

AUDIT AND FINANCE COMMITTEE MEETING BEGINS AT 6:00PM



TOWN COUNCIL WORK SESSION
TUESDAY, October 12, 2021
immediately following Audit/Finance Committee Meeting
Town Hall Conference Room

1. Resolution to adopt Empower Retirement 457(b) Plan Document, Deferred Compensation Plan
— *Dale Losee*
2. Resolution for VDOT Revenue Sharing Application for 8th Street Bridge Replacement — *Steve Scheulen*
3. FY22 Budget Amendment & Awarding Urgent Sanitary Sewer Point Repairs — *BJ Wilson*
4. FY22 Budget Amendment for Outstanding Purchase Orders - *BJ Wilson*
5. Ordinance Amendment to Increase Number of Chickens in Town Limits — *Lauren Kopishke*
6. Continued Discussion of Short-Term Rentals — *Lauren Kopishke*
7. Open Discussion
8. CLOSED MEETING — Personnel, Consultation with Legal Counsel, and Investment of Public Funds



Work Session Agenda Statement

Item # 1

Meeting Date: October 12, 2021

Agenda Item: Resolution to adopt Empower Retirement 457(b) Plan Document, Deferred Compensation Plan, as amended

Summary: In addition to the Virginia Retirement System (VRS), the Town currently offers a 457 Deferred Compensation Plan through Empower Retirement (formerly known as MassMutual), administered by Edward Jones. In an effort to provide reasonable retirement security for Town employees, increased flexibility in our personnel management system, and assist in the attraction and retention of competent personnel, the Town is amending its current plan document to add a ROTH option for employees' benefit. An executed resolution by Town Council is required by Empower Retirement to implement the revised plan document. In addition, there will be a plan amendment fee due Empower Retirement of \$300 upon adoption of the amended plan.

Budget/Funding: 1202-45201 Human Resource Staff Development - \$300.00

Staff Recommendation: Approval of resolution to adopt the amended plan document from Empower Retirement to add the ROTH option.

TOWN OF FRONT ROYAL, VA
Effective Date of This Document is Upon
Passge of Resolution

Neither MassMutual nor any of its employees can provide legal or tax advice in connection with the execution of this specimen document. Prior to execution of this document, you should consult with your legal or tax advisor on whether this document is appropriate for your plan.

TABLE OF CONTENTS

PREAMBLE.....	1
SECTION I DEFINITIONS.....	2
1.1 Plan Definitions	2
SECTION II PARTICIPATION AND CONTRIBUTIONS.....	5
2.1 Eligibility	5
2.2 Election.....	5
2.3 Commencement of Participation.....	6
2.4 Amendment of Annual Deferral Election, Investment Direction, or Beneficiary Designation.....	6
2.5 Information Provided by the Participant.....	6
2.6 Contributions Made Promptly	6
2.7 Employer Contributions.....	6
2.8 Leave of Absence.....	7
2.9 Disability	7
2.10 Protection of Persons Who Serve in a Uniformed Service	7
2.11 Corrective Measures.....	7
SECTION III LIMITATIONS ON AMOUNTS DEFERRED.....	8
3.1 Basic Annual Limitation.....	8
3.2 Age 50 Catch-up Annual Deferral Contributions	8
3.3 Special Section 457 Catch-up Limitation.....	8
3.4 Special Rules.....	9
3.5 Correction of Excess Deferrals.....	10
SECTION IV INVESTMENT RESPONSIBILITIES.....	11
4.1 Investment of Deferred Amount.....	11
4.2 Investment Election for Future Contributions	11
4.3 Investment Changes for an Existing Account Balance.....	11
4.4 Investment Responsibility.....	11
4.5 Default Investment Fund.....	11
4.6 Statements	12
SECTION V LOANS.....	13
5.1 No Loans.....	13
SECTION VI DISTRIBUTIONS	14
6.1 Distributions from the Plan.....	14
6.2 Benefit Distributions Upon Severance from Employment	14
6.3 Distributions on Account of Participant's Death.....	15
6.4 Distribution of Small Account Balances Without Participant's Consent.....	15
6.5 Forms of Distribution	16
6.6 Minimum Distribution Requirements	16

6.7	Payments to Minors and Incompetents	22
6.8	Procedure When Distributee Cannot Be Located	22
6.9	Direct Rollover	23
6.10	Inservice Distributions	24
6.11	Qualified Distributions for Retired Public Safety Officers	26
SECTION VII ROLLOVERS AND PLAN TRANSFERS.....		27
7.1	Eligible Rollover Contributions to the Plan	27
7.2	Plan-to-Plan Transfers to the Plan	27
7.3	Plan-to-Plan Transfers from the Plan	28
7.4	Permissive Service Credit Transfers	29
SECTION VIII BENEFICIARY		30
8.1	Beneficiary Designation.....	30
SECTION IX ADMINISTRATION AND ACCOUNTING		31
9.1	Administrator	31
9.2	Administrative Costs	31
9.3	Paperless Administration	31
SECTION X AMENDMENTS.....		33
10.1	Amendment	33
10.2	Conformation	33
10.3	Plan Termination.....	33
SECTION XI TRUST FUND		34
11.1	Trust Fund.....	34
SECTION XII MISCELLANEOUS.....		35
12.1	Non-Assignability	35
12.2	Domestic Relation Orders	35
12.3	IRS Levy	35
12.4	Mistaken Contributions.....	35
12.5	Employment	36
12.6	Successors and Assigns	36
12.7	Written Notice.....	36
12.8	Total Agreement.....	36
12.9	Gender.....	36
12.10	Controlling Law.....	36
SECTION XIII SUPERSEDING PROVISIONS		37
EMPLOYER ADOPTION PAGE.....		38

457(b) PLAN DOCUMENT
DEFERRED COMPENSATION PLAN
PREAMBLE

Adoption of Plan

The Town of Front Royal, VA (hereinafter "the Plan"), an eligible deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), of a State or local government as described in Code Section 457(e)(1)(A), adopted by Town of Front Royal, VA (hereinafter the "Employer") effective upon passage of resolution.

Purpose of Plan

The primary purpose of this Plan is to permit Employees of the Employer to enter into an agreement which will provide for deferral of payment of a portion of his or her current compensation until death, retirement, severance from employment, or other event, in accordance with the provisions of the Code Section 457(b), with other applicable provisions of the Code, and in accordance with the General Statutes of the State.

Status of Plan

It is intended that the Plan shall qualify as an eligible deferred compensation plan within the meaning of Code Section 457(b) sponsored by an eligible employer within the meaning of Code Section 457(e)(1)(A), i.e., a State, political subdivision of a State, and agency or instrumentality of a State or political subdivision of a State.

Tax Consequences of Plan

The Employer does not and cannot represent or guarantee that any particular federal or State income, payroll, or other tax consequence will occur by reason of participation in this Plan. A Participant should consult with his or her own counsel or other representative regarding all tax or other consequences of participation in this Plan.

SECTION I DEFINITIONS

1.1 Plan Definitions

For purposes of this Plan, the following words and phrases have the meaning set forth below, unless a different meaning is plainly required by the context:

An "**Account Balance**" means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Code Section 414(p)(8)).

The "**Administrator**" means the Employer. The term Administrator includes any person or persons, committee, or organization appointed by the Employer to administer the Plan.

An "**Annual Deferral**" means the amount of Compensation deferred in any calendar year.

The "**Beneficiary**" of a Participant means the person or persons (or, if none, the Participant's estate) who is entitled under the provisions of the Plan to receive a distribution in the event the Participant dies before receiving distribution of his or her entire interest under the Plan.

The "**Code**" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended from time to time. Reference to a Code Section includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The "**Compensation**" of a Participant means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, including, as applicable, compensation attributable to services as an independent contractor, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under Section II).

Any payments described below made to a Participant after a Severance from Employment shall qualify as Compensation for purposes of the Plan, but only if the payments are made by the later of (a) the end of the calendar year in which the Severance from Employment occurred or (b) within 2 ½ months of such Severance from Employment:

- (a) Payments that, absent a Severance from Employment, would have been paid to the Participant while the Participant continued in employment with the Employer, but only if such payments constitute regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or a shift differential), commissions, bonuses or other similar compensation.

Any payment that is not described above shall not be considered Compensation if it is paid after the date of the Participant's Severance from Employment, even if it is paid within 2 ½ months of such date. Thus, for example, Compensation does not include severance pay.

For years beginning after December 31, 2008, (a) a Participant receiving a differential wage payment, as defined by Code §3401(h)(2), by reason of qualified military service (within the meaning of Code Section 414(u)), is treated as an Employee of the Employer making the payment and (b) the differential wage payment is treated as Compensation.

An "**Employee**" means each natural person who is employed by the Employer as a common law employee on a full time basis; provided, however, that the term Employee shall not include a leased employee or any employee who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan.

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee of the Employer, unless the Employer has included the individual in Plan participation as an independent contractor.

An "**Employer**" means the eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan. In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan.

"**Includible Compensation**" means, with respect to a taxable year, the Participant's compensation as defined in Code Section 415(c)(3) and the regulations thereunder, for services performed for the Employer. The amount of Includible Compensation is determined without regard to any community property laws.

"**Normal Retirement Age**" means age 65.

In the event a Participant is a qualified police or firefighter (as defined under Code Section 415(b)(2)(H)(ii)(I)) Normal Retirement Age means age 40.

A Participant's Normal Retirement Age must be the same as his or her normal retirement age under any other eligible deferred compensation plan or plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.

The "**Participant**" means an individual who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as an Employee may defer Compensation under the Plan.

"**Plan Year**" means the calendar year.

"**Roth Contributions**" means the amount of any Annual Deferral elected by a Participant that is irrevocably designated by the Participant as being made pursuant to, and intended to comply with, Code Section 402A. Roth Contributions are includable in the Participant's taxable gross income at the time they are contributed to the Plan and have been irrevocably designated as Roth Annual Deferrals by the Participant in their deferral agreement. The Administrator shall establish and maintain for the Employee a separate account for any Roth Contributions made to the Plan, to which only Roth Contributions and the income attributable thereto shall be allocated. Roth Contributions also includes any contributions made to another eligible retirement plan that are rolled over to the Plan in accordance with the provisions of Section 7.1 and that the Participant designated as Roth contributions at the time they were contributed to such other plan.

"**Severance from Employment**" means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Administrator (and taking into account guidance issued under the Code). Solely for the purpose of determining whether the Participant is entitled to receive a distribution of his or her Account Balance pursuant to Section 6.2, a Participant shall be treated as having incurred a severance from employment during any period the Participant is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.

The "**State**" means the State that is the Employer or of which the Employer is a political subdivision, and any agency, or instrumentality, including any agency or instrumentality of a political subdivision of the State, or the State in which the Employer is located.

The "**Trust Fund**" means the trust fund created under and subject to a trust agreement or a custodial account or contract described in Code Section 401(f) held on behalf of the Plan.

The "**Valuation Date**" means each business day.

SECTION II PARTICIPATION AND CONTRIBUTIONS

2.1 Eligibility

Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder immediately upon becoming employed by the Employer.

2.2 Election

An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and to have that amount contributed as an Annual Deferral on his or her behalf) and filing such election with the Administrator. This participation election shall be made on the deferral agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. Any such election shall remain in effect until a new election is filed. The Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The deferral agreement shall also include designation of investment funds and a designation of Beneficiary. The deferral agreement may also include a Participant's designation that all or a portion of the Annual Deferral elected by the Participant shall be treated as Roth Contributions.

- (a) **Special Deferral Election of Sick, Vacation, or Back Pay:** A Participant who has not had a Severance from Employment may authorize a special election to defer accumulated sick pay, accumulated vacation pay, and back pay for any calendar month if an election to defer is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available. For this purpose, Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment.
- (b) **Special Deferral Election On Bonus Pay:** Participant may authorize a special election to defer on that portion of his or her Compensation that is attributable to any Employer paid cash bonuses made for the Plan Year in an amount up to 100% of such bonus, in which case the general deferral agreement under Section 2.2 shall not apply to that portion of Compensation that is attributable to any Employer paid cash bonuses made for the Plan Year. The Employer may designate the bonuses for which the special reduction authorization is available; provided, however, that such designation shall be made on a uniform and non-discriminatory basis. These amounts may be deferred for any calendar month only if an agreement providing for the special election to defer on bonus pay is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available.

2.3 Commencement of Participation

An Employee shall become a Participant as soon as administratively practicable following the date the Employee files an election pursuant to Section 2.2. Such election shall become effective no later than the calendar month following the month in which the election is made. A new Employee may defer compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.

2.4 Amendment of Annual Deferral Election, Investment Direction, or Beneficiary Designation

Subject to other provisions of the Plan, a Participant may at any time revise his or her participation election, including a change of the amount of his or her Annual Deferrals, his or her investment direction and his or her designated Beneficiary. The revised participation election may also include a change in the Participant's designation of the amount of the Annual Deferral elected by the Participant that is to be treated as Roth Contributions. Unless the election specifies a later effective date, a change in the amount of the Annual Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrator.

2.5 Information Provided by the Participant

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the plan, including, without limitation, whether the Employee is a participant in any other eligible plan under Code Section 457(b).

2.6 Contributions Made Promptly

Annual Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, Annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, or earlier if required by law.

2.7 Employer Contributions

Nothing in this Plan prohibits the Employer from making annual deferrals to the Account Balance of a Participant on a non-elective basis, subject to the Participant's contribution limits in Section III.

2.8 Leave of Absence

Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, Annual Deferrals under the Plan shall continue to the extent that Compensation continues.

2.9 Disability

A disabled Participant (as determined by the Administrator) may elect Annual Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.

2.10 Protection of Persons Who Serve in a Uniformed Service

An Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional Annual Deferrals upon resumption of employment with the Employer equal to the maximum Annual Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Annual Deferrals, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

A reemployed Employee shall also be entitled to an allocation of any additional Employer Contributions, if applicable, that such Employee would have received under the Plan had the Employee continued to be employed as an eligible Employee during the period of qualified military service. Such restorative Employer Contributions (without interest), if applicable, shall be remitted by the Employer to the Plan on behalf of the Employee within 90 days after the date of the Employee's reemployment or, if later, as of the date the contributions are otherwise due for the year in which the applicable qualified military service was performed.

2.11 Corrective Measures

In the event that an otherwise eligible Employee is erroneously omitted from Plan participation, or an otherwise ineligible individual is erroneously included in the Plan, the Employer shall take such corrective measures as may be permitted by applicable law. Such measures may include, in the case of an erroneously omitted Employee, contributions made by the Employer to the Plan on behalf of such Employee equal to the missed deferral opportunity, subject to the Participant's contribution limits in Section III, and, in the case of an erroneously included individual, a payment by the Employer to such individual of additional compensation in an amount equal to the amount of the individual's elective deferrals under the Plan.

SECTION III LIMITATIONS ON AMOUNTS DEFERRED

3.1 Basic Annual Limitation

- (a) The maximum amount of the Annual Deferral and, if applicable, Employer Contributions under the Plan for any calendar year shall not exceed the lesser of:
 - (i) The "applicable dollar amount" (as defined in paragraph (b) below); or
 - (ii) The Participant's Includible Compensation for the calendar year.
- (b) The "applicable dollar amount" means the amount established under Code Section 457(e)(15), as indexed, and in accordance with Section 3.4(a).
- (c) Rollover amounts received by the Plan under Treasury Regulation Section 1.457-10(e) and any plan-to-plan transfer into the Plan made pursuant to Section 7.2 shall not be applied against the Annual Deferral limit.

3.2 Age 50 Catch-up Annual Deferral Contributions

A Participant who will attain age 50 or more by the end of a calendar year is permitted to elect an additional amount of Annual Deferral for the calendar year, up to the maximum age 50 catch-up Annual Deferral limit under §414(v)(2), as indexed.

The amount of the age 50 catch-up Annual Deferral for any calendar year cannot exceed the amount of the Participant's Compensation, reduced by the amount of the elective deferred compensation, or other elective deferrals, made by the Participant under the Plan and in accordance with Section 3.4(a).

The age 50 catch-up Annual Deferral limit is not available to a Participant for any calendar year for which the Special Section 457 Catch-up Limitation described in Section 3.3 is available and applied.

3.3 Special Section 457 Catch-up Limitation

Notwithstanding the provisions of Sections 3.1 and 3.2, with respect to a year that is one of a Participant's last three (3) calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.3 exceeds the amount computed under Sections 3.1 and 3.2, then the Annual Deferral limit under this Section 3.3 shall be the lesser of:

- (a) An amount equal to two (2) times the Section 3.1 Applicable Dollar Amount for such year; or
- (b) The sum of:

- (i) An amount equal to (A) the aggregate Section 3.1 limit for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus
- (ii) An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to Sections 3.2 and 3.3), minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined in Section 3.4(c)) made by or on behalf of the Participant for such years.

However, in no event can the deferred amount be more than the Participant's Compensation for the year.

3.4 Special Rules

For purposes of this Section III, the following rules shall apply:

- (a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section III. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.
- (b) Pre-Participation Years. In applying Section 3.3, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.1 or any other plan ceiling required by Code Section 457(b).
- (c) Pre-2002 Coordination Years. For purposes of Section 3.3(b)(ii)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.3(b)(ii)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.

- (d) Disregard Excess Deferral. For purposes of Sections 3.1, 3.2, and 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year if excess deferrals under the plan are distributed, as described in Section 3.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

3.5 Correction of Excess Deferrals

If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Administrator determines that the amount is an excess deferral. If a Participant to whom distribution must be made in accordance with the preceding sentence has made Roth Contributions for the year, the amount distributed as an excess deferral shall be made first from pre-tax Annual Deferrals, then from Roth Contributions for the year unless otherwise specified.

SECTION IV INVESTMENT RESPONSIBILITIES

4.1 Investment of Deferred Amount

Each Participant or Beneficiary shall direct the investment of amounts held in his or her Account Balance under the Plan among the investment options of the Trust Fund. The investment of amounts segregated on behalf of an alternate payee pursuant to a Plan approved domestic relations order (as defined under Code Section 414(p)) may be directed by such alternate payee to the extent provided in such order. In the absence of such direction, such amounts shall be invested in the same manner as they were immediately before such segregation was made on account of such order. Each Account Balance shall share in any gains or losses of the investment(s) in which such account is invested.

4.2 Investment Election for Future Contributions

A Participant may amend his or her investment election at such times and by such manner and form as prescribed by the Administrator. Such election will, unless specifically stated otherwise, apply only to future amounts contributed under the Plan.

4.3 Investment Changes for an Existing Account Balance

The Participant, Beneficiary, alternate payee, or Administrator may elect to transfer amounts in his Account Balance among and between those investments available under the Trust Fund at such times and by such manner and form prescribed by the Administrator, subject further to any restrictions or limitations placed on any investment by the Administrator to be uniformly applied to all Participants.

4.4 Investment Responsibility

To the extent that a Participant, Beneficiary, or alternate payee exercises control over the investment of amounts credited to his Account Balance, the Employer, the Administrator, and any other fiduciary of the Plan shall not be liable for any losses that are the direct and necessary result of investment instructions given by a Participant, Beneficiary or an alternate payee.

4.5 Default Investment Fund

The Employer shall maintain a Default Investment Fund which shall be held and administered under the Trust Fund. Any Participant who does not make an investment election on the deferral agreement provided by the Administrator will have his contributions invested in the Default Investment Fund until such time he provides investment direction under Sections 4.2 and 4.3. Additionally, a Beneficiary or alternate payee who does not make an investment election will have his Account Balance invested in the Default Investment Fund until such time he provides investment direction under Section 4.3. The interest of each Participant, Beneficiary, or alternate payee under the Plan in the Default Investment Fund shall be an undivided interest.

4.6 Statements

The Administrator will cause statements to be issued periodically to reflect the contributions and actual earnings posted to the Account Balances.

SECTION V LOANS

5.1 No Loans

There shall be no loans made to Participants from the Plan.

SECTION VI DISTRIBUTIONS

6.1 Distributions from the Plan

- (a) Earliest Distribution Date. Payments from a Participant's Account Balance shall not be made earlier than:
- (i) the Participant's Severance from Employment pursuant to Section 6.2
 - (ii) the Participant's death pursuant to Section 6.3
 - (iii) Plan termination under Section 10.3
 - (iv) an unforeseeable emergency withdrawal pursuant to Section 6.10(a), if permitted under the Plan
 - (v) a de minimis account balance distribution pursuant to Section 6.10(b), if permitted under the Plan
 - (vi) a rollover account withdrawal pursuant to Section 6.10(c), if permitted under the Plan
 - (vii) attainment of age 70 ½ withdrawal pursuant to Section 6.10(d), if permitted under the Plan
 - (viii) Qualified Military Service Deemed Severance withdrawal pursuant to Section 6.10(e), if permitted under the Plan
 - (ix) Qualified Military Reservist withdrawal pursuant to Section 6.10(f), if permitted under the Plan
 - (x) Qualified Distributions for Retired Public Safety Officers pursuant to Section 6.11, if permitted under the Plan
- (b) Latest Distribution Date. In no event shall any distribution under this Section VI begin later than the Participant's "required beginning date". Such required minimum distributions must be made in accordance with Section 6.6.
- (c) Amount of Account Balance. Except as provided in Section 6.3, the amount of any payment under this Section VI shall be based on the amount of the Account Balance as of the Valuation Date.

6.2 Benefit Distributions Upon Severance from Employment

Upon Severance from Employment (other than due to death), a Participant may elect to commence distribution of benefits at any time after such Severance from Employment by filing a

request with the Administrator before the date on which benefits are to commence. However, in no event may distribution of benefits commence later than his or her "required beginning date".

Distributions required to commence under this section shall be made in the form of benefit provided under Section 6.5. Distributions postponed until the Participant's "required beginning date" will be made in a manner that meets the requirements of Section 6.6.

6.3 Distributions on Account of Participant's Death

Upon receipt of satisfactory proof of the Participant's death, the designated Beneficiary may file a request with the Administrator to elect a form of benefit provided under Section 6.5 and made in a manner that meets the requirements of Section 6.6.

- (a) Death of Participant Before Distributions Begin. If the Participant dies before his or her distributions begin, the designated Beneficiary may elect to have distributions to be made (i) in full within 5 years of the Participant's death (5-year rule) or (ii) in installments over the designated Beneficiary's "life expectancy" (life expectancy rule).

If the designated Beneficiary does not make an election by September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death or if the Participant's spouse is the sole designated Beneficiary by December 31 of the year the Participant would have attained age 70 ½.

- (b) Death of Participant On or After Date Distributions Begin. If the Participant dies on or after his or her distributions began, the Participant's Account Balance shall be paid to the Beneficiary at least as rapidly as under the payment option used before the Participant's death.

For purposes of this Section, a Participant who dies on or after January 1, 2007, while performing qualified military service (as defined in Code Section 414(u)) will be deemed to have resumed employment in accordance with the Participant's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death and to have terminated employment on the actual date of death for purposes of determining the entitlement of the Participant's survivors to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan, in accordance with the provisions of Code Sections 401(a)(37), 414(u)(9), and 457(g)(4).

6.4 Distribution of Small Account Balances Without Participant's Consent

Notwithstanding any other provision of the Plan to the contrary, if the amount of a Participant's or Beneficiary's Account Balance (including the rollover contribution separate account) is not in excess of the amount specified below on the date that payments commence under Section 6.2 or on the date the Administrator is notified of the Participant's death, the Administrator may direct

payment without the Participant's or Beneficiary's consent as soon as practicable following the Participant's retirement, death, or other Severance from Employment.

- (a) The Plan does not provide for distribution of small Account Balances without Participant or Beneficiary consent.

6.5 Forms of Distribution

In an election to commence benefits under Section 6.2, a Participant entitled to a distribution of benefits under this Section VI may elect to receive payment in any of the following forms of distribution:

- (a) a lump sum payment of the Participant's total Account Balance.
- (b) partial distribution of the Participant's Account Balance.
- (c) in a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the Participant as permitted under Code Section 401(a)(9).
- (d) a purchase of a single premium nontransferable annuity contract for such term and in such form as the Participant selects that provides for payments in the form of an irrevocable annuity each calendar year of amounts not less than the amount required under Code Section 401(a)(9).

6.6 Minimum Distribution Requirements

- (a) General Rules.

Notwithstanding anything in this Plan to the contrary, distributions from this Plan shall commence and be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder. Additionally, the requirements of this Section 6.6 will take precedence over any inconsistent provisions of the Plan.

- (b) Time and Manner of Distribution.

- (i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "required beginning date".
- (ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
 - (A) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", then distributions to the surviving spouse will begin by

December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.

- (B) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), then distributions to the "designated Beneficiaries" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (C) If the Participant's sole "designated Beneficiary" is not the Participant's spouse, then distributions to the "designated Beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (D) If there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (E) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subparagraph (b)(ii), other than subsection (b)(ii)(A), will apply as if the surviving spouse were the Participant.

For purposes of this subparagraph (ii) and paragraph (d), unless subsection (b)(ii)(D) applies, distributions are considered to begin on the Participant's "required beginning date". If subsection (b)(ii)(E) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's "required beginning date" (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A)), the date distributions are considered to begin is the date distributions actually commence.

- (iii) Death of Participant On or After Distributions Begin. If the Participant dies on or after distributions begin and before depleting his or her Account Balance, distributions must commence to the "designated Beneficiary" by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (iv) Forms of Distribution. Unless the Participant's Account Balance is distributed in the form of an annuity contract or in a lump sum on or before the Participant's "required beginning date", as of the first distribution calendar year, distributions will be made in accordance with paragraphs (c) and (d). If the Participant's

interest is distributed in the form of an annuity contract, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9).

(c) Required Minimum Distributions During the Participant's Lifetime.

- (i) Amount of Required Minimum Distribution For Each "Distribution Calendar Year". During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
 - (A) The quotient obtained by dividing the "Participant's account balance" by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-2 using the Participant's age as of the Participant's birthday in the "distribution calendar year"; or
 - (B) if the Participant's sole "designated Beneficiary" for the "distribution calendar year" is the Participant's spouse and the spouse is more than 10 years younger than the Participant, the quotient obtained by dividing the "Participant's account balance" by the distribution period in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-3 using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the "distribution calendar year".
- (ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (c) beginning with the first "distribution calendar year" and up to and including the "distribution calendar year" that includes the Participant's date of death.

(d) Required Minimum Distributions After Participant's Death.

For purposes of this Section 6.6(d), the Participant's and Beneficiary's "life expectancy" determination will use the Single Life Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-1.

(i) Death On or After Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the longer of the remaining "life expectancy" of the Participant or the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

- (1) The Participant's remaining "life expectancy" is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
- (2) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For "distribution calendar years" after the year of the surviving spouse's death, the remaining "life expectancy" of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
- (3) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (4) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the Participant's remaining "life expectancy" calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

Except as provided in this Section, if the Participant dies before the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the

"Participant's account balance" by the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

- (1) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year.
- (2) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (3) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies before the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole "designated Beneficiary", and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection (b)(ii)(A), this subparagraph (d)(ii) will apply as if the surviving spouse were the Participant.

(e) Definitions.

- (i) A Participant's "required beginning date" is April 1 of the year that follows the later of (1) the calendar year the Participant attains age 70 $\frac{1}{2}$ or (2) retires due to Severance from Employment. If the Participant postpones the required distribution due in calendar year he or she attains age 70 $\frac{1}{2}$ or severs employment, to the "required beginning date", the second required minimum distribution must be taken by the end of that year.

- (ii) Participant's "designated Beneficiary" means the individual who is designated as the Beneficiary under Section 8.1 and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4.
- (iii) A "distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first "distribution calendar year" is the calendar year the Participant attains age 70 ½ or retires, if later. For distributions beginning after the Participant's death, the first "distribution calendar year" is the calendar year in which distributions are required to begin under subparagraph (b)(ii).

The required minimum distribution for the Participant's first "distribution calendar year" will be made on or before the Participant's "required beginning date". The required minimum distribution for other "distribution calendar years", including the required minimum distribution for the "distribution calendar year" in which the Participant's "required beginning date" occurs, will be made on or before December 31 of that "distribution calendar year".

- (iv) A married Participant's "life expectancy", whose spouse is the sole Beneficiary and is more than 10 years younger than the Participant, means the Participant's and spouse Beneficiary's life expectancy as computed by use of the Joint and Last Survivor Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 3. All other Participants will have his or her life expectancy computed by use of the Uniform Lifetime Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 2. A deceased Participant's or Beneficiary's "life expectancy" means his or her life expectancy as computed by use of the Single Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 1.
 - (v) A "Participant's account balance" means the Account Balance as of the last valuation date in the calendar year immediately preceding the "distribution calendar year" (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the "distribution calendar year" if distributed or transferred in the valuation calendar year.
- (f) Special Provision Applicable to 2009 Required Minimum Distributions.

A Participant who would otherwise be required to receive a minimum distribution from the Plan in accordance with Code Section 401(a)(9) for the 2009 "distribution calendar year" may elect not to receive any such distribution that is payable with respect to the 2009 "distribution calendar year".

Notwithstanding the provisions of Section 6.9(b)(iii), the Administrator may permit a Participant who receives a minimum distribution from the Plan for the 2009 "distribution calendar year" to make a direct rollover of such distribution to an "eligible retirement plan" in accordance with the provisions of Section 6.9.

The Administrator may also permit a Participant or former Participant who has received a minimum distribution for the 2009 "distribution calendar year" to roll over such distribution back into the Plan, provided the requirements of Code Section 402(c), as modified by Notice 2009-82, extending the 60-day rollover deadline, and the requirements of Section 7.1 are otherwise satisfied. If the distribution received by the Participant included amounts in addition to the minimum required under Code Section 401(a)(9), the Administrator may allow the Participant to include a portion or all of the amount that was not a minimum distribution in the Rollover Contribution made to the Plan in accordance with this paragraph.

The provisions of this Section 6.6(f) are effective for minimum payments made for the 2009 "distribution calendar year" and do not include any minimum payment that is made in 2009, but is attributable to a different year (i.e., the participant reached his required beginning date in 2008, but payment of the 2008 minimum is not made until 2009).

6.7 Payments to Minors and Incompetents

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator or a court of competent jurisdiction may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

6.8 Procedure When Distributee Cannot Be Located

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown in the Administrator's records; (b) use of a commercial locator service, the internet or other general search method; or (c) use such other methods as the Administrator believes prudent.

If the Participant or Beneficiary has not responded within 6 months, the Plan shall continue to hold the benefits due such person until, in the Administrator's discretion, the Plan is required to take other action under applicable law.

Notwithstanding the foregoing, if the Administrator is unable to locate a person entitled to benefits hereunder after applying the search methods set forth above, then the Administrator, in its sole discretion, may pay an amount that is immediately distributable to such person in a direct rollover to an individual retirement plan designated by the Administrator.

6.9 Direct Rollover

- (a) A Participant or spouse Beneficiary (or a Participant's spouse or former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p)) who is entitled to an "eligible rollover distribution" may elect, at the time and in the manner prescribed by the Administrator, to have all or any portion of the distribution paid directly to an "eligible retirement plan" specified by the Participant or spouse Beneficiary in a direct rollover.
- (b) For purposes of this Section 6.9, an "eligible rollover distribution" means any distribution of all or any portion of a Participant's Account Balance, except that an eligible rollover distribution does not include (i) any distribution that is one of a series of substantially equal periodic payment made not less frequently than annually for the life or life expectancy of the Participant or the joint lives or life expectancies of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more (ii) any distribution made as a result of an unforeseeable emergency, or (iii) any distribution that is a required minimum distribution under Code Section 401(a)(9).

In addition, an "eligible retirement plan" with respect to the Participant, the participant's spouse, or the Participant's spouse or former spouse who is an alternate payee under a domestic relations order as defined in Code Section 414(p) means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) an annuity plan described in Code Section 403(a), (iv) a qualified defined contribution plan described in Code Section 401(a), (v) an annuity contract described in Code Section 403(b), (vi) an eligible deferred compensation plan described in Code Section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, or (vii) effective for distributions made on or after January 1, 2008, a Roth IRA, as described in Code Section 408A, provided, that for distributions made before January 1, 2010, such rollover shall be subject to the limitations contained in Code Section 408A(c)(3)(B) .

Notwithstanding any other provision of this Section 6.9(b), a plan or contract described in clause (iii), (iv), (v), or (vi) above shall not constitute an "eligible retirement plan" with respect to a distribution of Roth Contributions unless such plan or contract separately accounts for such distribution, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

- (c) A Beneficiary who is not the spouse of the deceased Participant may elect a direct rollover of a distribution to an individual retirement account described in Code Section 408(b) or to a Roth individual retirement account described in Code Section 408A(b) ("IRA"), provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution. The direct rollover must be made to an IRA established on behalf of the designated nonspouse Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The IRA must be established in a

manner that identifies it as an IRA with respect to a deceased Participant and also identifies the deceased Participant and the nonspouse Beneficiary.

6.10 Inservice Distributions

- (a) Unforeseeable Emergency Distributions. If the Participant who has not incurred a Severance from Employment or Beneficiary has an unforeseeable emergency, the Administrator may approve a single sum distribution of the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section 6.10(a), Treasury Regulation Section 1.457-6(c) or other regulatory guidance. The Administrator shall determine whether an unforeseeable emergency exists based on relevant facts and circumstances, and Treasury Regulation Section 1.457-6(c) or other regulatory guidance.
- (i) An unforeseeable emergency is defined as a severe financial hardship resulting from the following:
- (A) an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary";
 - (B) loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster);
 - (C) the need to pay for the funeral expenses of a Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or "primary Beneficiary" of the Participant;
 - (D) the need to pay for medical expenses of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary" which are not reimbursed or compensated by insurance or otherwise, including non-refundable deductibles, as well as for the cost of prescription drug medication;
 - (E) the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence; or
 - (F) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. However, except as otherwise specifically provided in this Section 6.10(a), certain circumstances are not considered an unforeseen emergency such as the purchase of a home or the payment of college tuition or credit card debt.

For purposes of this paragraph, if the Participant is not deceased, a "primary Beneficiary" shall be limited to a primary Beneficiary under the Plan, which is an individual who is named as a Beneficiary pursuant to Section 8.1 and has an unconditional right to all or a portion of the Participant's Account Balance upon the death of the Participant, and which shall not include a contingent beneficiary. Additionally, dependent shall be limited to the definition under Code Section 152(a), and, for taxable years beginning on or after January 1, 2005, without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B).

- (ii) Unforeseeable emergency distribution standard. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise; by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or by cessation of deferrals under the Plan if the cessation of deferrals would alleviate the financial need.
 - (iii) Distribution necessary to satisfy emergency need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution).
- (b) De minimis Account Balance Distributions. A Participant before Severance of Employment may request a distribution of his or her total Account Balance (excluding the rollover contribution separate account), which shall be paid in a lump sum payment as soon as practical following the direction if (i) the total Account Balance does not exceed \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater), (ii) the Participant has not previously received a distribution of their total Account Balance payable to the Participant under this Section 6.10(b), and (iii) no Annual Deferral has been made with respect to the Participant during the two-year period ending immediately before the date of the distribution.
- The Plan does not permit the Administrator to direct payments under the terms of this Section 6.10(b) without the Participant's consent.
- (c) Rollover Account Distributions. If a Participant has a separate account attributable to rollover contributions under the Plan, the Participant before Severance of Employment may at any time elect to receive an inservice distribution of all or any portion of the amount held in the rollover separate account. Any designated Roth contributions rolled over to the Plan are treated as Roth Contributions for Plan purposes and are not eligible for inservice withdrawal under this Section 6.10(c).
 - (d) Age 70 ½ Distributions. Prior to Severance from Employment, a Participant may withdraw all or a portion of his or her Account Balance on or after first day of the calendar year in which the Participant shall attain age 70½.

- (e) Qualified Military Service Deemed Severance Distributions. The Plan does not permit "qualified military service deemed severance withdrawals".
- (f) Qualified Military Reservist Distributions. The Plan does not permit "qualified military reservist withdrawals".

6.11 Qualified Distributions for Retired Public Safety Officers

A Participant who is an "eligible retired public safety officer" may elect to have qualified health insurance premiums deducted from amounts to be distributed to the Participant from the Plan, and to have such amounts paid directly to the insurer or group health plan, subject to the provisions of this Section 6.11. "Qualified health insurance premiums" include premiums for accident and health insurance (including under a self-insured plan) or qualified long-term care insurance contracts for the Participant and the Participant's spouse and dependents. It is intended that, pursuant to Code Section 402(l), the distribution shall be excluded from the Participant's gross income to the extent that the aggregate amount of the distributions does not exceed the amount used to pay the qualified health insurance premiums of the Participant and the Participant's spouse and dependents.

- (a) A Participant shall qualify as an "eligible retired public safety officer" for purposes of this Section 6.11 only if the Participant is an individual who separated from service, either by reason of disability (as determined by the Administrator) or after attainment of normal retirement age, as a public safety officer with the Employer. Consequently, a public safety officer who retires before the attainment of normal retirement age is not an eligible retired public safety officer unless the public safety officer retires by reason of disability (as determined by the Administrator).
- (b) For purposes of this Section 6.11, the term "public safety officer" means an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or as a member of a rescue squad or ambulance crew.
- (c) In order to avoid unintended taxation, the aggregate amount that a Participant elects to have directly distributed to an insurer or group health plan pursuant to this Section 6.11 for any calendar year shall be limited to \$3,000. Moreover, for purposes of applying this \$3,000 limitation, distributions with respect to the Participant that are used to pay for qualified health insurance premiums from all qualified retirement plans of the Employer shall be aggregated.

SECTION VII ROLLOVERS AND PLAN TRANSFERS

7.1 Eligible Rollover Contributions to the Plan

- (a) A Participant who is an Employee and who is entitled to receive an eligible rollover distribution from another "eligible retirement plan", as defined in 6.9(b) excluding the direct rollover of after-tax contributions, may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an "eligible retirement plan" within the meaning of Code Section 402(c)(8)(B).
- (b) If an Employee makes a rollover contribution to the Plan of amounts that have previously been distributed to him or her, the Employee must deliver to the Administrator the cash that constitutes his or her rollover contribution within 60 days of receipt of the distribution from the distributing "eligible retirement plan". Such delivery must be made in the manner prescribed by the Administrator.
- (c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is an eligible governmental plan under Code Section 457(b). In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is not an eligible governmental plan under Code Section 457(b).
- (d) To the extent that the Plan accepts rollover contributions attributable to Roth Contributions, the Administrator shall account for such contributions separately from other rollover contributions. In administering rollover contributions attributable to Roth Contributions, the Administrator shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Participant's basis in the rolled over amounts and (ii) the date on which the Participant's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of Roth Contributions) started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Participant's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Roth Contributions included in the rollover contribution. Roth Contributions that are rolled over to the Plan shall be subject to the provisions of the Plan applicable to Roth Contributions rather than the provisions of the Plan applicable to rollover contributions.

7.2 Plan-to-Plan Transfers to the Plan

At the direction of the Employer, the Administrator may permit Participants or Beneficiaries who are participants or beneficiaries in another eligible governmental plan under Code Section 457(b) to transfer assets to the Plan as provided in this Section 7.2. Such a transfer is permitted only if

the other plan provides for the direct transfer of each Participant's or Beneficiary's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code Section 457(e)(10) and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Section III.

7.3 Plan-to-Plan Transfers from the Plan

- (a) At the direction of the Employer, the Administrator may permit Participants or Beneficiaries to elect to have his or her Account Balance transferred to another eligible governmental plan within the meaning of Treasury Regulatory Section 1.457-2(f), if the other eligible governmental plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and the conditions of subparagraph (i), (ii), or (iii) are met.
 - (i) A transfer from the Plan to another eligible governmental plan is permitted in the case of a transfer for a Participant if the Participant has had a Severance from Employment with the Employer and is performing services for the entity maintaining the other eligible governmental plan.
 - (ii) A transfer from the Plan to another eligible governmental plan is permitted if:
 - (A) The transfer is to another eligible governmental plan within the same State as the Plan;
 - (B) All the assets held by the Plan are transferred; and
 - (C) A Participant or Beneficiary whose amounts deferred are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.
 - (iii) A transfer from the Plan to another eligible governmental plan of the Employer is permitted if:
 - (A) The transfer is to another eligible governmental plan of the Employer (and, for this purpose, an employer is not treated as the Employer if the Participant's compensation is paid by a different entity); and

- (B) A Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.
- (b) Upon the transfer of assets under this Section 7.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 7.3, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).

7.4 Permissive Service Credit Transfers

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 7.4(a) may be made before the Participant has had a Severance from Employment and without regard to whether the defined benefit governmental plan is maintained by the Employer. The distribution rules applicable to the defined benefit governmental plan to which any amounts are transferred under this Section 7.4 shall apply to the transferred amounts and any benefits attributable to the transferred amounts.
- (b) A transfer may be made under Section 7.4(a) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan, including service credit for periods for which there is no performance of services, service credited in order to provide an increased benefit for service credit which a participant is receiving under the plan, and service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in Code Section 415(n)(3)(C)(i)) of an educational organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12) or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed, without application of the limitations of Code Section 415(n)(3)(B) in determining whether the transfer is for the purchase of permissive service credit, or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

SECTION VIII BENEFICIARY

8.1 Beneficiary Designation

A Participant has the right, by written notice filed with the Administrator, to designate one or more beneficiaries to receive any benefits payable under the Plan in the event of the Participant's death prior to the complete distribution of benefits. The Participant accepts and acknowledges that he or she has the burden for executing and filing, with the Administrator, a proper beneficiary designation form.

The form for this purpose shall be provided by the Administrator. The form is not valid until it is signed, filed with the Administrator by the Participant, and accepted by the Administrator. Upon the Participant filing the form and acceptance by the Administrator, the form revokes all beneficiary designations filed prior to that date by the Participant.

If no such designation is in effect upon the Participant's death, or if no designated Beneficiary survives the Participant, the Beneficiary shall be the Participant's estate. If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him or her in full the estate of the deceased Beneficiary shall be the Beneficiary as to the balance of the distribution.

SECTION IX ADMINISTRATION AND ACCOUNTING

9.1 Administrator

The Administrator shall have the responsibility and authority to control the operation and administration of the Plan in accordance with the terms of the Plan, the Code and regulations thereunder, and any State law as applicable.

The Administrator may contract with a financially responsible independent contractor to administer and coordinate the Plan under the direction of the Administrator. The Administrator shall have the right to designate a plan coordinator or other party of its choice to perform such services under this agreement as may be mutually agreed to between the Administrator and the plan coordinator or other party. Notwithstanding any other provisions to the contrary, the Administrator agrees that it shall be solely responsible to the Employer for any and all services performed by a plan coordinator, subcontractor, assignee, or designee under this agreement.

The Administrator has full and complete discretionary authority to determine all questions of Plan interpretation, policy, participation, or benefit eligibility in a manner consistent with the Plan's documents, such determinations shall be conclusive and binding on all persons except as otherwise provided by law.

9.2 Administrative Costs

All reasonable expenses of administration may be paid out of the Plan assets unless paid (or reimbursed) by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any named fiduciary incident to the exercise of his or her duties under the Plan, including, but not limited to, fees of accountants, counsel, investment managers, agents (including nonfiduciary agents) appointed for the purpose of assisting the Administrator in carrying out the instructions of Participants as to the directed investment of his or her accounts and other specialists and his or her agents, and other costs of administering the Plan. In addition, unless specifically prohibited under statute, regulation or other guidance of general applicability, the Administrator may charge to the Account Balance of an individual a reasonable charge to offset the cost of making a distribution to the Participant, Beneficiary, or Alternate Payee. If liquid assets of the Plan are insufficient to cover the fees of the Administrator, then Plan assets shall be liquidated to the extent necessary for such fees. In the event any part of the Plan assets becomes subject to tax, all taxes incurred will be paid from the Plan assets. Until paid, the expenses shall constitute a liability of the Trust Fund described in Section 11.1.

9.3 Paperless Administration

The Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a Participant's consent to immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally

applicable guidance). The Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling participants, making (and changing) salary reduction elections, electing (and changing) investment allocations, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

SECTION X AMENDMENTS

10.1 Amendment

The Employer may at any time either prospectively or retroactively amend the Plan by notifying Participants of such action. The Employer shall not have the right to reduce or affect the value of any Participant's Account Balance or any rights accrued under the Plan prior to amendment.

10.2 Conformation

The Employer shall amend and interpret the Plan to the extent necessary to conform to the requirements of Code Section 457 and any other applicable law, regulation or ruling, including amendments that are retroactive. In the event the Plan is deemed by the Internal Revenue Code to be administered in a manner inconsistent with Code Section 457, the Employer shall correct such inconsistency within the period provided in Code Section 457(b).

10.3 Plan Termination

In the event of the termination of the Plan, all Account Balances shall be disposed to or for the benefit of each Participant or Beneficiary in accordance with the provisions of Section VI or Section VII as soon as reasonably practicable following the Plan's termination. The Employer shall not have the right to reduce or affect the value of any Participant's account or any rights accrued under the Plan prior to termination of the Plan. The Participant's or Beneficiary's written consent to the commencement of distribution shall not be required regardless of the value of his or her Account Balance.

SECTION XI TRUST FUND

11.1 Trust Fund

All amounts in a Participant's or Beneficiary's Account Balance, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust, custodial agreement, annuity contract, or similar agreement under the laws of the State. All investments, amounts, property, and rights held under the Trust Fund shall be held in trust for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. Prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, no part of the assets and income of the Trust Fund may be used for, or diverted to, for purposes other than for the exclusive benefit of Participants and their Beneficiaries. The Employer has no beneficial interest in the Trust Fund and no part of the Trust Fund shall ever revert to the Employer, directly or indirectly, provided, however, that a contribution or any portion thereof made by the Employer through a mistake of fact under Section 12.4 shall upon written request of the Employer, reduced by losses attributable thereto, shall be returned to the Employer.

SECTION XII MISCELLANEOUS

12.1 Non-Assignability

Except as provided in Sections 12.2 and 12.3, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have power in any manner to anticipate, transfer, assign (either law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so shall be void except to such extent as may be required by law.

12.2 Domestic Relation Orders

The Employer shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p) and regulations issued thereunder.

Notwithstanding Section 12.1, the Administrator may affect a Participant's Account Balance for a "qualified domestic relations order" as defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the qualified domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.

12.3 IRS Levy

Notwithstanding Section 12.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service to the Plan with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

12.4 Mistaken Contributions

Notwithstanding any other provision of the Plan or the Trust Fund to the contrary, in the event any contribution of an Employer is made under a mistake of fact (and not a Plan operational error), such contribution may be returned to the Employer within one year after the payment of the contribution. Earnings attributable to the excess contribution may not be returned to the Employer, but losses attributable thereto must reduce the amount to be so returned.

12.5 Employment

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer except as herein provided; and, in no event, shall the terms or employment of any Employee be modified or in any way affected hereby.

12.6 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the Employer, its successors and assigns, all Participants and Beneficiaries and their heirs and legal representatives.

12.7 Written Notice

Any notice or other communication required or permitted under the Plan shall be in writing, and if directed to the Administrator shall be sent to the designated office of the Administrator, and, if directed to a Participant or to a Beneficiary, shall be sent to such Participant or Beneficiary at his or her last known address as it appears on the Administrator's record. To the extent permitted by law, regulation or other guidance from an appropriate regulatory agency, the Administrator, Employer or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under the Plan through the use of any other medium acceptable to the Administrator. Such other medium may include, but is not necessarily limited to, electronic or telephonic medium. In addition, any communication or disclosure to or from Participants or Beneficiaries that is required under the terms of the Plan to be made in writing may be provided in any other medium (electronic, telephonic, or otherwise) that is acceptable to the Administrator and permitted under applicable law.

12.8 Total Agreement

This Plan and Participant deferral election, and any subsequently adopted Plan amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by the Participant.

12.9 Gender

As used herein the masculine shall include the neuter and the feminine where appropriate.

12.10 Controlling Law

This Plan is created and shall be construed, administered and interpreted in accordance with Code Section 457 and the regulations thereunder, and under laws of the State as the same shall be at the time any dispute or issue is raised. If any portion of this Plan is held illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder shall be unaffected.

**SECTION XIII
SUPERSEDING PROVISIONS**

The superseding provisions applicable to the plan are described below:

Section 2.7, "Employer Contributions" is hereby amended and replaced in its entirety with the following:

2.7 Employer Contributions

Employer Contributions are not permitted.

EMPLOYER ADOPTION PAGE

IN WITNESS WHEREOF, the Employer has executed this Plan document this _____ day
of _____.

Town of Front Royal, VA

SEAL

By _____

Name_____

Title_____

Attest:

Title

(Witness)

RESOLUTION

Empower Retirement 457(b) Deferred Compensation Plan

WHEREAS, The Town of Front Royal, Virginia, an eligible deferred compensation plan employer within the meaning of Section 457(b) of the Internal Revenue Code of 1986, as amended, of a state or local government as described in Code Section 457(e)(1)(A); and,

WHEREAS, the primary purpose of the deferred compensation plan is to permit employees of the employer to enter into an agreement which will provide for deferral of payment of a portion of his or her current compensation until death, retirement, severance from employment, or other event, in accordance with the provisions of the Code Section 457(b), with other applicable provisions of the Code, and in accordance with the General Statutes of the State; and,

WHEREAS, upon approval of this resolution the Town of Front Royal pays a one-time plan amendment fee of \$300.00 payable to Empower Retirement; and,

WHEREAS, upon approval of this resolution Roth contributions and Roth rollovers will be permitted into the Deferred Compensation Plan by employees of the Town of Front Royal only; and,

WHEREAS, members of the Front Royal Town Council hereby jointly authorize the Mayor and the Town Manager of the Town of Front Royal to execute such documents as deemed necessary to carry out the intent to make the Deferred Compensation Plan fully effective in accordance with its terms and intent; and,

NOW THEREFORE, BE IT HEREBY RESOLVED that the Front Royal Town Council approve and adopt the Empower Retirement 457(b) Deferred Compensation Plan as presented

APPROVED:

Chris W. Holloway Mayor

ATTEST:

Tina L. Presley, Clerk of Council

This Resolution was approved at the Regular Meeting of the Town of Front Royal, Virginia Town Council conducted on _____, 2021 upon the following recorded vote:

Lori A. Cockrell __ Yes __ No

Gary L. Gillispie __ Yes __ No

Letasha T. Thompson __ Yes __ No

E. Scott Lloyd __ Yes __ No

Joseph E. McFadden __ Yes __ No

Approved as to Form and Legality:

Douglas W. Napier, Town Attorney

Dated: _____



Work Session Agenda Statement

Item # 2

Meeting Date: October 12, 2021

Agenda Item: Resolution for VDOT Revenue Sharing Application for E. 8th Street Bridge Replacement

Summary: The Public Works department is in the process of completing an application to obtain funding through the VDOT Revenue Sharing program which is a 50/50 program. To complete the application process, it is requested that Town Council discuss and forward the proposed signed resolution for addition to the October 25th regular meeting for formal approval. The cost estimate RK&K prepared for the E. 8th St bridge has a project cost of \$2,754,759.88. The Town would be responsible for \$1,377,379.00, which figures in inflation since this work won't be performed for a few years if funding is approved through VDOT.

Budget/Funding: The funding through Revenue Sharing would not be available until FY 27/28, This was included in CIP under FY23 but will now be adjusted over a few years Revenue Sharing dates.

STAFF RECOMMENDATION: Staff recommends moving forward with submitting the Revenue Sharing application through VDOT to obtain possible funding.

RESOLUTION
REVENUE SHARING RESOLUTION OF SUPPORT FOR APPLICATION OF FUNDING
Fiscal Years 2027 - 2028

WHEREAS, the Town of Front Royal desires to submit an application for funding through the Virginia Department of Transportation Revenue Sharing Program for Fiscal Year 2027 and Fiscal Year 2028 to be matched by the Town of Front Royal for the following project(s):

E. 8th Street Bridge Replacement

NOW, THEREFORE, BE IT RESOLVED, that the Town of Front Royal hereby agrees to commit to its share of the total cost for, as applicable, preliminary engineering, right-of-way and construction of the project(s) in accordance with the project financial documents.

BE IT FURTHER RESOLVED, that in the event the Town of Front Royal subsequently elects to cancel the E. 8th Street Bridge Replacement, the Town of Front Royal hereby agrees to reimburse VDOT for the total amount of its share of costs expended by VDOT through the date VDOT was notified of the project cancellation.

BE IT FURTHER RESOLVED, that the Town of Front Royal hereby grants authority for the Town Manager to execute project agreements for any approved revenue sharing projects for Fiscal Year 2027 and Fiscal Year 2028.

APPROVED:

Chris W. Holloway, Mayor

Attest:

Tina L. Presley, Clerk of Council

This Resolution was approved at the Regular Meeting of the Town of Front Royal, Virginia Town Council conducted on _____, 2021 upon the following recorded vote:

Lori A. Cockrell __ Yes __ No

Gary L. Gillispie __ Yes __ No

Letasha T. Thompson __ Yes __ No

E. Scott Lloyd __ Yes __ No

Joseph E. McFadden __ Yes __ No

Approved as to Form and Legality:

Douglas W. Napier, Town Attorney

Dated: _____



Cost Estimate - Application Template

8th Street Bridge Replacement September 2021



Preliminary Engineering (PE)	\$285,480
Right of Way (RW)	\$12,875
Construction (CN)	\$1,817,019
Total Project Cost (\$2021)	\$2,115,374

Costs do not include escalation or inflation

9/30/2021

Cost Estimate
Concept Bridge Replacement

8th Street Bridge Replacement September 2021

ITEM DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENSION	NOTES
Design / Engineering (RW & CN Plans)	1.00	LS	\$100,000	\$100,000	
Geotechnical Investigations	1.00	LS	\$25,000	\$25,000	
Final H&H Modeling & Scour Analysis	1.00	LS	\$25,000	\$25,000	
FEMA Letter of Map Revision (if required)	1.00	LS	\$45,000	\$45,000	
Environmental Investigations / Permitting	1.00	LS	\$25,000	\$25,000	
Survey	1.00	LS	\$10,000	\$10,000	
Advanced Right of Way (Appraisals, Plats, etc.)	0.00	LS	\$0	\$0	Assumes no ROW acquisition.
Sub-Total:				\$230,000	
Contingency (12%)	1.00	LS	\$27,600	\$27,600	
PE Sub-Total with Contingency:				\$257,600	
Administration	1.00	LS	\$15,000	\$15,000	
VDOT PE Oversight (5%)	1.00	LS	\$12,880	\$12,880	
Sub-Total:				\$27,880	
PE Phase Total Cost				\$285,480	
RW Phase					
Land Acquisition Purchase	0.00	EA	\$0	\$0	Assumes no ROW acquisition.
Legal Fees (Attorney, Recording, etc.)	0.00	EA	\$0	\$0	Assumes no ROW acquisition.
Sub-Total:				\$0	
Utility Coordination	1.00	EA	\$5,000	\$5,000	Assumes coordination for existing telecom pole.
Utility Relocation - assumes no significant reloc.	1.00	EA	\$0	\$0	Assumes Town assumes cost of any relocation
Sub-Total:				\$5,000	
Contingency (50%)	1.00	LS	\$2,500	\$2,500	
RW Sub-Total with Contingency:				\$7,500	
Administration	1.00	EA	\$5,000	\$5,000	
VDOT RW Oversight (5%)	1.00	EA	\$375	\$375	
Sub-Total:				\$5,375	
RW Phase Total Cost				\$12,875	
CN Phase					
Structure					
Construction Survey	1.00	LS	\$8,000	\$8,000	
Culvert Construction - See Estimate	1.00	LS	\$578,000	\$578,000	
Stream Diversion	1.00	LS	\$50,000	\$50,000	
Structure Sub-Total:				\$636,000	
Roadway					
200 LF paved approach tie-ins	1.00	LS	\$100,000	\$100,000	
Maintenance of Traffic	1.00	LS	\$10,000	\$10,000	MOT assumes cost of signage of Detour (Road Closure)
Roadway Sub-total				\$100,000	
Environmental Mitigation / Credits	1.00	LS	\$10,000	\$10,000	
Drainage / SWM (5%)	1.00	LS	\$36,800	\$36,800	
Erosion Control (5%)	1.00	LS	\$36,800	\$36,800	
Incidental Items (20%)	1.00	LS	\$147,200	\$147,200	
Environ, Drainage, E&SC, Incidental Sub-Total:				\$230,800	
Contingency (40%)	1.00	LS	\$386,720	\$386,720	
Construction Sub-Total with Contingency:				\$1,353,520	
Mobilization	1.00	LS	\$97,676	\$97,676	
Construction Total				\$1,451,196	
Construction Management (5%)	1.00	LS	\$72,560	\$72,560	
Construction Inspection (15%)	1.00	LS	\$217,679	\$217,679	
Materials Testing (2%)	1.00	LS	\$29,024	\$29,024	
Construction Administration	1.00	LS	\$15,000	\$15,000	
VDOT CN Oversight (1%)	1.00	LS	\$31,560	\$31,560	
CEI Sub-Total:				\$365,823	
CN Phase Total Cost				\$1,817,019	
PROJECT TOTAL COST (PE + RW + CN)				\$2,115,374	
Costs do not include escalation or inflation					



Project: 8th Street over Happy Creek
 Bridge Replacement
 Subject: Cost Estimate

Page
 Project No. 20163
 Prepared: JLO 9/28/2021
 Checked: LKZ 9/29/21

Bridge Replacement:

ITEM CODE	ITEM	UNIT	QTY	UNIT COST	COST	NOTES
CULVERT						
65014	Concrete Class A4	CY	210	\$1,600.00	\$335,520	
61711	Corrosion Resistant Reinforcing Steel, Class I	LB	37600	\$2.51	\$94,376	
62085	Railing, Texas C411, 54"	LF	65	\$780.00	\$50,700	
62084	Railing, Texas C411, 42"	LF	65	\$580.00	\$37,700	
69011	Structure Excavation	CY	208	\$51.25	\$10,660	
60490	Bridge Deck Grooving	SY	188	\$9.88	\$1,857	
60495	Cover Depth Survey	SY	291	\$4.67	\$1,359	
67900	Dismantle & Remove Existing Structure	LS	-	\$45,500.00	\$45,500	

Subtotal \$577,672

MATERIALS TOTAL: \$577,672

Total Concept Cost: \$577,672

Notes: Say \$578,000

- 1 VDOT statewide Ave. May 1, 2019 through June 1, 2021 unless otherwise noted.
- 2 *Bid Tabulations/Vendor Provided Estimate



Work Session Agenda Statement

Item # 3

Meeting Date: October 12, 2021

Agenda Item:

FY22 Budget Amendment & Awarding Urgent Sanitary Sewer Point Repairs

Summary:

Council is requested to approve a FY22 Budget Amendment in the amount of \$2,052,087.98 and award a contract to Snyder Environmental in the amount of \$2,052,087.98 for urgent sanitary sewer point repairs. Funding for the project is available through funds the Town has received from the American Rescue Plan Act (ARPA).

As previously discussed, the Town also has the option of obtaining funds from the Virginia Clean Water Revolving Loan Fund or to use sewer fund reserves for the project.

An increase of greater than 1% of the original budget requires a public hearing; if council desires, it will be advertised and held on October 25th. Budget amendments require notice in a newspaper at least seven days prior to the meeting date *(15.2-2507 Code of VA)*

Budget/Funding:

9801-3310117	Wastewater Treatment ARPA Funds	\$2,052,087.98
9802-47998	Sewer Line Maintenance I&I Abatement	\$2,052,087.98

Staff Recommendation: Staff recommends using funds the Town has received from the American Rescue Plan Act to fund the project. Using funds received from the ARPA will reduce the amount of debt service incurred by the Town and will allow sewer fund reserve balances to remain for other potential projects such as installing a centrifuge. Staff further recommends advertising the budget amendment for a public hearing to be held on October 25th.



Town of Front Royal, Virginia

Purchasing, Department of Finance

MEMORANDUM

Date: September 20th, 2021
To: Tina Presley, Senior Executive Assistant
From: Alisa Scott, Purchasing Manager
RE: Request to add Consent Agenda item to Town Council's Regular Meeting

The Purchasing Department issued the solicitation of sanitary sewer point repairs required to comply with the Town's DEQ's consent order. In compliance with the Virginia Public Procurement Act (V.P.P.A.), Invitations for Bids were sent out on August 2nd, 2021. The Town received two (2) responses.

The lowest responsive and responsible bidder, Snyder Environmental Services, Inc. submitted a bid for \$2,052,087.98.

CHA Consulting, the Towns Infiltration and Inflow Abatement Independent Contractor, and Staff recommend Council award the public contract for Sanitary Sewer Point Repairs.

Council is requested to review and approve the award. Attached to this memo is a Notice of Intent to Award, a recommendation memo from Mr. Boyer and CHA, along with the bid tabulation. Please add this item under consent to the next available Regular Meeting.

Funding for this project will be available, contingent upon Council approval's budget amendment, in 9802-47998 Sewer Line Maintenance I&I Abatement.

Purchasing, Department of Finance
102 E Main Street
Front Royal, VA 22630
Website: www.frontroyalva.com
Phone 540-636-6889

Memo



Town of Front Royal Public Works

TO: Alisa Scott, Purchasing Manager
FROM: Robert Boyer, Public Works Director
CC: Kathleen Leidich, Assistant Town Manager
DATE: September 14, 2021
RE: Memo of recommendation for the Targeted Sanitary Sewer Point Repairs for the I&I project.

I have reviewed the two bids we received for the Targeted Sanitary Sewer Point repairs as part of the I&I project under the DEQ Consent Order. This includes the installation of 2,350 linear feet on sewer mainline piping, replacement of 14 sanitary sewer manholes and the replacement of 134 sanitary sewer laterals. The low bid cost for this project is \$2,052,087.98, the funding for this work is available through sewer reserves and may be reimbursed through the I&I loan.

I would recommend moving forward with the low bidder, Snyder Environmental Services, Inc. out of Kearneysville, West Virginia. Snyder Environmental is currently working for the Town on another sanitary sewer upgrade project and has done a good job with the existing project staying ahead of schedule and keeping the project on budget as well.

If you have any questions or need anything else just let me know.



September 8, 2021

Mr. Robert B. Boyer
Director of Public Works
Town of Front Royal
P.O. Box 1560
Front Royal, VA 22630

**Re: Award Recommendation
Town of Front Royal – Targeted Sanitary Sewer Point Repairs
(IFB #5252 2021); CHA Project No. 067965**

Dear Robbie:

On Thursday, September 3, 2021, the Town received bids for the Targeted Sanitary Sewer Point Repairs contract. This contract includes installation of approximately 2,350 linear feet of 6-inch through 12-inch sanitary sewer in various locations, 14 sanitary sewer manholes, 134 sanitary sewer laterals, and associated appurtenances.

The Town received two bids as summarized below. A detailed bid tabulation is also enclosed.

Bidder Name	Total Base Bid
Snyder Environmental Services, Inc.	\$2,052,087.98
Kelvic Construction Company, Inc.	\$5,308,906.96

Snyder Environmental Services, Inc. was the lowest responsive and responsible Bidder for the contract.

Snyder Environmental Services, Inc. specializes in utility construction, including water and sewer pipelines, along with water and wastewater treatment plant construction/operation and ancillary support services. They have successfully completed numerous similar sanitary sewer projects. Additionally, CHA has had a favorable experience with Snyder Environmental Services on the Town's current Happy Creek Sanitary Sewer Replacement project with challenging conditions. Based upon our knowledge of the Bid and Snyder Environmental Services's credentials, CHA recommends award of the Targeted Sanitary Sewer Point Repairs contract to Snyder Environmental Services, Inc. in the amount of \$2,052,087.98.

We appreciate the opportunity to work with the Town on this project. If you should have any question with respect to this recommendation, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Earl Smith'.

Earl Smith, P.E.
Project Manager

EES\ees
Enclosure

BID TABULATION SUMMARY
Owner: Town of Front Royal
Project: TARGETED SANITARY SEWER POINT REPAIRS (#5252)
Bid Date: Thursday, September 2, 2021 2:00 PM
CHA Project Number: 067965

BIDDER				SNYDER ENVIRONMENTAL SERVICES, INC.		KELVIC CONSTRUCTION COMPANY, INC.	
Item	Description	Unit	Est Qty	Unit Price	Extended Total Price	Unit Price	Extended Total Price
1	Bonds, Mobilization, and Insurance	LS	1	\$180,300.00	\$180,300.00	\$61,792.07	\$61,792.07
2	8-inch SDR 26 PVC Sanitary Sewer Line Installation (Clymer Ave., Sheet C-300)	LF	366	\$167.00	\$61,122.00	\$896.58	\$342,788.28
2A	Clymer Ave. Pavement Restoration	LS	1	\$19,220.00	\$19,220.00	\$105,834.90	\$105,834.90
3	8-inch SDR 26 PVC Sanitary Sewer Line Installation (Washington Ave., Sheet C-301)	LF	345	\$180.00	\$62,100.00	\$709.46	\$244,763.70
3A	Washington Ave. Pavement Restoration	LS	1	\$18,450.00	\$18,450.00	\$95,615.56	\$95,615.56
4	8-inch SDR 26 PVC Sanitary Sewer Line Installation (Academy Dr., Sheet C-302)	LF	194	\$235.00	\$45,590.00	\$754.29	\$146,332.26
4A	Academy Dr. Pavement Restoration	LS	1	\$14,360.00	\$14,360.00	\$54,032.97	\$54,032.97
5	8-inch SDR 26 PVC Sanitary Sewer Line Installation (Crescent St., Sheet C-303)	LF	189	\$200.00	\$37,800.00	\$997.46	\$188,519.94
5A	Crescent St. Pavement Restoration	LS	1	\$16,100.00	\$16,100.00	\$58,587.82	\$58,587.82
6	8-inch SDR 26 PVC Sanitary Sewer Line Installation (Church St., Sheet C-304)	LF	283	\$202.00	\$57,166.00	\$763.36	\$216,030.88
6A	Church St. Pavement Restoration	LS	1	\$16,600.00	\$16,600.00	\$74,781.04	\$74,781.04
7	8-inch SDR 26 PVC Sanitary Sewer Line Installation (Cloud St., Sheet C-305)	LF	94	\$325.00	\$30,550.00	\$782.42	\$73,547.48
7A	Cloud St. Pavement Restoration	LS	1	\$12,500.00	\$12,500.00	\$34,545.38	\$34,545.38
8	8-inch SDR 26 PVC Sanitary Sewer Line Installation (Frazier Pl., Sheet C-306)	LF	125	\$235.00	\$29,375.00	\$756.95	\$94,618.75
8A	Frazier Pl. Pavement Restoration	LS	1	\$13,200.00	\$13,200.00	\$36,748.32	\$36,748.32
9	8-inch SDR 26 PVC Sanitary Sewer Line Installation (Ritenour St., Sheet C-307)	LF	414	\$160.00	\$66,240.00	\$816.98	\$379,629.72
9A	Ritenour St. Pavement Restoration	LS	1	\$21,000.00	\$21,000.00	\$126,073.84	\$126,073.84
10	Sanitary Sewer Lateral - Connected to New Sanitary Sewer Line	EA	56	\$4,250.00	\$238,000.00	\$10,417.38	\$583,373.28
11	4-Foot Diameter Manhole Base	EA	14	\$4,800.00	\$67,200.00	\$3,108.88	\$43,524.32
12	4-Foot Diameter Manhole Section	VLF	39.71	\$230.42	\$9,149.98*	\$2,009.51	\$79,797.64
13	Water Resistant Manhole Frame and Cover	EA	14	\$700.00	\$9,800.00	\$636.75	\$8,914.50
14	New Pipe Penetration into Existing Manhole	EA	16	\$1,810.00	\$28,960.00	\$1,893.51	\$30,296.16
15	External Point Repair - 6" SDR 26 PVC (less than or equal to 5-feet deep) (Pavement)	LF	135	\$350.00	\$47,250.00	\$1,410.72	\$190,447.20
16	External Point Repair - 6" SDR 26 PVC (greater than 5-feet deep; less than or equal to 10-feet deep) (Pavement)	LF	56	\$700.00	\$39,200.00	\$3,423.70	\$191,727.20
17	External Point Repair - 8" SDR 26 PVC (less than or equal to 5-feet deep) (Pavement)	LF	5	\$3,200.00	\$16,000.00	\$3,578.21	\$17,891.05
18	External Point Repair - 8" SDR 26 PVC (greater than 5-feet deep; less than or equal to 10-feet deep) (Pavement)	LF	61	\$660.00	\$40,260.00	\$3,744.59	\$228,419.99
19	External Point Repair - 8" SDR 26 PVC (greater than 10-feet deep) (Pavement)	LF	21	\$1,210.00	\$25,410.00	\$1,673.63	\$35,146.23
20	External Point Repair - 6" SDR 26 PVC (less than or equal to 5-feet deep) (Non-Pavement)	LF	10	\$1,100.00	\$11,000.00	\$2,058.32	\$20,583.20
21	External Point Repair - 8" SDR 26 PVC (less than or equal to 5-feet deep) (Non-Pavement)	LF	17	\$375.00	\$6,375.00	\$1,513.20	\$25,724.40
22	External Point Repair - 8" SDR 26 PVC (greater than 5-feet deep; less than or equal to 10-feet deep) (Non-Pavement)	LF	11	\$550.00	\$6,050.00	\$2,153.13	\$23,684.43
23	External Point Repair - 10" SDR 26 PVC (greater than 10-feet deep) (Pavement)	LF	10	\$1,750.00	\$17,500.00	\$3,588.59	\$35,885.90
24	External Point Repair - 12" SDR 26 PVC (greater than 5-feet deep; less than or equal to 10-feet deep) (Non-Pavement)	LF	5	\$2,500.00	\$12,500.00	\$3,860.40	\$19,302.00
25	Install Internal Drop	EA	2	\$1,200.00	\$2,400.00	\$7,144.61	\$14,289.22
26	Abandon Existing Incoming Sewer in Manhole	EA	4	\$1,425.00	\$5,700.00	\$3,445.87	\$13,783.48
27	Cap Concrete Encased Lateral with Gasketed PVC Cap	EA	8	\$270.00	\$2,160.00	\$672.14	\$5,377.12
28	Re-Connect Existing Active Lateral to Sewer Line	EA	6	\$5,900.00	\$35,400.00	\$1,400.65	\$8,403.90
29	Replace Sanitary Sewer Lateral - Connected to Existing Sewer Line (less than or equal to 5-feet deep) (less than or equal to 25-feet in length)	EA	12	\$7,500.00	\$90,000.00	\$10,081.83	\$120,981.96
30	Replace Sanitary Sewer Lateral - Connected to Existing Sewer Line (greater than 5-feet deep; less than or equal to 10-feet deep) (less than or equal to 25-feet in length)	EA	23	\$7,900.00	\$181,700.00	\$13,117.44	\$301,701.12
31	Replace Sanitary Sewer Lateral - Connected to Existing Sewer Line (greater than 10-feet deep) (less than or equal to 25-feet in length)	EA	9	\$8,400.00	\$75,600.00	\$12,352.39	\$111,171.51*
32	Replace Sanitary Sewer Lateral - Connected to Existing Sewer Line (less than or equal to 5-feet deep) (greater than 25-feet in length)	EA	10	\$10,500.00	\$105,000.00	\$19,690.67	\$196,906.70*
33	Replace Sanitary Sewer Lateral - Connected to Existing Sewer Line (greater than 5-feet deep; less than or equal to 10-feet deep) (greater than 25-feet in length)	EA	15	\$10,200.00	\$153,000.00	\$25,750.92	\$386,263.80
34	Replace Sanitary Sewer Lateral - Connected to Existing Sewer Line (greater than 10-feet deep) (greater than 25-feet in length)	EA	9	\$12,500.00	\$112,500.00	\$30,398.36	\$273,585.24
35	Concrete Piers	EA	2	\$1,150.00	\$2,300.00	\$1,070.50	\$2,141.00
36	Subgrade Stabilization Stone	TON	50	\$200.00	\$10,000.00	\$106.83	\$5,341.50
Total Base Bid					\$2,052,087.98		\$5,308,906.96

* Denotes a correction of an arithmetic error present in the Bid Form; the correct sum shall govern per Article 1.15-A.3 of the Instructions to Bidders.

** Denotes non-responsive bid

Apparent Low Bidder: SNYDER ENVIRONMENTAL SERVICES, INC.

Prepared By: Earl Smith, P.E. - CHA Consulting, Inc.



Work Session Agenda Statement

Item # 4

Meeting Date: October 12, 2021

Agenda Item: FY22 Budget Amendment for Outstanding Purchase Orders

Summary: Council is requested to approve a budget amendment in the amount of \$11,351,303.86 to carry forward unpaid balances on purchase orders not completed as of June 30, 2021, and to carry funds forward to fiscal year 2022.

An increase of greater than 1% of the original budget requires a public hearing; if council desires, it will be advertised and held on October 25th. Budget amendments require notice in a newspaper at least seven days prior to the meeting date *(15.2-2507 Code of VA)*

Budget/Funding: Funding will be offset from the appropriate fund balance reserves for each fund indicated, the revenue for these projects have been connected in previous budget cycle.

General Fund	\$ 1,371,519.47
Special Projects	1,120,543.00
Electric Fund	602,321.31
Sewer Fund	3,533,987.78
Water Fund	2,466,247.44
Solid Waste Fund	253,029.32
Street Fund	2,003,655.54
TOTAL	\$11,351,303.86

Staff Recommendation: Staff recommends Council move forward with a public hearing on this item and approval of these funds as this is a yearly housekeeping item.

FY21 PURCHASE ORDERS TO BE CARRIED FORWARD TO FY22

<u>Department</u>	<u>PO #</u>	<u>Account#</u>	<u>Description</u>	<u>Carryover Amount</u>
Town Council	30262	1101 R43002	JUNE 30 2021 OPEB ACTUARIAL REPORT	\$ 2,000.00
				\$ 2,000.00
Human Resource	30108	1202 R43002	HEALTH INSURANCE CONSULTING	\$ 2,500.04
				\$ 2,500.04
Fleet Maintenance	30308	1203 R47001	SCANNER	\$ 6,000.00
	29055	1203 R47009	SEED MONEY FOR FLEET SERVICE BUILDING	\$ 174,933.90
				\$ 180,933.90
Information Technology	30364	1204 R43002	CABLING AND FIBER OPTICS	\$ 10,000.00
	29736	1204 R43005	ELECTRONIC TIME KEEPING SOFTWARE	\$ 922.62
	30367	1204 R43005	MAINTENANCE	\$ 59,933.90
	30369	1204 R43039	WEBSITE UPGRADES	\$ 4,500.00
	29736	1204 R43053	ELECTRONIC TIME KEEPING HARDWARE	\$ 4,235.93
	29741	1204 R43053	HR MODULES FOR EMPLOYEE E	\$ 3,849.70
	30366	1204 R43053	FLEX (SPILLMAN) MAINTENANCE	\$ 40,000.00
	29738	1204 R47007	VMWARE SERVER UPGRADE	\$ 10,000.00
	30097	1204 R47007	SHURE SCM820 DIGITAL INTELLIMIX	\$ 1,759.00
	29679	1204 R47051	STATE PROGRAM FOR ELECTRONIC SUMMONS	\$ 27,190.75
				\$ 162,391.90
Tourism	30311	1205 R43002	TOURISM	\$ 56,816.45
	30034	1205 R43018	TOURISM MARKETING	\$ 39,619.72
	30370	1205 R45447	SPECIAL EVENTS	\$ 2,000.00
	29854	1205 R45801	DONATED FUNDS FOR CIVIL WAR MARKER	\$ 250.00
				\$ 98,686.17
General Engineering	30319	1225 R43002	GENERAL ENGINEERING SERVICES	\$ 40,529.54
				\$ 40,529.54
Legal Dept	29748	2201 R43002	LEGAL FEES EDA COURT CASE	\$ 163,139.00
	29880	2201 R43002	AUDITING SERVICES TO SUPPORT EDA CASE	\$ 26,155.00
	29881	2201 R43002	LEGAL SERVICES AWARDED FOR EDA CASE	\$ 10,000.00
				\$ 199,294.00

FY21 PURCHASE ORDERS TO BE CARRIED FORWARD TO FY22

Police Dept	30148	3101	R45425	RANGE SUPPLIES	\$	2,699.85
	30289	3101	R45425	GLOCK PG21507	\$	2,380.00
	30359	3101	R45504	POLICE ADMIN TRAINING	\$	6,405.00
	30037	3102	R47001	POLICE CONSOLES	\$	12,822.00
	30035	3103	R47005	POLICE USED VEHICLE REHABILITATION	\$	18,210.36
	30360	3104	R45504	TRAINING FOR EMD	\$	6,200.00
	30361	3104	R47001	ADS AUDIO RECORDING CHANNEL	\$	4,110.00
	30050	3104	R47003	PRIMARY SAFETY ACCESS POINT	\$	74,345.00
	30208	3104	R47003	CALL RECORDER SERVER	\$	36,227.00
	30362	3104	R47003	DISPATCH CONSOLE	\$	11,204.05
					\$	174,603.26
General Properties	30192	4302	R43005	PD HVAC Maintenance Service	\$	6,077.00
	30380	4302	R47009	PUBLIC WORKS GATE	\$	10,000.00
					\$	16,077.00
Horticulture	30286	4305	R43002	MOWING OF LEACH RUN PARKW	\$	37,735.00
	30348	4305	R43002	TOWNSIDE WEED CONTROL SPR	\$	8,768.66
					\$	46,503.66
Planning & Zoning	30405	8101	R43002	COMPREHENSIVE PLAN	\$	100,000.00
	29620	8101	R43002	PROPERTY MAINTENANCE SEED MONEY	\$	118,500.00
	30038	8101	R43002	BLIGHTED BUILDING PROGRAM SEED MONEY	\$	92,000.00
	30313	8101	R43002	BUILDING INSPECTION SEED MONEY	\$	100,000.00
	30190	8105	R45606	DONATION TO CHAMBER OF COMMERCE	\$	37,500.00
					\$	448,000.00
Special Projects	29936	1800	R47518	SEED MONEY FOR HAPPY CREEK PHASE 2/3	\$	40,000.00
	28341	9130	R47013	CONSTRUCTION/DEBT SERVICE OF POLICE	\$	686,522.47
	30278	9130	R47016	CDBG WAYFINDING SIGNS	\$	148,850.00
	30305	9130	R47957	TOWN PORTION OF LRP VRA BOND DUE TO	\$	148,950.00
	29379	9130	R47982	CONSTRUCTION W MAIN EXTENSION	\$	96,220.53
					\$	1,120,543.00

FY21 PURCHASE ORDERS TO BE CARRIED FORWARD TO FY22

Energy Services	30264	9401 - R43003	OUTDOOR AIR BREAK SWITCHES	\$	8,206.00
	30304	9401 - R43003	MOWING SERVICES FOR ELECTRIC DEPT	\$	6,400.00
	30303	9401 - R43004	TREE TRIMMING SERVICES	\$	25,962.79
	30334	9401 - R43021	CONSULTANT REVIEW FOR INFRASTRUCTURE	\$	3,784.90
	30293	9401 - R45407	15 KV BREAKER SDV7-SE-15K	\$	20,230.00
	30322	9401 - R45407	UPS SYSTEM- 1 INTERFACE M	\$	130.18
	30335	9401 - R45504	STAFF TRAINING	\$	5,000.00
	30332	9401 - R47001	SELF LOADING REEL TRAILER	\$	34,548.00
	30040	9401 - R47009	BIORETENTION POND ELECTRIC DEPT	\$	25,000.00
	30324	9401 - R47502	SECURITY LIGHTS COOPER	\$	8,804.25
	29901	9401 - R47522	HUBBELL 2/0 SOL - 1/0 STR	\$	1,462.00
	30042	9401 - R47522	FIBER EXTENSION	\$	11,183.90
	30301	9401 - R47522	40' CLASS 3 CCA-DC POLE	\$	11,505.00
	30322	9401 - R47910	UPS SYSTEM- 1 ZINC BLUE I	\$	4,508.07
	30365	9401 - R47937	TRANSFORMER REPLACEMENT Y	\$	135,000.00
	30277	9401 - R47938	1200 A HOOK STICK SWITCH	\$	10,133.28
	27543	9417 - R47001	AMI SOFTWARE	\$	83,462.94
	29428	9499 - R40001	AMI DEBT SERVICE	\$	207,000.00
				\$	602,321.31
WWTP	30218	9801 - R43002	BOND COUNSEL I&I LOAN	\$	18,500.00
	30373	9801 - R43004	SCADA SYSTEM ADDITION OF EQUALIZATION	\$	4,000.00
	30255	9801 - R43077	LAB SERVICES	\$	39,404.80
	30256	9801 - R43077	LAB SERVICES	\$	2,530.00
	30076	9801 - R45407	UV LAMP	\$	6,819.00
	30349	9801 - R47001	GRAVITY THICKENER REPAIR	\$	26,980.18
	28885	9801 - R47009	RIVERTON & CROOKED RUN PU	\$	570,000.00
	29339	9801 - R47009	ROYAL PHOENIX SEWER PUMP STATION	\$	43,309.95
				\$	711,543.93

FY21 PURCHASE ORDERS TO BE CARRIED FORWARD TO FY22

Sewer Line Crew	30318	9802 - R43002	HAPPY CREEK SANITARY SEWER UPGRADE	\$	489,392.00
	30323	9802 - R45407	LIFTMASTER GARAGE DOOR (WATER	\$	2,118.00
	30049	9802 - R47001	JACKHAMMER FOR BACKHOE (WATER	\$	3,915.50
	30343	9802 - R47001	STREET BROOM FOR BACKHOE	\$	6,025.00
	29964	9802 - R47998	I&I ABATEMENT ENGINEERING	\$	590,090.46
	29989	9802 - R47998	MANHOLE FRAME & COVER REP ENGINEERING	\$	300,000.00
	29999	9802 - R47998	CCTV INVESTIGATIONS	\$	481,138.50
	30186	9802 - R47998	I&I ENGINEERING	\$	641,548.57
	30187	9802 - R47998	ENGINEERING URGENT POINT REPAIRS	\$	111,705.86
	30250	9802 - R47998	CCTV INSPECTION OF SANITA	\$	71,458.90
	30355	9802 - R47998	I&I ABATEMENT WORK	\$	125,051.06
				\$	2,822,443.85
Water Treatment Plant	29654	9601 - R43002	WITHDRAW PERMIT & RAW WATER INTAKE	\$	113,125.08
	30000	9601 - R43002	REDUNDANT WATERLINE ENGINEERING	\$	370,940.00
	30051	9601 - R43002	CLEARWELL INSPECTIONS	\$	30,000.00
	30052	9601 - R43002	BACKFLOW PROGRAM	\$	50,000.00
	30218	9601 - R43002	BOND COUNSEL REDUNDANT WATERLINE	\$	12,500.00
	30350	9601 - R43002	DEVELOPMENT OF A RISK & RELIANCE (EPA	\$	20,000.00
	30356	9601 - R43004	STRIPPING & WAXING OF FLOORS AFTER	\$	3,400.00
	30254	9601 - R43077	LAB TESTING	\$	7,948.50
	30300	9601 - R45407	12" PRATT HP 250 PLAIN ST	\$	4,844.00
	30352	9601 - R45515	WTP CONFERENCE ROOM EQUIPMENT	\$	4,063.25
	30053	9601 - R47001	PUMP REPLACEMENT RAW WATER	\$	75,000.00
	30282	9601 - R47001	14" DEZURIK SERIES PEC FL	\$	29,609.00
	30351	9601 - R47001	DEZUIRCK VALVE AND RAW PU	\$	55,782.00
	27546	9601 - R47009	WANTER PLANT RESERVOIR REPAIRS	\$	18,634.00
	28119	9601 - R47009	WATER TANK	\$	61,531.66
	28327	9601 - R47009	JAMESTOWN PUMP STATION PRELIMINARY	\$	20,000.00
	28559	9601 - R47009	REPLACEMENT CONTROL FOR GUARD HILL	\$	11,240.00
	29985	9601 - R47009	FAIRGROUNDS WATER TANK REHABILITATION	\$	42,339.50
				\$	930,956.99

FY21 PURCHASE ORDERS TO BE CARRIED FORWARD TO FY22

Waterline Crew	30323	9602 - R45407	LIFTMASTER GARAGE DOOR (SEWER PORTION)	\$	2,118.00
	30049	9602 - R47001	JACKHAMMER FOR BACKHOE (SEWER	\$	3,915.50
	30317	9602 - R47513	N ROYAL WATERLINE UPGRADE	\$	631,733.15
	30302	9602 - R47530	GATE VALVES	\$	31,554.70
	30341	9602 - R47530	8" INSERTION VALVE	\$	10,337.00
	30342	9602 - R47530	FIRE HYDRANTS	\$	25,000.00
	28992	9617 - R47001	RADIO WATER METERS	\$	301,989.50
	29343	9672 - R40001	DEBT SERVICE REDUNDANT WATER LINE	\$	528,642.60
				\$	<u>1,535,290.45</u>
Refuse	30345	4203 - R45407	100 ADDITIONAL 96 GAL CONTAINERS	\$	5,600.00
	30287	4203 - R45413	36 GALLON VICTORIAN STAND	\$	5,919.80
	29655	4203 - R47005	SEED MONEY PURCHASE OF REFUSE TRUCK	\$	60,305.52
	30231	4203 - R47005	REFUSE TRUCK TO BE DELIVERED IN OCT 2021	\$	181,204.00
				\$	<u>253,029.32</u>
Streets	30344	4102 - R43016	WALKING TRAIL ASPHALT REPAIRS	\$	5,000.00
	30297	4102 - R43046	419 AND 423 LURAY AVE CUR	\$	7,898.00
	30344	4102 - R45407	WALKING TRAIL REPAIR SUPPLIES	\$	10,000.00
	30306	4102 - R47050	EDGE MILL AND ASPHALT OVERLAY	\$	18,750.00
	29711	4102 - R47518	HAPPY CREEK ENGINEERING (NON-VDOT	\$	17,199.82
	30371	4500 - R45407	SIGN BLANKS AND HARDWARE	\$	7,512.75
	30336	4500 - R45471	CHERRY STREET STORM DRAINAGE PROJECT	\$	73,171.00
	30347	4500 - R45472	VDOT FUNDS FOR BRIDGE INS	\$	3,600.00
	30337	4500 - R45477	CURB/GUTTER PROJECT	\$	31,000.00
	29713	4500 - R47001	ASPHALT ROLLER	\$	90,000.00
	30368	4500 - R47001	RUBBER TIRE LOADER YEAR 1 OF 3	\$	58,500.00
	29680	4500 - R47005	TANDEM DUMP TRUCK YEAR 1 OF 3	\$	71,000.00
	29711	4500 - R47518	HAPPY CREEK ENGINEERING (VDOT FUNDS)	\$	3,787.60
	30328	4500 - R47926	ENGINEERING SERVICES FOR 9TH STREET	\$	21,837.00
	29952	4500 - R47927	SHEN AVE STREET LIGHTS	\$	265,000.00
	29954	4500 - R47927	6TH STREET COMMERCE TURN	\$	18,500.00
	30283	4500 - R47927	MILLING & PAVING (PAVING PLAN)	\$	1,300,899.37
				\$	<u>2,003,655.54</u>

FY21 PURCHASE ORDERS TO BE CARRIED FORWARD TO FY22

General Fund	\$ 1,371,519.47
Special Projects	\$ 1,120,543.00
Street Fund	\$ 2,003,655.54
TOTAL GOVERNMENTAL FUNDS	\$ 4,495,718.01

Electric Fund	\$ 602,321.31
Sewer Fund	\$ 3,533,987.78
Water Fund	\$ 2,466,247.44
Solid Waste Fund	\$ 253,029.32
TOTAL OF ALL FUNDS	\$ 11,351,303.86



Work Session Agenda Statement

Item # 5

Meeting Date: 10/13/2021

Agenda Item: Ordinance Amendment to Increase Number of Chickens in Town Limits

Summary: Councilman Lloyd requested at the September 13th work session to discuss increasing the number of chickens a resident could own in Town limits. Staff has provided the Urban Agriculture section of the Zoning Ordinance for Council's convenience. The discussion of raising the maximum number of chickens needs to be broadened to an overall discussion of the appropriateness of farm animals/ livestock in town. Staff has been unable to keep up with chicken inspections and the animal management plans can be difficult to interpret and for owners to provide since the plans are subjective. The code requires outside review of management plans. Is this a cumbersome process just for a couple chickens/rabbits? Do we need to even permit chickens and rabbits in town? What about goats and sheep? Just this past week staff has had two instances of people keeping livestock in town and they are stating they are pets/emotional support animals.

If Council agrees to revise the Town Code, it will be placed on the October 25th regular agenda to refer to the Planning Commission the proposed amendment to the Zoning Ordinance. It is required that all Zoning Ordinance amendments go before the Planning Commission first with a recommendation to Council.

Budget/Funding: N/A

Staff Recommendation: Staff recommends additional discussion regarding this subject.

175-110.5 PERFORMANCE STANDARDS FOR URBAN AGRICULTURE

Urban Agriculture, as defined under Section 175-3 of this Chapter, shall comply with the following performance standards.

A zoning permit shall be required for the keeping of animals kept in association with urban agriculture when located on a lot less than 1 acre. Such a zoning permit application shall include a management plan that adequately addresses waste disposal, site suitability, setbacks, animal density, biosecurity and health measures, odor control, noise control, appearance, and maintenance.

- The management plan shall be reviewed by the Virginia Cooperative Extension Office, or other qualified expert, nonprofit organization, or government entity.
- Conditions of approval or recommendations may be required as part of the zoning permit based on the management plan or other recommendations of the Virginia Cooperative Extension Office, or other qualified expert, nonprofit organization or government entity.
- The zoning permit shall only be valid for one (1) year; except that, the Zoning Administrator may successively renew the permit in additional one (1) year increments upon expiration; provide that, the use remains in compliance with the management plan and otherwise remains lawful.
 - Single family, duplex or two-family dwellings shall be permitted to keep up to six (6) female chickens (non-crowing hens only), six (6) bee hives, and/or six (6) rabbits.
 - Other types of residential uses, such as townhouses, condominiums, multi-family (apartments), are prohibited from keeping livestock, fowl, or bees, except when authorized with a Special Use Permit or Proffer.
 - Commercial and industrial uses, excluding schools, are prohibited from keeping livestock, fowl, or bees, except when authorized with a Special Use Permit or Proffer.
 - Roosters, livestock (excluding rabbits), and fowl (excluding hens) are prohibited on lots less than one (1) acre in land area.
 - Pigs are restricted, regardless of lot size, unless a Special Use Permit or Proffer is submitted and approved.
 - Chickens, bees, and rabbits are restricted from the front yard and corner side yard on corner lots.
 - Chickens and rabbits shall be kept within an enclosed area that includes a chicken coop or rabbit hutch.
 - Such facilities shall be kept clean and maintained in good condition.
 - Chicken coops shall be setback at least ten (10) feet from side and rear property lines.
 - Additional setbacks may be required by the Zoning Administrator if recommended as part of the submitted management plan or review agency recommendation
 - Any permit issued for Urban Agriculture may be revoked by the Zoning Administrator if such use significantly deviates from the approved zoning permit and/or management plan; or if such use creates a violation of the Town Code, including, but not limited to, an unpermitted expansion, noise violation, unpermitted development activity, or nuisance.
 - The sale of goods or services related to Urban Agriculture is not authorized, except where such sale or services is allowed as a principal use of the property.

- This restriction shall not include the incidental selling or trading with neighbors, family or friends; nor shall it exclude selling produce off-site at farm markets or other venues.
- The above requirements are considered in addition to all other requirements of the Town Code that may apply.
- Urban agriculture is not permitted as a principal use of a property; except that, this restriction shall not apply to outdoor gardens.
- Bee hives must be setback at least ten (10) feet from side and rear property lines, and shall be enclosed on all sides by a fence at least 4 feet in height.
 - A sign between two (2) and four (4) square feet shall be clearly located on the fence to communicate that bees are being kept within the enclosure.
 - Harvesting of honey shall take place within an enclosed building.



Work Session Agenda Statement

Item # 6

Meeting Date: October 12, 2021

Agenda Item: Continued Discussion of Short-Term Rentals

Summary: Council has discussed short term rentals in Town limits at previous work sessions and most recently the Liaison Committee Meeting. Tonight, is continued discussion and whether Council wants to pursue this endeavor. Currently Town Code does not identify short-term rentals in the Town Code. If Council agrees to move forward, it will be placed on the October 25th regular meeting for action to refer to the Planning Commission a proposed zoning ordinance amendment to add short-term rentals to the Town Code. It is required that the Planning Commission give their recommendation to Council for all proposed zoning ordinance amendments.

Budget/Funding: N/A

STAFF RECOMMENDATION: Staff recommends moving the proposal of short-term rentals in the Town of Front Royal to the Planning Commission at the next regular meeting of Council for their recommendation. Once the proposed ordinance is complete, staff will bring back to Town Council for further review.



Work Session Agenda Statement

Item # 8

Meeting Date: October 12, 2021

CLOSED MEETING

Motions to Go Into Closed Meeting

I move that Town Council go into Closed Meeting pursuant to Section 2.2-3711.A. of the Code of Virginia for the following reasons:

(1) Consultation with legal counsel employed or retained by a Town Council regarding specific legal matters requiring the provision of legal advice by such counsel, specifically, to discuss contractual and programic matters related to a contracts:

- (a) with an existing operating entity located inside the corporate limits of the Town, which the Town is considering becoming a party with and the Town wishes to consider its legal options, pursuant to Subsection A. 8.
- (b) with another existing agreement the Town is already a party to which has become problematic and the Town wishes to consider its legal options, pursuant to Subsection A. 8.

(2) Discussion or consideration of the investment of public funds, in an on-going Town project, where competition or bargaining is involved, where, if made public initially, the financial interest of the Town would be adversely affected, pursuant to Subsection A. 6.

(3) The discussion, consideration, or interviews of prospective candidates for appointment to boards for which Town Council has the power of appointment, as well as the assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of the Town, pursuant to Subsection A.1. of that Code.

Motion to Certify Closed Meeting at its Conclusion *[At the conclusion of the Closed Meeting, immediately re-convene in open meeting and take a roll call vote on the following:]*

I move that Council certify that to the best of each member's knowledge, as recognized by each Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.