



Executive Committee Meeting  
Richmond Marriott Downtown, Shenandoah Room  
500 E. Broad St., Richmond  
October 4, 2015  
1:00 p.m.

- I. Call to Order [Tab 1]
- II. Presentation by Go Virginia. Presenters include: Frank Atkinson, Bill Leighty, and Jay Poole.

Action Agenda

- III. Additions to Agenda
- IV. Consideration of Minutes from August 14, 2015 [Tab 2]
- V. Financial Report as of August 31, 2015 [Tab 3]
- VI. Approval of Financial Statement as of June 30, 2015 [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 Federal Issues [Tab 8]
- XI. Review 2015 Regional Suppers [Tab 9]
- XII. Go Green Report [Tab 10]
- XIII. Staff Report on the Annual Conference [Tab 11]
- XIV. Future Meetings (2016):
  - a. January 27 Richmond (begins at 10:30 and concludes with lunch)
  - b. May 6/7 Blacksburg (dinner & show on 6<sup>th</sup>, meeting on 7<sup>th</sup>)
  - c. August 12/13 Homestead (training/dinner on 13<sup>th</sup> at 3:00, meeting 14<sup>th</sup>)
  - d. October 9 Virginia Beach (with conference)
- XV. Items Proposed for Discussion at Future Meetings
- XVI. Other Matters
- XVII. Adjournment

2014 - 2015  
VML Executive Committee

<b>Full Name</b>	<b>Position</b>	<b>Title</b>	<b>Local Government</b>	<b>Spouse</b>
William D. Euille	President	Mayor	City of Alexandria	
Ron Rordam	President-Elect	Mayor	Town of Blacksburg	Mrs. Mary Rordam
Robert K. Coiner	Vice President	Mayor	Town of Gordonsville	Mrs. Jackie Coiner
David P. Helms	Past President	Mayor	Town of Marion	Mrs. Sue Helms
Ceasor T. Johnson	At-Large	Vice Mayor	City of Lynchburg	Mrs. Rosie Spann-Johnson
Patricia P. Woodbury	At-Large	Council Member	City of Newport News	Mr. Gerard Woodbury
Katie Sheldon Hammler	At-Large	Council Member	Town of Leesburg	Mr. Rich Hammler
Mary Hynes	At-Large	Board Chair	County of Arlington	Mr. Patrick Hynes
Mimi Elrod	At-Large	Mayor	City of Lexington	
Edythe F. Kelleher	At-Large	Council Member	Town of Vienna	Mr. Gary Kelleher
Faye O. Prichard	Town Section	Councilmember	Town of Ashland	
Christina Luman-Bailey	City Section	Coucilor	City of Hopewell	
Anita James Price	Urban Section	Council Member	City of Roanoke	Mr. Charles A Price, Jr.



Executive Committee Meeting  
Omni Charlottesville  
212 Ridge McIntire Rd., Salon B  
August 14, 2015, 9:00 a.m.

**Attending:** President Bill Euille, President-Elect Ron Rordam, Vice-President Bob Coiner, Past President David Helms, Christina Luman-Bailey, Mimi Elrod, Katie Hammler, Mary Hynes, Edythe Kelleher, Ceasor Johnson, Faye Prichard, and Pat Woodbury. **Staff:** Mark Flynn, Kim Winn. **Guests:** Steve Craig, John McCarthy, Karen Pallansch, Clarke Wallcraft.

- I. **Call to Order.** President Euille called the meeting to order at 9:01 a.m.
- II. **Annual Report by VML Insurance.** Presented by Steve Craig, Managing Director & John McCarthy, County Administrator, Rappahannock County

Action Agenda

- III. **Additions to Agenda.** There were none.
- IV. **Consideration of Minutes from May 15, 2015.** Correction noted: the references to the budget should be 2015 – 2016. Coiner moved and Johnson seconded a motion to approve the minutes with the noted corrections. Motion was approved without objection.
- V. **Approval of Financial Report as of June 30, 2015.** Coiner moved and Woodbury seconded a motion to approve the financial report as presented. Motion was approved without objection.
- VI. **Consideration of Capital Expenditures.** Winn presented a request for additional monies for capital expenditures. After a discussion of the proposed lighting project, Johnson moved and Hammler seconded a motion to approve an expenditure of up to \$35,000 following the completion of an electrical analysis as to the compatibility of the existing electrical system and the feasibility of canned lighting versus replacing fluorescent tubes with LEDs. Motion was approved without objection.
- VII. **Consideration of Changes to the Annual Conference Schedule.** Winn proposed changes to the Annual Conference schedule that would shorten the event. Under this proposal, the conference would end by Tuesday at noon. Specific details will be worked out with staff and the Conference Planning Committee to ensure the smoothest possible transition. Rordam moved and Elrod seconded a motion to shorten the Annual Conference as presented. Motion was approved without objection.

## Information/Discussion Agenda

- VIII. **Executive Director's Report.** Winn presented the report of the Executive Director. In addition to other discussion, Hynes mentioned her role on the Virginia Workforce Development Board. There was a discussion of how VML could be more involved and network with such groups and state agency heads.
- IX. **Staff Report on Interim Legislative Activities, including BPOL issue.** Flynn reported that the turnout for the legislative and policy committees was great. The Legislative Committee will be meeting again in September to develop recommendations for consideration at the VML Annual Conference.
- X. **Redistricting Update.** Flynn previewed the upcoming special session focused on redistricting.
- XI. **Staff Report on Federal Issues.** The Executive Committee reviewed the staff report on federal issues including the Remote Transactions Parity Act and changes to GASB.
- XII. **Staff Report on Amicus Briefs.** Flynn reviewed the amicus brief report.
- XIII. **Update on the Maker Movement.** Hammler provided an update on the Maker Movement project in Leesburg.
- XIV. **Go Green Update.** Christina Luman-Bailey updated the Executive Committee on the Go Green competition for 2015.
- XV. **Staff Report on the 2015 Annual Conference.** Winn reviewed key events at the upcoming conference in Richmond.
- XVI. **Future Meetings:**
- |                     |          |
|---------------------|----------|
| a. October 4        | Richmond |
| b. January 27, 2016 | Richmond |
- XVII. **Items Proposed for Discussion at Future Meetings.** There were none.
- XVIII. **Other Matters.** There were none.
- XIX. **Adjournment.** There being no other business to come before the body, the meeting was adjourned at 11:24 a.m.

Virginia Municipal League  
Statement of Revenues and Expenses  
For the Two Months Ending 8/31/2015

	Annual Budget	YTD Budget	YTD Actual	YTD Variance
<b>REVENUES</b>				
Membership Dues	\$1,140,000.00	\$1,140,000.00	\$1,119,850.00	(20,150.00)
Annual Conference	250,000.00	100,000.00	152,145.00	52,145.00
Workshops/Seminars	35,000.00	5,833.34	525.00	(5,308.34)
Advocacy	25,000.00	4,166.66	50.00	(4,116.66)
Investment Income	2,500.00	416.66	747.92	331.26
Publications	80,000.00	13,333.34	14,020.00	686.66
Insurance Programs	890,000.00	222,500.00	228,750.00	6,250.00
Sponsorships	140,000.00	23,333.34	0.00	(23,333.34)
Affiliated Groups	85,000.00	14,166.66	32,402.34	18,235.68
Miscellaneous Income	25,000.00	4,166.66	4,371.00	204.34
<b>Total Revenues</b>	<b>2,672,500.00</b>	<b>1,527,916.66</b>	<b>1,552,861.26</b>	<b>24,944.60</b>
<b>EXPENSES</b>				
Compensation and Benefits	1,680,000.00	280,000.00	291,200.33	11,200.33
Annual Conference	200,000.00	50,000.00	7,400.60	(42,599.40)
Workshops/Seminars	38,000.00	6,333.34	0.00	(6,333.34)
HR & Financial Services	20,000.00	3,333.34	5,179.51	1,846.17
Travel	50,000.00	8,333.34	2,408.84	(5,924.50)
Office Supplies & Postage	30,000.00	5,000.00	4,508.13	(491.87)
Office Maintenance & Equipment	30,000.00	5,000.00	6,516.70	1,516.70
Office Rent	5,000.00	2,500.00	0.00	(2,500.00)
Building Repairs & Utilities	35,000.00	5,833.34	11,531.23	5,697.89
Computer Services	45,000.00	7,500.00	5,449.29	(2,050.71)
Dues & Subscriptions	20,000.00	3,333.34	4,259.30	925.96
National League of Cities Dues	32,050.00	32,050.00	22,048.00	(10,002.00)
Insurance Expense	18,000.00	18,000.00	24,505.00	6,505.00
Professional Fees	46,000.00	7,666.66	5,250.00	(2,416.66)
Advocacy	115,000.00	19,166.66	15,862.11	(3,304.55)
Publications	75,000.00	12,500.00	10,722.60	(1,777.40)
Executive Committee	40,000.00	6,666.66	231.00	(6,435.66)
Depreciation Expense	33,000.00			
Miscellaneous	27,000.00	4,166.66	13,008.54	8,841.88
Special Projects	40,000.00	6,666.66	58.59	(6,608.07)
Real Estate Tax	7,000.00			
Accumulated Leave Earned	55,000.00	0.00	0.00	0.00
<b>Total Expenses</b>	<b>2,641,050.00</b>	<b>484,050.00</b>	<b>430,139.77</b>	<b>(53,910.23)</b>
<b>Net Revenue</b>	<b>31,450.00</b>	<b>1,043,866.66</b>	<b>1,122,721.49</b>	<b>78,854.83</b>
Checking Account			460,048.26	
Invested Reserves			4,235,457.87	

# VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

## Audit Results & Communications

Report to the Executive Committee

September 28, 2015

The Executive Committee  
Virginia Municipal League and Affiliate

We are pleased to present the results of our audits of the June 30, 2015 consolidated financial statements of Virginia Municipal League and Affiliate (the "League").

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.

The audit was designed to express an opinion on the consolidated financial statements. We considered the League's current and emerging business needs, along with an assessment of risks that could materially affect the consolidated 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 League's consolidated financial statements or the public expect. We received the full support and assistance of the League'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 28, 2015  
Glen Allen, Virginia

**VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE**

Table of Contents

**Audit Results and Communications**

Summary of What We Agreed To Do..... 1  
Required Communications..... 2

**Appendix**

Appendix A – Internal Control Communication ..... 5



# **VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE**

## **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 League and our assessment of external factors that impacted the League's operating environment. Specifically, we designed our audit to express an opinion on the consolidated financial statements of the Virginia Municipal League and Affiliate. In addition, included in this report at Appendix A is a letter that documents our consideration of the League's internal control over financial reporting.

We also provide the following services to the League and Affiliated Entities:

- Prepare the League's income tax return – Form 990, as required;
- Assist in the preparation of the consolidated financial statements, including proposing adjusting entries;
- Assist management with the computation of depreciation for financial reporting.

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

### 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 and Affiliate.

AREA	COMMENTS
<p><b>Auditor's Responsibilities Under Generally Accepted Auditing Standards (GAAS)</b></p> <p>The consolidated 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 consolidated 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.</p>	<p>We issued an unmodified opinion on the League's consolidated financial statements for the year ended June 30, 2015.</p>
<p><b>Critical Accounting Policies and Practices</b></p> <p>We report all critical accounting policies and practices used by the League in preparing the consolidated financial statements and our assessment of the disclosure of such policies.</p>	<p>The consolidated financial statements of the League have disclosed its accounting policies and practices. These critical accounting policies and practices include:</p> <ul style="list-style-type: none"> <li>• Investments</li> <li>• Basis of Accounting</li> <li>• Revenue Recognition</li> </ul> <p>The disclosures made by the League relative to its critical accounting policies and practices are, in our opinion, appropriate.</p>
<p><b>Our Judgments About the Quality of the League's Accounting Principles</b></p> <p>We discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in the League's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the consolidated financial statements and related disclosures.</p>	<p>Based on our audit, we believe the accounting principles used by the League are consistent with the previous year and the judgments made by management were reasonable. Disclosures are considered appropriate and consistent with the industry.</p>
<p><b>Sensitive Accounting Estimates</b></p> <p>The preparation of the consolidated financial statements requires the use of accounting estimates. Certain estimates are particularly sensitive due to their significance to the consolidated financial statements and the possibility that future events may differ significantly from management's expectations.</p> <p>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.</p>	<p>Significant management estimates at June 30, 2015 consist of:</p> <ul style="list-style-type: none"> <li>• Depreciation</li> </ul> <p>We believe the accounting estimates made by management are reasonable and consistent with industry standards.</p>

**VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE**

Required Communications, Continued

<b>AREA</b>	<b>COMMENTS</b>
<p><b>The Adoption of, or a Change in an Accounting Principle</b></p> <p>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 consolidated financial statements.</p>	<p>There were no new accounting principles or changes in accounting principles during 2015.</p>
<p><b>All Material Alternative Accounting Treatments Discussed with Management</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>(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.</li> <li>(ii) The treatment preferred by us.</li> </ul>	<p>During 2015, we did not discuss any material alternative accounting treatments with management.</p>
<p><b>Methods of Accounting for Significant Unusual Transactions and for Controversial or Emerging Areas</b></p> <p>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.</p>	<p>We are not aware of any significant unusual transactions recorded by the League or any significant accounting policies used by the League related to controversial or emerging areas for which there is a lack of authoritative guidance.</p>
<p><b>Significant Audit Adjustments</b></p> <p>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 League's consolidated financial statements.</p>	<p>There were no significant audit adjustments related to the 2015 audit.</p>
<p><b>Unadjusted Audit Differences Considered by Management to Be Immaterial</b></p> <p>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 consolidated financial statements as a whole.</p>	<p>There were no unadjusted audit differences.</p>

**VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE**

Required Communications, Continued

<b>AREA</b>	<b>COMMENTS</b>
<p><b>Fraud and Illegal Acts</b>                      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 consolidated financial statements.</p>	<p>We are not aware of any fraud or illegal acts.</p>
<p><b>Deficiencies in Internal Control</b>                      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.</p>	<p>See Appendix "A" for the communication regarding internal control.</p>
<p><b>Disagreements with Management</b></p>	<p>None</p>
<p><b>Serious Difficulties Encountered in Dealing with Management when Performing the Audits</b></p>	<p>None</p>
<p><b>Major Issues Discussed with Management Prior to Retention</b></p>	<p>None</p>
<p><b>Management Representations in Connection with the Audit</b></p>	<p>We understand that the League has provided you with a copy of the management representation letter.</p>
<p><b>Consultation with Other Accountants</b></p>	<p>None of which we are aware.</p>
<p><b>Independence</b>                      We communicate, at least annually, the following to the Executive Committee of the League.</p> <ol style="list-style-type: none"> <li>1. Disclose, in writing, all relationships between Keiter and our related entities and the League and its related entities that, in our professional judgment, may reasonably be thought to bear on independence.</li> <li>2. Confirm in writing that, in our professional judgment, we are independent of the League.</li> </ol>	<p>We are independent of the League.</p>

## APPENDIX A – INTERNAL CONTROL COMMUNICATION

The Executive Committee  
Virginia Municipal League and Affiliate

In planning and performing our audit of the consolidated financial statements of the Virginia Municipal League and Affiliate (the "League") as of June 30, 2015 and for the year then ended, in accordance with auditing standards generally accepted in the United States, we considered the League'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the League's internal control. Accordingly, we do not express an opinion on the effectiveness of the League'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 League and is not intended to be and should not be used by anyone other than these specified parties.



September 28, 2015  
Glen Allen, Virginia

# VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

## Consolidated Financial Statements

June 30, 2015 and 2014



> **Certified Public  
Accountants & Consultants**  
4401 Dominion Boulevard, 2<sup>nd</sup> Floor  
Glen Allen, VA 23060

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## **VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE**

### **OFFICERS**

Honorable William D. Euille  
President

Honorable Ron Rordam  
President Elect

Honorable Robert K. Coiner  
Vice President

### **EXECUTIVE COMMITTEE**

Honorable Mimi Elrod

Ms. Katie S. Hammler

Honorable Mary Hynes

Dr. Ceasor Johnson

Mrs. Edythe F. Kelleher

Dr. Patricia Woodbury

Honorable Faye O. Prichard

Ms. Christina Luman-Bailey

Ms. Anita James Price

Honorable David Helms  
Immediate Past President

# VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

## Table of Contents

	<u>Page</u>
Report of Independent Accountants	1
Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplemental Information:	
Comparison of Budgeted Revenue and Expenses to Actual	16



## REPORT OF INDEPENDENT ACCOUNTANTS

To the Executive Committee  
Virginia Municipal League  
Richmond, Virginia

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Virginia Municipal League and affiliate (the "League"), which comprise the consolidated statements of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Virginia Municipal League and affiliate as of June 30, 2015 and 2014, and the changes in their net assets and their 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 consolidated financial statements as a whole. The 2015 supplemental schedule detailed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The 2015 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 consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

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

September 28, 2015  
Glen Allen, Virginia

**VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE**

Consolidated Statements of Financial Position  
June 30, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Cash	\$ 84,325	\$ 27,297
Pooled investments	3,594,391	3,488,006
Investments (Note 3)	4,445,583	4,797,485
Accounts receivable	4,325	12,692
Receivable from affiliated organizations	20,791	10,396
Prepaid expenses	14,589	32,455
	<u>8,164,004</u>	<u>8,368,331</u>
Property and equipment:		
Land	144,800	144,800
Buildings and improvements	446,186	388,346
Furniture, equipment and automobile	335,299	301,749
	<u>926,285</u>	<u>834,895</u>
Less accumulated depreciation	<u>(586,578)</u>	<u>(573,297)</u>
	<u>339,707</u>	<u>261,598</u>
Total assets	<u>\$ 8,503,711</u>	<u>\$ 8,629,929</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	\$ 54,086	\$ 51,515
Dues and fees collected in advance	153,121	225,131
Accrued compensated leave	218,105	212,497
Liability under capital leases	35,763	9,186
Pooled investments held for affiliates	965,000	963,000
Deferred obligations to employees (Note 3)	4,445,583	4,797,485
	<u>5,871,658</u>	<u>6,258,814</u>
Total liabilities	<u>5,871,658</u>	<u>6,258,814</u>
Net assets, unrestricted	<u>2,632,053</u>	<u>2,371,115</u>
Total liabilities and net assets	<u>\$ 8,503,711</u>	<u>\$ 8,629,929</u>

See notes to consolidated financial statements.

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

Consolidated Statements of Activities  
Years Ended June 30, 2015 and 2014

	2015	2014
Revenue:		
Membership dues	\$ 1,153,232	\$ 1,132,016
Annual conference	278,005	226,971
Workshops and seminars	40,053	9,760
Advocacy	26,095	7,532
Investment income	3,208	2,673
Publications	72,262	73,194
Insurance program	896,702	786,416
Sponsorships	141,915	155,856
Affiliated groups	51,362	50,836
Other administration fees	35,978	35,978
Miscellaneous	29,124	40,952
Gain on disposal of property and equipment	2,866	12,618
Income from deferred compensation investments (Note 3)	153,285	722,417
Total revenue	2,884,087	3,257,219
Expenses:		
Compensation and benefits	1,606,174	1,571,132
Annual conference	195,568	191,264
Workshops & Seminars	45,598	26,579
Human resources & financial services	15,566	5,688
Travel	35,510	33,332
Office supplies and postage	29,533	29,848
Office maintenance and equipment	11,186	7,359
Office rent	3,000	-
Building repairs and utilities	41,185	37,398
Computer services	35,695	25,992
Dues and subscriptions	18,310	20,686
National League of Cities dues	22,048	22,048
Insurance expense	10,884	19,785
Professional fees	42,335	53,417
Advocacy	106,994	96,166
Publications	75,032	76,181
Executive committee	35,458	27,487
Depreciation expense	37,258	32,876
Subtotal, forward	\$ 2,367,334	\$ 2,277,238

See notes to consolidated financial statements.

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

Consolidated Statements of Activities, Continued  
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Subtotal, forwarded	\$ 2,367,334	\$ 2,277,238
Miscellaneous	26,117	22,799
Special projects	26,400	-
Real estate tax	6,975	6,975
Accumulated leave earned	43,038	32,880
Deferred compensation (Note 3)	<u>153,285</u>	<u>722,417</u>
 Total expenses	 <u>2,623,149</u>	 <u>3,062,309</u>
 Change in net assets	 260,938	 194,910
Net assets:		
Beginning of year	<u>2,371,115</u>	<u>2,176,205</u>
 End of year	 <u>\$ 2,632,053</u>	 <u>\$ 2,371,115</u>

See notes to consolidated financial statements.

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

### Consolidated Statements of Cash Flows Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 260,938	\$ 194,910
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	37,258	32,876
Gain from disposal of property and equipment	(2,866)	(12,618)
Changes in assets and liabilities:		
Accounts receivable	8,367	(4,320)
Receivable from affiliated organizations	(10,395)	32,342
Prepaid expenses	17,866	(28,205)
Accounts payable	2,571	7,499
Dues and fees collected in advance	(72,010)	106,769
Accrued compensated leave	5,608	12,572
Net cash provided by operating activities	247,337	341,825
Cash flows from investing activities		
Pooled investment activity, net	(104,385)	(448,986)
Purchase of property and equipment	(72,501)	(108,455)
Proceeds on disposal of property and equipment	-	13,900
Net cash used in investing activities	(176,886)	(543,541)
Cash flows from financing activities		
Payments on liability under capital leases	(13,423)	(9,029)
Net cash used in financing activities	(13,423)	(9,029)
Net change in cash	57,028	(210,745)
Cash, beginning of year	27,297	238,042
Cash, end of year	\$ 84,325	\$ 27,297
Supplemental disclosures of cash flow information:		
Cash payments for interest	\$ 1,721	\$ 2,061
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	\$ 351,902	\$ 589,622

See notes to consolidated financial statements.

# VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

## Notes to Consolidated 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.

**Principles of Consolidation:** The consolidated financial statements include the accounts of Virginia Municipal League and its consolidated affiliate, VML Insurance Agency ("VMLIA"), (collectively, the "League"). There was limited activity within this affiliate during the years presented. As of June 30, 2015, VMLIA has ceased operations. See Note 2 regarding other affiliated organizations.

**Basis of Accounting:** The consolidated statements of financial position report accounts for total assets, liabilities, and net assets, and the consolidated statements of activities discloses any changes in net assets and changes in the classification of net assets, if applicable. The consolidated 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, 2015 and 2014.

**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, 2015 and 2014, \$18,951 and \$14,813, 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 4.

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 consolidated financial statements.

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

### Notes to Consolidated 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). VML Insurance Agency is a fully taxable entity.

**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 consolidated financial statements to comply with the provisions of this guidance. The League's informational returns for years since 2011 remains open for examination by tax authorities. The League is not currently under audit by any tax jurisdiction.

**Compensated Leave:** Employees can carry over up to 90 days of earned leave.

**Use of Estimates:** The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications:** Certain prior year balances have been reclassified to conform with the current year presentation.

**Subsequent Event:** Management has evaluated subsequent events through September 28, 2015, the date the consolidated financial statement was available to be issued, and has determined there are no subsequent events, to be reported in the accompanying consolidated financial statement.



## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

### Notes to Consolidated Financial Statements, Continued

#### 2. Affiliated Organizations and Transactions:

The accompanying consolidated 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:

	<u>2015</u>	<u>2014</u>
Affiliated organizations	\$ 965,000	\$ 963,000
League	<u>2,629,391</u>	<u>2,525,006</u>
Total pooled investments	<u>\$ 3,594,391</u>	<u>\$ 3,488,006</u>

The League collected revenue from affiliates for clerical duties of \$60,997 in 2015 and in 2014. Amounts receivable from affiliated organizations arising from these administrative services are \$20,791 at June 30, 2015 and \$10,396 at June 30, 2014.

#### 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:

	<u>2015</u>	<u>2014</u>
Invested cash	\$ 440	\$ 441
Investment contracts	934,470	975,448
Mutual funds	<u>3,510,673</u>	<u>3,821,596</u>
	<u>\$ 4,445,583</u>	<u>\$ 4,797,485</u>

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

### Notes to Consolidated 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 AND AFFILIATE**

Notes to Consolidated 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:

	Fair Value Using			Total
	Level 1	Level 2	Level 3	
Assets:				
Virginia Municipal League:				
Local government investment pool	\$ -	\$ 3,594,391	\$ -	\$ 3,594,391
Section 457 Plan:				
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	3,510,673	-	934,470	4,445,143
Total assets	\$ 3,510,673	\$ 3,594,391	\$ 934,470	\$ 8,039,534
Liabilities:				
Deferred obligations to employees	\$ 3,510,673	\$ -	\$ 934,470	\$ 4,445,143

**VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE**

Notes to Consolidated Financial Statements, Continued

**4. Fair Value Measurements, Continued:**

Assets and liabilities measured at fair value on a recurring basis at June 30, 2014 include the following:

	Fair Value Using			Total
	Level 1	Level 2	Level 3	
Assets:				
Virginia Municipal League:				
Local government investment pool	\$ -	\$ 3,488,006	\$ -	\$ 3,488,006
Section 457 Plan:				
Mutual funds:				
U.S. stock funds	2,219,188	-	-	2,219,188
Balanced/asset allocation funds	987,533	-	-	987,533
Bond funds	292,461	-	-	292,461
International/global stock funds	322,414	-	-	322,414
Investment contracts	-	-	975,448	975,448
Total Section 457 Plan	<u>3,821,596</u>	<u>-</u>	<u>975,448</u>	<u>4,797,044</u>
Total assets	<u>\$ 3,821,596</u>	<u>\$ 3,488,006</u>	<u>\$ 975,448</u>	<u>\$ 8,285,050</u>
Liabilities:				
Deferred obligations to employees	<u>\$ 3,821,596</u>	<u>\$ -</u>	<u>\$ 975,448</u>	<u>\$ 4,797,044</u>

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

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

### Notes to Consolidated 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>Instrument</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Significant Input Values</u>
June 30, 2015:				
Investment contracts and related deferred obligations to employees (457 Plan)	\$ 934,470	Replacement Cost	Issuer Fee Quote	25 - 33 basis points
June 30, 2014:				
Investment contracts and related deferred obligations to employees (457 Plan)	\$ 975,448	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, 2015 and 2014:

Balance at June 30, 2013	\$ 1,835,097
Investment income	22,910
Purchases	57,062
Sales	<u>(939,621)</u>
Balance at June 30, 2014	975,448
Investment income	13,935
Purchases	5,231
Sales	<u>(60,144)</u>
Balance at June 30, 2015	<u>\$ 934,470</u>

The following table summarizes investments measured at fair value based on net asset value per share as of June 30, 2015 and 2014, respectively:

<u>Investment</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
June 30, 2015:				
Local government investment pool	\$ 3,594,391	N/A	Daily	N/A
June 30, 2014:				
Local government investment pool	\$ 3,488,006	N/A	Daily	N/A

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

### Notes to Consolidated Financial Statements, Continued

#### 5. Capital Leases:

The League has capital leases for equipment with a cost basis of \$40,000 for 2015 and \$32,900 for 2014. During 2015, the League paid off one of its capital lease obligations and entered into a new capital lease obligation. Accumulated depreciation for equipment under capital leases was \$4,000 at June 30, 2015 and \$40,626 at June 30, 2014. 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
2016	\$ 9,186
2017	9,186
2018	9,186
2019	9,186
2020	<u>3,226</u>
Total minimum payments	39,970
Less: amount representing interest	<u>(4,207)</u>
	<u>\$ 35,763</u>

#### 6. Commitments:

The League has an operating lease for office space that expires December 31, 2015. The League shares the office space with other entities who contribute their pro-rata share of rent. Net rent expense was \$2,927 for 2015 and \$2,818 for 2014. Minimum future lease payments under the term of the lease are \$7,471 for 2016.

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 \$896,702 for 2015 and \$786,416 for 2014.

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 Consolidated Financial Statements, Continued

#### **7. Defined Contribution Retirement Plan:**

The League has a defined contribution retirement plan covering all its employees. Through December 31, 2013, the plan did not include its Executive Director. The League's contributions which are 12.5% of each covered employee's compensation, totaled \$143,240 in 2015 and \$140,752 in 2014.

#### **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, 2015

With Comparative Actual Totals for 2014

	2015		Actual Over (Under) Budget	2014 Actual
	Budget (Unaudited)	Actual		
<b>Revenue:</b>				
Membership dues	\$ 1,136,000	\$ 1,153,232	\$ 17,232	\$ 1,132,016
Annual conference	245,000	278,005	33,005	226,971
Workshops and seminars	20,000	40,053	20,053	9,760
Advocay	25,000	26,095	1,095	7,532
Investment income	2,000	3,208	1,208	2,673
Publications	61,000	72,262	11,262	73,194
Insurance programs	867,000	896,702	29,702	786,416
Sponsorships	150,000	141,915	(8,085)	155,856
Affiliated groups	50,000	51,362	1,362	50,836
Other administration fees	35,000	35,978	978	35,978
Miscellaneous	25,000	29,124	4,124	40,952
Gain on sale of property and equipment	-	2,866	2,866	12,618
Income from deferred compensation investments	-	153,285	153,285	722,417
Total revenue	<u>2,616,000</u>	<u>2,884,087</u>	<u>268,087</u>	<u>3,257,219</u>
<b>Expenses:</b>				
Compensation and benefits	1,680,000	1,606,174	(73,826)	1,571,132
Annual conference	180,000	195,568	15,568	191,264
Workshops and seminars	35,000	45,598	10,598	26,579
Human resources & financial services	18,000	15,566	(2,434)	5,688
Travel	60,000	35,510	(24,490)	33,332
Office supplies and postage	40,000	29,533	(10,467)	29,848
Office maintenance & equipment	30,000	11,186	(18,814)	7,359
Office rent	11,000	3,000	(8,000)	-
Building repairs and utilities	40,000	41,185	1,185	37,398
Computer services	20,000	35,695	15,695	25,992
Dues and subscriptions	22,000	18,310	(3,690)	20,686
National League of Cities dues	22,048	22,048	-	22,048
Subtotal, forward	<u>\$ 2,158,048</u>	<u>\$ 2,059,373</u>	<u>\$ (98,675)</u>	<u>\$ 1,971,326</u>

See report of independent accountants.

## VIRGINIA MUNICIPAL LEAGUE AND AFFILIATE

Comparison of Budgeted Revenue and Expenses to Actual, Continued  
 Year Ended June 30, 2015  
 With Comparative Actual Totals for 2014

	2015		Actual Over (Under) Budget	2014 Actual
	Budget (Unaudited)	Actual		
Subtotal, forwarded	\$ 2,158,048	\$ 2,059,373	\$ (98,675)	\$ 1,971,326
Insurance expense	18,000	10,884	(7,116)	19,785
Professional fees	46,000	42,335	(3,665)	53,417
Advocacy	118,000	106,994	(11,006)	96,166
Publications	100,000	75,032	(24,968)	76,181
Executive committee	50,000	35,458	(14,542)	27,487
Depreciation expense	30,000	37,258	7,258	32,876
Miscellaneous	23,000	26,117	3,117	22,799
Special Projects	40,000	26,400	(13,600)	-
Real estate tax	7,000	6,975	(25)	6,975
Accumulated leave earned	20,000	43,038	23,038	32,880
Deferred compensation	-	153,285	153,285	722,417
	<u>2,610,048</u>	<u>2,623,149</u>	<u>13,101</u>	<u>3,062,309</u>
Total expenses				
Change in net assets	<u>\$ 5,952</u>	<u>\$ 260,938</u>	<u>\$ 254,986</u>	<u>\$ 194,910</u>
Transfer of unrestricted net assets for budgetary purposes	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Revenue over expenses	<u>\$ 45,952</u>	<u>\$ 300,938</u>	<u>\$ 254,986</u>	<u>\$ 194,910</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.

## 2014 – 2015 Executive Director’s Report

The Virginia Municipal League (VML) is a dynamic organization committed to our mission:

***“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.”***

I am honored to work with a visionary Executive Committee that established specific goals for our organization. I am equally honored to work with an experienced and accomplished staff to develop implementation strategies to achieve the highest level of service to our member cities, towns, and counties.

As we celebrated our 110<sup>th</sup> anniversary, we turned our attention to the future of the association. 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.*

- **VML Day.** This year, we changed the format of VML Day to provide a high quality reception for local officials, members of the General Assembly, and members of the Administration. This was an awesome opportunity for the 300 attendees to mingle and discuss key issues for localities. The feedback following the event was overwhelmingly positive and plans are underway for next year’s event which will be on January 27, 2016.
- **General Assembly Success.** Advocating on behalf of our member localities is a core function of VML and the 2015 session was a positive one for us. With regard to “Local Aid to the Commonwealth,” localities prevailed and the requirement that cities and counties return \$30 million to the State was overturned. Among other successes, the League staved off efforts to: place new requirements on grievance procedures and procurement practices; gut the business license tax; and weaken the integrity of stormwater utility fees.
- **Peer Groups.** VML continues to have strong relationships with our peer groups (e.g., the Virginia Association of Counties). In addition, we have begun work to build and enhance alliances with the Virginia Association of School Boards, the Virginia Association of School Superintendents, and others.
- **Finance Forum.** For several years now, VML has sponsored a Finance Forum to bring together representatives from localities to have in depth discussions regarding the state budget and its impact on locals. This year, 94 persons attended this informative training. For 2016, we are partnering with VACo to

expand the scope of attendees to include cities, towns, and county representatives. The event will be held January 6, 2016.

## 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.*

- **Staff Change.** In March, long-time VML Director of Communications, David Parsons, retired. We have filled this position and are working to build a strong and effective Communications Team that will be putting together a comprehensive communications plan for us.
- **Technology.** We continue to expand the use of technology to enhance programming and communications for our members. Our website has been converted to a new platform that will enable us to provide additional features and services.
- **Corporate Engagement.** With the addition of a Conference/Marketing Coordinator, we developed a “Municipal Business Associate” program. This initiative provides support for VML events and programming while giving business associates the opportunity to make their brand known to the local government community.
- **Webinars.** As part of the 324 Places project, we ran an article each month in *Virginia Town & City* dealing with one of the study topics. For those that wanted to dig a bit deeper, we then offered a webinar later in the month on the same topic. These webinars were quite successful and we plan to incorporate this technology in our future offerings.

## 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.*

- **Essay Contest.** In its first year, the “If I Were Mayor” essay contest was a terrific success. Nearly 1,000 students throughout the Commonwealth spent time thinking about their local government, and more importantly, what it would be like for their voice to be heard. We cannot underestimate the impact of a program like this. 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 continued to offer regional meetings around the state. In the fall we held six suppers to discuss legislative issues. Then, in the spring we held seven suppers where we discussed various topics of interest to the region. These suppers have been a terrific way for staff to get on the road and meet with local officials. It has also provided an opportunity for local officials to get together with one another on a regional basis.
- **324 Places.** This new initiative has been focused on what local services would look like in 10 years. After surveying the membership, we decided to study the following issues: Transportation (mobility), Workforce Development, Community

Image and Reputation, Education, Public Engagement/Purpose, Economic Development, Aging Infrastructure, and Sustainability/Resiliency. Trend analysis was conducted in each of these study areas. Each month featured a different topic with articles and webinars. The project culminates in this year's Annual Conference where we will be discussing the future of the Commonwealth.

- **Conference Enhancements.** During the 2015 VML Annual Conference, attendees will notice a number of changes to enhance the conference experience for local officials. General sessions are shorter, breaks are longer, and social events have been designed to expand networking opportunities. In order to address concerns about the length of the conference, the conference schedule is changing. Beginning in 2016, the conference will conclude by Tuesday at noon.

## 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. Two of the counties are full members.
- **Building Improvements.** This year, the VML Executive Committee approved a project to make improvements to the VML-owned building at 13 E. Franklin in Richmond. The building is an important asset and these improvements will enhance the workspace for staff while increasing the overall quality of the building.
- **Strong Financial Position.** VML is a fiscally stable organization with adequate and appropriate reserves. We have modernized and enhanced our accounting processes over the past year. This has allowed for improved financial reporting and more consistent tracking of revenues and expenses.

To: VML executive committee  
From: Mark Flynn  
Date: 28 September 2015

Legislative Report for 4 October 2015 meeting

The legislative committee has proposed a set of legislative priorities for the 2016 session of the General Assembly. They are set out below. The committee meets Sunday the 4<sup>th</sup> for final prioritization. The membership of VML will vote on the legislative program at the business meeting scheduled for Tuesday the 6<sup>th</sup>. At that meeting, member may propose additions, deletions and changes to the program.

The top five issues are set out first in the list below. As you will see, money is the focus of the program, yet again.

### **Proposed legislative program 2016 session of the Virginia General Assembly**

The legislative committee recommends the following issues be included in VML's 2016 legislative program.

#### **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. As an example, VML opposes the elimination or decrease of state funding for state-mandated benefits for school employees.

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. The State Board of Education should identify areas within the Standards of Quality and other educational requirements, such as mandates for expenditures in the area of student health services that can be modified or eliminated in order to provide localities with greater flexibility in their use of scarce education funds.

VML supports a JLARC or other state study that examines the ways other states fund education and whether the Commonwealth should use a funding strategy that establishes a more realistic base foundation amount per pupil – plus add-on funding to reflect higher costs for educating at-risk, disabled, ESL, and gifted students, etc. as well as funding for capital costs.

VML supports a study by the Joint Legislative Audit and Review Commission to determine how the SOQ may be revised and adequately funded to meet the requirements

Draft legislative program  
Proposed by VML legislative committee  
10 September 2015

contained in the Standards of Learning and Standards of Accreditation. VML also supports implementation of JLARC recommendations to promote 3<sup>rd</sup> grade reading performance.

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.

The state has consistently underfunded the state Standards of Quality and other state accountability programs. In the absence of increased state funding, VML opposes any efforts that would transfer to the state additional local funding that localities choose to provide to school divisions. Such local funds exceed the amounts the state requires for SOQ and other state-local match programs.

#### **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 in FY16 and onward 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 general fund revenue and special funds cannot be confiscated or re-directed to the state treasury.
3. 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.

4. Shifting traditional state funding responsibilities onto local governments, for such services including public education, law enforcement and public safety activities, is bad fiscal policy, resulting in the stress of local finances without reductions in overall program costs.
5. Piggybacking state fees, taxes or surcharges on local government services frustrates transparency at both the state and local level.
6. Placing additional administrative burdens on local governments without sufficient resources or administrative flexibility jeopardizes the quality of services delivered at the local level.
7. Any efforts at tax reform should begin with a thorough examination of state tax reform and state spending reform.
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.

Specifically, the Commonwealth should:

- Critique the Standards of Accreditation and Standards of Learning to determine which standards impose costs on local governments that are not recognized in state funding formulas. In particular, changes adopted since 2009 to SOAs and SOLs should be examined as state funding on a per-pupil basis is now below 2009 levels.
- Re-examine those Standards of Quality that the Board of Education has adopted, but that the General Assembly has not funded. These standards reflect prevailing practices necessary to improve children's academic performance. Their academic performance is crucial to students and schools meeting the accountability standards under the SOL and SOA. If funding is not available to pay for prevailing practices, the accountability standards should be adjusted so that local governments are not in the position of having to bear the entire burden of meeting these unfunded mandates.
- Conduct a study that examines the ways other states fund education and whether the Commonwealth should use a funding strategy that establishes a more realistic base foundation amount per pupil – plus add-on funding to reflect higher costs for educating at-risk, disabled, ESL, and gifted students, etc. as well as funding for capital costs.



2. 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.
3. 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 including eliminating unnecessary programs, achieving greater program efficiencies, and streamlining service delivery.
4. 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.

### **Transportation 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.

### **Water Quality Funding**

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.

### **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; and (3) ensure safety, and 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.

### **Municipal Net Metering**

VML requests the General Assembly 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 requests the General Assembly and the Governor to take the necessary steps for the Commonwealth to apply for membership to the Regional Greenhouse Gas Inventory (RGGI), a compact of Mid Atlantic and New England states that auctions carbon credits to meet greenhouse gas emission targets. 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.

### **Synthetic Plastic Microbeads**

VML requests the General Assembly prohibit the manufacture and sale of personal care products and over-the-counter medicines that contain synthetic plastic microbeads. Toxins associated with microbeads, such as PCBs, have the potential to contaminate water supplies so that they exceed safe levels for consumption. Because sewage treatment plants are not equipped to remove microbeads from wastewater and large-scale removal of this pollutant from surface waters would be difficult and costly, the best solution is source reduction.

### **Local authority to regulate plastic bags**

VML requests the General Assembly 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.

### **Local fines and fees to remain local**

VML calls for an end to the state seizure of local fines and forfeitures, which began in 2012 based on a misinterpretation of the Code of Virginia. After separate examinations, neither the State Inspector General nor the State Attorney General found any legal or policy justification for this seizure of local funds. Yet the seizure of funds continues, affecting the ability of affected communities to fund basic services such as public safety.

### **First Day Introduction for Bills with Local Fiscal Impact**

VML supports reinserting the requirement for first day introduction of bills with a local fiscal impact in the procedural resolution that governs the conduct of the General Assembly session. This recommendation was supported in the last session by the Governor’s Task Force for Local Government Mandate Review and the Task Force for Fiscal Impact Review. The intent is to provide local governments more time to assess the fiscal impact of proposed legislation, During the 2014 session, delegates and senators had ten days after the start of the session to introduce legislation, leaving local governments with roughly three weeks to review bills, notify the Commission on Local Government about potential fiscal impacts and to lobby.

Draft legislative program  
Proposed by VML legislative committee  
10 September 2015

### **Fines and Costs Collections by Treasurers**

VML seeks the repeal of language in the 2014 and 2015 Appropriation Acts that effectively bars local Treasurers from collecting delinquent fines and costs. Commonwealth's Attorneys should have the option to choose the most efficient and effective collection agent regardless of whether the agent is a public or private entity. VML does not support efforts to monopolize collection services.

### **Line of Duty Act**

The cost of the current Line of Duty Act is not sustainable for either the state or local governments. VML supports recommendations and options made by the Joint Legislative Audit and Review Commission on the Line of Duty Act program that would ensure the fiscal sustainability of the program and ensure that the benefits are available to those who need and deserve them.

### **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.

### **Workers Compensation – Medical Costs on a scheduled fee basis**

Virginia should adopt Medicare-based fee schedules for setting medical provider fees in workers' compensation cases, instead of the prevailing community rate standard now used. This will make providing workers' compensation coverage more affordable and will adequately protect the financial interests of the medical providers of Virginia.

### **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, much 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.

### **Non-partisan redistricting that preserves jurisdictional boundaries**

VML supports redistricting reform, including the use of a non-partisan independent commission to draw state legislative and Congressional lines based on specified and consistent criteria, including insofar as possible preservation of the integrity of existing city, town, county and precinct lines.



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**MAGAZINE**

VIRGINIA TOWN & CITY

TO: VML Executive Committee  
FROM: Mary Jo Fields, Director of Research  
RE: Redistricting Update  
DATE: September 23, 2015

*Page v. Virginia State Board of Elections*

In the *Page* case, a panel for the Fourth U.S. Circuit Court of Appeals has twice held that the state legislature unconstitutionally “packed” African-American voters in the 3<sup>rd</sup> Congressional District, resulting in a dilution of black voting power in other districts. The court set a deadline of September 1 for the legislature to draw new lines. Following the failure of the General Assembly to meet the deadline, the U.S. District Court for the Eastern District of Virginia has moved ahead with a judicial process for drawing new lines.

At least twelve alternative maps have been filed with the court, which is allowing comment until October 2. OneVirginia2021 is analyzing the maps and VML will work with them should we need to comment.

Also, Congressional Republicans have appealed the *Page* decision to the U.S. Supreme Court, which will not announce any decisions until October 5.

*Bethune-Hill v. Virginia State Board of Elections*

The *Bethune-Hill* case raises the same constitutional question as articulated in the *Page* case, but with a focus on twelve districts in the House of Delegates. The U.S. District Court in Alexandria heard the case in July, but has not released its decision.

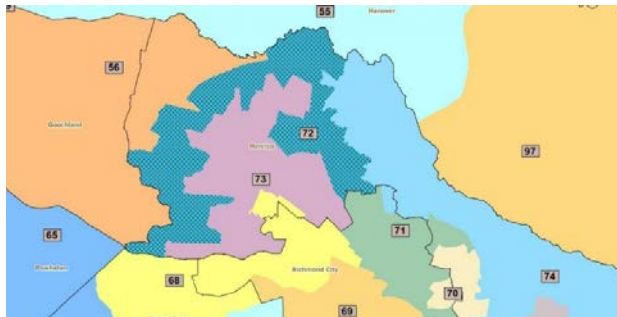
*Vesilind v Board of Elections*

A third lawsuit was filed September 14 in the Richmond Circuit Court. *Vesilind v Board of Elections* claims that 11 of the 140 districts of the Virginia House of Delegates and Senate fail to meet the compactness requirement in the state Constitution. This lawsuit is the first in this redistricting process to be filed in state court, and the first aimed at compactness.

The plaintiffs in *Vesilind v Board of Elections* argue that the state constitutional requirement that “every election district shall be composed of contiguous and compact territory” should be given priority over political considerations including drawing legislative boundaries to protect incumbents or help one political party or another.

OneVirginia2012 spearheaded the lawsuit. A copy of the brief is posted at <http://bit.ly/1gJU2zh>.

Maps of the districts being challenged are posted on OneVirginia2021’s website at <http://onevirginia2021.org/compact/>. One example of a district under challenge is House District 72:



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September 28, 2015

To: VML Executive Committee

From: Janet Areson

Subject: Federal issues update

Federal budget. With the Sept. 30 federal fiscal year end approaching and the lack of Congressional action on a budget, a shutdown seemed very likely until Speaker John Boehner's surprise resignation announcement on Sept. 25. Now it appears that a short-term, stop-gap measure will be agreed upon and operations will continue for a few months. This just moves the date for another showdown until after the fall elections. It also would move the showdown to the same time that the national debt limit will likely need to be increased, which would create a sideshow in the battle over funding federal programs (and in turn, state and local programs). Missing critical debt payments would be a calamity; risk of default can also cause a downgrade of the nation's credit rating. This happened in 2011 when Congress battled over the debt limit and Standard & Poor's took notice and downgraded the country's credit rating.

Transportation. The short-term transportation funding measure approved by Congress in August will expire Oct. 29. At this point it appears yet another short-term extension will be necessary. In July, the Senate approved its own six-year reauthorization bill, called The Developing a Reliable and Innovative Vision for the Economy, or DRIVE Act. The Senate urged the House to take up the same bill before the August recess, but the House resisted. House committees have been working on components of a reauthorization measure, but areas of disagreement remain (e.g., environmental permitting, bike and pedestrian issues). Once resolved, it is possible a measure will come before the full House sometime in October, but there would not be enough time to get the competing House and Senate measures reconciled before Oct. 29.

Marketplace fairness work continues. The National League of Cities (NLC) continues to push for action in support of e-fairness legislation to close the on-line sales tax loophole. Specifically, NLC supports the Remote Transactions Parity Act (HR 2775), which was introduced early this summer and referred to a subcommittee of the House Judiciary Committee. There are 52 cosponsors on the legislation. Rep. Scott Rigell is the only cosponsor from Virginia. NLC estimates that state and local governments lose out on \$23 billion in sales taxes annually because of the remote transaction loophole, and encourages local officials to talk to their House members about signing on as cosponsors.



# Regional Suppers

2015 Fall line up  
 dates and locations  
 Register now at  
[www.vml.org](http://www.vml.org)

VML WILL HOST SEVEN REGIONAL SUPPERS in October through December to provide local government officials with important information pertaining to the 2016 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 2016 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.**

To address recent changes in the Conflicts of Interest laws, we are offering a specialized training to help local officials to comply with the new law. This is ideal COIA training for elected and appointed officials alike and will be offered immediately before each supper from 3 – 5:30 p.m.

\*Note for the Arlington Regional Breakfast, the COIA training will follow after the breakfast.

Date	Location
Wednesday, October 28	<b>Abingdon</b> Heartwood One Heartwood Circle Abingdon, VA 24210
Thursday, October 29	<b>Roanoke</b> The Berglund Center 710 Williamson Road Roanoke, VA 24016
Thursday, November 12	<b>Norfolk</b> The Attucks Theatre 1010 Church Street Norfolk, VA 23510
Wednesday, November 18	<b>Front Royal</b> Joe's Steak House 708 S Royal Avenue Front Royal, VA 22630
Thursday, November 19	<b>Charlottesville</b> Commonwealth Restaurant and Skybar 422 E. Main Street Charlottesville, VA 22902
Monday, November 30 Regional Breakfast 7:30 - 9:30 a.m.	<b>Arlington*</b> Marymount University Gerard Phelan Dining Center 2807 North Glebe Road Arlington, VA 22207
Wednesday, December 2	<b>Petersburg</b> Petersburg Old Town Train Station 103 River Street Petersburg, VA 23803



**Memorandum**

**To:** VML Executive Committee

**From:** Joe Lerch

**Date:** September 24, 2015

**Re:** Go Green Virginia initiative update

The 2015 Green Government and Green Public Schools Challenges are nearing completion and staff notes the following number of current registrants for each:

Green Government:	26 (23 VML Members)
Green Public Schools:	32

Certified governments will receive recognition at the annual conference in October

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The Go Green Advisory Committee, now chaired by Christina Luman-Bailey reconvened after a 2-year hiatus on April 13. The committee worked to expand the initiative to include federal and state partners in addressing sustainability and resiliency at the community level. The result is a significantly revised challenge. There are more action items, up to 44 from the previous 30, thereby presenting additional opportunities to garner points to reach the 100 level. Many of the new items present opportunities for VML members to build partnerships (both public and private) to expand efforts at building more sustainable and resilient communities. For example, points can be earned by participating in the FEMA Community Rating System (CRS) program, a certification process that reduces risks and damages due to flooding with the reward of lower insurance premiums for policyholders. Another example is the ability to earn points by facilitating or supporting a “solarize” initiative in your community to lower the cost of solar panel installations through bulk purchasing.

Copy: Kimberly A. Winn, Executive Director

2015 Annual Conference  
Key Executive Committee Events

**Sunday, October 4**

- 12:00 p.m. – 1:00 p.m. **Executive Committee Lunch**  
Dominion
- 1:00 p.m. – 3:00 p.m. **Executive Committee Meeting**  
Shenandoah
- 5:30 p.m. - 6:30 p.m. **Executive Committee Open House & Reception**  
VML Headquarters. Busses will load at 5:15 at the Broad St. exit of the Marriott (by Starbucks)

**Monday, October 5**

- 9:00 a.m. – 10:15 a.m. **Opening General Session**  
Capital Ballroom Salons 4-8
- 6:00 p.m. – 9:00 p.m. **Host City Night**  
Richmond CenterStage Complex and 6<sup>th</sup> Street
- 9:00 p.m. – 10:00 p.m. **Outgoing President's Suite**  
Marriott - 1806

**Tuesday, October 6**

- 9:00 a.m. – 10:30 a.m. **General Session**  
Capital Ballroom Salons 4-8
- 10:45 a.m. – 11:45 a.m. **Section Elections & Workshops**  
City Section – Madison/Jefferson/Monroe Ballrooms  
Town Section - Capital Ballroom Salons 4-8  
Urban Section – Capital Ballroom Salons 1-3
- 12:00 p.m. – 1:30 p.m. **Public Service Awards Luncheon**  
Grand Ballroom Salons F-J
- 3:30 p.m. – 5:00 p.m. **Business Meeting & Election of Officers**  
Capital Salons 1-3
- 5:45 p.m. – 6:30 p.m. **President's Reception**  
Madison & Jefferson
- 6:30 p.m. – 10:00 p.m. **Annual Banquet/Dessert Reception/Kings of Swing**  
Grand Ballroom Salons E-J
- 9:30 p.m. – 10:30 p.m. **Incoming President's Suite**  
Marriott - 1727