "budget" which is unaudited and upon which we express no opinion or any other form of assurance, has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink, appearing to read "Keita", with a stylized flourish at the end.

September 30, 2016
Glen Allen, Virginia

VIRGINIA MUNICIPAL LEAGUE

Statements of Financial Position
June 30, 2016 and 2015

	<u>Assets</u>	<u>2016</u>	<u>2015</u>
Cash		\$ 105,472	\$ 84,325
Pooled investments		3,649,028	3,594,391
Investments (Note 3)		3,671,471	4,445,583
Accounts receivable		926	4,325
Receivable from affiliated organizations		8,661	20,791
Prepaid expenses		<u>35,620</u>	<u>14,589</u>
		<u>7,471,178</u>	<u>8,164,004</u>
Property and equipment:			
Land		144,800	144,800
Buildings and improvements		398,594	446,187
Furniture, equipment and automobile		<u>346,636</u>	<u>335,299</u>
		890,030	926,286
Less accumulated depreciation		<u>(508,809)</u>	<u>(586,579)</u>
		<u>381,221</u>	<u>339,707</u>
Total assets		<u>\$ 7,852,399</u>	<u>\$ 8,503,711</u>
	<u>Liabilities and Net Assets</u>		
Liabilities:			
Accounts payable		\$ 77,153	\$ 54,086
Dues and fees collected in advance		204,152	153,121
Accrued compensated leave		157,631	218,105
Liability under capital leases		28,212	35,763
Pooled investments held for affiliates		907,100	965,000
Deferred obligations to employees (Note 3)		<u>3,671,471</u>	<u>4,445,583</u>
Total liabilities		5,045,719	5,871,658
Net assets, unrestricted		<u>2,806,680</u>	<u>2,632,053</u>
Total liabilities and net assets		<u>\$ 7,852,399</u>	<u>\$ 8,503,711</u>

See notes to financial statements.

VIRGINIA MUNICIPAL LEAGUE

Statements of Activities Years Ended June 30, 2016 and 2015

	2016	2015
Revenue:		
Membership dues	\$ 1,152,003	\$ 1,153,232
Annual conference	301,239	278,005
Workshops and seminars	24,720	40,053
Advocacy	25,075	26,095
Investment income	8,740	3,208
Publications	52,710	72,262
Insurance program	900,121	896,702
Sponsorships	132,308	141,915
Affiliated groups	52,569	51,362
Other administration fees	38,016	35,978
Miscellaneous	31,608	29,124
Gain (loss) on disposal of property and equipment	(1,617)	2,866
Income (loss) from deferred compensation investments (Note 3)	(17,020)	153,285
Total revenue	2,700,472	2,884,087
Expenses:		
Compensation and benefits	1,592,794	1,606,174
Annual conference	266,193	195,568
Workshops & Seminars	31,722	45,598
Human resources & financial services	18,189	15,566
Travel	34,382	35,510
Office supplies and postage	28,962	29,533
Office maintenance and equipment	27,835	11,186
Office rent	3,000	3,000
Building repairs and utilities	37,470	41,185
Computer services	46,306	35,695
Dues and subscriptions	23,313	18,310
National League of Cities dues	25,944	22,048
Insurance expense	24,732	10,884
Professional fees	50,662	42,335
Advocacy	117,091	106,994
Publications	75,458	75,032
Executive committee	38,087	35,458
Depreciation expense	49,383	37,258
Subtotal, forward	\$ 2,491,523	\$ 2,367,334

See notes to financial statements.

VIRGINIA MUNICIPAL LEAGUE

Statements of Activities, Continued
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Subtotal, forwarded	\$ 2,491,523	\$ 2,367,334
Miscellaneous	37,413	26,117
Special projects	26,984	26,400
Real estate tax	6,975	6,975
Accumulated leave earned	(20,030)	43,038
Deferred compensation (Note 3)	<u>(17,020)</u>	<u>153,285</u>
Total expenses	<u>2,525,845</u>	<u>2,623,149</u>
Change in net assets	174,627	260,938
Net assets:		
Beginning of year	<u>2,632,053</u>	<u>2,371,115</u>
End of year	<u>\$ 2,806,680</u>	<u>\$ 2,632,053</u>

See notes to financial statements.

VIRGINIA MUNICIPAL LEAGUE

Statements of Cash Flows Years Ended June 30, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Change in net assets	\$ 174,627	\$ 260,938
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	49,383	37,258
Loss (gain) from disposal of property and equipment	1,617	(2,866)
Changes in assets and liabilities:		
Accounts receivable	3,399	8,367
Receivable from affiliated organizations	12,130	(10,395)
Prepaid expenses	(21,031)	17,866
Accounts payable	23,067	2,571
Dues and fees collected in advance	51,031	(72,010)
Accrued compensated leave	(60,474)	5,608
Net cash provided by operating activities	233,749	247,337
Cash flows from investing activities		
Pooled investment activity, net	(112,537)	(104,385)
Purchase of property and equipment	(92,514)	(72,501)
Net cash used in investing activities	(205,051)	(176,886)
Cash flows from financing activities		
Payments on liability under capital leases	(7,551)	(13,423)
Net change in cash	21,147	57,028
Cash, beginning of year	84,325	27,297
Cash, end of year	\$ 105,472	\$ 84,325
Supplemental disclosures of cash flow information:		
Cash payments for interest	\$ 1,635	\$ 1,721
Schedule of noncash investing and financing activities:		
Acquisition of property and equipment through capital lease	\$ -	\$ 40,000
Change in investments and corresponding change in deferred obligations to employees	\$ 774,112	\$ 351,902

See notes to financial statements.

VIRGINIA MUNICIPAL LEAGUE

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Organization: Virginia Municipal League is an unincorporated association organized under the laws of the Commonwealth of Virginia for the purpose of promoting the interests of local governments in the Commonwealth of Virginia.

Basis of Accounting: The statements of financial position report accounts for total assets, liabilities, and net assets, and the statements of activities discloses any changes in net assets and changes in the classification of net assets, if applicable. The statements of financial position are required to show three classes of net assets (permanently restricted, temporarily restricted and unrestricted), if applicable. The League did not have any permanently or temporarily restricted net assets at June 30, 2016 and 2015.

Cash: For purposes of reporting cash flows, the League considers all highly liquid debt instruments purchased with a maturity of three months or less, which have not been designated as investments, to be cash equivalents. At times such accounts may be in excess of the FDIC insurance limit of \$250,000. At June 30, 2016 and 2015, \$13,097 and \$18,951, respectively, included in cash is restricted for flexible spending accounts and is not available for operations.

Membership Dues: Membership dues are recognized as revenue over the membership period. Any dues received in advance of the membership period are recorded as deferred revenue.

Insurance Administration: Administration fees received under the insurance contract is based on a percentage of premium totals, and the fees are recognized over the respective premium period. Amounts reimbursed under the contract are recognized as the expense is incurred.

Investments: The League invests in the Commonwealth of Virginia Local Government Investment Pool for itself and its affiliates (see Note 2). These investments are carried at the net asset value, on an amortized cost basis. Other investments held in connection with the League's deferred compensation agreements consist of mutual funds and investment contracts as described in Note 3.

The League invests in various investment securities, which are exposed to various risks, such as interest rate, credit, and overall volatility risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would affect the investment balances and the amount reported in the financial statements.

VIRGINIA MUNICIPAL LEAGUE

Notes to Financial Statements, Continued

1. Summary of Significant Accounting Policies, Continued:

Property and Equipment: Property and equipment is stated at cost at the date of acquisition, less accumulated depreciation. Major repairs and betterments are capitalized and normal maintenance and repairs are charged to expense as incurred. Depreciation is recorded principally by straight-line method over the estimated lives of the assets, which range from 5 years for an automobile, 3 to 10 years for furniture and equipment, and 18 to 32 years for buildings and improvements.

Income Taxes: The Virginia Municipal League is exempt from income taxes under Internal Revenue Code Section 501(c)(4).

Income Tax Uncertainties: The League follows Financial Accounting Standards Board ("FASB") guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the League's informational returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. Management has evaluated the League's tax positions and concluded that the League has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The League is not currently under audit by any tax jurisdiction.

Compensated Leave: Previously, employees could accrue unlimited earned leave during the year but only carry over up to 90 days at year-end. During 2016, management revised its policy for accruing annual leave. As of January 1, 2016, employees cannot accrue more than 90 days earned leave at any time during the year; and starting July 1, 2016, employees can carry over up to a maximum of 60 days of earned leave into the next fiscal year.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Event: Management has evaluated subsequent events through September 30, 2016, the date the financial statement was available to be issued, and has determined there are no subsequent events, to be reported in the accompanying financial statements.

VIRGINIA MUNICIPAL LEAGUE

Notes to Financial Statements, Continued

2. **Affiliated Organizations and Transactions:**

The accompanying financial statements represent the general operations of the League and do not include the operations and financial position of the following organizations affiliated through common management:

Virginia Building and Code Officials Association
 Virginia Local Government Management Association
 Municipal Electric Power Association of Virginia
 Virginia Electric Purchasing Governmental Association
 Southern Municipal Conference, Inc.

The League administers pooled investments in which affiliated organizations participate. Balances as of June 30 are as follows:

	2016	2015
Affiliated organizations	\$ 907,100	\$ 965,000
League	2,741,928	2,629,391
Total pooled investments	\$ 3,649,028	\$ 3,594,391

The League collected revenue from affiliates for clerical duties of \$90,585 in 2016 and \$60,997 in 2015. Amounts receivable from affiliated organizations arising from these administrative services are \$8,661 at June 30, 2016 and \$20,791 at June 30, 2015.

3. **Investments and Deferred Obligation to Employees:**

The League has deferred compensation agreements with certain employees adopted under Section 457 of the Internal Revenue Code, whereby participants elect to defer part of their compensation. These agreements are funded by purchase of investment contracts (mutual funds, guaranteed investment contracts, and cash equivalents) through the ICMA Retirement Corporation at no cost to the League. The total amount of deferred compensation, plus any earnings (less any losses), attributable to the annuity contracts is carried as a liability of the League, as the agreements call for full payment to the employees upon their termination or retirement.

A summary of these investments is as follows June 30:

	2016	2015
Invested cash	\$ 8,570	\$ 440
Investment contracts	891,434	934,470
Mutual funds	2,771,467	3,510,673
	\$ 3,671,471	\$ 4,445,583

VIRGINIA MUNICIPAL LEAGUE

Notes to Financial Statements, Continued

4. Fair Value Measurements:

The League follows FASB guidance with respect to fair value measurements. This guidance provides a framework for measuring fair value under generally accepted accounting principles, for all financial assets and liabilities measured at fair value on a recurring basis.

The guidance establishes a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification is based on the lowest level that is significant to the fair value measurement of the asset or liability. Classification of assets and liabilities within the hierarchy considers the market in which the assets or liabilities are traded and the reliability and transparency of the assumptions used to determine fair value. The hierarchy requires the use of observable market data when available. The levels of the hierarchy are defined as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the League has the ability to access.

Level 2 - Quoted prices for similar instruments in active and inactive markets; and model driven valuations with significant inputs and drivers derived from observable active markets.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is description of the valuation methodologies used for assets measured at fair value:

Pooled Investments: The Commonwealth of Virginia Local Government Investment Pool is valued at net asset value ("NAV"), which is calculated by adding the amortized cost value of all portfolio securities and other assets, deducting actual and accrued liabilities, and dividing by the number of units (shares) outstanding.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the League are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the League are deemed to be actively traded.

Investment contracts: Valued at cost plus accrued interest, known as contract value. Contract value approximates fair value.

VIRGINIA MUNICIPAL LEAGUE

Notes to Financial Statements, Continued

4. Fair Value Measurements, Continued:

Assets and liabilities measured at fair value on a recurring basis at June 30, 2016 include the following:

	Level 1	Level 2	Level 3	Total
Assets:				
Virginia Municipal League:				
Local government investment pool	\$ -	\$ 3,649,028	\$ -	\$ 3,649,028
Section 457 Plan:				
Cash	8,570	-	-	8,570
Mutual funds:				
U.S. stock funds	1,373,642	-	-	1,373,642
Balanced/asset allocation funds	929,988	-	-	929,988
Bond funds	184,866	-	-	184,866
International/global stock funds	232,732	-	-	232,732
Real estate funds	50,239	-	-	50,239
Investment contracts	-	-	891,434	891,434
Total Section 457 Plan	2,780,037	-	891,434	3,671,471
Total assets	\$ 2,780,037	\$ 3,649,028	\$ 891,434	\$ 7,320,499
Liabilities:				
Deferred obligations to employees	\$ 2,780,037	\$ -	\$ 891,434	\$ 3,671,471

VIRGINIA MUNICIPAL LEAGUE

Notes to Financial Statements, Continued

4. Fair Value Measurements, Continued:

Assets and liabilities measured at fair value on a recurring basis at June 30, 2015 include the following:

	Level 1	Level 2	Level 3	Total
Assets:				
Virginia Municipal League:				
Local government investment pool	\$ -	\$ 3,594,391	\$ -	\$ 3,594,391
Section 457 Plan:				
Cash	440	-	-	440
Mutual funds:				
U.S. stock funds	1,987,294	-	-	1,987,294
Balanced/asset allocation funds	1,104,944	-	-	1,104,944
Bond funds	150,898	-	-	150,898
International/global stock funds	267,537	-	-	267,537
Investment contracts	-	-	934,470	934,470
Total Section 457 Plan	3,511,113	-	934,470	4,445,583
Total assets	\$ 3,511,113	\$ 3,594,391	\$ 934,470	\$ 8,039,974
Liabilities:				
Deferred obligations to employees	\$ 3,511,113	\$ -	\$ 934,470	\$ 4,445,583

Certain additional information about the nature and risk of the League's investment options are available upon request from management.

VIRGINIA MUNICIPAL LEAGUE

Notes to Financial Statements, Continued

4. Fair Value Measurements, Continued:

The following table provides quantitative information about significant unobservable inputs used in valuing the Level 3 assets and liabilities:

<u>Investment</u>	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range Significant Input Values</u>
June 30, 2016:				
Investment contracts and related deferred obligations to employees (457 Plan)	\$ 891,434	Replacement Cost	Issuer Fee Quote	25 - 33 basis points
June 30, 2015:				
Investment contracts and related deferred obligations to employees (457 Plan)	\$ 934,470	Replacement Cost	Issuer Fee Quote	25 - 33 basis points

The table below sets forth a summary of changes in the fair value of the League's Level 3 assets and liabilities for the years ending June 30, 2016 and 2015:

Balance at June 30, 2014	\$ 975,448
Investment income	13,935
Purchases	5,231
Sales	<u>(60,144)</u>
Balance at June 30, 2015	934,470
Investment income	12,961
Purchases	23,259
Sales	<u>(79,256)</u>
Balance at June 30, 2016	<u>\$ 891,434</u>

The following table summarizes investments measured at fair value based on net asset value per share as of June 30, 2016 and 2015, respectively:

<u>Investment</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
June 30, 2016:				
Local government investment pool	\$ 3,649,028	N/A	Daily	N/A
June 30, 2015:				
Local government investment pool	\$ 3,594,391	N/A	Daily	N/A

VIRGINIA MUNICIPAL LEAGUE

Notes to Financial Statements, Continued

5. Capital Leases:

The League has capital leases for equipment with a cost basis of \$40,000 and accumulated depreciation of \$12,000 at June 30, 2016 and \$4,000 at June 30, 2015. The assets and liabilities under the capital lease were recorded at the lower of the present value of minimum lease payments or the fair value of the asset. The assets were amortized over the lower of their lease terms or their estimated useful lives.

Future minimum payments under capital leases are as follows:

Year Ending June 30,	Amount
2017	9,186
2018	9,186
2019	9,186
2020	3,827
Total minimum payments	31,385
Less: amount representing interest	(3,173)
	<u>\$ 28,212</u>

6. Commitments:

The League has an operating lease for office space that expired on December 31, 2015 and is continuing the lease on a month to month starting January 1, 2016. The League shares the office space with other entities who contribute their pro-rata share of rent. Net rent expense was \$4,942 for 2016 and \$2,927 for 2015.

The League has entered into a Partnership Agreement for certain insurance related services, whereby the League will be paid a fee of 1.75% of annual premiums received by the insurance company. The League has also contracted for its human resources and accounting services with the same insurance company up to a maximum of \$18,000 annually. Revenue recorded for these services was \$900,121 for 2016 and \$896,702 for 2015.

As part of its agreement, the League and insurance company agree to indemnify each other harmless from any and all loss, cost or expenses including reasonable attorney's fees, incurred by such other in the execution or the performance of the contracted obligation, of any criminal act or negligent act or omission of such indemnifying party or their officers, agents or employees.

VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

Notes to Financial Statements, Continued

7. Defined Contribution Retirement Plan:

The League has a defined contribution retirement plan covering all its employees. The League's contributions which are 12.5% of each covered employee's compensation, totaled \$141,339 in 2016 and \$143,240 in 2015.

8. Guarantees:

FASB guidance requires the disclosures of certain guarantees and clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of certain types of guarantee obligations. See Note 6.

As permitted or required under Virginia corporation law, the League has certain obligations to indemnify its current and former officers and directors for certain events or occurrences while the officer or director is, or was serving, at the League's request in such capacities. The maximum liability under these obligations is unlimited; however, the League's insurance policies serve to limit its exposure. The League believes that the estimated fair value of these indemnification obligations is minimal.

SUPPLEMENTAL INFORMATION

VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

Comparison of Budgeted Revenue and Expenses to Actual
Year Ended June 30, 2016
With Comparative Actual Totals for 2015

	2016		Actual Over (Under) Budget	2015 Actual
	Budget (Unaudited)	Actual		
Revenue:				
Membership dues	\$ 1,140,000	\$ 1,152,003	\$ 12,003	\$ 1,153,232
Annual conference	250,000	301,239	51,239	278,005
Workshops and seminars	35,000	24,720	(10,280)	40,053
Advocay	25,000	25,075	75	26,095
Investment income	2,500	8,740	6,240	3,208
Publications	80,000	52,710	(27,290)	72,262
Insurance programs	890,000	900,121	10,121	896,702
Sponsorships	140,000	132,308	(7,692)	141,915
Affiliated groups	85,000	52,569	(32,431)	51,362
Other administration fees	-	38,016	38,016	35,978
Miscellaneous	25,000	31,608	6,608	29,124
Loss (gain) on sale of property and equipment	-	(1,617)	(1,617)	2,866
Income (loss) from deferred compensation investments	-	(17,020)	(17,020)	153,285
Total revenue	<u>2,672,500</u>	<u>2,700,472</u>	<u>27,972</u>	<u>2,884,087</u>
Expenses:				
Compensation and benefits	1,680,000	1,592,794	(87,206)	1,606,174
Annual conference	200,000	266,193	66,193	195,568
Workshops and seminars	38,000	31,722	(6,278)	45,598
Human resources & financial services	20,000	18,189	(1,811)	15,566
Travel	50,000	34,382	(15,618)	35,510
Office supplies and postage	30,000	28,962	(1,038)	29,533
Office maintenance & equipment	30,000	27,835	(2,165)	11,186
Office rent	5,000	3,000	(2,000)	3,000
Building repairs and utilities	35,000	37,470	2,470	41,185
Computer services	45,000	46,306	1,306	35,695
Dues and subscriptions	20,000	23,313	3,313	18,310
National League of Cities dues	32,050	25,944	(6,106)	22,048
Subtotal, forward	<u>\$ 2,185,050</u>	<u>\$ 2,136,110</u>	<u>\$ (48,940)</u>	<u>\$ 2,059,373</u>

See report of independent accountants.

VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

Comparison of Budgeted Revenue and Expenses to Actual, Continued
 Year Ended June 30, 2016
 With Comparative Actual Totals for 2015

	2016		Actual Over (Under) Budget	2015 Actual
	Budget (Unaudited)	Actual		
Subtotal, forwarded	\$ 2,185,050	\$ 2,136,110	\$ (48,940)	\$ 2,059,373
Insurance expense	18,000	24,732	6,732	10,884
Professional fees	46,000	50,662	4,662	42,335
Advocacy	115,000	117,091	2,091	106,994
Publications	75,000	75,458	458	75,032
Executive committee	40,000	38,087	(1,913)	35,458
Depreciation expense	33,000	49,383	16,383	37,258
Miscellaneous	27,000	37,413	10,413	26,117
Special Projects	40,000	26,984	(13,016)	26,400
Real estate tax	7,000	6,975	(25)	6,975
Accumulated leave earned	55,000	(20,030)	(75,030)	43,038
Deferred compensation	-	(17,020)	(17,020)	153,285
Total expenses	<u>2,641,050</u>	<u>2,525,845</u>	<u>(115,205)</u>	<u>2,623,149</u>
Change in net assets	<u>\$ 31,450</u>	<u>\$ 174,627</u>	<u>\$ 143,177</u>	<u>\$ 260,938</u>
Transfer of unrestricted net assets for budgetary purposes	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
Revenue over expenses	<u>\$ 31,450</u>	<u>\$ 174,627</u>	<u>\$ 143,177</u>	<u>\$ 300,938</u>

The basis of presentation above presents the actual changes in net assets by revenue and expense line item to the above budget. The line item, "transfer of unrestricted net assets for budgetary purposes", represents board approved expenses incurred during the current year that were not contemplated in the budget; and therefore, management has presented these amounts as an adjustment to change in net assets to show actual revenue over expenses per the approved budget.

See report of independent accountants.



Virginia Municipal League

Audit Results & Communications
Report to the Executive Committee

September 30, 2016



4401 Dominion Boulevard
Glen Allen, Virginia 23060
Tel: 804.747.0000
www.keitercpa.com



The Executive Committee
Virginia Municipal League and Affiliate

We are pleased to present the results of our audits of the June 30, 2016 financial statements of Virginia Municipal League (the "Organization").

This report to the Executive Committee summarizes our audit, the scope of our engagement and the reports issued. The document also contains the Executive Committee communications required by our professional standards, as well as significant current regulatory developments that could affect the Organization.

The audit is designed to express an opinion on the financial statements. We considered the Organization's current and emerging business needs, along with an assessment of risks that could materially affect the financial statements and aligned our audit procedures accordingly. We conducted the audit with the objectivity and independence that you, the entire Executive Committee, and other users of the Organization's financial statements expect. We received the full support and assistance of the Organization's personnel.

This report is intended solely for the information and use of the Executive Committee and management, and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to meet with you to discuss the audit and the matters in this report.

September 30, 2016
Glen Allen, Virginia

Virginia Municipal League

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Audit Results and Communications

SUMMARY OF WHAT WE AGREED TO DO

As discussed with management during our planning process, our audit plan was designed based on our assessment of risk for the Organization and our assessment of external factors that impacted the Organization's operating environment. Specifically, we designed our audit to express an opinion on the financial statements. In addition, included in this report at Appendix A is a letter that documents our consideration of the Organization's internal control over financial reporting.

We also provide the following services to the Organization:

- Prepare the income tax return - Form 990;
- Assist in the preparation of the financial statements, including proposing adjusting entries;
- Assist management with the computation of depreciation for financial reporting

Required Communications

Professional standards require the auditor to communicate certain matters to those charged with governance that may assist the Executive Committee in overseeing management's financial reporting and disclosure process. Below we summarize these required communications as they apply to Virginia Municipal League.

AUDITOR'S RESPONSIBILITIES UNDER GENERALLY ACCEPTED AUDITING STANDARDS (GAAS)

The financial statements are the responsibility of management. Our audit was designed in accordance with auditing standards generally accepted in the United States to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. As a part of our audit, we obtained an understanding of internal control sufficient to plan our audit and to determine the nature, timing, and extent of testing performed.

- We issued an unmodified opinion on the Organization's financial statements for the year ended June 30, 2016.

CRITICAL ACCOUNTING POLICIES AND PRACTICES

We report all critical accounting policies and practices used by the Organization in preparing the financial statements and our assessment of the disclosure of such policies.

- The financial statements of the Organization have disclosed its accounting policies and practices. These critical accounting policies and practices include:
 - Investments
 - Revenue Recognition

The disclosures made by the Organization relative to its critical accounting policies and practices are, in our opinion, appropriate.

OUR JUDGMENTS ABOUT THE QUALITY OF THE ORGANIZATION'S ACCOUNTING PRINCIPLES

We discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in the Organization's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and related disclosures.

- Based on our audit, we believe the accounting principles used by the Organization are consistent with the previous year and the judgments made by management were reasonable. Disclosures are considered appropriate and consistent with the industry.

Required Communications, Continued

SENSITIVE ACCOUNTING ESTIMATES

The preparation of the financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the financial statements and the possibility that future events may differ significantly from management's expectations.

We determine that the Executive Committee is informed about management's process for formulating particularly sensitive accounting estimates and about the basis for our conclusions regarding the reasonableness of those estimates.

➤ Significant management estimates for 2016 consist of:

- Depreciation

We believe the accounting estimates made by management are reasonable and consistent with industry standards.

THE ADOPTION OF OR A CHANGE IN AN ACCOUNTING PRINCIPLE

We determine that the Executive Committee is informed about the initial selection of, and any changes in, significant accounting principles or their application when the accounting principle or its application, including alternative methods of applying the accounting principle, has a material effect on the financial statements.

➤ There were no new accounting principles or changes in accounting principles during 2016.

ALL MATERIAL ALTERNATIVE ACCOUNTING TREATMENTS DISCUSSED WITH MANAGEMENT

We report to the Executive Committee all alternative accounting treatments within generally accepted accounting principles for policies and practices related to material items (including recognition, measurement, presentation and disclosure alternatives) that have been discussed with management during the current audit period including:

- (i) Ramifications of the use of such alternative disclosures and treatments, including the reasons why the alternative was selected and, if management did not select our preferred alternative, the reasons why it was not selected.
- (ii) The treatment preferred by us.

➤ During 2016, we did not discuss any material alternative accounting treatments with management.

Required Communications, Continued

METHODS OF ACCOUNTING FOR SIGNIFICANT UNUSUAL TRANSACTIONS AND FOR CONTROVERSIAL OR EMERGING AREAS

We determine that the Executive Committee is informed about the methods used to account for significant unusual transactions and the effects of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

- We are not aware of any significant unusual transactions recorded by the Organization or any significant accounting policies used by the Organization related to controversial or emerging areas for which there is a lack of authoritative guidance.

SIGNIFICANT AUDIT ADJUSTMENTS

We provide the Executive Committee with information about adjustments arising from the audit (whether recorded or not) that could in our judgment either individually or in the aggregate have a significant effect on the Organization's financial statements.

- There were no significant audit adjustments related to the 2016 audit.

UNADJUSTED AUDIT DIFFERENCES CONSIDERED BY MANAGEMENT TO BE IMMATERIAL

We inform the Executive Committee about unadjusted audit differences accumulated by us (i.e., adjustments either identified by us or brought to our attention by management) during the current audit and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole.

- There were no unadjusted audit differences.

FRAUD AND ILLEGAL ACTS

We report to the Executive Committee fraud and illegal acts involving senior management and fraud and illegal acts (whether caused by senior management or other employees) that cause a material misstatement of the financial statements.

- We are not aware of any fraud or illegal acts.

DEFICIENCIES IN INTERNAL CONTROL

We are required to communicate all material weaknesses and significant deficiencies in internal control over financial reporting, which may have been identified during the course of our audit.

- See Appendix "A" for the communication regarding internal control.

Required Communications, Continued

DISAGREEMENTS WITH MANAGEMENT

- > None

SERIOUS DIFFICULTIES ENCOUNTERED IN DEALING WITH MANAGEMENT WHEN PERFORMING THE AUDIT

- > None

MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION

- > None

MANAGEMENT REPRESENTATIONS IN CONNECTION WITH THE AUDIT

- > We understand that the Organization has provided you with a copy of the management representation letter.

CONSULTATION WITH OTHER ACCOUNTANTS

- > None of which we are aware.

INDEPENDENCE

We communicate, at least annually, the following to the Executive Committee or Board of Directors of the Organization.

1. Disclose, in writing, all relationships between Keiter and our related entities and the Organization and its related entities that, in our professional judgment, may reasonably be thought to bear on independence.
2. Confirm in writing that, in our professional judgment, we are independent of the Organization.

- > We are independent of the Organization.

APPENDIX A – INTERNAL CONTROL COMMUNICATION

Executive Committee
Virginia Municipal League

In planning and performing our audit of the financial statements of Virginia Municipal League (the “Organization”) as of June 30, 2106 and for the year then ended, in accordance with auditing standards generally accepted in the United States, we considered the Organization’s internal control over financial reporting (“internal control”) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal controls, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

This report is intended solely for the information and use of the Executive Committee, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.



September 30, 2016
Glen Allen, Virginia

APPENDIX B – NEW ACCOUNTING AND REGULATORY DEVELOPMENTS

Changes to Financial Statements of Not-For-Profit Organizations

On August 18, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit-Entities*, the first of a two phase project meant to improve financial statements of not-for-profit organizations and provide more useful information to donors, grantors, creditors, and other financial statement users. The FASB reached consensus on the changes in the ASU after three years of debate, comment, and revision and this was the first significant changes to the not-for-profit reporting model in over 20 years.

The more significant changes to not-for-profit financial statements, including both presentation and disclosure, contained in the ASU are as follows:

- Replaces the existing three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) with two new classes of net assets—net assets with donor restrictions and net assets without donor restrictions.
- Changes the net asset classification of the underwater amounts of donor-restricted endowment funds, to be shown as a component of net assets with donor restrictions and requires additional disclosures for underwater endowment funds.
- Requires all not-for-profits to provide expenses by nature and function, as well as an analysis of expenses by both nature and function. This analysis can be presented on the face of the statement of activities, as a separate statement, or in the notes to the financial statements—supplemented with enhanced disclosures about the methods used to allocate costs among functions.
- Allows not-for-profits to continue to present the net amount of operating cash flows using either the direct or indirect method of reporting, while no longer requiring the presentation or disclosure of the indirect method reconciliation if using the direct method.
- Requires expansive disclosures (both quantitative and qualitative) of information about liquidity and availability of resources.

The ASU is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, however, early adoption is permitted. The amendments of this update should be applied retrospectively in the year that the update is first applied with certain exceptions.

The second phase of the FASB’s project to address financial reporting of not-for-profit organizations will address the reconsideration of requiring an operating measure on the statement of activities and the realignment of certain line items on the statement of cash flows. These items were met with greater resistance when first exposed to the not-for-profit community and; therefore, will take longer to bring to resolution.

APPENDIX B - NEW ACCOUNTING AND REGULATORY DEVELOPMENTS, CONTINUED

Leases

Although not currently significant to the Organization, in February 2016 the FASB issued new guidance over leases which requires that all leasing activity with initial terms in excess of twelve months be recognized on the balance sheet with a right of use asset and a lease liability. The standard will require entities to classify leases as either a finance or operating lease based upon the contractual terms. For finance leases, the right to use asset and lease liability will be calculated based upon the present value of the lease payments. The asset will then be amortized and the interest on the obligation will be recognized separately within the statement of activities. For operating leases, the right to use asset and lease liability will also be calculated based upon the present value of the lease payments. However, the cost of the lease will generally be allocated over the lease term on a straight-line basis and presented as a single expense on the statement of activities. The new standard will be effective for periods beginning after December 15, 2019, and will require entities to use a modified retrospective approach to the earliest period presented.

Investments

In May 2015, the FASB issued ASU 2015-07, *Disclosure for Investments in Certain Entities that Calculated Net Asset Value per Share (or Its Equivalent)*, which eliminates the requirement to categorize investments in the fair value hierarchy if their fair value is measured using net asset value (NAV) per share as a practical expedient. The amendments in this ASU are effective for fiscal years beginning after December 15, 2016. This new accounting standard will impact the footnote presentation of the Organization's investment in The Commonwealth of Virginia Local Government Investment Pool, as it is valued at net asset value. An example of what the Organization's disclosure would resemble, using current year financial data, is recreated below.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Section 457 Plan:				
Cash	\$ 8,570	\$ -	\$ -	\$ 8,570
Mutual funds:				
U.S. stock funds	1,373,642	-	-	1,373,642
Balanced/asset allocation funds	929,988	-	-	929,988
Bond funds	184,866	-	-	184,866
International/global stock funds	232,732	-	-	232,732
Real estate funds	50,239	-	-	50,239
Investment contracts	-	-	891,434	891,434
Total Section 457 Plan	<u>2,780,037</u>	<u>-</u>	<u>891,434</u>	<u>3,671,471</u>
Total assets in the fair value hierarchy	<u>\$ 2,780,037</u>	<u>\$ -</u>	<u>\$ 891,434</u>	
Virginia Municipal League:				
Local government investment pool, measured at net asset value				<u>3,649,028</u>
Total assets at fair value				<u>\$ 7,320,499</u>
Liabilities:				
Deferred obligations to employees	<u>\$ 2,780,037</u>	<u>\$ -</u>	<u>\$ 891,434</u>	<u>\$ 3,671,471</u>

We would be pleased to meet with you to discuss these new accounting and regulatory developments and the potential impact on the Organization.

2015 – 2016 Executive Director's Report

The 2015 – 2016 year saw a number of changes at VML. Each of those changes is designed to enhance our service to our members in some way. I am honored to work with an Executive Committee that consistently focuses on the good of the entire organization in setting goals. I have the utmost respect for each and every one of you and I thank you for your service to your communities and to VML.

I would especially like to highlight the efforts of our President, Mayor Ron Rordam (Blacksburg). President Rordam started the year with a clear vision and some specific goals regarding federal advocacy and early childhood education. Below you will see a summary of our work in these areas. I am proud of the work that was accomplished over the past year and I firmly believe that it has strengthened our foundation.

The following is a summary of VML's strategic goals along with specific key accomplishments of the last year.

Building Relationships

Relationships are the critical foundation upon which successful organizations must be built. VML is committed to forming and maintaining relationships in order to provide excellent service to the membership and to promote the principles of good government.

- **Federal Advisory Council.** In order to enhance our advocacy efforts in Washington, President Rordam established a Federal Advisory Council. Modeled on similar organizations in other states, this group includes a representative from each of the 11 congressional districts in the Commonwealth. The Federal Advisory Council held an organizational meeting and will continue to work on developing ways to enhance our presence at the federal level.
- **VML Day.** The new format for VML Day that was adopted in 2015 continues to provide an excellent opportunity for member localities to be briefed on key legislative issues and to meet with their delegates and senators. Plans are already underway for next year's VML Day which will be held on January 25, 2017.
- **General Assembly.** Throughout the 2016 legislative session, proposals were considered that would have undermined, and in some cases outright preempted, local authority. VML staff worked diligently with key partners in order to defeat some of these measures and to amend others to mitigate the impact. Of particular note was our success in defeating legislation that would have mandated partisan elections at the local level and/or mandated November elections for localities.
- **Finance Forum.** Each year since its inception, the participation in our Annual Finance Forum has grown. In 2016, we partnered with VACo and saw the numbers increase even more. With a focus on the overall economy as well as key budget items, local managers, finance directors, liaisons and more have found this event to be a critical part of kicking off the legislative session. The next Finance Forum will be held January 4, 2017.

Communications

Timely and substantive communication is critical to the overall mission of VML. As such we are committed to establishing both print and electronic communications to achieve the research, training, and advocacy goals of the organization.

- **Communications Plan.** Over the course of the last year, we have worked to develop a comprehensive communications plan. This plan will guide our communications efforts including *Virginia Town & City*, *League News*, and social media platforms.
- **Technology Assessment.** We recently conducted a technology assessment for our organization, including a review of our staffing, our vendors, and our overall abilities. This assessment has been completed and it will allow us to develop a 3-5 year strategy for moving forward with a variety of technological advancements in order to better serve our members.
- **Corporate Engagement.** We continue to look for new ways to engage with the business community and other entities that provide services to our members. For example, the new conference app includes listings and links for each of our Municipal Business Associates, exhibitors, and sponsors.

Engagement

Developing and maintaining an engaged membership is vital to both the short and long term success of VML. We will actively seek ways to engage our membership and to support citizen engagement in our local governments.

- **Civics and Early Childhood Education.** New this year, is the Stairway to Success program. Through a contest-type format, VML is encouraging communities to get involved in providing early childhood education services. Towns and cities alike share the responsibility for making sure that our students are ready to learn. At our Annual Conference, we will be honoring 23 communities for their outstanding service in this area. It is our hope that all communities can learn from the best practices recognized through this program.
- **Essay Contest.** VML continues to sponsor the "If I Were Mayor" essay contest with over 1,000 students submitting essays. Again, we celebrated the success of this program when the Governor presented the regional and statewide awards to the students at VML Day.
- **Regional Suppers.** We continue to offer regional meetings around the state. Each fall, we focus on legislative issues and in the spring we discuss different topics depending upon the critical issues of each region. These sessions are an invaluable way to meet face to face with our members and for us to facilitate regional dialogue.
- **Trainings.** In addition to the VML Annual Conference, we have traditionally held a conference for newly elected officials in even numbered years. This year, we renamed this training the Institute of Local Officials, and encouraged veteran local officials to join us as well. In addition, we are developing the new Virginia Leadership Academy to provide a local government curriculum that includes three levels of certification. We expect to roll out this program in early 2017.
- **Conference Changes.** Beginning with this year's event, the VML Annual Conference schedule has changed significantly. In an effort to be a bit more

efficient with everyone's time while providing the same high quality training, the programming for the event will begin on Sunday and conclude by Tuesday at noon. Attendees will also notice the new and improved conference app. Once downloaded, this app will be the only one that is needed for all VML events. This upgrade provides greater functionality, giving us the ability to provide more complete and timely information.

Finance

In order to evaluate existing programs and plan for the future of the organization, VML must maintain a strong financial position. VML is committed to maintaining and modernizing accurate and appropriate financial systems.

- **Stable Membership.** VML has a strong membership with 38 cities, 166 towns, and 8 counties as members of the association.
- **Strong Financial Position.** VML is a fiscally stable organization with adequate and appropriate reserves. Accounting processes were a part of our technology assessment and updating those will be a part of the 3-5 year plan.

Throughout our 111-year history, the Virginia Municipal League has served the localities of the Commonwealth. Our mission is strong and our commitment to excellence underlies our success. But, most importantly, VML brings together local officials from all across the state to work together to enhance the quality of life of our citizens. It is our honor to serve those who serve.

Sincerely,

Kim Winn

Executive Director

“The Virginia Municipal League is a statewide, nonprofit, nonpartisan association of city, town and county governments established in 1905 to improve and assist local governments through legislative advocacy, research, education and other services.”



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MAGAZINE

VIRGINIA TOWN & CITY

To: VML Executive Committee

From: Michelle Gowdy
General Counsel

Re: Legislative Report

Date: September 28, 2016

Attached to this document is the proposed legislative program for the 2017 General Assembly Session. In the setting of priorities, it seems that transportation is the number one priority of the members of the legislative committee.

Given the comments that VML has received, it is expected that there will be amendments and proposed additions to the legislative program which I will attempt to summarize here.

The first anticipated amendment will be to the landscape materials proposed language. This is a proposal from the City of Harrisonburg and they do not think that the words "non-retardant" should be included in the statement. Distinguishing the different types of landscape materials and other safety issues were cited for the reason.

The second anticipated amendment will most likely be from the City of Norfolk regarding highway maintenance payments and bicycle lanes. This is also in Virginia Beach's legislative agenda. There was a bill last year that would not have allowed the Commonwealth to reduce highway maintenance payments if moving-lane miles of highway were converted to bicycle-only lanes with some restrictions. This is a proposal that was not presented to either the policy committee or the legislative committee.

Next, as you are all aware there is a push to add noise ordinances to the legislative program. I am not clear as to whether or not the City of Williamsburg is willing to make a motion, but it is on their "draft legislative agenda." This is a proposal that was not presented to either the policy committee or the legislative committee.

Lastly, many localities have reviewed the lottery proposal that the Town of Crewe has been circulating. The proposal is to use Virginia prize money and disburse a portion to localities based upon sales. When speaking with the Virginia lottery, they were able to provide data from Texas who attempted a similar change and lottery sales suffered. Further, a four-fifths vote of each house of the General Assembly would be required to implement this proposal, which is a very high bar. This is a proposal that was presented to the legislative committee, which agreed to defer action for a year in order that additional information could be collected.

In an effort to update you on the summer workgroups, VML continues to participate in negotiations related to Short Term Residential Lodging and Wireless Communications. Both groups are continuing to meet and discuss the various issues; I do expect that by November there will either be proposed legislation or an impasse.

Please let me know if you need anything further. Thank you.

P.O. Box 12164
RICHMOND, VIRGINIA 23241

13 EAST FRANKLIN STREET
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FAX 804/343-3758
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Proposed 2017 VML Legislative Program (Listed by Policy Area)

The VML Legislative Committee recommends the following issues be included in VML's 2017 Legislative Program:

Community & Economic Development:

Taxing, Licensing and Regulating Internet-based Businesses & Services

If the Commonwealth should take action to regulate private enterprises employing a business model that emphasizes the use of the Internet to either provide retail or facilitate lodging or ride-sharing services, then local government interests should be acknowledged and localities should be included in the decision-making. As general principles, VML believes state and local policies should (1) encourage a level playing field for competing services in the market place; (2) seek to preserve and/or replace local and state tax revenues; (3) ensure safety, reliability and access for consumers, providers and the general public; and (4) protect local government's ability to regulate businesses whether they are traditional, electronic, Internet-based, virtual or otherwise.

State Corporation Commission jurisdiction over local utilities

Because the State Corporation Commission lacks jurisdiction over local government utilities under the Virginia constitution, the General Assembly should not enact any legislation that purports to grant the SCC any regulatory powers over local utilities.

Environmental Quality:

Water Quality Funding / Wastewater discharge and pollutant allocation limits

VML requests the General Assembly to provide sufficient appropriations to the Water Quality Improvement Fund (WQIF) to fulfill point source upgrade contracts with local governments as well as cost-share payments to farm operators for the implementation of agricultural best management practices. Additionally, VML requests the General Assembly to provide sufficient appropriations, including dedicated revenues to the Stormwater Local Assistance Fund (SLAF) to address costs associated with permit requirements tied to federal Municipal Separate Storm Sewer Systems (MS4) and new EPA regulations.

VML opposes any legislation that reduces or limits local government's sewage discharge capacity, including nutrient allocations, as such capacity and allocations are critical to our members' economic development efforts.

Municipal Net Metering

VML requests the General Assembly to grant local governments the right to aggregate the electric load of their buildings, facilities, and any other governmental operations for the purpose of net energy metering. Additionally, VML requests the General Assembly raise the net-metering limit from 1,000 kilowatts to 2,000 kilowatts for non-residential customers.

Regional Greenhouse Gas Initiative & Commonwealth Resilience Fund

VML urges the General Assembly to address greenhouse gas emissions targets through a Regional Greenhouse Gas Inventory (RGGI) carbon credit auction, and/or a carbon emissions tax. All proceeds derived from the auction of credits should be used to establish the “Commonwealth Resilience Fund”, a special state dedicated fund to assist localities in addressing flooding, energy efficiency improvements, and economic development.

Local authority to regulate plastic bags

VML requests the General Assembly to grant localities the authority regulate and curtail the use of retail plastic bags. This authority will provide local governments an additional tool to reduce litter and improve local water quality.

Stormwater Utility Charges

VML opposes further amendments to the regulation of stormwater which would require a locality to waive stormwater charges.

Finance:

State assistance to local police departments (HB 599)

Almost 70 percent of Virginians live in communities served by police departments. The state created a program of financial assistance to local police departments, but has increasingly de-emphasized this funding obligation as a priority. VML calls for the state to honor its commitment to public safety by funding the program as stipulated in the Code of Virginia.

State and Local Government Fiscal Relationship

Governance at the local level becomes ever more challenging as the Commonwealth and the federal government add new programs, or modify existing program guidelines, and promulgate complex regulations and higher standards for local governments to implement. It is not uncommon for the state and federal governments to either underfund their share of the costs or to ignore them altogether.

To that end, the Virginia Municipal League holds as essential these principles on local taxing and budget authority.

1. Specific local revenue authority and sources cannot be further restricted without first granting and providing alternative revenue authority with reliable, sustainable revenue sources. This includes, without limitation, the BPOL and M&T taxes.
2. Local governments should be involved in any discussions relating to local taxing authority including legislation that exempts specific industries from local taxes and fees.
3. Local general fund revenue and special funds cannot be confiscated or re-directed to the state treasury.
4. Placing additional administrative burdens on local governments without sufficient resources or administrative flexibility jeopardizes the quality of services delivered at the local level. Local governments cannot be expected to bear the expenses related to the imposition of new funding requirements or the expansion of existing ones on services delivered at the local level without a commensurate increase of state financial assistance or new local taxing authority.

5. Shifting traditional state funding responsibilities onto local governments, for such services including public education, law enforcement and public safety activities and any core services affecting local government, is bad fiscal policy, resulting in the stress of local finances without reductions in overall program costs.
6. Imposing state fees, taxes or surcharges on local government services impedes transparency at both the state and local level.
7. Any efforts at tax reform must begin with a thorough examination of state tax reform and the financing of state services. The State should reform its own tax structure before taking on the topic of local taxes. State and/or local tax changes should not negatively affect local revenues.
8. State budget cuts to state mandated and other high priority programs should specify the programs to be affected by the cuts.

The Commonwealth should:

1. Enter into a dialogue with local governments to examine state requirements and service expansions that can be suspended or modified to alleviate to the degree possible the financial burden on state and local taxpayers.
2. Examine models in other states that allow for modernizing state and local taxing authority.
3. Develop spending and revenue priorities that support economic development, public safety, education and other public goals. State tax credits, tax deductions and tax relief policies must receive the same scrutiny as spending programs as part of the prioritization process.
4. In times of revenue crises, review ways to increase revenues to meet constitutional and statutory obligations to Virginia citizens after all other actions have been taken.
5. Include local government representatives on any “blue ribbon” commission or other body established by the state that has as its purpose changes to local revenue authority or governance.

General Laws:

Landscape Materials

VML supports the ability of localities to regulate the use of non-fire retardant specific landscape cover materials or the retrofit of existing landscape cover materials for the health, safety and welfare of its citizens.

Human Development & Education:

Education Funding

A strong public school system is essential to economic development and prosperity. The state must be a reliable funding partner in accordance with the Virginia Constitution and state statutes. The Standards of Quality should recognize the resources, including positions, required for a high-quality public education system. VML opposes changes in methodology and changes in the division of financial responsibility that result in a shift of funding responsibility from the state to localities.

Further, VML opposes policies that lower state contributions but do nothing to address the cost of meeting the requirements of the Standards of Accreditation and Standards of Learning.

Any approach to improving low-performing schools must include adequate state financial support. VML supports increased state funding for the Virginia Preschool Initiative, the K-3 reduced class size program and Early Reading Intervention program. VML also supports increased state stipends for highly effective teachers in high-poverty schools, and other innovative programs for teachers and students.

Access to Healthy Food

VML supports approaches (including but not limited to the Virginia Grocery Investment Fund) to provide financial and technical support for businesses to expand and ensure greater access to healthy food for residents of the Commonwealth.

Transportation:

Price Floor for Regional Gas Taxes

VML supports an amendment to Virginia Code § 58.1-2295 which would establish a protective floor price for the 2.1 percent regional gas tax, such as was done for the statewide fuels tax in §58.1-2217. Such a floor concept is essential to provide a more stable, dedicated revenue source needed for long-term financing of regional projects.

Transportation and Transit Funding

VML recognizes the importance and critical support provided by the Commonwealth for local and regional transportation and transit capital needs. To that end, VML believes the projected decline in state funding over the upcoming biennia will negatively affect the movement of people and goods, thereby hindering economic development, jeopardizing public safety and degrading the quality of life in our localities.

The state should continue to financially support transportation and transit capital needs, exploring all options including the issuance of Commonwealth bonds. VML supports adequate funding of the Smart Scale (HB 2) program in addressing transportation and transit needs.



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MAGAZINE

VIRGINIA TOWN & CITY

September 27, 2016

TO: VML Executive Committee
FROM: Mary Jo Fields, Director of Research
SUBJ: Redistricting Reform Update: Showing of GerryRigged

The Community Ideas Station and OneVirginia2021 have collaborated in the development of a one-hour documentary on gerrymandering, which will be shown at a variety of locations across the state in October and November as well as on local PBS television stations. A trailer of the documentary is available at this web address: <http://onevirginia2021.org/gerryrigged-trailer/>.

According to the OneVirginia2021 press release, the documentary will examine the historical context and consequences of gerrymandering through a multi-partisan lens, explore the impact on communities and individual lives, and propose how the state can improve redistricting.

The documentary will be shown at these locations and times:

6:30 p.m., Tuesday, October 25th – Germanna Community College, 10000 Germanna Point Dr., Fredericksburg

7:30 p.m., Wednesday, October 26th – University of Mary Washington’s Digital Auditorium of the Hurley Convergence Center, 1801 College Ave, Fredericksburg

6:00 p.m., Tuesday, November 1st – Williamsburg Regional Library Theatre, 515 Scotland St, Williamsburg

6:00 p.m., Tuesday, November 1st – Manassas 4 Cinema, 8890 Mathis Ave, Manassas

6:00 p.m., Thursday, November 3rd – Rives Theatre, 215 E Church St, Martinsville

The documentary also will air on these local PBS stations:

- Tuesday, October 18th – WBRA Roanoke – 7:00 p.m.
- Sunday, October 23rd – WHRO Norfolk at 7:00 p.m.
- Monday, October 24th – WHUT Howard (D.C.) – 9:00 a.m.
- Monday, October 24th – WHTJ Charlottesville – 9:00 p.m.
- Monday, October 24th – WCVE Richmond – 9:00 p.m.
- Thursday, October 27th – WCVW Richmond – 8:00 p.m.
- Thursday, October 27th – WVPT Harrisonburg – 8:00 p.m.
- Monday, October 30th – WHUT Howard (D.C.) – 7:00 p.m.

Additional information is available at <http://onevirginia2021.org/GerryRIGGED/>.

P.O. BOX 12164
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13 EAST FRANKLIN STREET
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VIRGINIA TOWN & CITY

To: VML Executive Committee

From: Michelle Gowdy
General Counsel

Re: Amicus Brief

Date: September 28, 2016

The County of Arlington has asked VML to consider an amicus brief on the matter of *AGCS Marine Insurance Company, A/K/A Allianz Global Corporate & Specialty A/S/O Harris Teeter, et. al. v. Arlington County* (Record No. 160221).

The appeal was granted by the Supreme Court of Virginia on September 14, 2016, which makes the appellants' brief due on October 24th and the County and any amicus briefs due on November 18th provided everyone is timely in their filings.

The assignments of error as listed by the Supreme Court are the following:

1. The Circuit Court erred in sustaining the County's demurrer when Plaintiffs' complaint contained sufficient allegations of material fact to state a claim against the County for inverse condemnation.
2. The Circuit Court abused its discretion by denying Plaintiffs' motion to amend their complaint when the amended complaint sufficiently stated a claim against the County for inverse condemnation.

Currently, I am waiting on information from the Local Government Attorney's Association Amicus Committee ("LGA") which should clarify exactly what issues the Supreme Court will hear. If the Supreme Court is going to hear any testimony on the matter of converting a sovereign immunity claim into a tort claim, then I would recommend that VML work with the LGA and Virginia Association of Counties ("VACo") on an amicus brief.

Discussion thus far have included potentially contributing up to \$2,000 by each entity to hire Monica Taylor Monday, an appellate attorney at Gentry, Locke, Rakes and Moore in Roanoke, Virginia. LGA had consulted with her prior to contacting us; I would recommend working on a process with LGA and VACO on how these decisions are made in the future.

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MAGAZINE

VIRGINIA TOWN & CITY

September 27, 2016

TO: VML Executive Committee
FROM: Mary Jo Fields, Director of Research
SUBJ: Go Green Virginia Challenge

The Go Green Virginia challenge began in 2007-2008, so it is nearing its tenth anniversary. This program has been one of VML's most successful, and has been replicated by other associations in Virginia and other states.

The challenge this year retained the same rankings as in previous years of "Green Government" (amassing at least 100 green points), "Silver" (125-149), Gold (150-174), and Platinum (150-174). The number of possible points was raised to 380 through the addition of some new challenges, including a resiliency checklist.

This year, 23 localities submitted challenges by VML's deadline. One of these localities is a member of VACo but not of VML, so will not be receiving a certificate at VML's Annual Conference. (VACo's deadline is not until October 7.) Of the 23, one was at the Green Certification level; six at the silver level; three at the gold level and 13 at the platinum level. Representatives of the 22 localities will receive their certificates at the closing session at VML's annual conference, on Tuesday, October 11.

VML and VACo had a successful regional forum on the Go Green Challenge on August 8 in Harrisonburg. Hopewell Vice Mayor Christina Luman-Bailey, chair of the chair of the Go Green Advisory Committee, presided at the meeting. Forum participants were enthusiastic about the program and eager to learn about the new features of the challenge.

Looking to the future, there are some improvements that could be made to the challenge.

- The challenge scorecard should be updated and distributed earlier in order that local governments would have more time to develop and implement new initiatives.
- VSBA could be invited early on in the planning of any regional forums in order to increase participation at those events. VSBA had healthy participation, however, with 29 school divisions submitting challenges (the VSBA deadline was September 23).
- The web site needs to be revamped and updated to make it easier to use. In conjunction, currently, only VML staff has administrative access to the website. One possibility is to allow VACo and VSBA to also have administrative access to the site in order for those associations to produce their own reports, add information and so forth. Perhaps they would be willing in that case to help with the financing of the website redesign.
- Consideration could be given to requiring some minimum level of new actions that have to be undertaken at each level, in conjunction with the release of the updated challenge in a timely fashion. The goal would be to encourage local governments to continue to find ways to implement environmental policies and actions to reduce carbon emissions.
- There are a few localities that achieved more than 250 points (175 points is the cut off for the current highest level). Consideration could be given to a fifth level of certification, perhaps Resilient Community or some similar nomenclature.

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Key Executive Committee Events

Sunday, October 9

12:00 p.m. – 1:00 p.m.	Executive Committee Lunch Meeting Room 2A
1:00 p.m. – 2:30 p.m.	Executive Committee Meeting Board Room
3:00 p.m. – 4:15 p.m.	Opening General Session Ballroom Three
6:00 p.m. – 9:00 p.m.	Host City Night Military Aviation Museum
9:00 p.m. – 10:00 p.m.	Outgoing President's Suite Presidential Suite (2006), Hilton Virginia Beach Oceanfront

Monday, October 10

7:45 a.m. – 8:45 a.m.	Women In Local Government Breakfast Meeting Room 1A
7:45 a.m. – 8:45 a.m.	Nominating Committee Breakfast Conference Room 1
9:00 a.m. – 10:15 a.m.	General Session & Legislative Committee Meeting Ballroom Three
12:00 p.m. – 1:00 p.m.	NBC-LEO Luncheon Meeting Room 3 C
12:00 p.m. – 1:15 p.m.	VLGMA Luncheon Meeting Room 1D
1:15 p.m. – 2:30 p.m.	Section Elections & Workshops Town Section – Meeting Room 2 AB Urban Section – Meeting Room 2 CD City Section – Meeting Room 3AB
6:00 p.m. – 6:45 p.m.	President's Reception Tower Cafe
6:45 p.m. – 8:00 p.m.	Annual Banquet Ballroom Two
8:00 p.m. – 10:00 p.m.	Dessert Reception & Entertainment Ballroom One
9:30 p.m. – 10:30 p.m.	Incoming President's Suite VIP Lounge

Tuesday, October 11

9:00 a.m. – 11:00 a.m.	Closing Session & Business Meeting Ballroom Three
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Regional Suppers

FALL

2016 Fall lineup dates and locations

VML WILL HOST SIX REGIONAL SUPPERS in October through November to provide local government officials with important information pertaining to the 2017 General Assembly session. Elected and appointed officials from member localities are encouraged to attend one of these informative get-togethers. Each meeting will include presentations by staff and other subject experts on issues likely to surface during the 2017 session. As always, VML staff will also want to hear about legislative issues affecting its members and how the league can better serve cities, towns and counties across the state.

All of the suppers will begin at 6 p.m. and cost \$35.

Date	Location
Wednesday, October 26	City of Staunton - Frontier Culture Museum of Virginia 1290 Richmond Avenue, Staunton, VA 22401
Wednesday, November 2	Town of Gate City - Scott County Vocational Center 156 East Jackson Street, Gate City, VA 24251
Thursday, November 3	City of Martinsville - New College Institute 191 Fayette Street, Martinsville, VA 24112
Wednesday, November 9	City of Fredericksburg - University of Mary Washington / Stafford Campus Gate Hudson Building (North Bldg.) 125 University Boulevard, Fredericksburg, VA 22406
Thursday, November 10	Town of Farmville - Historic Farmville Train Station 510 West Third Street, Farmville, VA 23901
Wednesday, November 30	City of Hampton - Embassy Suites 1700 Coliseum Drive, Hampton, VA 23666

Register on-line at
www.vml.org/education/regional-suppers





**Cosponsored by the
Virginia Municipal League and the Virginia Association of Counties**

5 hours you won't want to miss! **January 4, 2017 – Richmond**

THIS YEAR'S VML FINANCE FORUM will be held on Wednesday, January 4, 2017 from 10 a.m. until 3 p.m. at the Omni, 100 S. 12th Street, Richmond, VA 23219.

Topics: The forum provides an excellent opportunity for local elected officials and staff to be brought up to date on a number of important issues. Topics will include:

- **State Revenues and 2017 Budget**
- **Local Finance Trends and Perspectives**
- **VRS Local Budget Pressures**
- **Assessment of Local Revenues**
- **Education**



Who should attend: Members of city and town councils and county boards of supervisors, managers and administrators, budget and finance officers, legislative liaisons and other interested local government staff.

Registration: You can register yourself and others online at www.vml.org. The cost is \$65 early bird through November 15, \$75 after November 15. Cancellations must be made in writing by December 30, 2016.

2017 VML DAY



AT THE CAPITOL

Wednesday, Jan. 25, 2017

VML's 2017 special legislative event will provide an outstanding opportunity for local government officials to interact with members of the General Assembly.

Location: Library of Virginia, 800 East Broad Street, Richmond, VA 23219

Schedule: 3 - 5:30 p.m. Keynote address and legislative briefings
5:30 - 7 p.m. Reception

Quality reception. We will once again host a high quality reception that will facilitate members of the General Assembly meeting with local elected officials. All legislators from both chambers have been invited by VML to attend the reception, which will be held in the foyer of the Library of Virginia adjacent to Capitol Square.

Make appointments with state legislators. By conducting the briefing on important legislation at 3:00 p.m., local officials will have time to meet with their delegates and senators earlier in the day. (Briefing materials on specific issues will be distributed the week prior to the event). Also, for those attendees who spend the night in Richmond, you may choose to make appointments for the following morning as well.

Registration. Register online at www.vml.org. The cost is \$50. Cancellations must be made in writing by Jan. 18, 2017.

Hotel reservations. A bloc of rooms has been set aside at the Hilton Richmond Downtown, at 501 East Broad Street, Richmond, VA 23219. Telephone: (804) 344-4300. A group rate of \$132 is available through January 6, 2017. Make your reservation today!

